



HAPPIEST MINDS TECHNOLOGIES LIMITED

Our Company was incorporated as 'Happiestminds Technologies Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 30, 2011 issued by the Registrar of Companies, Karnataka at Bangalore ("RoC") and commenced its business on March 30, 2011. The name of our Company was subsequently changed to 'Happiest Minds Technologies Private Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, Karnataka at Bangalore on July 21, 2011. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders of our Company held on May 13, 2020 and the name of our Company was changed to its present name 'Happiest Minds Technologies Limited', and a fresh certificate of incorporation was issued by the RoC on May 20, 2020. For more information regarding changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 168.

Corporate Identity Number: U72900KA2011PLC057931

Registered Office and Corporate Office: #53/1-4, Hosur Main Road, Madivala (Next to Madivala Police Station) Bengaluru – 560 068, Karnataka, India

Contact Person: Praveen Kumar Darshankar, Company Secretary and Compliance Officer; **Telephone:** +91 80 6196 0300 / +91 6196 0400; **E-mail:** investors@happiestminds.com;

Website: www.happiestminds.com

OUR PROMOTER: ASHOK SOOTA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF HAPPIEST MINDS TECHNOLOGIES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE, INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION, COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,00,00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 8,414,223 EQUITY SHARES BY ASHOK SOOTA (THE "PROMOTER SELLING SHAREHOLDER"), AND UP TO 27,249,362 EQUITY SHARES BY CMDDB II (THE "INVESTOR SELLING SHAREHOLDER", TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS"), AGGREGATING UP TO 35,663,585 EQUITY SHARES ("OFFERED SHARES") AND AGGREGATING UP TO ₹[●] MILLION (THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND THE PRICE BAND AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND THE [●] EDITION OF [●] (A WIDELY CIRCULATED KANNADA NEWSPAPER, KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS SITUATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE IN ACCORDANCE WITH SEBI ICDR REGULATIONS, AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

THE FACE VALUE OF THE EQUITY SHARES IS ₹2 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the BRLMs, and at the terminals of the Members of the Syndicate and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"), provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) are required to mandatorily participate in the Offer only through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts (including UPI ID in case of RIs, if applicable) which will be blocked by the SCSBs, or the bank accounts linked with the UPI ID, as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 348.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public Offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹2. The Floor Price, Cap Price and Offer Price as determined and justified by our Company and Selling Shareholders, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, as stated under "Basis for Offer Price" on page 106 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 27.

OUR COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, the Selling Shareholders, severally and not jointly, accept responsibility for and confirm only those statements specifically made by such Selling Shareholders in this Draft Red Herring Prospectus, to the extent of information specifically pertaining to them and their respective portion of the Offered Shares, and assume full responsibility that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for filing with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 433.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

		
ICICI Securities Limited ICICI Centre H. T. Parekh Marg Churchgate Mumbai - 400 020 Maharashtra, India Tel: +91 22 2288 2460 E-mail: happiestminds ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance e-mail: customercare@icicisecurities.com Contact Person: Sameer Purohit / Shekher Asnani SEBI Registration No.: INM000011179	Nomura Financial Advisory and Securities (India) Private Limited Ceejay House, Level 11 Plot F, Shivasagar Estate, Dr. Annie Besant Road Worli, Mumbai - 400 018 Maharashtra, India Tel: +91 22 4037 4037 E-mail: happiestminds ipo@nomura.com Website: www.nomuraholdings.com/company/group/asia/india/index.html Investor grievance e-mail: investorgrievances-in@nomura.com Contact Person: Vishal Kanjani / Harsh Kumar SEBI Registration No.: INM000011419	KFin Technologies Private Limited Karvy Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda Hyderabad - 500 032, India Telephone: +91 40 6716 2222 Fax: +91 40 2343 1551 E-mail: happiestminds ipo@kfintech.com Website: www.kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Contact Person: M Murali Krishna SEBI Registration No.: INR000000221

BID/OFFER OPENS ON*

[●]

BID/OFFER CLOSES ON**

[●]

*Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date, i.e., [●].

**Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings ascribed to such terms herein, and references to any legislation, act, rule, regulation, circular, guideline, policy, notification or clarification will include any amendments or re-enactments thereto, from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Basis for Offer Price”, “History and Certain Corporate Matters”, “Other Regulatory and Statutory Disclosures”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Risk Factors”, “Key Regulations and Policies”, “Financial Information” and “Outstanding Litigation and Other Material Developments”, will have the meaning ascribed to such terms in those respective sections.

GENERAL TERMS

Term	Description
our Company / the Company / the Issuer	Happiest Mind Technologies Limited, a company incorporated under the Companies Act, 1956, and having its registered office at #53/1-4, Hosur Main Road, Madivala (Next to Madivala Police Station) Bengaluru – 560 068, Karnataka, India
we / us / our	Unless the context otherwise indicates or implies, refers to our Company

COMPANY RELATED TERMS

Term	Description
AAEC	Appreciable Adverse Effect on Competition
Administrative and Stakeholder’s Relationship Committee	The administrative and stakeholders relationship committee of our Company, constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in “Our Management” on page 174
Ashok Employment Agreement	Employment agreement dated September 1, 2011 entered into between our Company and Ashok Soota
AoA/Articles of Association/ Articles	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in “Our Management” on page 174
Auditors/Statutory Auditors	The current statutory auditors of our Company, being S.R. Batliboi and Associates LLP, Chartered Accountants
Avendus	Avendus Finance Private Limited
Board/Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
BoT	Build Own Transfer
BPaaS	Business Process as a Service
Canaan	Canaan VIII Mauritius
Canaan DOA	The deed of adherence dated March 17, 2015 executed by and amongst Canaan, CMDB II, our Company, Intel Corporation, Ashok Soota, Vikram Gulati, and other subscribers represented by K. Venkatesan
CMDB II or Investor Selling Shareholder	CMDB II, a company incorporated under the laws of Mauritius and having its registered office at Trident Trust Company (Mauritius) Limited, 5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, constituted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of which are provided in “Our Management” on page 174
Director(s)	The director(s) on our Board
Equity Shares	The equity shares of our Company of face value of ₹2 each
Erstwhile Subsidiary	Happiest Minds Technologies LLC, USA

Term	Description
ESOP Scheme 2011	Happiest Minds Technologies Employee Share Options and Purchase Plan 2011
ESOP Scheme 2014	Happiest Minds Technologies Employee Share Options and Purchase Plan 2014
ESOP Scheme 2015	Happiest Minds Technologies Employee Share Options and Purchase Plan 2015
ESOP Scheme 2020	Happiest Minds Employee Stock Option Scheme 2020
ESOP Scheme USA	Happiest Minds Technologies Private Limited 2011 Equity Incentive Plan for US Personnel
Frost & Sullivan	Frost & Sullivan (India) Private Limited
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013, the details of whom are provided in “ <i>Our Management</i> ” on page 174
Intel	Intel Capital (Mauritius) Limited
Intel Corporation	Intel Capital Corporation
Intel DOA	The deed of adherence dated December 24, 2014 executed by and amongst Intel Corporation, Intel, Canaan, Ashok Soota, Vikram Gulati, other subscribers represented by K. Venkatesan and our Company
Key Management Personnel/ Key Managerial Personnel/ KMP	Key management personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as described in “ <i>Our Management</i> ” on page 174
Materiality Policy	The policy adopted by our Board on May 13, 2020 for (i) determining group companies; (ii) material outstanding litigations; and (iii) material creditors, in terms of the SEBI ICDR Regulations and for the purposes of the disclosure in this Draft Red Herring Prospectus
Mn	Million
MoA/Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration and Board Governance Committee/NRC	The nomination, remuneration and board governance committee of our Company, constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” on page 174
Preference Shares	14% non – cumulative compulsorily convertible preference shares of our Company of face value of ₹652 each
Preference Shareholders	Shareholders of our Company holding Preference Shares, from time to time
Promoter Group	Persons and entities constituting the promoter group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see “ <i>Our Promoter and Promoter Group</i> ” on page 192
Promoter or Promoter Selling Shareholder	Our promoter, namely Ashok Soota For further details, see “ <i>Our Promoter and Promoter Group</i> ” on page 192
Registered and Corporate Office	Registered office of our Company located at #53/1-4, Hosur Main Road, Madivala (Next to Madivala Police Station) Bengaluru – 560 068, Karnataka, India
Registrar of Companies/RoC	The Registrar of Companies, Karnataka at Bangalore, located at “E” Wing, 2 nd Floor, Kendriya Sadana, Kormangala, Bengaluru – 560 034, Karnataka, India
Restated Consolidated Financial Statements	Our restated consolidated summary statement of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 (proforma) and the restated consolidated summary statement of profit and loss (including other comprehensive income), cash flow statement and changes in equity for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma) of our Company and its subsidiary (collectively “ the Group ”) together with the summary statement of significant accounting policies, and other explanatory information thereon, derived from audited financial statements as at and for the year ended March 31, 2020 prepared in accordance with the Ind AS and audited consolidated financial statements as at and for the year ended March 31, 2019 and March 31, 2018 prepared in accordance with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI
Selling Shareholders	Investor Selling Shareholder and Promoter Selling Shareholder
Shareholders	Shareholders of our Company holding Equity Shares, from time to time
SHA I	Shareholders agreement dated October 20, 2011 executed by and amongst our Company, Canaan, Intel, Ashok Soota, Vikram Gulati, and other subscribers represented by K. Venkatesan
SMILES	Sharing, Mindful, Integrity, Learning, Excellence, Social Responsibility
SOC	Security Operations Centre
SSA I	Share subscription agreement dated October 20, 2011 executed by and amongst our Company, Canaan, Intel, Ashok Soota, Vikram Gulati, and other subscribers represented by K. Venkatesan

Term	Description
Supplementary Agreement	Supplementary share subscription cum shareholders agreement dated July 30, 2014 executed by and amongst our Company, Canaan, Intel, Ashok Soota, Vikram Gulati, and other subscribers represented by K. Venkatesan
TCO	Total Cost of Ownership
TME	Travel, Media and Entertainment
Venkatraman Employment Agreement	Employment agreement dated January 8, 2015 entered into between our Company and Venkatraman Narayanan

OFFER RELATED TERMS

Term	Description
Acknowledgment Slip	The slip or document issued by the Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allotted/Allotment/Allot	Unless the context otherwise requires, the allotment of Equity Shares to successful Bidders pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders to the successful Bidders, pursuant to the Offer
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or would be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100.0 million. For further details, see “Offer Procedure” on page 348
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs during the Anchor Investor Bidding Date
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bidding Date	The date one Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids in the Anchor Investor Portion, and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors, on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion is required to be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by RIIs using the UPI Mechanism, where the Bid Amount shall be blocked upon acceptance of UPI Mandate Request by RIIs using UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder as specified in the ASBA Form which will be blocked by such SCSB or the account of the RII Bidder blocked upon acceptance of UPI Mandate Request made by RIIs using the UPI Mechanism to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder
ASBA Bidder	Prospective investors (other than Anchor Investors) in the Offer who intend to submit the Bid through the ASBA process
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bankers to the Offer	Collectively, Escrow Bank, Refund Bank, Sponsor Bank and Public Offer Account Bank, as the case may be
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders in the Offer, as described in “Offer Procedure” on page 348
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor,

Term	Description
	pursuant to submission of an Anchor Investor Application Form, to subscribe to or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly
Bid Amount	The highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable. In case of Retail Individual Investors Bidding at the Cut-Off Price, the Bid Amount is the Cap Price, multiplied by the number of Equity Shares Bid for by such Retail Individual Investor, and mentioned in the Bid cum Application Form
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid, including an ASBA Form or the Anchor Investor Application Form, as the case may be, and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids for the Offer, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Kannada newspaper, Kannada being the regional language of Karnataka, where our Registered Office is located) and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the Members of the Syndicate, as required under the SEBI ICDR Regulations, which shall also be notified in an advertisement in the same newspaper in which the Bid/ Offer Opening Date was published, and also intimated to SCSBs, the Sponsor Bank and other Designated Intermediaries. Our Company and the Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, subject to the conditions imposed by the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Kannada newspaper, Kannada being the regional language of Karnataka where our Registered Office is located)
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided however that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company and the Selling Shareholders, in consultation with the BRLMs may decide to close the Bidding Period by QIBs one day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, in accordance with SEBI ICDR Regulations
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process as described in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	ICICI Securities Limited and Nomura Financial Advisory and Securities (India) Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders (other than Anchor Investors) can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	Higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price

Term	Description
	will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Bankers to Offer, for <i>inter alia</i> the appointment of the Sponsor Bank, for the collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account, and where applicable remitting refunds, if any, on the terms and conditions thereof, in accordance with UPI Circulars
Circular on Streamlining of Public Offers/UPI Circular	Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with the circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and the circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI in this regard
Client ID	Client identification number maintained with one of the depositories in relation to the demat account
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12(1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE, as updated from time to time
Cut-off Price	Offer Price as finalised by our Company and the Selling Shareholders, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, names of the Bidders' father/husband, investor status, occupation and bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the Collecting Depository Participants where Bidders (except Anchor Investors) can submit the ASBA Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated Date	The date on which funds are transferred from the Escrow Account by the Escrow Bank and instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs, from the ASBA Accounts, to the Public Offer Account or the Refund Account, as applicable, in terms of the Red Herring Prospectus and the Prospectus following which the Equity Shares will be allotted in the Offer, and the aforesaid transfer and instructions shall be issued only after finalisation of Basis of Allotment in consultation with the Designated Stock Exchange
Designated Intermediaries	In relation to ASBA Forms submitted by RIIs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Bidders (except Anchor Investors) can submit the ASBA Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus dated June 10, 2020, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares
Escrow Account	Account opened with Escrow Bank and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when

Term	Description
	submitting a Bid
Escrow Bank	A bank, which is a clearing member and registered with SEBI as a banker to an Offer under the SEBI (Bankers to an Issue) Regulations, 1994, and with whom the Escrow Account will be opened, in this case being [●]
First Bidder / Sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revisions thereof, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted, and which shall not be less than the face value of the Equity Shares
Fresh Issue	The issue of up to [●] Equity Shares aggregating up to ₹1,100.0 million by our Company for subscription pursuant to the terms of the Red Herring Prospectus
Frost & Sullivan Report	Report titled “Assessing the Market Potential of Information Technology Services Market” dated June, 2020, that our Company has commissioned from Frost & Sullivan
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 issued by SEBI, and the circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges, and the BRLMs.
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
ICICI Securities	ICICI Securities Limited
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
Minimum Promoter’s Contribution	Aggregate of 20% of the fully diluted post-Offer equity share capital of our Company that are eligible to form part of the minimum promoter’s contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoter that shall be locked-in for a period of three years from the date of Allotment
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement to be entered into between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Net Proceeds	Gross Proceeds less Offer expenses to the extent applicable to the Fresh Issue. For further details, see “The Offer” on page 59
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
Non-Institutional Investors/NIIIs	All Bidders that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer, being not more than 15% of the Offer or [●] Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹2 each for cash at a price of ₹[●] each aggregating up to ₹[●] million, consisting of: (i) Fresh Issue of up to [●] Equity Shares aggregating up to ₹1,100.0 million; (ii) Offer for Sale of up to 35,663,585 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders. The Offer, aggregating up to ₹[●] million, comprise an Offer to the public of up to [●] Equity Shares
Offer Agreement	The agreement dated June 10, 2020, entered into among our Company, the Selling

Term	Description
	Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 35,663,585 Equity Shares by the Selling Shareholders at the Offer Price aggregating up to ₹[●] million in the Offer
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company and the Selling Shareholders, in consultation with the BRLMs, in terms of the Red Herring Prospectus on the Pricing Date
Offer Proceeds	The proceeds that will be available to our Company. For details of the proceeds of the Offer, see “ <i>Objects of the Offer</i> ” on page 98
Offered Shares	Up to 35,663,585 Equity Shares aggregating up to ₹[●] million offered by the Selling Shareholders in the Offer for Sale
Price Band	Price band of the Floor Price of ₹[●] and a Cap Price of ₹[●], including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and shall be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and the [●] edition of [●] (a widely circulated Kannada newspaper, Kannada being the regional language of Karnataka where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company and the Selling Shareholders, in consultation with the BRLMs, shall finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC in relation to the Offer, on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, <i>inter alia</i> , the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The bank account to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date
Public Offer Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Public Offer Account will be opened for collection of Bid Amounts from Escrow Account and ASBA Account on the Designated Date, in this case being [●]
QIB Portion	The portion of the Offer, being not less than 75% of the Offer or [●] Equity Shares to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have the complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to the Bidders, if required
Refund Bank	The bank with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended, with the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated May 27, 2020, entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents/RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE and the UPI Circular
Registrar to the Offer	KFIN Technologies Private Limited
Retail Investors/RIIs	Individual Bidders whose Bid Amount for Equity Shares in the Offer is not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and

Term	Description
	Eligible NRIs)
Retail Portion	The portion of the Offer, being not more than 10% of the Offer or [●] Equity Shares, available for allocation to Retail Individual Investors subject to valid Bids being received at or above the Offer Price, which shall not be less than the minimum Bid lot, subject to availability in the Retail Portion
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Banks/SCSBs Syndicate	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable and as updated from time to time or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on the SEBI website
Share Escrow Agent	Share escrow agent appointed pursuant to the Share Escrow Agreement, namely [●]
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of the Offered Shares and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, and in case of RIIs, only ASBA Forms with UPI
Sponsor Bank	[●], being a Banker to the Offer registered with SEBI to be appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and/or payment instructions of the RIIs using the UPI and carry out any other responsibilities, in terms of the Circular on Streamlining of Public Offers
State Government	The government of a state in India
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	The agreement to be entered into among the Members of the Syndicate, our Company and the Selling Shareholders in relation to the collection of Bid cum Application Forms by the Syndicate Members (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to the Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with the SEBI who are permitted to accept bids, applications and place orders with respect to the Offer, and carry out activities as an underwriter, as may be appointed by our Company, in consultation with the BRLMs
Syndicate/Members of the Syndicate	Collectively, the BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company/NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations, as a non-banking financial company registered with the RBI and recognised as a systemically important non-banking financial company by the RBI.
Underwriters	The underwriters to be appointed in terms of the Underwriting Agreement
Underwriting Agreement	The agreement to be entered into among our Company, the Selling Shareholders and the Underwriters on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI linked mobile application (such mobile applications as disclosed by SCSBs on the website of SEBI) and by way of a SMS directing the RII to such UPI linked mobile application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an RII to make a Bid in the Offer in accordance

Term	Description
	with the Circular on Streamlining of Public Issues
UPI PIN	ID created on the UPI for single window clearance mobile payment system developed by the NPCI
Working Day(s)	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Day” shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, other circulars issued by SEBI (including UPI Circulars), and the Circular on Streamlining of Public Issues

CONVENTIONAL AND GENERAL TERMS AND ABBREVIATIONS

Term	Description
AIF(s)	Alternative Investment Funds, as defined in, and registered under the SEBI AIF Regulations
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFO	Chief Financial Officer
CIOs	Chief Information Officer
CDOs	Chief Data Officer
CMOs	Chief Marketing Officer
Companies Act / Companies Act, 2013	Companies Act, 2013, read with the rules, regulations, notifications, clarifications and modifications thereunder
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Competition Act	Competition Act, 2002
CSR	Corporate Social Responsibility
CTOs	Chief Technology Officer
Demat	Dematerialised
Depositories Act	The Depositories Act, 1996
Depository / Depositories	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depository Participant	Depository participant as defined under the Depositories Act
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DPA	Digital Process Automation
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India earlier known as Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant’s Identity number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation and Exceptional Items - Impairment of goodwill
EGM	Extraordinary General Meeting
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share in accordance with Indian Accounting Standard 33 (Ind AS 33) - Earnings per share
ESI Act	Employees’ State Insurance Act, 1948
ESOP	Employee stock option plan

Term	Description
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FCPA	Foreign Corrupt Practices Act of 1977
FDI	Foreign direct investment
FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the DIPP (now DPIIT), and any modifications thereto or substitutions thereof, issued from time to time
FEMA	The Foreign Exchange Management Act, 1999 read with rules, regulations, notifications, circulars and directions thereunder
FEM Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 2020
Financial Year/Fiscal/Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FlytOS	Flight Operating System
FPIs	Foreign Portfolio Investors, as defined and registered with SEBI under SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered with SEBI under the SEBI FVCI Regulations
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI/Central Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Ind AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Accounting standards notified under section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2006 (as amended) and the Companies (Accounts) Rules, 2014, as amended
IPO	Initial public offering
INR/Rupee/₹/Rs.	Indian Rupee, the official currency of the Republic of India
LIBOR	London Inter-bank Offered Rate
LLP	Limited Liability Partnership
MCA	Ministry of Corporate Affairs, GoI
MCLR	Margin Cost of Funds based Lending Rate
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A.	Not applicable
NACH	National Automated Clearing House
NCDs	Non-convertible debentures
NEFT	National Electronic Funds Transfer
NOIDA	New Okhla Industrial Development Authority
Novel Coronavirus	Severe acute respiratory syndrome coronavirus 2, a strain of coronavirus that causes coronavirus disease 2019, a respiratory illness.
NPCI	National Payments Corporation of India
NR/Non-resident	A person resident outside India, as defined under FEMA and includes NRIs, FVCIs and FPIs
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016, or an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSI	National Systems Integrator
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer

Term	Description
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
SBO Rules	Companies (Significant Beneficial Owners) Rules, 2018
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SE Act	Shops and establishment legislations as enacted by various state governments
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SGST Act, 2017	State Goods and Services Tax Act, 2017, as enacted by various state governments
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	Trademarks Act, 1999
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account, and developed by NPCI
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
US\$/USD/US Dollar/\$	United States Dollar, the official currency of the United States of America
USA/U.S./US/United States	United States of America
VAPT	Vulnerability Assessment Penetration Testing
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(III) of the SEBI ICDR Regulations

INDUSTRY RELATED TERMS

Term	Description
AI	Artificial Intelligence
APAC	Asia Pacific
API	Application Programming Interface
AWS	Amazon Web Services
BFSI	Banking, Financial Service and Insurance
BPM	Business Process Management
BU	Business Unit
COE	Centre of Excellence
DBS	Digital Business Service
DBS-PGS	Digital Business Solutions – PIMCORE Group
DC	Digital Cloud
DCM	Digital Content Monetisation
EDR	End point Detection and Response
EduTech	Educational Technology
EDW	Enterprise Data Warehouse
ER&D	Engineering Research and Design
FY	Fiscal year
GTM	Go-To-Market

Term	Description
HiTech	High Technology
iBPMS	intelligent Business Process Management
IMF	International Monetary Fund
IMSS	Infrastructure Management & Security Services
IoT	Internet of Things
ISVs	Independent Software Vendors
IT	Information Technology
IT-BPM	Information Technology – Business Process Management
ITeS	Information Technology enabled Services
ITOM	Information Technology and Operations Management
ITSM	Information Technology Service Management
KPIs	Key Performance Indicators
LATAM	Latin America
MDR	Managed Detection and Response
ML	Machine Learning
MTTD	Mean Time To Detect
MTTR	Mean Time to Resolution / Response
MVP	Minimum Viable Product
NFV	Network Function Virtualisation
NLP	Natural Language Process
NOC	Network Operations Centre
OCR	Optical Character Recognition
OEMs	Original Equipment Manufacturers
OSP	Other Service Provider
PES	Product Engineering Services
R&D	Research and Development
RFID	Radio-frequency Identification
RFP	Request for Proposal
RPA	Robotic Process Automation
RMA	Return Merchandise Authorisation
ROS	Robotics Operating System
SaaS	Software as a Service
SCADA	Supervisory Control And Data Acquisition
SDN	Software-Defined Networking
SD-WAN	Software-defined Wide Area Network
UI	User Interface
UK	United Kingdom
VPN	Virtual Private Network
WFH	Work from home

The words and expressions used but not defined in this Draft Red Herring Prospectus will to the extent applicable have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India. All references to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

All references to the “US”, “USA” or “United States” are to the United States of America and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Statements. The restated consolidated summary statements of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 (proforma) and the restated consolidated summary statement of profit and loss (including other comprehensive income), cash flow statement and changes in equity for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma) of the Company and its subsidiary (collectively “**the Group**”) together with the summary statement of significant accounting policies, and other explanatory information thereon, derived from audited financial statements as at and for the year ended March 31, 2020 prepared in accordance with the Ind AS, and the audited financial statements as at and for the year ended March 31, 2019 and March 31, 2018 prepared in accordance with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI.

There are significant differences between Indian GAAP, Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited.

Our Company had a wholly owned subsidiary, Happiest Minds Technologies LLC, as on March 31, 2020 (“**Erstwhile Subsidiary**”). Accordingly, our Company has disclosed restated consolidated financial statements of the Group for Fiscal 2020, Fiscal 2019, and Fiscal 2018 in this Draft Red Herring Prospectus. However, the Erstwhile Subsidiary was wound-up pursuant to a certification of termination with effect from June 1, 2020. For details please see “*History and Certain Corporate Matters – Our Subsidiary*” on page 171.

Our Auditors, S.R. Batliboi & Associates LLP, have provided no assurance on the prospective financial information or projections as disclosed in “*Objects of the Offer*” on page 98 and have performed no service with respect to it.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31, of that calendar year.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 27, 138 and 293, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of

amounts derived from the Restated Consolidated Financial Statements.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to one decimal point, except data with respect to the per issue price or transfer price of the shares of the Company. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Any such discrepancies in this Draft Red Herring Prospectus in any table between the total and the sums of the amounts listed are due to rounding off. Further, any figures sourced from third-party industry sources may be rounded off to other than one decimal point to conform to their respective sources.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Information has been included in this Draft Red Herring Prospectus based on the report titled “Assessing the Market Potential of Information Technology Services Market” dated June, 2020, that we have commissioned from Frost & Sullivan (“**Frost & Sullivan Report**”) and other publicly available documents and information, including, but not restricted to materials issued or published by the Government of India and certain of its ministries, trade, and industry specific publications, and other relevant third-party sources.

For details of risks in relation to the Frost & Sullivan Report, see “*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate*” on page 49. The Frost & Sullivan Report is subject to the following disclaimer:

“This independent market research study “Assessing the market potential of information technology services market” has been prepared for Happiest Minds Technologies Limited in relation to an initial public offering (“IPO”) in connection with its listing on the leading stock exchange(s).

This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Frost & Sullivan’s estimates and assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

This Frost & Sullivan report is prepared for the Company’s internal use, submission, and sharing with the relevant partners as well as for inclusion in the Offer Documents, in full or in parts as may be decided the Company.”

Industry publications generally state that the information contained in such publications has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, such data has not been independently verified by us, the Selling Shareholders, the BRLMs or any of our or their respective affiliates or advisors and none of these parties make any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 27. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, the section "*Basis for Offer Price*" on page 106 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we nor the BRLMs have independently verified such information. Accordingly, no investment decision should be made solely on the basis of this information.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency and Units of Presentation

All references to "*Rupees*" or "₹" or "Rs." or "*INR*" are to Indian Rupees, the official currency of the Republic of India. All references to "*US\$*", "*U.S. Dollar*", "*USD*" or "*U.S. Dollars*" are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents '0.1 crore', '10 lakhs' or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions or may be rounded off to other than one decimal point in the respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations or rounded – off as provided in their respective sources.

Exchange Rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates of certain currencies used in this Draft Red Herring Prospectus into Indian Rupees for the periods indicated are provided below:

Currency	As on March 31, 2020 (₹) ⁽¹⁾	As on March 31, 2019 (₹) ⁽²⁾	As on March 31, 2018 (₹) ⁽³⁾
1 USD	75.37	69.17	65.04

(Source for 1 USD: www.fbi.org and www.rbi.org.in)

(1) In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

(2) Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Sunday and Saturday, respectively

(3) Exchange rate as on March 28, 2018, as RBI reference rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and public holidays, respectively

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “seek to”, “will pursue”, or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and projects are ‘forward – looking statement’. All statements in this Draft Red Herring Prospectus that are not statements of historical fact are ‘forward – looking statements’.

These forward-looking statements, whether made by us or a third-party, are based on our current plans, estimates, presumptions and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

This may be due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in the industry and incidence of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Our inability to effectively manage our rapid growth, which could place significant demands on our management personnel, systems and resources;
- Our failure to attract and retain highly skilled IT professionals could result in our Company not having the necessary resources to properly staff projects;
- Our success depends substantially on the continuing services of our Promoter, senior executives and other key personnel;
- We do not have long-term commitments with our customers, and our customers may terminate contracts before completion, negotiate adverse terms of the contract or choose not to renew contracts;
- We operate in a rapidly evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not continue to be successful
- If we fail to integrate or manage acquired companies efficiently, or if the acquired companies are difficult to integrate, divert management resources or do not perform to our expectations, we may not be able to realise the benefits envisioned for such acquisitions;
- Our profitability will suffer if we are not able to maintain our resource utilisation levels and productivity levels; and
- If we are unable to collect our receivables from, or bill our unbilled services to, our customers, our results of operations and cash flows could be materially adversely affected

Certain information in “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 113, 138 and 293, respectively has been obtained from the report titled “*Assessing the Market Potential of Information Technology Services Market*” dated June, 2020 issued by Frost & Sullivan.

For a further discussion of factors that could cause our actual results to differ from our expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 27, 138 and 293, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although we believe that the assumptions on which such forward-looking statements are based are reasonable, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as on the date of this Draft Red Herring

Prospectus and are not a guarantee of future performance. These statements are based on the management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions as well as statements based on them could prove to be inaccurate. Neither our Company, the Selling Shareholders, our Promoter, our Directors, the BRLMs, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with regulatory requirements, our Company will ensure that investors in India are informed of material developments from the date of registration of the Red Herring Prospectus with the RoC until receipt of final listing and trading approvals by the Stock Exchanges for the Offer. The Selling Shareholders shall ensure that they will keep our Company and the BRLMs informed of all developments pertaining to the Offered Shares and themselves, that may be material from the context of the Offer.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “Risk Factors”, “Objects of the Offer”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Offer” “Offer Procedure”, “Outstanding Litigation and Other Material Developments” and “Description of Equity Shares and Terms of Articles of Association” beginning on pages 27, 98, 138, 113, 73, 59, 348, 318 and 363 respectively of this Draft Red Herring Prospectus.

Primary business of our Company

Positioned as “Born Digital. Born Agile”, we focus on delivering a seamless digital experience to our customers. Our offerings include, among others, digital transformation, product engineering, infrastructure management and security services. Our capabilities provide an end-to-end solution in the digital space. We have developed a customer-centric focus that aims to provide them strategically viable, futuristic and transformative digital solutions. We offer solutions across the spectrum of advanced digital technologies such as Robotic Process Automation (RPA), Software-Defined Networking/Network Function Virtualization (SDN/NFV), Big Data and advanced analytics, Internet of Things (IoT), cloud, Business Process Management (BPM) and security.

Industry in which our Company operates

Our Company operates in the information technology services industry.

Name of Promoter

Our Promoter is Ashok Soota. For details, see “Our Promoter and Promoter Group” on page 192.

Offer size

Offer of Equity Shares	Up to [●] Equity Shares, aggregating up to ₹[●] million
of which:	
Fresh Issue ⁽¹⁾	Up to [●] Equity Shares, aggregating up to ₹1,100.0 million
Offer for Sale ⁽²⁾	Up to 35,663,585 Equity Shares, aggregating up to ₹[●] million

Notes:

- The Offer has been authorised by a resolution passed by our Board of Directors in their meeting held on April 29, 2020. Our Shareholders vide a special resolution passed in their extraordinary general meeting held on May 13, 2020, authorised the Offer.*
- The Promoter Selling Shareholder and the Investor Selling Shareholder have consented to participate in the Offer for Sale, by way of their consent letters dated May 21, 2020 and June 4, 2020, respectively. Each of the Selling Shareholders have specifically confirmed that their respective portion of the Offered Shares, have been held by each one of them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are accordingly eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulations.*

For further details, please see “Offer Structure” on page 345.

Objects of the Offer

The Net Proceeds are proposed to be utilised towards the following objects:

Objects	(in ₹ million) Amount
To meet long term working capital requirement	1,010.0
General corporate purpose*	[●]

**To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Aggregate Pre-Offer shareholding of Promoter, Promoter Group and Selling Shareholders as a percentage of the paid-up Equity Share capital

Sr. No.	Name of shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of paid-up equity share capital (%)
(A) Promoter			
1.	Ashok Soota	68,475,924*	48.83
	Total (A)	68,475,924	48.83
(B) Promoter Group			
1.	Deepak Soota	49,063 [#]	0.03
2.	Kunku Soota	42,380 [#]	0.03
3.	Suresh Soota	31,459 [#]	0.02
4.	Usha Samuel	78,566 [#]	0.06
5.	Ashok Soota Medical Research LLP	17,948,784	12.80
	Total (B)	18,150,252	12.94
(C) Investor Selling Shareholder			
1.	CMDB II	27,249,362 [#]	19.43
	Total (C)	27,249,362 [#]	19.43

* Assuming conversion of all Preference Shares held by Ashok Soota. Includes 68,291,897 Equity Shares held as on the date of this Draft Red Herring Prospectus and 184,027 Equity Shares to be issued upon conversion of 1,129 Preference Shares prior to the filing of the Red Herring Prospectus.

[#] Assuming conversion of: (i) 301 Preference Shares held by Deepak Soota into 49,063 Equity Shares; (ii) 260 Preference Shares held by Kunku Soota into 42,380 Equity Shares; (iii) 193 Preference Shares held by Suresh Soota into 31,459 Equity Shares; and (iv) 482 Preference Shares held by Usha Samuel into 78,566 Equity Shares, prior to filing of the Red Herring Prospectus

Summary of Selected Financial Information

(in ₹ million, except per share data)

Particulars	As at and for the Fiscal		
	2020	2019	2018
Equity share capital including instruments entirely in the nature of equity	451.3	282.7	260.4
Restated net worth	2,642.1	(672.7)	(1,090.2)
Total income	7,142.3	6,018.1	4,891.2
Restated Profit/ (Loss) for the year	717.1	142.1	(224.7)
Restated Earnings per equity share			
- Restated Basic	7.04	1.89	(3.13)
- Restated Diluted	5.36	1.16	(3.13)
Restated net asset value per equity share	26.0	(8.9)	(15.2)
Total borrowings: Current borrowings & Non- current borrowings (including current maturities of borrowings)	784.3	759.1	902.3

Qualifications of the Auditors which have not been given effect to in the Restated Consolidated Financial Statements

Nil

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, our Directors and our Promoter have been set out below:

Litigation against our Company

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	-
Material civil cases	1	37.7
Taxation matters	NIL	-

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (in ₹ million)
Actions by regulatory and statutory authorities	NIL	-

Litigation by our Company

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	-
Material civil cases	1	Not quantifiable
Taxation matters	NIL	-

Litigation against our Promoter

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	-
Material civil cases	NIL	-
Taxation matters	NIL	-
Actions by regulatory and statutory authorities	NIL	-
Disciplinary actions in the last five years	NIL	-

Litigation by our Promoter

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	-
Material civil cases	NIL	-
Taxation matters	NIL	-

Litigation against our Directors

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	-
Material civil cases	1	231.9
Taxation matters	NIL	-
Actions by regulatory and statutory authorities	NIL	-

Litigation by our Directors

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	-
Material civil cases	NIL	-
Taxation matters	NIL	-

Material litigation involving our group companies

Our Company does not have any group companies.

Risk Factors

For details of the risks applicable to us, please see “Risk Factors” beginning on page 27.

Summary table of Contingent Liabilities of our Company

As of March 31, 2020, our contingent liabilities, as per Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), are as set out in the table below:

Particulars	As at March 31, 2020
	(₹ million)
Guarantees given by banks on behalf of the Group for contractual obligations of the Group	100.7
Total	100.7

For further information on our contingent liabilities as per Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), see “Financial Statements – Annexure VII – Note 40 – Commitments and Contingent Liabilities” on page 266.

Summary of related party transactions

Summary of the related party transactions as per Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations derived from the Restated Consolidated Financial Statements are as follows:

(₹ in million)

Nature of Transaction	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2018
Contribution made to post employee benefit plan:			
Happiest Minds Technologies Private Limited. Employees Group Gratuity trust	12.0	12.0	10.5
Director's sitting fees:			
Girish Paranjape	0.9	1.2	0.7
Guarantees received during the year:			
Ashok Soota	-	-	150.0
Managerial remuneration*:			
<i>Sashi Kumar</i>			
Salary, wages and bonus	-	-	24.3
Employee stock compensation expense	-	-	0.4
<i>Venkatraman Narayanan</i>			
Salary, wages and bonus	10.7	7.9	7.6
Employee stock compensation expense	1.0	3.4	1.8
<i>Ashok Soota</i>			
Salary, wages and bonus	12.8	8.8	8.5
Conversion of 75,000 Preference Shares into Equity Shares [#]	-	-	-

*As the liability for gratuity and compensated leave absences is provided on an actuarial basis for the Group as a whole, the amount pertaining to the directors are not included above.

[#]Pursuant to resolution dated March 16, 2020, 75,000 Preference Shares held by Ashok Soota were converted into Equity Shares in the ratio of 1:163 Equity Shares for every Preference Share held. Total amount of such transaction was ₹48.9 at a face value of ₹652 per share

For details of the related party transactions for Fiscal 2020, 2019 and 2018 as per Ind AS 24 read with the SEBI ICDR Regulations and as reported in the Restated Consolidated Financial Statements, see “Other Financial Information – Related Party Transactions”, beginning on page 291

Financing arrangements

Our Promoter, members of our Promoter Group, our Directors and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business by a financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by our Promoter and the Selling Shareholders in the last one year

Name of persons	Number of Equity Shares acquired in the last one year*	Weighted average price per Equity Share (in ₹) #
Promoter		
Ashok Soota	20,645,456	56.74
Investor Selling Shareholder		
CMDB II@	-	-

* Includes convertibles on a fully diluted basis

@The Investor Selling Shareholder did not acquire any shares of our Company in the last one year.

As certified by Manian & Rao, Chartered Accountants, in their certificate dated June 9, 2020

Average cost of acquisition of the shares of our Promoter and Selling Shareholders

The average cost of acquisition per Equity Share for the Promoter and the Selling Shareholders as at the date of this Draft Red Herring Prospectus is:

Name of persons	Number of Equity Shares acquired#	Average cost of acquisition per Equity Share (in ₹) *
Promoter		
Ashok Soota	88,972,724	34.68
Investor Selling Shareholder		
CMDB II	27,249,362	24.91

* As certified by Manian & Rao, Chartered Accountants, in their certificate dated June 9, 2020

Includes convertibles on a fully diluted basis

Details of pre-IPO Placement

Size of the pre-IPO placement and Allottees, upon completion of the placement	Our Company is not contemplating a Pre-IPO Placement.

Issuance of Equity Shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the last one year preceding the date of this Draft Red Herring Prospectus.

Split / Consolidation of equity shares of our Company in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the last one year.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, cash flows, results of operations and financial condition. In order to obtain a complete understanding about us, prospective investors should read this section in conjunction with the sections “Our Business”, “Industry Overview”, “Key Regulations and Policies in India”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Outstanding Litigation and Other Material Developments” on pages 138, 113, 161, 293 and 318, respectively, as well as the other financial and statistical information included in this Draft Red Herring Prospectus. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Offer.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see “Forward-Looking Statements” on page 20.

Our Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further details, please see “Financial Statements” on page 197.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report “Assessing the Market Potential of Information Technology Services Market” dated June 2020 (the “**Frost & Sullivan Report**”) prepared and released by Frost & Sullivan and commissioned by us in connection with the Offer. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified third-party statistical, financial and other industry information in this report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Frost & Sullivan Report and included herein with respect to any particular year refers to such information for the relevant fiscal year. For further details, please see “Industry Overview” on page 113.*

INTERNAL RISK FACTORS

Risks related to our Business

- 1. Our revenues from operations are highly dependent on customers located in the United States. Worsening economic conditions or factors that negatively affect the economic conditions of the United States could materially adversely affect our business, financial condition and results of operations.**

In Fiscals 2018, 2019 and 2020, our external customers located in the United States contributed 73.5%, 75.5% and 77.5% of our revenue from operations, respectively.

Existing and potential competitors to our businesses may increase their focus on the United States market, which could reduce our market share. The concentration of our revenues from operations from the United States heightens our exposure to adverse developments related to competition, as well as economic, political, regulatory and other changes. United States political campaigns and any related transitions may also bring a degree of political and social uncertainty which may cause capital flows and domestic investment to become more volatile. Adoption of anti-sourcing laws in many countries, including the United States, may also limit the ability of our customers to engage us. For further details, please see “Risk Factors - Anti-outsourcing legislation, if adopted in the countries where our customers are based, could materially adversely affect our business, financial condition and results of operations and impair our ability to service our customers” on page 42. Any adverse development

that affects the overall economy of the United States or sectors or industries in which our competitors operate, could have a material adverse effect on our business, financial condition and results of operations.

Our reliance on a select group of customers located in the United States may constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement for our services and result in a significant decrease in the revenues we derive from these customers. In addition, we do not have long-term commitments with most of our customers. For further details, please see “*Risk Factors - “We do not have long-term commitments with our customers, and our customers may terminate contracts before completion, negotiate adverse terms of the contract or choose not to renew contracts, which could materially adversely affect our business, financial condition and results of operations”*” on page 30. We cannot assure you that we will be able to maintain historic levels of business from our customers located in the United States, or that we will be able to significantly reduce customer concentration in the future.

2. *We may be unable to effectively manage our rapid growth, which could place significant demands on our management personnel, systems and resources. We may not be able to achieve anticipated growth, which could materially adversely affect our business, financial condition and results of operations.*

We have experienced rapid growth and significantly expanded our business in the last three Fiscals. Our total income grew from ₹4,891.2 million in Fiscal 2018 to ₹7,142.3 million in Fiscal 2020. In addition to organic growth, we have also grown through strategic acquisitions. For further details, please see “*History and Certain Corporate Matters*” on page 168. As of March 31, 2018, we had 2,353 delivery professionals, which grew to 2,439 delivery professionals as of March 31, 2020. We intend to continue our expansion in the foreseeable future to pursue existing and potential opportunities.

Our rapid growth has placed and will continue to place significant demands on our management and our administrative, operational and financial infrastructure. Continued expansion increases the challenges we face in:

- recruiting, training and retaining sufficiently skilled IT professionals and management personnel;
- adhering to and further improving our high-quality and process execution standards and maintaining high levels of customer satisfaction;
- managing a larger number of customers in a greater number of industries and locations;
- maintaining effective oversight of personnel and delivery centres;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems; and
- preserving our innovative culture, values and entrepreneurial environment.

Moreover, as we introduce new services or enter into new markets, we may face new market, technological and operational risks and challenges with which we are unfamiliar, and it may require substantial management efforts and skills to mitigate these risks and challenges. As a result of any of these problems associated with rapid expansion, our management personnel may face significant demands which in turn could materially adversely affect our business, financial condition and results of operations. Furthermore, we may not be able to achieve anticipated growth, which could materially adversely affect our business, financial condition and results of operations.

3. *If we fail to attract and retain highly skilled IT professionals, we may not have the necessary resources to properly staff projects, and failure to successfully compete for such IT professionals could materially adversely affect our business, financial condition and results of operations.*

Our success depends largely on the contributions of our IT professionals and our ability to attract and retain qualified IT professionals.

The total attrition rates among our IT professionals (excluding employees in DBS-PGS in NOIDA) who have worked for us for at least six months were 25.2% and 18.7% for Fiscals 2019 and 2020, respectively. We may encounter higher attrition rates in the future. A significant increase in the attrition rate among skilled IT professionals with specialised skills could decrease our operating efficiency and productivity and could lead to a decline in demand for our services. The competition for highly-skilled IT professionals may require us to increase salaries, and we may be unable to pass on these increased costs to our customers. This would increase our operational costs which may adversely affect our business, results of operations and financial condition.

In addition, our ability to maintain and renew existing engagements and obtain new business will depend, in large part, on our ability to attract, train and retain skilled IT professionals, including experienced management IT professionals, which enables us to keep pace with growing demands for outsourcing, evolving industry standards and changing customer preferences. If we are unable to attract and retain the highly skilled IT professionals we need, we may have to forgo projects for lack of resources or be unable to staff projects optimally. Our failure to attract, train and retain IT professionals with the qualifications necessary to fulfil the needs of our existing and future customers or to assimilate new IT professionals successfully could materially adversely affect our business, financial condition and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

Our IT professional headcount was 2,027 at March 31, 2018, and 2,439 as of March 31, 2020. Our business is people driven and, accordingly, our success depends upon our ability to attract, develop, motivate, retain and effectively utilise highly-skilled IT professionals in our delivery locations across India. We believe that there is significant competition for IT professionals in India where our delivery centres are located and that such competition is likely to continue for the foreseeable future. Increased hiring by technology companies and increasing worldwide competition for skilled IT professionals may lead to a shortage in the availability of suitable personnel in the locations where we operate and hire. Failure to hire, train and retain IT professionals in sufficient numbers could have a material adverse effect on our business, results of operations and financial condition.

Companies engaged in the technology industry are required to provide a greater deal of employee satisfaction and morale through providing professional incentives and enable digital maturity through collaborative support from the workforce. Further, companies engaged in the technology industry have been struggling with rising attrition rates (*Source: Frost & Sullivan Report*). Further, there is a limited pool of individuals who have the skills and training needed to help us grow our Company, including a shortage of employees skilled in emerging technologies like artificial intelligence, machine learning, blockchain, Internet of Things, cybersecurity and data analytics (*Source: Frost & Sullivan Report*). We compete for such talented individuals not only with other companies in our industry but also with companies in other industries, such as software services, engineering services, financial services and technology generally, among others. High attrition rates of IT professionals would increase our hiring, reskilling, upskilling and training costs and could have an adverse effect on our ability to complete existing contracts in a timely manner, meet customer objectives and expand our business.

4. Our success depends substantially on the continuing services of our Promoter, senior executives and other key personnel. If we are unable to attract and retain senior executives, we may not be able to maintain client relationships and grow effectively, which may adversely affect our business, results of operations and financial condition.

Our future success heavily depends upon the continued services of our Promoter, senior executives and other key employees. While we have taken directors' & officers' insurance, we currently do not maintain key man life insurance for our Promoter or Directors and officers. If one or more of our senior executives or key employees are unable or unwilling to continue in their present positions, it could disrupt our business operations, and we may not be able to replace them easily or at all. In addition, there is extensive competition within the Indian technology market (*Source: Frost & Sullivan Report*), and we may be unable to retain our senior executives and key personnel or attract and retain new senior executives and key personnel in the future, in which case our business may be severely disrupted, which could materially adversely affect our business, financial condition and results of operations.

If any of our senior executives or key personnel joins a competitor or forms a competing company, we may lose customers, suppliers, know-how and key IT professionals and staff members to them which may materially adversely affect our business, financial condition and results of operations. Also, if any of our business development managers, who generally keep a close relationship with our customers, joins a competitor or forms a competing company, we may lose customers, and our revenues may be materially adversely affected. Additionally, there could be unauthorised disclosure or use of our technical knowledge, practices or procedures by such personnel. If any dispute arises between our senior executives or key personnel and us, any non-competition, non-solicitation and non-disclosure provisions in our employment agreements we have with our senior executives or key personnel might not provide effective protection to us.

In addition, while our Company has a succession plan for our Promoter and our senior executives and key personnel, we need to successfully implement such plans. If we cannot attract and retain qualified personnel or effectively implement appropriate succession plans it may materially adversely affect our business, financial condition and results of operations.

5. *We generate a significant portion of our revenues from a small number of customers, and any loss or reduction of business from these customers could reduce our revenues and materially adversely affect our business, financial condition, and results of operations.*

We have derived, and believe that in the foreseeable future we will continue to derive, a significant portion of our revenues from a small number of customers which may not be the same every year.

Our ability to maintain close relationships with these and other major customers is essential to the growth and profitability of our business. However, the volume and nature of work performed for a specific customer is likely to vary from year to year, especially since we are generally not our customers' exclusive IT services provider and we do not have long-term commitments with most of our customers to purchase our services. Please see "*Risk Factors - We do not have long-term commitments with our customers, and our customers may terminate contracts before completion, negotiate adverse terms of the contract or choose not to renew contracts, which could materially adversely affect our business, financial condition and results of operations*" on page 30. A major customer in one year may not provide the same level of revenues for us in any subsequent year. The IT services we provide to our customers, and the revenues and net income from those services, may decline or vary as the type and quantity of IT services the customers require changes over time. Furthermore, our reliance on any individual customer for a significant portion of our revenues may give that customer a certain degree of pricing leverage against us when negotiating contracts and terms of service.

In addition, a number of factors other than our performance could cause the loss of or reduction in business or revenues from a customer, and these factors are not predictable. For example, a customer may decide to reduce spending on technology services or sourcing from us due to a challenging economic environment or other factors, both internal and external, relating to its business, may be involved in a litigation or may wind up. Further, factors which are not in our or our customers' control such as the socio-political situation in a particular country or the outbreak of a contagious disease may also impact our business adversely. These factors, among others, may include customers pursuing a corporate restructuring, facing pricing pressure, changing outsourcing strategy, switching to another IT services provider or returning work in-house.

The loss of any of our major customers, or a significant decrease in the volume of work they outsource to us or the price at which we sell our services to them, could materially adversely affect our business, financial condition and results of operations.

6. *We do not have long-term commitments with our customers, and our customers may terminate contracts before completion, negotiate adverse terms of the contract or choose not to renew contracts, which could materially adversely affect our business, financial condition and results of operations.*

Our customers generally do not have any long-term commitments with us. The term of the agreements we enter into with our customers typically range from one to five years or in some cases, until such agreements are terminated or as long as there are subsisting statements of works or purchase orders with the customer. In last three Fiscals, our repeat customers contributed a significant portion of our revenue from contracts with customers. Although a substantial majority of our revenues is generated from repeat business, which we define as revenues from a customer who also contributed to our revenues during the prior Fiscal, our engagements with our customers are typically for projects that are singular in nature. In addition, our customers can terminate many of our master services agreements and work orders with or without cause, and in most cases without any cancellation charge. Therefore, we must seek to obtain new engagements when our current engagements are successfully completed or are terminated as well as maintain relationships with existing customers and secure new customers to expand our business.

Our customers can terminate many of our master services agreements and work orders with or without cause, in some cases. Agreements may be terminated without a cause subject to a prior written notice which typically ranges from 7 to 180 days. In addition, large and complex projects may involve multiple engagements or stages, and a customer may choose not to retain us for additional stages or may cancel or delay additional planned engagements.

Several factors other than our performance could cause the loss of or reduction in revenues from a customer. For further details, please also see "*Risk Factors - We generate a significant portion of our revenues from a small number of customers, and any loss or reduction of business from these customers could reduce our revenues and materially adversely affect our business, financial condition, and results of operations*" on page 30. Even if we successfully deliver on contracted services and maintain close relationships with our customers, a number of

factors outside of our control could cause the loss of or reduction in business or revenue from our existing customers. These factors include, among other things:

- the business or financial condition of that customer or the economy generally;
- a change in strategic priorities by that customer, resulting in a reduced level of spending on technology services;
- replacement by our customers of existing software with packaged software supported by licensors;
- changes in the personnel at our customers who are responsible for procurement of information technology, or IT, services or with whom we primarily interact;
- a demand for price reductions by that customer;
- mergers, acquisitions or significant corporate restructurings involving that customer; and
- a decision by that customer to move work in-house or to one or several of our competitors.

The loss or diminution in business from any of our major customers could have a material adverse effect on our revenue from operations and results of operations. We may not be able to renew our contracts on favourable terms, or to replace any customer that elects to terminate or not renew its contract with us, which could materially adversely affect our revenue and thus our results of operations. Further, terminations or delays in engagements may make it difficult to plan our project resource requirements.

7. We operate in a rapidly evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not continue to be successful. If we are not successful, it could materially adversely affect our business, reputation and cash flows.

The technology services industry is competitive and continuously evolving, subject to rapidly changing demands and constant technological developments. As a result, success and performance metrics are difficult to predict and measure in our industry. Because services and technologies are rapidly evolving and each company within the industry can vary greatly in terms of the services it provides, its business model, and its results of operations, it can be difficult to predict how any company's services, including ours, will be received in the market. While businesses have been incurring significant expenditure in the past to adopt emerging technologies and related technological trends, there can be no assurance that they will continue to do so in the future.

Our revenues, operating results and profitability have varied in the past and are likely to vary in the future. Factors that are likely to cause these variations include:

- the number, timing, scope and contractual terms of IT projects in which we are engaged;
- delays in project commencement or staffing delays due to difficulty in assigning appropriately skilled or experienced IT professionals;
- the accuracy of estimates of resources, time and fees required to complete fixed-price projects and costs incurred in the performance of each project;
- changes in pricing in response to customer demand and competitive pressures;
- changes in the allocation of onsite and offshore staffing;
- the business decisions of our customers regarding the use of our services;
- the ability to further grow revenues from existing customers;
- the available leadership and senior technical resources compared to junior engineering resources staffed on each project;
- seasonal trends, primarily our hiring cycle and the budget and work cycles of our customers;
- delays or difficulties in expanding our operational facilities or infrastructure;
- the ratio of fixed-price contracts to time-and-materials contracts in process;
- employee wage levels and increases in compensation costs, including timing of promotions and annual pay increases;
- unexpected changes in the utilisation rate of our IT professionals;
- unanticipated contract or project terminations;
- the timing of collection of accounts receivable;
- the continuing financial stability of our customers; and
- general economic conditions

Our future profits may vary substantially from those of other companies and those we have achieved in the past. One or any combination of the above factors may cause our customers' demand for our services to decline as a

result of which our business may suffer and our results of operations and financial condition may be adversely affected.

8. *If we fail to integrate or manage acquired companies or businesses efficiently, or if the acquired companies or businesses are difficult to integrate, divert management resources or do not perform to our expectations, we may not be able to realise the benefits envisioned for such acquisitions, and our overall profitability and growth plans could be materially adversely affected.*

In the past, we have expanded our service capabilities and gained new customers through selective acquisitions. In 2017, we completed the acquisition of Cupola Technologies Private Limited and OSS Cube LLC. For details in relation to these acquisitions, see “History and Certain Corporate Matters – Details regarding material acquisition/divestments of business/undertakings, mergers and amalgamation” on page 171. In the future, we may acquire additional businesses that we believe could complement or expand our business. Integrating the operations of acquired businesses successfully or otherwise realising any of the anticipated benefits of acquisitions, including anticipated cost savings and additional revenue opportunities, involves a number of potential challenges. These integration activities are complex and time-consuming, and we may encounter unexpected difficulties or incur unexpected costs, including:

- our inability to achieve the operating synergies anticipated in the acquisitions;
- diversion of management attention from on-going business concerns to integration matters;
- consolidating and rationalising IT platforms and administrative infrastructures;
- complexities associated with managing the geographic separation of the combined businesses and consolidating multiple physical locations;
- integrating personnel from different corporate cultures while maintaining focus on providing consistent, high quality service;
- demonstrating to our customers and to customers of acquired businesses that the acquisition will not result in adverse changes in customer service standards or business focus;
- possible cash flow interruption or loss of revenue as a result of transitional matters;
- unforeseen or undisclosed liabilities and integration costs;
- incurring liabilities from the acquired businesses for infringement of intellectual property rights or other claims for which we may not be successful in seeking indemnification;
- incurring debt, amortisation expenses related to intangible assets, large and immediate write-offs, or issuing common stock that would dilute our existing stockholders’ ownership;
- generating sufficient revenues and net income to offset acquisition costs;
- potential loss of, or harm to, employee or customer relationships;
- properly structuring our acquisition consideration and any related post-acquisition earn-outs and successfully monitoring any earn-out calculations and payments;
- failing to realise the potential cost savings or other financial benefits and/or the strategic benefits of the acquisition;
- retaining key senior management and key sales and marketing and research and development personnel, particularly those of the acquired operations;
- integrating and documenting processes and controls; and
- entry into unfamiliar markets;

Acquired businesses may have liabilities or adverse operating issues that we may have failed to discover through due diligence prior to the acquisition. In particular, to the extent that prior owners of any acquired businesses or properties failed to comply with or otherwise violated applicable laws or regulations, or failed to fulfil their contractual obligations to customers, we, as the successor owner, may be financially responsible for these violations and failures and may suffer financial or reputational harm or otherwise be adversely affected. Further, we have in the past sought damages due to breach of contract and guarantee against the sellers of our Erstwhile Subsidiary. While we have executed a settlement agreement with said sellers and have received the final settlement amount, we cannot assure that we might not face similar breach of contract and guarantee in our future acquisitions. Similarly, our acquisition targets may not have as robust internal controls over financial reporting as would be expected of a public company. Acquisitions also frequently result in the recording of goodwill and other intangible assets which are subject to potential impairment in the future that could harm our financial results. We may also become subject to new regulations as a result of an acquisition, including if we acquire a business serving customers in a regulated industry or acquire a business with customers or operations in a country in which we do not already operate.

As a result, if we fail to properly evaluate acquisitions or investments, we may not achieve the anticipated benefits of any such acquisitions, and we may incur costs in excess of what we anticipate. The failure to successfully integrate the operations or otherwise to realise any of the anticipated benefits of the acquisition could seriously harm our results of operations.

9. Our profitability will suffer if we are not able to maintain our resource utilisation levels and productivity levels.

Our profitability is significantly impacted by our utilisation levels of fixed-cost resources, including human resources as well as other resources such as computers and office space, and our ability to increase our productivity levels. We have expanded our operations significantly in recent years through organic growth and strategic acquisitions, which has resulted in a significant increase in our headcount and fixed overhead costs.

Some of our IT professionals are specially trained to work for specific customers or on specific projects. Our ability to manage our utilisation levels depends significantly on our ability to hire and train high-performing IT professionals and to staff projects appropriately and on the general economy and its effect on our customers and their business decisions regarding the use of our services. If we experience a slowdown or stoppage of work for any customer or on any project for which we have dedicated IT professionals or facilities, we may not be able to efficiently reallocate these IT professionals and facilities to other customers and projects to keep their utilisation and productivity levels high. If we are not able to maintain high resource utilisation levels without corresponding cost reductions or price increases, our profitability will suffer, as occurred in Fiscal 2018. In the event of a slowdown due to external factors, or if the number of our customers reduce, we may be over-staffed and required to carry excess employee-related expenses which could affect our financial condition.

Our profitability and the cost of providing our services are affected by the utilisation rates of our employees in our delivery locations. If we are not able to maintain appropriate utilisation rates for our employees involved in delivery of our services, our profit margin and our profitability may suffer. Our utilisation rates are affected by a number of factors, including:

- our ability to promptly transition our employees from completed projects to new assignments;
- our ability to forecast demand for our services and thereby maintain an appropriate number of employees in each of our delivery locations;
- our ability to deploy employees with appropriate skills and seniority to projects;
- our ability to manage the attrition of our employees and to hire and integrate new employees; and
- our need to devote time and resources to training, professional development and other activities that cannot be billed to our customers.

Further, certain of our master services agreements with our customers specify that our IT professionals who have worked on their project cannot work on a competitor's project for a certain period of time which could typically range from three months to two years post the completion of the project and/or give our customers the right to hire our IT professionals working on their project. These limitations may impact our staffing ability. For further details, please see "*Risk Factors - Our ability to expand our business and procure new contracts or enter into beneficial business arrangements could be affected by non-competition clauses in our agreements with existing customers*" on page 45.

Employee shortages could prevent us from completing our contractual commitments in a timely manner, taking up new contracts and cause us to lose contracts or customers. Further, to the extent that we lack sufficient employees with lower levels of seniority and daily or hourly rates, we may be required to deploy more senior employees with higher rates on projects without the ability to pass such higher rates to our customers, which could adversely affect our profit margin and profitability.

10. If we are unable to collect our receivables from, or bill our unbilled services to, our customers, our results of operations and cash flows could be materially adversely affected.

Our business depends on our ability to successfully obtain payment from our customers of the amounts they owe us for work performed. We usually bill and collect on relatively short cycles. As per our master service agreements, our payment terms are 30 to 90 days from the date when the customer receives the invoice. Our average debtor cycle was 60 days, 80 days and 74 days in Fiscals 2020, 2019 and 2018, respectively.

We maintain allowances against receivables and unbilled services. Actual losses on customer balances could differ from those that we currently anticipate and, as a result, we might need to adjust our allowances. There is no guarantee that we will accurately assess the creditworthiness of our customers. Weak macroeconomic conditions and related turmoil in the global financial system could also result in financial difficulties, including limited access to the credit markets, insolvency, or bankruptcy for our customers, and, as a result, could cause customers to delay payments to us, request modifications to their payment arrangements that could increase our receivables balance, or default on their payment obligations to us. Timely collection of customer balances also depends on our ability to complete our contractual commitments and bill and collect our contracted revenues. If we are unable to meet our contractual requirements, we might experience delays in collection of and/or be unable to collect our customer balances, and if this occurs, our results of operations and cash flows could be materially adversely affected. Moreover, in the event of delays in payment from our governmental and quasi-governmental customers, we may have difficulty collecting on receivables owed. In addition, if we experience an increase in the time to bill and collect for our services, our cash flows could be adversely affected.

11. We face strong competition from onshore and offshore IT services companies, and increased competition, our inability to compete successfully against competitors, pricing pressures or loss of market share could materially adversely affect our business, financial condition and results of operations.

The market for IT services that we operate in is highly competitive, and we expect competition to persist and intensify. We believe that the principal competitive factors in our markets are reputation and track record, industry expertise, breadth and depth of service offerings, quality of the services offered, language, marketing and selling skills, scalability of infrastructure, ability to address customers' timing requirements and price.

We face competition from offshore IT services providers in emerging outsourcing destinations with low wage costs or with a more favourable time zone for US customers as well as competition from large, global consulting and outsourcing firms and in-house IT departments of large corporations. Customers tend to engage multiple IT services providers instead of using an exclusive IT services provider, which could reduce our revenues to the extent that customers obtain services from other competing IT services providers. Customers may prefer IT services providers that have more locations or that are based in countries more cost-competitive or in a more favourable time zone than India.

Our ability to compete successfully also depends in part on a number of factors beyond our control, including the ability of our competitors to recruit and retain highly-skilled IT professionals, the price at which our competitors offer comparable services and our competitors' responsiveness to customer needs. Some of our present and potential competitors may have substantially greater financial, marketing or technical resources. If our competitors develop and implement methodologies that yield greater efficiency and productivity, they may be able to offer similar services at lower prices than we do without adversely affecting their profit margins. Our current and potential competitors may also be able to respond more quickly to new technologies or processes and changes in customer demands; may be able to devote greater resources towards the development, promotion and sale of their services than we can; and may also make strategic acquisitions or establish cooperative relationships among themselves or with third parties that increase their ability to address the needs of our customers. Buying patterns may change if customers become more price sensitive and accepting of low-cost suppliers. Therefore, we cannot assure you that we will be able to retain our customers while competing against such competitors. Increased competition, our inability to compete successfully, pricing pressures or loss of market share could have a material adverse effect on our business, financial condition and results of operations.

12. We incorporate third-party open source software into our customer deliverables and our failure to comply with the terms of the underlying open source software licenses could adversely impact our customers and create potential liability on us.

Our customer deliverables may contain software licensed by third parties under so-called "open source" licenses. From time to time, there have been claims against companies including our Company that distribute or use open source software in their products and services, asserting that such open source software infringes the claimants' intellectual property rights. Our customers could be subject to suits by third parties claiming that what we believe to be licensed open source software infringes such third parties' intellectual property rights, and we are generally required to contractually indemnify our customers against such claims. Certain customers require us to obtain their consent before we use open source software in the services we provide them and there can be no assurance that such consents will be forthcoming.

Use of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. In addition, certain open source licenses require that source code for software programs that are subject to the license be made available to the public and that any modifications or derivative works to such open source software continue to be licensed under the same terms.

Although we monitor our use of open source software in an effort both to comply with the terms of the applicable open source licenses and to avoid subjecting our customer deliverables to conditions we do not intend, the terms of many open source licenses have not been interpreted by courts in relevant jurisdictions, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our customers' ability to use the software that we develop for them and operate their businesses as they intend. The terms of certain open source licenses may require us or our customers to release the source code of the software we develop for our customers and to make such software available under the applicable open source licenses. In the event that portions of customer deliverables are determined to be subject to an open source license, we or our customers could be required to publicly release the affected portions of source code or re-engineer all, or a portion of, the applicable software. Disclosing our proprietary source code could allow our customers' competitors to create similar products with lower development effort and time and ultimately could result in a loss of sales for our customers. Any of these events could create liability for us to our customers and damage our reputation, which could have a material adverse effect on our revenue, business, results of operations and financial condition and the market price of our Equity Shares.

13. We rely on certain third-party software to conduct our business. We may face intellectual property infringement claims that could be time-consuming and costly to defend. If we fail to defend ourselves against such claims, we may lose significant intellectual property rights and may be unable to continue providing our existing services.

Our success largely depends on our ability to use and develop our technology, tools, code, methodologies and services without infringing the intellectual property rights of third parties, including patents, copyrights, trade secrets and trademarks. We may be subject to litigation involving claims of patent infringement or violation of other intellectual property rights of third parties. We typically indemnify customers who purchase our services and solutions against potential infringement of intellectual property rights, which subjects us to the risk of indemnification claims. These claims may require us to initiate or defend protracted and costly litigation on behalf of our customers, regardless of the merits of these claims and are often not subject to liability limits or exclusion of consequential, indirect or punitive damages. If any of these claims succeed, we may be forced to pay damages on behalf of our customers, redesign or cease offering our infringing services or solutions, or obtain licenses for the intellectual property such services or solutions infringe. If we cannot obtain all necessary licenses on commercially reasonable terms, our customers may be forced to stop using our services or solutions.

The holders of patents and other intellectual property rights potentially relevant to our service offerings may make it difficult for us to acquire a license on commercially acceptable terms or at all, which could have a material adverse impact on our ability to deliver the relevant service offerings and hence on our business. Also, we may be unaware of intellectual property registrations or applications relating to our services that may give rise to potential infringement claims against us. There may also be technologies licensed to and relied on by us that are subject to infringement or other corresponding allegations or claims by third parties which may damage our ability to rely on such technologies.

Further, our current and former employees and/or subcontractors could challenge our exclusive rights in the software they have developed in the course of their employment. In India, an employer is deemed to own the copyright in works created by its employees during the course, and within the scope, of their employment, but the employer may be required to satisfy additional legal requirements in order to make further use and dispose of such works. While we believe that we have complied with all such requirements, and have fulfilled all requirements necessary to acquire all rights in software developed by our independent contractors and/or subcontractors, these requirements are often ambiguously defined and enforced. As a result, we cannot assure that we would be successful in defending against any claim by our current or former employees, independent contractors and/or subcontractors challenging our exclusive rights over the use and transfer of works those employees, independent contractors and/or subcontractors created or requesting additional compensation for such works. In addition, our master service agreements provide that intellectual property arising out of the services we provide generally belongs to the customer and that we would be liable to such customer if any of our employees or contractors were to infringe such customer intellectual property.

We are subject to additional risks as a result of our recent and possible future acquisitions and the hiring of new employees who may misappropriate intellectual property from their former employers. The developers of the technology that we have acquired or may acquire may not have appropriately created, maintained or enforced intellectual property rights in such technology. Indemnification and other rights under acquisition documents may be limited in term and scope and may therefore provide little or no protection from these risks. Parties making infringement claims may be able to obtain an injunction to prevent us from delivering our services or using technology involving the allegedly infringing intellectual property. Intellectual property litigation is expensive and time-consuming and could divert management's attention from our business. A successful infringement claim against us, whether with or without merit, could, among other things, require us to pay substantial damages, develop non-infringing technology, or rebrand our name or enter into royalty or license agreements that may not be available on acceptable terms, if at all, and would require us to cease making, licensing or using products that have infringed a third party's intellectual property rights. Protracted litigation could also result in existing or potential customers deferring or limiting their purchase or use of our software product development services or solutions until resolution of such litigation, or could require us to indemnify our customers against infringement claims in certain instances. Any intellectual property claim or litigation in this area, whether we ultimately win or lose, could damage our reputation and materially adversely affect our business, financial condition and results of operations.

14. We use third-party software, hardware and Software-As-A-Service (SaaS), technologies from third parties that may be difficult to replace or that may cause errors or defects in, or failures of, the services or solutions we provide.

We rely on software and hardware from various third parties to deliver our services and solutions, as well as hosted SaaS applications from third parties. If any of these software, hardware or SaaS applications become unavailable due to extended outages, interruptions or because they are no longer available on commercially reasonable terms, it could result in delays in the provisioning of our services until equivalent technology is either developed by us, or, if available, is identified, obtained and integrated, which could increase our expenses or otherwise harm our business. Further, the third-party service providers may face closure, financial difficulty or be involved in major litigation, which may affect our access to their software and technologies. If we lose the licenses which permit us to use such software, they may be difficult to replace and it may be costly to do so. In addition, any errors or defects in or failures of this third-party software, hardware or SaaS applications could result in errors or defects in or failures of our services and solutions, which could harm our business and be costly to correct. Further, we are liable to our customers for any loss faced by them due to our use of these third party software and technologies. Many of these providers attempt to impose limitations on their liability for such errors, defects or failures, and if enforceable, we may have additional liability to our customers or third-party providers that could harm our reputation and increase our operating costs.

15. If we incur serious uninsured loss that significantly exceeds the limit of our insurance policies, it would have an adverse effect on our financial conditions, results of operation and cash flows.

We maintain customary insurance policies for our business premises, including buildings and equipment, consequential damages such as loss of profit, workers' compensation insurance, professional liability insurance and commercial general liability insurance. In addition, we also maintain insurance policies covering directors' and officers' liability. For further details, please see "Our Business – Insurance" on page 159.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. We are also required to maintain certain insurance policies under our customer agreements, such as workers' compensation, professional liability insurance and commercial liability insurance under our customer agreements. Our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

16. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risk.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. There can be no assurance that additional deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls. Such instances may also adversely affect our reputation, thereby adversely impacting our business, results of operations and financial condition

17. Our business depends on a strong brand and corporate reputation and if we are not able to maintain and enhance our brand, our ability to grow our business and our results of operations and financial condition may be adversely affected.

Since many of our specific customer engagements involve highly tailored solutions, our corporate reputation is a significant factor in our customers' and prospective customers' determination of whether to continue engaging us or hire us for prospective services. We believe that our brand name and reputation are important corporate assets that help distinguish our services from those of our competitors and also contribute to our efforts to recruit and retain talented IT professionals. However, our corporate reputation is susceptible to damage by various factors such as actions or statements made by current or former employees or customers, competitors, vendors and adversaries in legal proceedings, as well as members of the investment community and the media. There is a risk that negative information about our company, even if based on false rumours or misunderstandings, could adversely affect our business. Any negative news affecting us might also affect our reputation and brand value. In particular, damage to our reputation could be difficult and time-consuming to repair, especially due to the competitiveness in our industry, which could make potential or existing customers reluctant to select us for new engagements, resulting in a loss of business, and could adversely affect our employee recruitment and retention efforts. Damage to our reputation could also reduce the value and effectiveness of our brand name, could reduce investor confidence in us, affect the price of our Equity Shares and adversely affect our ability to grow our business and our results of operations and financial condition.

18. Undetected software design defects, errors or failures may result in loss of or delay in market acceptance of our services or in liabilities that could materially adversely affect our business, financial condition and results of operations.

Our software development solutions involve a high degree of technological complexity and have unique specifications which could contain design defects or software errors such as errors in coding or configuration that are difficult to detect and correct. Errors or defects may result in the loss of current customers and loss of, or delay in, revenues, loss of market share, loss of customer data, a failure to attract new customers or achieve market acceptance, diversion of development resources and increased support or service costs. We cannot assure you that, despite testing by us and our customers, errors will not be found in new software product development solutions, which could result in litigation and other claims for damages against us and thus could materially adversely affect our business, financial condition and results of operations.

19. We, our Directors and our Promoter are involved in certain legal proceedings, any adverse developments related to which could adversely affect our reputation, business and cash flows.

There are outstanding legal proceedings involving our Company, our Directors and our Promoter. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. We cannot assure you that these proceedings will be decided in our favour. Brief details of material outstanding litigation that have been initiated by and against our Company, our Directors, and our Promoter, as applicable, are set forth below:

Litigation against our Company

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	-
Material civil cases	1	37.7
Taxation matters	NIL	-
Actions by regulatory and statutory authorities	NIL	-

Litigation by our Company

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	-
Material civil cases	1	Not quantifiable
Taxation Matters	NIL	-

Litigation against our Promoter

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	-
Material civil cases	NIL	-
Taxation matters	NIL	-
Actions by regulatory and statutory authorities	NIL	-
Disciplinary actions in the last five years	NIL	-

Litigation by our Promoter

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	-
Material civil cases	NIL	-
Taxation matters	NIL	-

Litigation against our Directors

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	-
Material civil cases	1	231.9
Taxation matters	NIL	-
Actions by regulatory and statutory authorities	NIL	-

Litigation by our Directors

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	-
Material civil cases	NIL	-
Taxation matters	NIL	-

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions that could increase our expenses and current liabilities. Further, such legal proceedings could divert our management's time and attention and cause us to incur expenses. Any adverse decision in any of these proceedings may have an adverse effect on our business, results of operations and financial condition.

For further information, see "Outstanding Litigation and Material Developments" on page 318.

- 20. Failure to perform or observe any contractual obligations could result in cancellation or non-renewal of a contract, which could cause us to experience a higher than expected number of unassigned employees and an increase in our expenses as a percentage of revenues, until we are able to reduce or reallocate our headcount and may adversely affect our business, results of operations and financial condition.**

The ability of our customers to terminate agreements makes our future revenues from operations uncertain. We may not be able to honour certain contractual obligations, which could lead to termination of agreements and further, we may not be able to replace any customer that elects to terminate or not renew its contract with us, or renew a contract with us on unfavourable terms, which could materially adversely affect our business, financial condition and results of operations.

For example, some of our customer agreements require us to maintain insurances including workers' compensation insurance, professional liability insurance and commercial general liability insurance throughout the term of such agreements, in addition to maintaining testing facilities and round-the-clock IT infrastructure support. Some of our customer contracts also require us to have non-solicitation and limited exclusivity arrangements. In addition, some of our customer agreements specify that if a change of control of our company occurs during the term of the agreement, the customer has the right to terminate the agreement. If we fail to comply with such contractual obligations in the future, our customers may terminate agreements with us. If any future event triggers any change of control provision in our customer contracts, these master services agreements may be terminated, which would result in loss of business and revenues.

21. We have in the past experienced, and may in the future experience, a long selling and implementation cycle with respect to certain projects that require us to make significant resource commitments prior to realising revenue for our services.

We have experienced, and may in the future experience, a long selling cycle with respect to certain projects that require significant investment of human resources and time by both our customers and us. Before committing to use our services, potential customers may require us to expend substantial time and resources educating them on the value of our services and our ability to meet their requirements. Therefore, our selling cycle is subject to many risks and delays over which we have little or no control, including our customers' decision to choose alternatives to our services (such as other technology and IT service providers or in-house resources) and the timing of our customers' budget cycles and approval processes. If our sales cycle unexpectedly lengthens for one or more projects, it would negatively affect the timing of our revenue and hinder our revenue growth. For certain customers, we may begin work and incur costs prior to executing the contract. A delay in our ability to obtain a signed agreement or other persuasive evidence of an arrangement, or to complete certain contract requirements in a particular quarter, could reduce our revenue in that quarter or render us entirely unable to collect payment for work already performed. For more information, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Results of our Operations*" on page 295.

Implementing our services also involves a significant commitment of resources over an extended period of time from both our customers and us. Our customers may experience delays in obtaining internal approvals or delays associated with technology, thereby further delaying the implementation process. Our current and future customers may not be willing or able to invest the time and resources necessary to implement our services, and we may fail to close sales with potential customers to whom we have devoted significant time and resources. Any significant failure to generate revenue or delays in recognising revenue after incurring costs related to our sales or services process could materially adversely affect our business.

22. Our revenues are highly dependent on a limited number of industry verticals, and any decrease in demand for outsourced services in these industry verticals could reduce our revenues and materially adversely affect our business, financial condition and results of operations.

A substantial portion of our customers are concentrated in a few specific industry verticals: Edu Tech, HiTech, Retail, TME and BFSI. In Fiscals 2019 and 2020, over 80% of our revenue from contract with customers came from our customers in these verticals alone. Our business growth largely depends on continued demand for our services from customers in these industry verticals.

A downturn in any of our targeted industry verticals, a slowdown or reversal of the trend to outsource IT services in any of these industries or the introduction of regulations that restrict or discourage companies from outsourcing could result in a decrease in the demand for our services and adversely affect our business, financial condition and results of operations. For example, significant consolidation in the banking and financial industries may reduce the demand for our services and negatively affect our revenues and profitability.

Other developments in these industries may also lead to a decline in the demand for our services in these industry verticals, and we may not be able to successfully. For example, consolidation in any of these industries or acquisitions may decrease the potential number of buyers of our services. External risks such as global pandemics

could also adversely affect the industry verticals that we operate in. For instance, some of our customers have requested for extended payment terms due to the outbreak of Novel Coronavirus. For further details, please see “*Risk Factors - The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could materially adversely affect our business, financial condition and results of operations*”. Further, our customers may experience rapid changes in their prospects, substantial price competition and pressure on their profitability. This, in turn, may result in increasing pressure on us from customers in these key industries to lower our prices, which could materially adversely affect our business, financial condition and results of operations.

23. Our business, results of operations and financial condition could be negatively affected if we incur legal liability, including with respect to our indemnification obligations, in connection with providing our solutions and services.

If we fail to meet our contractual obligations or otherwise breach obligations to our customers, we could be subject to legal liability. We may enter into non-standard agreements because we perceive an important economic opportunity or because our personnel did not adequately adhere to our guidelines. In addition, the contracting practices of our competitors may cause contract terms and conditions that are unfavourable to us to become standard in the marketplace. If we cannot or do not perform our obligations, we could face legal liability and our contracts might not always protect us adequately through limitations on the scope and/or amount of our potential liability. If we cannot, or do not, meet our contractual obligations to provide solutions and services, and if our exposure is not adequately limited through the terms of our agreements, we might face significant legal liability and our business could be materially adversely affected.

In the normal course of business, we have entered into contractual arrangements through which we may be obligated to indemnify customers or other parties with whom we conduct business with respect to certain matters. These arrangements can include provisions whereby we agree to defend and hold the indemnified party and certain of their affiliates harmless with respect to claims related to matters including our breach of certain representations, warranties or covenants made by us, or out of our intellectual property infringement, our gross negligence or wilful misconduct, and certain other claims. Payments by us under any of these arrangements are generally conditioned on the customer making a claim and providing us with full control over the defence and settlement of such claim. It is not possible to determine the maximum potential amount under these indemnification agreements due to the unique facts and circumstances involved in an agreement, and any claims under these agreements may not be subject to liability limits or exclusion of consequential, indirect or punitive damages. Historically, we have not made payments under these indemnification agreements. However, if events arise requiring us to make payment for indemnification claims under our indemnification obligations in contracts we have entered, such payments could have a material impact on our business, financial condition and results of operations.

24. We may not be able to prevent unauthorised use of our proprietary tools and other information and our intellectual property rights may not be adequate to protect our business and competitive position.

We rely on trademarks, confidentiality agreements and other methods to protect our technical know-how and intellectual property rights. As of March 31, 2020, we had registered intellectual property consisting of six trademarks registered in India, four trademarks registered in the European Union, five trademarks registered in Singapore, one trademark registered in the United Kingdom, five trademarks registered in the United States and 10 active domain names. For more information, please see “*Our Business- Intellectual Property Rights*” on page 159. Implementation of intellectual property-related laws in India has historically been time consuming, primarily because of ambiguities in the laws and difficulties in enforcement, which in turn makes the entire process expensive. Accordingly, protection of intellectual property rights and confidentiality in India may not be as effective as that in the United States or other countries.

To protect our and our customers’ proprietary information and other intellectual property, we require our employees, independent contractors, vendors and customers to enter into written agreements with us which include confidentiality obligations. These agreements may not provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorised use, misappropriation or disclosure of such trade secrets, know-how or other proprietary information. Policing unauthorised use of proprietary technology is difficult and expensive. The steps we have taken may be inadequate to prevent the misappropriation of our and our customers’ proprietary technology. Reverse engineering, unauthorised copying or other misappropriation of our and our customers’ proprietary technologies, tools and applications could enable third parties to benefit from our or our customers’ technologies, tools and applications without paying us, and our customers may hold us liable for that act and seek damages and compensation from us, which could harm our business, financial condition and competitive position.

We rely on our trademarks and brand names to distinguish our services and solutions from the services of our competitors. We have made applications to register our trademarks and as of the date of this Draft Red Herring Prospectus, we had one application each pending in Europe, Singapore and the United States. We cannot assure you that our trademark applications will be approved. Third parties may have objections to our trademark applications, or otherwise challenge our use of our trademarks. For more information, please see “*Government Approvals*” on page 322. In the event that our trademarks are successfully challenged, we could be forced to rebrand our services and solutions, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands. Further, we cannot assure you that competitors will not infringe our trademarks, or that we will have adequate resources to enforce our trademarks.

25. Failure or delays in obtaining third party certifications and accreditations may cause delays in our delivery schedules and disruptions in our business which may adversely affect our business, financial condition and results of operations.

We are required to obtain several third party certifications and accreditations in relation to our products and services. Depending on the product and requirements of our customers, we may need to obtain specific certifications from a particular agency which may not be forthcoming in a timely manner or at all. As a result, we may experience delays and disruptions in our products and services capability which may adversely affect our business, financial condition and results of operations.

26. We are subject to laws and regulations in the United States and other countries in which we operate concerning our operations, including export restrictions, U.S. economic sanctions and the Foreign Corrupt Practices Act, or FCPA, and similar anti-bribery laws. If we are not in compliance with applicable legal requirements, we may be subject to civil or criminal penalties and other remedial measures, which could materially adversely affect our business, financial condition and results of operations.

Our operations are subject to laws and regulations restricting our operations, including activities involving restricted countries, organisations, entities and persons that have been identified as unlawful actors or that are subject to U.S. sanctions imposed by the Office of Foreign Assets Control, or OFAC, or other international economic sanctions that prohibit us from engaging in trade or financial transactions with certain countries, businesses, organisations and individuals. We are subject to the FCPA, which prohibits U.S. companies and their intermediaries from bribing foreign officials for the purpose of obtaining or keeping business or otherwise obtaining favourable treatment, and other laws concerning our international operations. The FCPA’s foreign counterparts contain similar prohibitions, although varying in both scope and jurisdiction. We operate in many parts of the world that have experienced governmental corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices.

While we have not developed and implemented formal controls and procedures to ensure that we are in compliance with the FCPA, OFAC sanctions, and similar sanctions, laws and regulations, we have not discovered any non-compliance so far. However, there can be no assurance that we will not discover any issues or violations with respect to the foregoing by us or our employees, independent contractors, subcontractors or agents of which we were previously unaware.

Any violations of these laws, regulations and procedures by our employees, independent contractors, subcontractors and agents could expose us to administrative, civil or criminal penalties, fines or restrictions on export activities (including other U.S. laws and regulations as well as foreign and local laws) and would adversely affect our reputation and the market for shares of our common stock and may require certain of our investors to disclose their investment in our company under certain state laws. If we are not in compliance with export restrictions, U.S. or international economic sanctions or other laws and regulations that apply to our operations, we may be subject to civil or criminal penalties and other remedial measures, which could materially adversely affect our business, financial condition and results of operations.

27. Anti-outsourcing legislation, if adopted in the countries where our customers are based, could materially adversely affect our business, financial condition and results of operations and impair our ability to service our customers.

The issue of companies outsourcing services to organisations operating in other countries is a topic of political discussion in many countries, including the United States, which is our largest source of revenue from contracts

with customers. Many organisations and public figures in the United States and Europe have publicly expressed concern about a perceived association between offshore outsourcing IT services providers and the loss of jobs in their home countries. For example, measures aimed at limiting or restricting outsourcing by U.S. companies are periodically considered in Congress and in numerous state legislatures to address concerns over the perceived association between offshore outsourcing and the loss of jobs in the United States. A number of U.S. states have passed legislation that restricts state government entities from outsourcing certain work to offshore IT services providers. Given the on-going debate over this issue, the introduction and consideration of other restrictive legislation is possible. If enacted, such measures may broaden restrictions on outsourcing by federal and state government agencies and on government contracts with firms that outsource services directly or indirectly, impact private industry with measures such as tax disincentives or intellectual property transfer restrictions, and/or restrict the use of certain business visas. In the event that any of these measures becomes law, our ability to service our customers could be impaired and our business, financial condition and results of operations could be materially adversely affected.

In addition, from time to time, there has been publicity about negative experiences associated with offshore outsourcing, such as theft and misappropriation of sensitive customer data. Current or prospective customers may elect to perform certain services themselves or may be discouraged from transferring services from onshore to offshore IT services providers to avoid negative perceptions that may be associated with using an offshore IT services provider. Any slowdown or reversal of the existing industry trends toward offshore outsourcing would seriously harm our ability to compete effectively with competitors that provide services from within the country in which our customers operate.

28. Restrictions on immigration or work permits may affect our ability to compete for and provide services to customers in the United States or other countries, which could hamper our growth and adversely affect our business, results of operations and financial condition. We also face risks from our employees' time at customer facilities in foreign jurisdictions.

The vast majority of our employees are Indian nationals. Some of our projects require a portion of the work to be undertaken at our customers' facilities which may be located outside India. In order for our employees to work in the United States, Europe and other countries outside India they must obtain the necessary visas and work permits. Historically, the process for obtaining visas for Indian nationals to certain countries, including the United States and Europe, has been lengthy and cumbersome. Immigration laws in the United States and in other countries are subject to legislative change, as well as to variations in standards of application and enforcement due to political forces and economic conditions. Any changes in existing laws or the enactment of new legislation imposing restrictions on the deployment of work visa holders at customer locations could adversely impact our ability to do business in the jurisdictions in which we have customers. It is difficult to predict the political and economic events that could affect immigration laws (which are subject to continuous change), or the restrictive impact they could have on obtaining or maintaining business visas for our employees. Our reliance on visas for a number of employees makes us vulnerable to such changes and variations and may affect staffing decisions on projects abroad. We may not be able to obtain a sufficient number of visas for our employees or we may encounter delays or additional costs in obtaining or maintaining such visas in which case we may not be able to provide services to our customers on a timely and cost-effective basis or manage our sales and delivery centres as efficiently as we otherwise could. Any of these developments could lead to higher costs or loss of a particular project or cancellation of a new work order thereby materially adversely affecting our business and results of operations and financial condition.

In addition, we may be subject to taxation in such jurisdictions where we would not otherwise be so subject as a result of the amount of time that our employees spend in any such jurisdiction in any given year. While we seek to monitor the number of days that our employees spend in each country to avoid subjecting ourselves to any such taxation, there can be no assurance that we will be successful in these efforts.

29. Our international sales and operations are subject to many uncertainties and we are exposed to foreign currency exchange rate fluctuations.

We may be subject to risks inherently associated with international operations, including risks associated with foreign currency exchange rate fluctuations, which may cause volatility in our reported income, and risks associated with the application and imposition of protective legislation and regulations relating to import or export or otherwise resulting from foreign policy or the variability of foreign economic conditions.

We transact business in various currencies other than the Indian rupee and have significant customers abroad, which subject us to currency exchange risks. Any fluctuations in foreign currency exchange rates may have an asymmetric impact on our profits, results of operations and cash flows and consequently on our business condition and profitability. We have not entered into any hedging arrangements to account for any adverse changes to the foreign currency exchange rate.

As we provide IT services to customers throughout the world, we are subject to numerous, and sometimes conflicting, legal rules on matters as diverse as import/export controls, content requirements, trade restrictions, tariffs, taxation, sanctions, government affairs, internal and disclosure control obligations, data privacy and labour relations, particularly in India where we operate. Our systems and operations are located almost entirely in India and laws and regulations that are applicable to us, but not to our competitors, may impede our ability to develop and offer services that compete effectively with those offered by our non-India based competitors and generally available worldwide. For more information in relation laws applicable our Company in India, please see “Key Regulations and Policies” on page 161. Violations of these laws or regulations in the conduct of our business could result in fines, criminal sanctions against us or our officers, prohibitions on doing business, damage to our reputation and other unintended consequences such as liability for monetary damages, fines and/or criminal prosecution, unfavourable publicity, restrictions on our ability to process information and allegations by our customers that we have not performed our contractual obligations. Due to the varying degrees of development of the legal systems of the countries in which we operate, local laws might be insufficient to protect our rights. Our failure to comply with applicable legal and regulatory requirements could materially adversely affect our business, financial condition and results of operations.

Further, we have closed some of our international operations in the past. For example, we closed our Singapore branch office in 2018. Additionally, we have wound-up our Erstwhile Subsidiary on June 1, 2020. We cannot assure you that these closures will not have an adverse effect on our business, financial condition and results of operations.

Additional risks associated with international operations include difficulties in enforcing intellectual property and/or contractual rights, the burdens of complying with a wide variety of foreign laws, potentially adverse tax consequences, tariffs, quotas and other barriers and potential difficulties in collecting accounts receivable. In addition, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations. Additionally, such companies may have long-standing or well-established relationships with customers, which may put us at a competitive disadvantage. We may also face difficulties integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture. There can be no assurance that these and other factors will not impede the success of our international expansion plans, limit our ability to compete effectively in other countries or otherwise materially adversely affect our business, financial condition and results of operations.

30. If we are not successful in managing increasingly large and complex projects, we may not achieve our financial goals and our results of operations could be materially adversely affected.

To successfully market our service offerings and obtain larger and more complex projects, we need to establish close relationships with our customers and develop a thorough understanding of their operations. In addition, we may face a number of challenges managing larger and more complex projects, including:

- maintaining high-quality control and process execution standards;
- maintaining planned resource utilisation rates on a consistent basis;
- maintaining productivity levels and implementing necessary process improvements;
- controlling costs; and
- maintaining close customer contact and high levels of customer satisfaction.

Our ability to successfully manage large and complex projects depends significantly on the skills of our management personnel and IT professionals, some of whom do not have experience managing large-scale or complex projects. In addition, large and complex projects may involve multiple engagements or stages, and there is a risk that a customer may choose not to retain us for additional stages or may cancel or delay additional planned engagements. Such cancellations or delays may make it difficult to plan our project resource requirements. If we fail to successfully obtain engagements for large and complex projects, we may not achieve our revenue growth and other financial goals. Even if we are successful in obtaining such engagements, a failure by us to effectively

manage these large and complex projects could damage our reputation, cause us to lose business, impact our margins and materially adversely affect our business, financial condition and results of operations.

31. Increases in wages and other employee benefits expense for our IT professionals could prevent us from sustaining our competitive advantage.

Wage costs for IT professionals in India are lower than comparable wage costs in more developed countries. However, wage costs in the Indian IT services industry may increase at a faster rate than in the past, which ultimately may make us less competitive unless we are able to increase the efficiency and productivity of our IT professionals as well as the prices we can charge for our services. Increases in wage costs may reduce our profitability. In addition, the issuance of equity-based compensation to our IT professionals would also result in additional dilution to our shareholders.

32. Our contracts may become unprofitable. This may materially adversely affect our business, financial condition and results of operations.

We perform our services primarily under time-and-materials contracts (where materials costs consist of travel and out-of-pocket expenses) and in some cases, fixed price contracts or a combination of both. We charge for the services performed by our employees under these contracts at daily or hourly rates that are agreed at the time at which the contract is entered. The rates and other pricing terms negotiated with our customers are highly dependent on our internal forecasts of our operating costs and predictions of increases in those costs influenced by wage inflation and other marketplace factors, as well as the volume of work provided by the customer. Our predictions are based on limited data and could turn out to be inaccurate, resulting in contracts that may not be profitable. Typically, we do not have the ability to increase the rates established at the outset of a customer project, other than on an annual basis which are often subject to caps. Independent of our right to increase our rates on an annual basis, customer expectations regarding the anticipated cost of a project may limit our practical ability to increase our rates for on-going work.

In addition to our time-and-materials contracts, we undertake some engagements on a fixed-price basis and also provide managed services in certain cases. Revenue from our fixed-price contracts represented 18.4%, 16.8% and 19.0% of our revenue from contracts with customers for the Fiscals 2018, 2019 and 2020, respectively. Our pricing in fixed-price contracts is highly dependent on our assumptions and forecasts about the costs we expect to incur to complete the related project, which are based on limited data and could turn out to be inaccurate. Any failure by us to accurately estimate the resources, including the skills and seniority of our employees, required to complete a fixed-price contract on time and on budget or meet a service level on a managed service contract, or any unexpected increase in the cost of our employees assigned to the related project, office space or materials could expose us to risks associated with cost overruns and could have a material adverse effect on our business, results of operations and financial condition. In addition, any unexpected changes in economic conditions that affect any of the foregoing assumptions and predictions could render contracts that would have been favourable to us when signed unfavourable.

In addition, a number of our contracts contain pricing terms that condition a portion of the payment of fees by the customer on our ability to meet defined performance goals, service levels and completion schedules set forth in the contracts. Our failure to meet such performance goals, service levels or completion schedules or our failure to meet customer expectations in such contracts may result in less profitable or unprofitable engagements.

Our profitability and operating results are dependent on the rates we are able to charge for our services. We believe our rates are affected by a number of factors, including:

- our customers' perception of our ability to add value through our services;
- our competitors' pricing policies;
- bid practices of customers and their use of third-party advisors;
- the ability of large customers to exert pricing pressure;
- employee wage levels and increases in compensation costs;
- employee utilisation levels;
- our ability to charge premium prices when justified by market demand or the type of service; and
- general economic conditions.

If we are not able to maintain favourable pricing for our services, our profitability could suffer. This may materially adversely affect our business, financial condition and results of operations.

33. *We may not be able to recognise revenues in the period in which our services are performed, which may cause our margins to fluctuate.*

Our services are performed under both time-and-material and fixed-price contract arrangements, or a combination of both. Revenue is recognised upon transfer of control of products or services to customers to the extent of an amount that reflects the consideration that we expect to receive in exchange for these products or services.

In instances where final acceptance of the system or solution is specified by the customer, revenues are deferred until all acceptance criteria have been met. Our failure to meet all the acceptance criteria, or otherwise meet a customer's expectations, may result in our having to record the cost related to the performance of services in the period that services were rendered, but delay the timing of revenue recognition to a future period in which all acceptance criteria have been met.

34. *Our ability to expand our business and procure new contracts or enter into beneficial business arrangements could be affected by non-competition clauses in our agreements with existing customers.*

Some of our agreements with customers contain time-based restrictions on reassigning personnel from those customers' accounts to the accounts of competitors of such customers. These clauses may restrict our ability to offer services to different customers in a specific industry or market. Moreover, we may in the future enter into agreements with customers that restrict our ability to accept assignments from, or render similar services to, those customers' customers, require us to obtain our customers' prior written consent to provide services to their customers or restrict our ability to compete with our customers, or bid for or accept any assignment which our customer is bidding for or is negotiating. These restrictions may hamper our ability to compete for and provide services to other customers in a specific industry in which we have expertise and could materially adversely affect our business, financial condition and results of operations.

35. *Data networks are vulnerable to attacks, unauthorised access and disruptions. Losses or liabilities that are incurred as a result of any of the foregoing could materially adversely affect our business, financial condition and results of operations.*

Data networks are also vulnerable to attacks, unauthorised access and disruptions. For example, in a number of public networks, hackers have bypassed firewalls and misappropriated confidential information, including personally identifiable information. It is possible that, despite existing safeguards, an employee could misappropriate our customers' proprietary information or data, exposing us to a risk of loss or litigation and possible liability.

In such cases, if our services cause disruptions to our customers' businesses or result in us providing inadequate service, our customers may have claims for substantial damages against us, which could materially adversely affect our business, financial condition and results of operations. For further details, see "Risk Factors – Our business, results of operations and financial condition could be negatively affected if we incur legal liability, including with respect to our indemnification obligations, in connection with providing our solutions and services" on page 40.

If our IT professionals (including the contract workers we hire) make errors in the course of delivering services to our customers or fail to consistently meet service requirements of a customer, these errors or failures could disrupt the customer's business, which could result in a reduction in our revenues or a claim for substantial damages against us. In addition, a failure or inability to meet a contractual requirement could seriously damage our reputation and affect our ability to attract new business.

Our computer networks may be vulnerable to unauthorised access, computer hackers, computer viruses, worms, malicious applications and other security problems caused by unauthorised access to, or improper use of, systems by third parties or employees. Although we have not experienced such attacks in the past other than instances of phishing, malware and virus attacks that we handled effectively, we cannot assure you that our security systems in place can prevent any such attacks in the future or that we will be able to handle such attacks effectively. A hacker who circumvents security measures could misappropriate proprietary information, including personally identifiable information, or cause interruptions or malfunctions in our operations. Further, computer attacks or disruptions may jeopardise the security of information stored in and transmitted through our computer systems. Actual or perceived concerns that our systems may be vulnerable to such attacks or disruptions may deter our

customers from using our solutions or services. As a result, we may be required to expend significant resources to protect against the threat of these security breaches or to alleviate problems caused by these breaches.

The services we provide are often critical to our customers' businesses. Certain of our customer contracts require us to comply with security obligations including maintaining network security and backup data, ensuring our network is virus-free, maintaining business continuity planning procedures, and verifying the integrity of employees that work with our customers by conducting background checks. Any failure in a customer's system or breach of security relating to the services we provide to the customer could damage our reputation or result in a claim for substantial damages against us. Any significant failure of our equipment or systems, or any major disruption to basic infrastructure like power and telecommunications in the locations in which we operate, could impede our ability to provide services to our customers, have a negative impact on our reputation, cause us to lose customers, and materially adversely affect our business, financial condition and results of operations.

Under our contracts with our customers, our liability for breach of our obligations is in some cases limited pursuant to the terms of the contract. Such limitations may be unenforceable or otherwise may not protect us from liability for damages. In addition, certain liabilities, such as claims of third parties for which we may be required to indemnify our customers, are generally not limited under our contracts. The successful assertion of one or more large claims against us in amounts greater than those covered by our current insurance policies could materially adversely affect our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, we may incur reputational harm and substantial legal fees.

36. We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule and suspension of further drawdowns, which may adversely affect our business, results of operations and financial conditions.

Some of the financing arrangements entered into by us include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement.

Some of the corporate actions that require prior consents from certain lenders include, amongst others, altering our capital structure, dilution in shareholding of our Promoter of our Company, effecting any change in the composition of the board of directors of our Company and its management and control, changing the name of the Company including pursuant to the conversion of the Company from a private limited company to a public limited company, and amending constitutional documents.

A failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities and suspension of further access/ withdrawals, either in whole or in part, for the use of the facility. Pursuant to clauses in certain financing agreements, any defaults under such facilities may also trigger cross default or cross acceleration provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our long term working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing.

37. There have been certain inadvertent inaccuracies with respect to record keeping maintenance or delays in making certain regulatory filings by our Company. Any regulatory actions and penalties for any past or future non-compliance may adversely affect our business or reputation, or both.

In the past there have been instances of delays in filing of certain forms with the RBI. Form FC-GPR filed with the RBI for allotment of equity shares of our Company to certain non – resident employees of our Company are pending for approval with the RBI due to non-submission of relevant documents required for such submission with the RBI. The Company is in the process of collating relevant documents from all concerned employees (including past employees) and intends to submit all the relevant forms post receipt of the pending documents, and compound the said delay in filing of such form FC-GPRs, with the RBI. Owing to the said delay in filing of form FC-GPR, there has been a consequent delay in filing of related form FC-TRS with the RBI for transfer of

Equity Shares allotted to certain non-resident employees' shares to the Happiest Minds Technologies Share Ownership Plans Trust, in accordance with the provisions of our Company's ESOP Schemes.

While we intend to and have sought to address the irregularities in respect of the aforesaid allotments and transfers involving non-residents by making the necessary representations and filings with the RBI, we cannot assure you that the RBI will condone these irregularities, or not impose any penalty, or that the penalty imposed will be reasonable.

Further, in the past, there have been certain inadvertent factual inaccuracies in the record keeping in relation certain matters, such as incorrect referencing of ESOP scheme or class of equity shares and noting of approval of amendment to the Memorandum of Association.

We cannot assure you that such inaccuracies or delays will not happen in the future and that our Company will not be subject to any action, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in, or non-availability of, or delays in filing of, any of its secretarial records and filings, which may adversely affect our reputation.

38. Certain instruments may be inadequately/ insufficiently stamped as a result of which our operations may be adversely affected.

Some of the share transfer forms for the transfer Equity Shares and Preference Shares are not stamped for a date prior to or at the time of execution. Additionally, there have been instances where certain agreements including lease agreements executed between our Company and other parties have not been stamped before or after the time of execution of such agreements. Accordingly, we may be prohibited from admitting in evidence any instrument if not duly stamped when such instrument is chargeable with duty is sought to be produced in evidence. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. While we intend to complete adjudication proceedings to resolve these stamping issues, we cannot assure you that we may not be prohibited from admitting such transfer forms and agreements as evidence. For such insufficiently stamped instruments, we may be required to pay additional stamp duty or make similar payments, which could have an adverse effect on our business, results of operations and financial condition. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

39. We may be unable to maintain or renew our statutory and regulatory permits, licences, lease deeds and approvals required to operate our business.

We require certain statutory and regulatory permits and approvals to operate our business. These include approvals from Software Technology Parks of India, Ministry of Communications, Government of India, Export Promotion Council, Secretary of State of the State of California, United States of America and Dubai Silicon Oasis Authority. We are yet to receive the renewed approval for setting up a network operating centre at our Company's delivery centre pursuant to an application dated December 3, 2019 for renewal of OSP license from the Department of Telecom, Ministry of Communications, Government of India. We may not, at all points of time, have all approvals required for our business. For further details see "Government and Other Approvals" on page 322. In addition, the Company has entered into several lease deeds in order to lease the property where their offices are situated. These may expire in the ordinary course. For examples the lease deed for our office situated in New Jersey, United States of America is in the process of being renewed. In the event that we are unable to comply with any or all of these terms and conditions, or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the license providers may revoke this licence or may place stringent restrictions on our operations. This may result in the interruption of all or some of our operations. If we fail to obtain, renew or maintain the required permits, licences, lease deeds or approvals, including those set out above, we could be subjected to penalties by the relevant regulatory authorities, which may result in the interruption of our operations or delay or prevent our expansion plans and may have an adverse effect on our business, financial condition, results of operations and cash flows.

40. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest.

We have entered into various transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that

we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although going forward, all related party transactions that we may enter into, will be subject to board or shareholder approval, as necessary under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Accordingly, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows. For further details, please see “*Other Financial Information – Related Party Transactions*” on page 291.

41. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.

We propose to utilise the Net Proceeds towards meeting long term working capital requirements and general corporate purposes. For further details, please see “*Objects of the Offer*” on page 98. The funding requirements mentioned as a part of the objects of the Offer are based on internal management estimates and current conditions which are subject to changes due to external circumstances, costs, other financial conditions or business strategies. We have relied on past expenditure in estimating utilisation of the Net Proceeds for our long term working capital requirements. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may place a burden on our finance plans. Our proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or any other independent agency and is based on management estimates. Our management will have broad discretion to use the Net Proceeds.

Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, our organic growth and expansion plans could be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. We may not be able to attract personnel with sufficient skills or sufficiently train our personnel to manage our expansion plans. Accordingly, use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

42. We will continue to be controlled by our Promoter after the completion of the Offer and any substantial change in our Promoter’s shareholding will have an impact on the trading price of our Equity Shares.

Following completion of the Offer, our Promoter, Ashok Soota, will continue to hold a significant percentage of our Equity Share capital. Our Promoter will, therefore, be able to control the outcome of matters submitted to our Board or Shareholders for approval. After the Offer, our Promoter will continue to exercise significant control or influence over our business and major policy decisions. Accordingly, the interests of our Promoter in capacity of a shareholder may conflict with your interests and the interest of our other shareholders. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter. For details of our Equity Shares held by our Promoter, see “*Capital Structure*” on page 73.

Further, pursuant to a facility agreement dated July 24, 2019 (“**Facility Agreement**”) Avendus Finance Private Limited (“**Avendus**”) has lent ₹400 million to our Promoter. Pursuant to the Facility Agreement, our Promoter has entered into a security trustee agreement dated July 24, 2019 with Avendus and Vistra ITCL (India) Limited (“**Security Trustee**”). The Facility Agreement was amended on May 28, 2020 whereby Ashok Soota Medical Research LLP (“**ASMR LLP**”), a member of our Promoter Group was made a party to the Facility Agreement. Our Promoter, ASMR LLP and the Security Trustee then entered into an amended and restated share pledge agreement on May 28, 2020 (which is an amendment to the share pledge agreement, dated July 24, 2019 entered into by our Promoter), as per which, our Promoter and Ashok Soota Medical Research LLP have pledged 24,122,331 Equity Shares and 17,948,784 Equity Shares, respectively, in favour of the Security Trustee.

In the event of non-adherence of the terms under such loan and security arrangements, the pledge on our Promoter’s shares could be invoked, which may also lead to a change in control in our Company. If any of these events were to happen, the trading price of the Equity Shares may be adversely affected.

43. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.

We have availed the services of an independent third party research agency, Frost & Sullivan, to prepare an industry report titled “Assessing the Market Potential of Information Technology Services Market” dated June 2020, for purposes of inclusion of such information in this Draft Red Herring Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified any data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information from the report, such information has not been prepared or independently verified by us, or the BRLMs or any of our or their respective affiliates or advisors or any other person connected with the Offer and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

44. Our Promoter, certain of our Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.

Our Promoter, certain of our Directors and Key Managerial Personnel may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Our Promoter, certain Directors and Key Managerial Personnel may be deemed to be interested to the extent of Equity Shares and Preference Shares held by them as well as to the extent of any dividends, bonuses, or other distributions on such Equity Shares and Preference Shares. We cannot assure you that our Promoter, Directors and our Key Managerial Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see “Capital Structure”, “Our Management – Interests of our Directors” and “Our Promoter and Promoter Group – Interests of our Promoters” on pages 73, 179 and 193, respectively.

45. The proceeds of the Offer for Sale will not be available to the Company.

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders. We will not receive the proceeds from the Offer for Sale component of the Offer which will be remitted to the Selling Shareholders. For more information, please see “The Offer” and “Terms of the Offer” on pages 59 and 340, respectively.

46. Our Company had restated loss for the year in Fiscal 2018. Any restated loss for the year in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares.

In Fiscal 2018, our Company had restated loss for the year of ₹224.7 million. This was due to relatively lower revenue from contracts with customers and higher employee benefit expense and finance costs.

Any restated loss for the year in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, see “Financial Statements” on page 197.

47. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA have been included in this Draft Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our

operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

48. Some of our investments are in debt instruments which are unsecured or carry interest rate risk, or both.

Some of our unsecured investments include investments in interest/ dividend bearing liquid debt instruments including investments in debt mutual funds and deposits with banks. Some of our unsecured investments carry interest rate which is lower than the prevailing market rate. Market interest rates in India fluctuate on a regular basis. Consequently, some of our investments may continue to carry interest rate lower than the market rate in the future.

EXTERNAL RISK FACTORS

Risks Related to India

49. The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.

The outbreak, or threatened outbreak, of any severe communicable disease (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus and no government-certified treatment or vaccine is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

Please refer to “Our Business – Business Agility to response to Novel Coronavirus Pandemic” on page 157 for a more detailed discussion of the relevant impact on us. The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and

operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

50. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

51. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

52. *Investors may not be able to enforce a judgment of a foreign court against our Company outside India.*

Our Company is incorporated under the laws of India. Our Company's assets are located in India and most of our Company's Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

53. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social,

economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

54. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. For example, our manufacturing facilities are located in western India, hence any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect our operations.

55. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

56. Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the

Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. For further details, please see on “*Restrictions on Foreign Ownership of Indian Securities*” page 362.

57. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India’s sovereign rating is Baa2 with a “negative” outlook (Moody’s), BBB-with a “stable” outlook (S&P) and BBB-with a “stable” outlook (Fitch). Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India’s credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

58. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (“GST”) regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2020 (“**Finance Act**”) on March 27, 2020, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date (for details see, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 293). Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 (“**Bill**”) has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

Risks Related to the Equity Shares

59. The requirements of being a publicly listed company may strain our resources.

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did

not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

60. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLMs is below the respective issue price.

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by the Company and the Selling Shareholders, in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "Basis for Offer Price" on page 106 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see "Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs" on page 335. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of the company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

61. There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all.

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer.

In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

62. An investment in the Equity Shares is subject to general risks related to investments in Indian Companies.

Our Company is incorporated in India and almost all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

63. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall

under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated August 28, 2017. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

64. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemption. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Additionally, the Finance Act, 2020 ("**Finance Act**") does not require dividend distribution tax ("**DDT**") to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

65. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

66. Our Promoter is selling Equity Shares in the Offer and will receive proceeds as part of the Offer for Sale.

The Offer comprises of a fresh issue of Equity Shares aggregating up to ₹1,100 million and an offer for sale of up to 35,663,585 Equity Shares by the Selling Shareholders. The proceeds from the Offer will be paid to Selling Shareholders, in respect of the Equity Shares offered by them in the Offer, and we will not receive any portion of such proceeds. For further details, please see "*Objects of the Offer*" on page 98.

67. The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other

than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

68. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

69. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.*

The Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under “Basis for Offer Price” on page 106 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

70. *Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “Capital Structure” on page 73, we cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

71. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.*

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

72. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to

complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

SECTION III – INTRODUCTION

THE OFFER

The following table summarises the details of the Offer:

Equity Shares offered	
Offer of Equity Shares	Up to [●] Equity Shares, aggregating up to ₹[●] million
<i>of which:</i>	
Fresh Issue ⁽¹⁾	Up to [●] Equity Shares, aggregating up to ₹1,100.0 million
Offer for Sale ⁽²⁾	Up to 35,663,585 Equity Shares, aggregating up to ₹[●] million
The Offer comprises of:	Up to [●] Equity Shares, aggregating up to ₹ [●] million
A) QIB Portion ⁽³⁾⁽⁴⁾	At least [●] Equity Shares
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
(a) Mutual Fund Portion (5% of the Net QIB Portion) ⁽⁵⁾	Up to [●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	Up to [●] Equity Shares
B) Non-Institutional Portion ⁽⁴⁾	Not more than [●] Equity Shares
C) Retail Portion ⁽⁴⁾	Not more than [●] Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	107,862,479 Equity Shares [#]
Equity Shares outstanding after the Offer	[●] Equity Shares
Utilisation of Net Proceeds	See “Objects of the Offer” on page 98 for information about the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale

[#] There are 198,617 Preference Shares currently outstanding as on the date of this Draft Red Herring Prospectus which will convert into 32,374,571 Equity Shares prior to the filing of the Red Herring Prospectus. For details, see “Capital Structure” on page 73. Upon conversion of the outstanding Preference Shares and consequent issuance of Equity Shares, the number of Equity Shares outstanding prior to the Offer will stand increased accordingly.

Notes:

- The Offer has been authorised by a resolution passed by our Board of Directors in their meeting held on April 29, 2020. Our Shareholders vide a special resolution passed in their extraordinary general meeting held on May 13, 2020, authorised the Offer.
- The Promoter Selling Shareholder and the Investor Selling Shareholder have consented to participate in the Offer for Sale. The details of their respective Offered Shares are as follows:

Sr. No.	Name of the Promoter Selling Shareholder	Number of Equity Shares proposed to be offered in the Offer for Sale	Date of the consent letter to participate in the Offer for Sale
1.	Ashok Soota	Up to 8,414,223	May 21, 2020

Sr. No.	Name of the Investor Selling Shareholder	Number of Equity Shares proposed to be offered in the Offer for Sale	Date of the consent letter to participate in the Offer for Sale
1.	CMDB II	Up to 27,249,362	June 4, 2020

Each of the Selling Shareholders have specifically confirmed that their respective portion of the Offered Shares, have been held by each one of them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, and are accordingly eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulations. For more details, see “Capital Structure” on page 73.

- Our Company and Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate

basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see “Offer Procedure” beginning on page 348.

- (4) Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue, prior to the Offered Shares in compliance with Rule 19(2)(b) of the SCRR. Allotment will be first made towards the Fresh Issue from the valid Bids followed by an Allotment of the Equity Shares by the Selling Shareholders on a proportionate basis. For further details, see “Offer Procedure” on page 348.
- (5) Subject to valid Bids being received at, or above, the Offer Price.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see “Offer Procedure” on page 348. Further, for details in relation to the terms of the Offer, see “Terms of the Offer” on page 340. For details, including in relation to grounds for rejection of Bids, refer to “Offer Structure” and “Offer Procedure” on pages 345 and 348, respectively.

SUMMARY FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with the Restated Consolidated Financial Statements, the notes thereto, and “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 197 and 293 respectively.

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Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)
(All amounts in INR Millions unless otherwise stated)

Consolidated Summary Statement of Assets and Liabilities

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 Proforma
Assets			
Non current assets			
Property, plant and equipment	9.3	21.4	26.4
Capital work in progress	-	-	1.4
Goodwill	61.0	173.6	296.1
Other intangible assets	7.2	19.6	79.3
Right-of-use assets	300.6	396.5	548.4
Intangibles assets under development	1.7	1.7	-
Financial assets			
i. Loans	76.7	61.8	58.5
ii. Other financial assets	36.8	23.9	18.5
Income tax assets (net)	133.5	92.0	58.4
Other assets	3.3	4.8	4.0
Total non-current assets	630.1	795.3	1,091.0
Current assets			
Financial assets			
i. Investments	833.7	981.5	1,386.2
ii. Trade receivables	1,148.7	1,292.7	943.7
iii. Cash and cash equivalents	435.3	262.7	165.2
iv. Loans	10.0	7.7	27.3
v. Other financial assets	1,917.7	709.1	114.1
Other assets	106.0	86.2	142.4
Total current assets	4,451.4	3,339.9	2,778.9
Total assets	5,081.5	4,135.2	3,869.9
Equity and liabilities			
Equity			
Equity share capital	87.9	59.7	37.5
Instruments entirely in the nature of equity	363.4	223.0	222.9
Other equity	2,201.8	(943.2)	(1,349.2)
Equity attributable to equity holders of the parent	2,653.1	(660.5)	(1,088.8)
Non-controlling interest	-	-	-
Total equity	2,653.1	(660.5)	(1,088.8)
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	13.2	85.0	148.3
ii. Lease liabilities	173.1	296.4	431.4
Provisions	125.5	94.0	81.2
Deferred tax liability	-	-	12.3
Total non-current liabilities	311.8	475.4	673.2
Current liabilities			
Contract liability	81.8	106.7	54.7
Financial liabilities			
i. Borrowings	691.6	601.2	685.5
ii. Lease Liabilities	181.6	158.2	145.6
iii. Trade payables			
(A) Total outstanding due to micro enterprises and small enterprises	1.2	4.0	3.8
(B) Total outstanding due to creditors other than micro enterprises and small enterprises.	343.0	283.8	246.0
iv. Other financial liabilities	639.7	2,993.0	3,000.8
Provisions	124.6	99.8	82.0
Other current liabilities	53.1	73.6	67.1
Total current liabilities	2,116.6	4,320.3	4,285.5
Total liabilities	2,428.4	4,795.7	4,958.7
Total equity and liabilities	5,081.5	4,135.2	3,869.9

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Consolidated Summary Statement of Profits and Loss

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018 Proforma
Income			
Revenue from contracts with customers	6,982.1	5,903.6	4,628.9
Other income	160.2	114.5	262.3
Total income	7,142.3	6,018.1	4,891.2
Expenses			
Employee benefits expense	4,412.3	3,850.5	3,568.7
Depreciation and amortisation	202.3	247.8	207.5
Finance cost	80.2	159.4	99.5
Other expenses	1,598.8	1,504.8	1,246.3
Total expenses	6,293.6	5,762.5	5,122.0
Restated profit/ (loss) before exceptional items and tax	848.7	255.6	(230.8)
Exceptional Items - Impairment of goodwill	112.6	125.8	-
Restated profit/ (loss) before tax	736.1	129.8	(230.8)
Current tax	17.2	-	-
Adjustment of tax relating to earlier period	1.8	-	-
Deferred tax charge/ (credit)	-	(12.3)	(6.1)
Restated profit/ (loss) for the year	717.1	142.1	(224.7)
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translating the financial statements of a foreign operation	(1.2)	10.8	1.4
Net movement on effective portion of cash flow hedges	(96.7)	25.2	(27.7)
Income tax effect	-	-	-
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	(97.9)	36.0	(26.3)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans	(13.9)	(4.5)	(1.2)
Income tax effect	-	-	-
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	(13.9)	(4.5)	(1.2)
Other comprehensive income/(loss) for the year, net of tax	(111.8)	31.5	(27.5)
Total comprehensive income / (loss) for the year	605.3	173.6	(252.2)
Restated Profit/ (Loss) for the year	717.1	142.1	(224.7)
Attributable to:			
Owners of the Company	717.1	142.1	(224.7)
Non-controlling interests	-	-	-
Total comprehensive income /(loss) for the year	605.3	173.6	(252.2)
Attributable to:			
Owners of the Company	605.3	173.6	(252.2)
Non-controlling interests	-	-	-
Restated Earnings per equity share			
Basic, computed on the basis of profit for the year attributable to equity holders of the parent	7.04	1.89	(3.13)
Diluted, computed on the basis of profit for the year attributable to equity holders of the parent	5.36	1.16	(3.13)

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)
(All amounts in INR Millions unless otherwise stated)

Consolidated Summary Statement of Cash Flows

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018 Proforma
Operating activities			
Restated Profit/ (Loss) before tax	736.1	129.8	(230.8)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	202.3	247.8	207.5
(Gain)/ loss on disposal of property, plant and equipment, net	-	0.5	(2.3)
Share-based payment expense	26.6	60.3	18.0
Gain on investment carried at fair value through profit and loss	(12.1)	(65.9)	(13.1)
Gain on sale of investment carried at fair value through profit and loss	(45.5)	(11.3)	(79.5)
Transaction cost on investment in subsidiary	-	-	11.8
Interest income	(46.6)	(29.6)	(11.6)
ESOP liability write back	-	-	(21.6)
Marked-to-Market gain on forward Contracts	-	-	0.3
Impairment of goodwill	112.6	125.8	-
Unrealised foreign exchange (gain)/ loss	(17.3)	84.0	12.6
Fair value loss/(gain) on Compulsary convertible preference shares	-	-	(73.1)
Gain on Sub-Leasing the premises	-	(4.3)	-
Impairment loss	76.2	56.1	85.5
Acquisition related receivables written off	-	16.6	-
Finance costs	80.2	159.4	99.5
Operating cash flow before working capital changes	1,112.5	769.2	3.2
Movements in working capital:			
(Increase)/ decrease in trade receivables	135.2	(434.3)	(204.5)
(Increase)/ decrease in loans	(10.5)	14.9	(61.6)
(Increase)/ decrease in non-financial assets	(18.9)	55.6	48.7
(Increase)/ decrease in financial assets	(277.6)	(81.9)	244.2
Increase/ (decrease) in trade payables	47.7	38.1	45.3
Increase/ (decrease) in financial liabilities	197.6	158.8	(11.8)
Increase/ (decrease) in provisions	42.4	26.2	21.1
Increase/ (decrease) in contract liabilities	(24.9)	52.0	34.9
Increase/ (decrease) in other non-financial liabilities	(20.8)	11.2	(18.1)
	1,182.7	609.8	101.4
Income tax paid	(60.5)	(33.6)	2.0
Net cash flows from operating activities	(A) 1,122.2	576.2	103.4
Investing activities			
Purchase of property, plant and equipment	(4.6)	(7.9)	(11.3)
Proceeds from subleasing the premises	7.5	2.5	-
Purchase of intangible assets	(6.7)	(2.4)	(13.5)
Proceeds from sale of property, plant and equipment	-	0.8	5.1
Investment in bank deposit	(976.9)	(495.7)	-
Purchase of investment in subsidiary	-	-	(270.0)
Payment for acquisition of business of Cupola technology private limited	-	-	(69.5)
Payment for acquisition of business of OSS cube solutions limited	-	-	(193.5)
Proceeds from sale of mutual funds (net)	205.4	481.9	277.5
Interest received	37.9	18.1	6.7
Net cash flows used in investing activities	(B) (737.4)	(2.7)	(268.5)
Financing activities			
Repayment of long-term borrowings	(75.5)	(74.7)	216.4
Proceeds/ (Repayment) of short-term borrowings (net)	143.0	(237.8)	229.6
Payment of principal portion of lease liabilities	(171.0)	(148.7)	(123.8)
Payment of interest portion of lease liabilities	(41.4)	(54.9)	(51.6)
Proceeds from exercise of share options	44.2	(17.7)	23.7
Proceeds from issue of Compulsory convertible preference share	-	2.1	16.8
Interest paid	(32.7)	(56.7)	(47.9)
Net cash flows from/ (used) in financing activities	(C) (133.4)	(588.4)	263.2
Net increase in cash and cash equivalents	251.4	(14.9)	98.1
Net foreign exchange difference	21.2	12.5	(2.6)
Cash and cash equivalents at the beginning of the year	162.7	165.1	69.6
Cash and cash equivalents at the end of the year	435.3	162.7	165.1
Components of cash and cash equivalents			
Balance with banks			
- on current account	143.1	245.2	129.2
- in EEFC accounts	192.2	17.5	36.0
Deposits with original maturity of less than three months	100.0	-	-
Less : Bank overdraft	-	(100.0)	(0.1)
Total cash and cash equivalents	435.3	162.7	165.1

GENERAL INFORMATION

Our Company was incorporated as ‘Happiestminds Technologies Private Limited’, a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated March 30, 2011 issued by the RoC. Thereafter, the name of our Company was changed to ‘Happiest Minds Technologies Private Limited’ pursuant to a fresh certificate of incorporation consequent upon change of name dated July 21, 2011 issued by the RoC. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders held on May 13, 2020 and the name of our Company was changed to its present name ‘Happiest Minds Technologies Limited’, and a fresh certificate of incorporation was issued by the RoC on May 20, 2020. For further details regarding changes in the name and registered office of our Company, see “*History and Certain Corporate Matters*” on page 168.

Registered and Corporate Office of our Company

The address of our registered and corporate office are as follows:

Happiest Minds Technologies Limited

#53/1-4, Hosur Road
Madivala (Next to Madivala Police Station)
Bengaluru – 560 068
Karnataka, India

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

- a. Registration number: 057931
- b. Corporate identity number: U72900KA2011PLC057931

Address of the RoC

Registrar of Companies, Bangalore
Kendriya Sadan, 2nd Floor
E – Wing, Koramangala
Bengaluru – 560 034
Karnataka, India

Board of Directors

The following table sets out the brief details of our Board as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Ashok Soota	Executive Chairman & Director	00145962	#747, 18 th Main Road, 6 th Block, Koramangala, Bengaluru – 560 095, Karnataka, India
Venkatraman Narayanan	Executive Director & Chief Financial Officer	01856347	D – 902, Laburnum Block, Brigade Millenium, J P Nagar, 7 th Phase, Bengaluru – 560 078, Karnataka, India
Avneet Singh Kochar	Non – Executive Director	02415196	G – 157, Vikaspuri, Tilak Nagar Rajouri Garden, West Delhi – 110 018, India
Anita Ramachandran	Additional Director (Independent)	00118188	2401 – 2402, Raheja Atlantis, G K Marg, Lower Parel, Delisle Road, Mumbai – 400 013, Maharashtra, India
Rajendra Kumar Srivastava	Additional Director (Independent)	07500741	'PF 101, ISB Campus, Indian School of Business, Gachibowli, K.V., Rangareddy, Hyderabad – 500 032, Telangana, India
Shubha Rao Mayya	Additional Director (Independent)	08193276	60/45, 6 th Cross, Cambridge Layout, Halasuru, Bengaluru – 560 008, Karnataka, India

For further details of our Board of Directors, see “*Our Management*” on page 174.

Company Secretary and Compliance Officer

Praveen Kumar Darshankar is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Praveen Kumar Darshankar

#53/1-4, Hosur Road
Madivala (Next to Madivala Police Station)
Bengaluru – 560 068
Karnataka, India
Telephone: +91 80 6196 0300, +91 80 6196 0400
E-mail: investors@happiestminds.com

Book Running Lead Managers

ICICI Securities Limited

ICICI Centre
H T Parekh Marg
Churchgate, Mumbai – 400 020
Maharashtra, India
Telephone: +91 22 2288 2460
Email: happiestminds.ipo@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Sameer Purohit / Shekher Asnani

Nomura Financial Advisory and Securities (India) Private Limited

Ceejay House, Level 11 Plot F, Shivsagar Estate
Dr Annie Besant Road, Worli, Mumbai – 400 018
Maharashtra, India
Telephone: +91 22 4037 4037
Email: happiestmindsipo@nomura.com
Website: www.nomuraholdings.com/company/group/asia/india/index.html
Contact Person: Vishal Kanjani / Harsh Kumar

Syndicate Members

[•]

Bankers to the Offer

Public Offer Bank

[•]

Escrow Bank

[•]

Refund Bank

[•]

Sponsor Bank

[•]

Statement of inter-se allocation of responsibilities among the Book Running Lead Managers

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing	ICICI Securities, Nomura	ICICI Securities
2.	Drafting and approval of statutory advertisements	ICICI Securities, Nomura	ICICI Securities

Sr. No.	Activity	Responsibility	Co-ordination
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	ICICI Securities, Nomura	Nomura
4.	Appointment of intermediaries viz., Registrar's, Printers, Advertising Agency, Syndicate, Sponsor Bank, Bankers to the Issue and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	ICICI Securities, Nomura	ICICI Securities
5.	Preparation of road show marketing presentation and frequently asked questions	ICICI Securities, Nomura	Nomura
6.	International Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	ICICI Securities, Nomura	Nomura
7.	Domestic Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	ICICI Securities, Nomura	ICICI Securities
8.	Retail marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalizing media, marketing and public relations strategy; • Finalizing centres for holding conferences for brokers, etc.; • Finalizing collection centres; • Arranging for selection of underwriters and underwriting agreement; and • Follow-up on distribution of publicity and offer material including form, Prospectus and deciding on the quantum of the offer material	ICICI Securities, Nomura	ICICI Securities
9.	Non-Institutional marketing of the Offer, which will cover, inter alia: • Finalizing media, marketing and public relations strategy; and • Finalizing centres for holding conferences for brokers, etc.	ICICI Securities, Nomura	ICICI Securities
10.	Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders.	ICICI Securities, Nomura	Nomura
11.	Coordination with Stock-Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit and release of the security deposit post closure of the issue, anchor co-ordination and intimation of anchor allocation.	ICICI Securities, Nomura	Nomura
12.	Post- Issue activities, which shall involve essential follow-up with bankers to the Issue and SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable.	ICICI Securities, Nomura	ICICI Securities

Domestic Legal Counsel to the Company

Khaitan & Co

Simal, 2nd Floor

7/1, Ulsoor Road

Bengaluru – 560 042

Karnataka, India

Telephone: +91 80 4339 7000

Domestic Legal Counsel to the BRLMs

Cyril Amarchand Mangaldas

3rd Floor, Prestige Falcon Towers

19, Brunton Road, Off M G Road
Bengaluru – 560 025
Karnataka, India
Telephone: +91 80 6792 2000

International Legal Counsel to the BRLMs

Herbert Smith Freehills LLP
50, Raffles Place
#24-01, Singapore Land Tower
Singapore – 048623
Telephone: +65 6868 8000

Registrar to the Offer

KFin Technologies Private Limited
(previously known as Karvy Fintech Private Limited, and KCPL Advisory Services Private Limited)
Selenium, Tower B
Plot No – 31 & 32, Financial District
Nanakramguda, Serilingampally
Hyderabad, Rangareddi – 500 032,
Telangana, India
Telephone: +91 40 6716 2222
E-mail: happiestminds.ipo@kfintech.com
Website: www.kfintech.com
Contact person: M Murali Krishna

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> or such other website as may be updated from time to time. For a list of branches of SCSBs named by the respective SCSBs to receive ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time. Further, in relation to RIIs using the UPI Mechanism, a list of SCSBs eligible as ‘Issuer Banks’ for UPI is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs and mobile applications whose name appears on the SEBI website at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. A list of SCSBs and mobile application, which are live for applying in public issues using UPI mechanism is provided as Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept the ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx> and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and on the website of NSE at http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Statutory Auditors to our Company

S. R. Batliboi & Associates LLP, Chartered Accountants

12th Floor, U B City

Canberra Block

No 24, Vittal Mallya Road

Bengaluru – 560 001

Telephone: +91 80 6648 9000

E-mail: srba@srb.in

Firm registration number: 101049W / E300004

Peer review number: 011169

There has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus.

Bankers to our Company

HDFC Bank Limited

1st Floor, Golden Towers

B Wing, Old Airport Road

Bengaluru – 560 025

Karnataka, India

Telephone: +91 96863 337396

Email: koustav.roy@hdfcbank.com

ICICI Bank Limited

5th Floor, ICICI Private Banking

Shobha Pearl, West Wing

Commissariat Road, Bengaluru – 560 025

Karnataka, India

Telephone: +91 80 4192 6762

Email: murty.s@icicibank.com

Kotak Mahindra Bank Limited

27 BKC, C 27

G Block, Bandra Kurla Complex

Bandra (East), Mumbai – 400 051

Maharashtra, India

Telephone: +91 22 6166 0351

E-mail: sovit.nanda@kotak.com

RBL Bank Limited

One Indiabulls Centre, Tower 2B,

6th Floor, 841, Senapati Bapat Marg

Lower Parel (West), Mumbai – 400 013

Maharashtra, India

Telephone: +91 22 4302 0600

Email: rahul.gulati@rblbank.com

Monitoring Agency

In terms of Regulation 41(1) of the SEBI ICDR Regulations, a monitoring agency shall be appointed to monitor the utilisation of the Net Proceeds and details thereof shall be updated, prior to the filing of the Red Herring Prospectus with the RoC.

Credit Rating

As this is an Issue of Equity Shares, the requirement of credit rating is not applicable.

Appraising Agencies

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised.

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Trustees

As this is an offer of Equity Shares, no trustee has been appointed for the Offer.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated June 10, 2020 from S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated May 29, 2020 on our Restated Consolidated Financial Statements; and (ii) their report dated June 10, 2020 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Southern Regional Office, Overseas Towers, 7th Floor, 758 – L Anna Salai, Chennai – 600 002, Tamil Nadu, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for filing with the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered for filing with the RoC situated at the address mentioned below:

Registrar of Companies, Bangalore
Kendriya Sadan, 2nd Floor
E – Wing, Koramangala
Bengaluru – 560 034
Karnataka, India

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the Minimum Bid Lot size will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a Hindi national daily newspaper) and the [●] edition of [●] (a widely circulated Kannada newspaper, Kannada being the regional language of Karnataka where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, after the Bid/Offer Closing Date.

All investors, other than Retail Individual Investors and Anchor Investors, shall only participate through the ASBA process by providing details of their respective ASBA Accounts in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Investors may participate through the ASBA process by either: (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs, or (b) through the UPI Mechanism. Anchor Investors are not

permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details on method and process of Bidding, see “Offer Structure” and “Offer Procedure” on pages 345 and 348, respectively.

The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and is subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

Bidders should note the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure” on page 348.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. Pursuant to the Underwriting Agreement, the Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing the Prospectus with the RoC)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ in million)
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalised after the determination of the Offer Price, finalisation of the Basis of Allotment and the actual allocation, subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board / Fund Raising Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Bidders procured by them in accordance with the

Underwriting Agreement.

The extent of underwriting obligations, and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The following table sets forth details of the share capital of our Company as on the date of this Draft Red Herring Prospectus:

Sr. No.	Particulars	Aggregate nominal value (in ₹ million)	Aggregate value at Offer Price (in ₹ million)*
A	AUTHORISED SHARE CAPITAL ⁽¹⁾		
	229,300,000 Equity Shares	458.6	-
	200,000 Preference Shares [#]	130.4	-
	Total	589.0	-
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	107,862,479 Equity Shares	215.7	-
	198,617 Preference Shares [#]	129.5	-
	Total	345.2	
C	PRESENT OFFER ⁽²⁾		
	Up to [●] Equity Shares which includes	[●]	[●]
	Fresh Issue of up to [●] Equity Shares, aggregating up to ₹1,100.0 million ⁽²⁾	[●]	[●]
	Offer for Sale ⁽³⁾ of up to 35,663,585 Equity Shares each by the Selling Shareholders, aggregating up to ₹[●] million which includes	[●]	[●]
	Up to 8,414,223 Equity Shares by the Promoter Selling Shareholder	[●]	[●]
	Up to 27,249,362 ^{###} Equity Shares by the Investor Selling Shareholder	[●]	[●]
E	ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE OFFER		
	[●] Equity Shares	[●]	[●]
	Total	[●]	[●]
F	SHARE PREMIUM ACCOUNT		
	Before the Offer		2,894.9 ^{\$}
	After the Offer		[●]

* To be updated upon finalisation of the Offer Price.

[#] The Preference Shares of our Company are 14% non-cumulative compulsorily convertible preference shares of face value of ₹652 each, which will convert into 32,374,571 Equity Shares prior to the filing of the Red Herring Prospectus. For details of the terms of conversion of the Preference Shares, please see "Capital Structure – Terms of Conversion of Preference Shares" on page 78.

^{\$}On November 5, 2019, our Company reduced the Securities Premium Account by ₹1,722,978,076 in order to write off accumulated losses. This reduction in the Securities Premium Account was authorised by a resolution passed by our Board of Directors at its meeting held on April 4, 2019, a special resolution of the holders of the Preference Shares of our Company passed in the extraordinary general meeting of the holders of Preference Shares on August 19, 2019, a special resolution of our Shareholders passed in their extraordinary general meeting held on April 16, 2019, and an order dated November 5, 2019, passed by the National Company Law Tribunal, Bengaluru bench.

^{###}Includes 163 Equity Shares held by the Investor Selling Shareholder as on the date of the Draft Red Herring Prospectus and 27,249,199 Equity Shares to be issued upon conversion of 167,173 Preference Shares held by the Investor Selling Shareholder prior to filing of the Red Herring Prospectus.

Note:

- (1) For details of the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters - Amendments to the Memorandum of Association" on page 168.
- (2) The Offer has been authorised by our Board of Directors pursuant to a resolution passed at its meeting held on April 29, 2020 and by a resolution of our Shareholders passed in their extraordinary general meeting held on May 13, 2020.
- (3) The Promoter Selling Shareholder and the Investor Selling Shareholder, have each specifically confirmed their participation in the Offer for Sale by way of their consent letters, dated May 21, 2020 and June 4, 2020, respectively. The Selling Shareholders specifically confirm that they have held the Offered Shares for a period of at least one year immediately preceding the date of filing of this Draft Red Herring Prospectus, that they are the legal and beneficial owners of the Offered Shares and that the Offered Shares are eligible to be offered for sale pursuant to the Offer, in terms of the SEBI ICDR Regulations. For details, see "The Offer" on page 59.

Notes to Capital Structure

1. Share capital history of our Company

(a) The history of the Equity Share capital of our Company is provided in the following table:

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Cumulative number of Equity Shares	Cumulative paid – up Equity Share Capital	Form of consideration	Reason / Nature of allotment
March 29, 2011	10,000	10	10	10,000	100,000	Cash	Subscription to MoA ⁽¹⁾
<i>Pursuant to a resolution of our Board passed in their meeting held on June 29, 2011 and a resolution of our Shareholders passed in their extraordinary general meeting held on July 7, 2011, each fully paid up equity share of our Company of face value ₹10 was split into 5 Equity Shares of ₹2 each, and accordingly, 10,000 equity shares of our Company of ₹10 each were split into 50,000 Equity Shares of ₹2 each.</i>							
October 31, 2011	26,004	2	2	76,004	152,008	Cash	Preferential allotment ⁽²⁾
November 4, 2011	1	2	2	76,005	152,010	Cash	Preferential allotment ⁽³⁾
November 23, 2011	12,312,810	2	NA	12,388,815	24,777,630	NA	Bonus issue in the ratio of 162:1 ⁽⁴⁾
April 19, 2012	7,268,750*	2	2	19,657,565	39,315,130	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽⁵⁾
April 19, 2012	615,000*	2	2	20,272,565	40,545,130	Cash	Allotment under our Company's ESOP Scheme USA ⁽⁶⁾
April 19, 2012	3,778,500*	2	2	24,051,065	48,102,130	Cash	Preferential allotment ⁽⁷⁾
October 29, 2012	740,000*	2	2	24,791,065	49,582,130	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽⁸⁾
April 25, 2013	1,460,100*	2	2	26,251,165	52,502,330	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽⁹⁾
April 25, 2013	70,000*	2	2	26,321,165	52,642,330	Cash	Allotment under our Company's ESOP Scheme USA ⁽¹⁰⁾
November 7, 2013	826,875*	2	3	27,148,040	54,296,080	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽¹¹⁾
November 7, 2013	1,223,445*	2	3	28,371,485	56,742,970	Cash	Allotment under our Company's ESOP Scheme USA ⁽¹²⁾
April 24, 2014	544,600*	2	5	28,916,085	57,832,170	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽¹³⁾
April 24, 2014	37,500*	2	3	28,953,585	57,907,170	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽¹⁴⁾
April 24, 2014	5,250*	2	2	28,958,835	57,917,670	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽¹⁵⁾
July 17, 2014	154,000*	2	5	29,112,835	58,225,670	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽¹⁶⁾
August 7, 2014	120,500*	2	5	29,233,335	58,466,670	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽¹⁷⁾
October 20, 2014	15,000*	2	2	29,248,335	58,496,670	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽¹⁸⁾

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Cumulative number of Equity Shares	Cumulative paid – up Equity Share Capital	Form of consideration	Reason / Nature of allotment
April 23, 2015	3,310,075	2	6	32,558,410	65,116,820	Cash	Allotment under our Company's ESOP Scheme 2014 ⁽¹⁹⁾
April 23, 2015	2,250,000	2	2	34,808,410	69,616,820	Cash	Allotment under our Company's ESOP Scheme 2014 ⁽²⁰⁾
April 23, 2015	96,875	2	6	34,905,285	69,810,570	Cash	Allotment under our Company's ESOP Scheme USA ⁽²¹⁾
April 23, 2015	15,000	2	5	34,920,285	69,840,570	Cash	Allotment under our Company's ESOP Scheme USA ⁽²²⁾
April 23, 2015	7,875	2	2	34,928,160	69,856,320	Cash	Allotment under our Company's ESOP Scheme USA ⁽²³⁾
July 22, 2015	15,375	2	6	34,943,535	69,887,070	Cash	Allotment under our Company's ESOP Scheme USA ⁽²⁴⁾
October 21, 2015	151,500*	2	6.25	35,095,035	70,190,070	Cash	Allotment under our Company's ESOP Scheme 2015 ⁽²⁵⁾
October 21, 2015	300,000*	2	2	35,395,035	70,790,070	Cash	Allotment under our Company's ESOP Scheme 2015 ⁽²⁶⁾
January 20, 2016	318,500*	2	6.25	35,713,535	71,427,070	Cash	Allotment under our Company's ESOP Scheme 2015 ⁽²⁷⁾
January 20, 2016	71,500*	2	2	35,785,035	71,570,070	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽²⁸⁾
January 20, 2016	15,500*	2	3	35,800,535	71,601,070	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽²⁹⁾
January 20, 2016	23,600*	2	5	35,824,135	71,648,270	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽³⁰⁾
January 20, 2016	16,000*	2	6	35,840,135	71,680,270	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽³¹⁾
January 20, 2016	12,500*	2	6	35,852,635	71,705,270	Cash	Allotment under our Company's ESOP Scheme USA ⁽³²⁾
January 20, 2016	5,000*	2	6.25	35,857,635	71,715,270	Cash	Allotment under our Company's ESOP Scheme USA ⁽³³⁾
March 14, 2016	263,000*	2	6.25	36,120,635	72,241,270	Cash	Allotment under our Company's ESOP Scheme 2015 ⁽³⁴⁾
March 14, 2016	15,000*	2	2	36,135,635	72,271,270	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽³⁵⁾
May 18, 2016	9,000*	2	6	36,144,635	72,289,270	Cash	Allotment under our Company's ESOP Scheme USA ⁽³⁶⁾
September 15, 2016	75,000*	2	9.5	36,219,635	72,439,270	Cash	Allotment under our Company's ESOP Scheme 2015 ⁽³⁷⁾
September 15, 2016	125,000*	2	9.5	36,344,635	72,689,270	Cash	Allotment under our Company's ESOP Scheme USA ⁽³⁸⁾

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Cumulative number of Equity Shares	Cumulative paid – up Equity Share Capital	Form of consideration	Reason / Nature of allotment
September 15, 2016	1,500*	2	2	36,346,135	72,692,270	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽³⁹⁾
April 26, 2017	120,000*	2	11.5	36,466,135	72,932,270	Cash	Allotment under our Company's ESOP Scheme USA ⁽⁴⁰⁾
April 26, 2017	15,000	2	6	36,481,135	72,962,270	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽⁴¹⁾
April 26, 2017	9,875	2	6	36,491,010	72,982,020	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽⁴²⁾
October 25, 2017	667,625	2	26	37,158,635	74,317,270	Cash	Allotment under our Company's ESOP Scheme 2015 ⁽⁴³⁾
October 25, 2017	4,555	2	3	37,163,190	74,326,380	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽⁴⁴⁾
October 25, 2017	1,625	2	5	37,164,815	74,329,630	Cash	Allotment under our Company's ESOP Scheme 2011 ⁽⁴⁵⁾
March 16, 2020	12,225,000	2	NA	49,389,815	98,779,630	NA	Conversion of Preference Shares ⁽⁴⁶⁾
May 13, 2020	58,472,664	2	NA	107,862,479	215,724,958	NA	Conversion of Preference Shares ⁽⁴⁷⁾

* These Equity Shares were originally Class B equity shares of our Company with no voting rights, which were reclassified into Equity Shares with voting rights pursuant to a resolution of our Board of Directors passed at their meeting held on February 7, 2017 and a resolution of our Shareholders at their annual general meeting held on July 31, 2017

- (1) 5,000 equity shares were allotted to S R Gopalan, and 5,000 equity shares were allotted to Davis Karedan Paily
- (2) 26,003 Equity Shares were allotted to Ashok Soota and one Equity Share was allotted to Canaan
- (3) One Equity Share was allotted to Intel
- (4) Bonus issue in the ratio of 162 Equity Shares for every one Equity Share to the then Shareholders, authorised by way of a resolution passed by our Shareholders at their extraordinary general meeting held on October 31, 2011. 12,304,386 Equity Shares were allotted to Ashok Soota, 8,100 Equity Shares were allotted to Davis Karedan Paily, 162 Equity Shares were allotted to Canaan, and 162 Equity Shares were allotted to Intel
- (5) 72,68,750 Equity Shares were allotted to 151 employees of our Company
- (6) 615,000 Equity Shares were allotted to eight employees of our Company
- (7) 3,178,500 Equity Shares were allotted to Vikram Gulati and 600,000 Equity Shares were allotted to Joseph Anantharaju
- (8) 740,000 Equity Shares were allotted to 99 employees of our Company
- (9) 1,460,100 Equity Shares were allotted to 363 employees of our Company
- (10) 70,000 Equity Shares were allotted to two employees of our Company
- (11) 826,875 Equity Shares were allotted to 129 employees of our Company
- (12) 1,223,445 Equity Shares were allotted to two employees of our Company
- (13) 544,600 Equity Shares were allotted to 207 employees of our Company
- (14) 37,500 Equity Shares were allotted to one employee of our Company
- (15) 5,250 Equity Shares were allotted to one employee of our Company
- (16) 154,000 Equity Shares were allotted to 31 employees of our Company
- (17) 120,500 Equity Shares were allotted to 18 employees of our Company
- (18) 15,000 Equity Shares were allotted to one employee of our Company
- (19) 3,310,075 Equity Shares were allotted to Happiest Minds Technologies Share Ownership Plans Trust with 566 employees of our Company being the beneficial owners of the Equity Shares
- (20) 2,250,000 Equity Shares were allotted to Happiest Minds Technologies Share Ownership Plans Trust with one employee of our Company being the beneficial owner of the Equity Shares
- (21) 96,875 Equity Shares were allotted to 12 employees of our Company
- (22) 15,000 Equity Shares were allotted to one employee of our Company
- (23) 7,875 Equity Shares were allotted to one employee of our Company
- (24) 15,375 Equity Share were allotted to four employees of our Company
- (25) 151,500 Equity Shares were allotted to 27 employees of our Company
- (26) 300,000 Equity Shares were allotted to one employee of our Company
- (27) 318,000 Equity Shares were allotted to 69 employees of our Company
- (28) 71,500 Equity Shares were allotted to 14 employees of our Company
- (29) 15,500 Equity Shares were allotted to 9 employees of our Company
- (30) 23,600 Equity Shares were allotted to 14 employees of our Company
- (31) 16,000 Equity Shares were allotted to four employees of our Company

- (32) 12,500 Equity Shares were allotted to two employees of our Company
(33) 5,000 Equity Shares were allotted to one employee of our Company
(34) 263,000 Equity Shares were allotted to 72 employees of our Company
(35) 15,000 Equity Shares were allotted to one employee of our Company
(36) 9,000 Equity Shares were allotted to one employee of our Company
(37) 75,000 Equity Shares were allotted to one employee of our Company
(38) 125,000 Equity Shares were allotted to one employee of our Company
(39) 1,500 Equity Shares were allotted to one employee of our Company
(40) 120,000 Equity Shares were allotted to one employee of our Company
(41) 15,000 Equity Shares were allotted to one employee of our Company
(42) 9,875 Equity Shares were allotted to one employee of our Company
(43) 667,625 Equity Shares were allotted to 45 employees of our Company
(44) 4,555 Equity Shares were allotted to two employees of our Company
(45) 1,625 Equity Shares were allotted to one employee of our Company
(46) 75,000 Preference Shares held by Ashok Soota were converted into 12,225,000 Equity Shares, as per the conversion ratio of 163 Equity Shares for every Preference Share
(47) 358,728 Preference Shares held by Ashok Soota were converted into 58,472,664 Equity Shares, as per the conversion ratio of 163 Equity Shares for every Preference Share

(b) The history of the preference share capital of our Company is provided in the following table:

Date of allotment	Number of Preference Shares allotted	Face value per Preference Share (₹)	Issue price per Preference Share (₹)	Cumulative number of Preference Shares	Cumulative paid – up Preference Share Capital	Form of consideration	Reason / Nature of allotment
October 31, 2011	199,996	652	4,890	199,996	130,397,392	Cash	Preferential allotment ⁽¹⁾
November 4, 2011	29,999	652	4,890	229,995	149,956,740	Cash	Preferential allotment ⁽²⁾
February 29, 2012	20,000	652	4,890	249,995	162,996,740	Cash	Preferential allotment ⁽³⁾
June 4, 2013	130,000	652	5,500	379,995	247,756,740	Cash	Preferential allotment ⁽⁴⁾
November 27, 2013	70,000	652	6,150	449,995	293,396,740	Cash	Preferential allotment ⁽⁵⁾
August 6, 2014	59,700	652	5,930	509,695	332,321,140	Cash	Private Placement ⁽⁶⁾
August 7, 2014	15,300	652	5,930	524,995	342,296,740	Cash	Private Placement ⁽⁷⁾
September 15, 2016	105,694	652	6,700	630,689	411,209,228	Cash	Private placement ⁽⁸⁾
April 26, 2017	1,468	652	11,410	632,157	412,166,364	Cash	Private placement ⁽⁹⁾
April 25, 2018	188	652	11,410	632,345	412,288,940	Cash	Private placement ⁽¹⁰⁾
March 16, 2020	(75,000)	652	NA	557,345	363,388,940	NA	Conversion into Equity Shares ⁽¹¹⁾
May 13, 2020	(358,728)	652	NA	198,617	129,498,284	NA	Conversion into Equity Shares ⁽¹²⁾

- (1) 140,824 Preference Shares were allotted to Ashok Soota, 49,999 Preference Shares were issued to Canaan, 3,250 Preference Shares were allotted to Vikram Gulati, 1,022 Preference Shares were allotted to Raja Shanmugam, 961 Preference Shares were allotted to Puneet Jetli, 511 Preference Shares were allotted to Venkatesan K, 409 Preference Shares were allotted to S R Gopalan, 245 Preference Shares were allotted to Joseph Anantharaju, 245 Preference Shares were allotted to Ramakanth Desai, 1,267 Preference Shares were allotted to Davis Karedan Paily, 204 Preference Shares were allotted to Aurobinda Nanda, 204 Preference Shares were allotted to Dattatri Salagame, 204 Preference Shares were allotted to Prasenjit Saha, 204 Preference Shares were allotted to Raja Sekher, 160 Preference Shares were allotted to Usha Samuel, 80 Preference Shares were allotted to Suresh Soota, 75 Preference Shares were allotted to Deepak Soota, 61 Preference Shares were allotted to Swati Jetli, 40 Preference Shares were allotted Salil Godika, and 31 Preference Shares were allotted to Veena Soota
(2) 29,999 Preference Shares were allotted to Intel
(3) 20,000 Preference Shares were allotted to Intel
(4) 78,000 Preference Shares were allotted to Ashok Soota, 26,000 Preference Shares were allotted to Canaan and 26,000 Preference Shares were allotted to Intel
(5) 46,200 Preference Shares were allotted to Canaan, 14,000 Preference Shares were allotted to Intel and 9,800 Preference Shares were allotted to Ashok Soota,
(6) 38,900 Preference Shares were allotted to Ashok Soota and 20,800 Preference Shares were allotted to Canaan
(7) 15,300 Preference Shares were allotted to Intel
(8) 58,026 Preference Shares were allotted to Ashok Soota, 24,174 Preference Shares were allotted to CMDDB II, 17,800 Preference Shares

were allotted to Intel Corporation, 614 Preference Shares were allotted to Sashi Kumar, 600 Preference Shares were allotted to Ganapathi T B, 500 Preference Shares were allotted to N Venkatraman, 400 Preference Shares were allotted to Ravinder Vaswan, 400 Preference Shares were allotted to Swayamjit Das, 373 Preference Shares were allotted to Raja Shanmugam, 373 Preference Shares were allotted to Ravisankaran Raja, 307 Preference Shares were allotted to Joseph Anantharaju, 300 Preference Shares were allotted to Praveen R P, 224 Preference Shares were allotted to Dattatri Salagame, 224 Preference Shares were allotted to S R Gopalan and Sidharth Gopalan, 200 Preference Shares were allotted to Rathi Dasgupta, 200 Preference Shares were allotted to Dinesh Ramachandran, 200 Preference Shares were allotted to Salil Godika, 150 Preference Shares were allotted to Sandeep Agarwal, 150 Preference Shares were allotted to Sathya Sai Swaroop M R, 149 Preference Shares were allotted to Isaac George, 120 Preference Shares were allotted to Rajiv Pedadda, 100 Preference Shares were allotted to Gopalakrishna Bylahalli, 60 Preference Shares were allotted to Preeti Menon, and 50 Preference Shares were allotted to Anjan Bhattacharya

(9) 1,468 Preference Shares were allotted to Lip Bu Tan

(10) 188 Preference Shares were allotted to Jogi Sunil Kumar

(11) 75,000 Preference Shares held by Ashok Soota were converted into 12,225,000 Equity Shares, as per the conversion ratio of 163 Equity Shares for every Preference Share

(12) 358,728 Preference Shares held by Ashok Soota were converted into 58,472,664 Equity Shares, as per the conversion ratio of 163 Equity Shares for every Preference Share

Terms of Conversion of Preference Shares:

Our Company has a total of 198,617 Preference Shares outstanding as on the date of this Draft Red Herring Prospectus. In accordance with the terms of the Preference Shares and pursuant to the bonus issue undertaken by our Company on November 23, 2011, each Preference Share will convert into 163 Equity Shares (“**Conversion Ratio**”).

Under the terms of the Preference Shares and in accordance with our Articles of Association, the holders of the Preference Shares have an option to convert the Preference Shares held by them into Equity Shares at any time during a period of 20 years commencing from the date of issuance of Preference Shares (“**Conversion Period**”) in accordance with the Conversion Ratio. Further, the Preference Shares are required to be compulsorily converted into Equity Shares upon occurrence of any of the following events:

- (i) Prior to filing of the Red Herring Prospectus by our Company;
- (ii) The expiry of the Conversion Period; or
- (iii) Upon the Investor Selling Shareholder converting a majority of the Preference Shares held by the Investor Selling Shareholder.

Further, no additional consideration is payable by the holders of the Preference Shares at the time of conversion of the Preference Shares into Equity Shares. Accordingly, our Company will issue 32,374,571 Equity Shares upon conversion of the outstanding Preference Shares prior to filing of the Red Herring Prospectus by our Company.

2. Equity Shares issued for consideration other than cash or bonus issue

Our Company has not issued any Equity Shares out of revaluation of reserves since its incorporation. Further, except as set out below, our Company has not issued Equity Shares for consideration other than cash or bonus issue:

Date of allotment	Number of Equity Shares allotted	Name of allottee(s)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
November 23, 2011	12,312,810	Then existing shareholders of our Company ⁽¹⁾	2	2	Bonus issue in the ratio 162:1 ⁽¹⁾	-

(1) Authorised by way of a resolution of our Shareholders passed at their extraordinary general meeting held on October 31, 2011. 12,304,386 Equity Shares were allotted to Ashok Soota, 8,100 Equity Shares were allotted to Davis Karedan Paily, 162 Equity Shares were allotted to Canaan and 162 Equity Shares were allotted to Intel

3. Build-up of Promoter’s shareholding, Minimum Promoter’s Contribution and lock-in

As on the date of this Draft Red Herring Prospectus, our Promoter holds 68,291,897 Equity Shares and 1,129 Preference Shares, representing 48.83% of the pre-Offer issued, subscribed, and paid-up capital of our Company, on a fully diluted basis. The details regarding our Promoter’s shareholding are set out below:

(a) Build-up of Equity Shares held by our Promoter

The details of build-up our Promoter's shareholding in our Company since its incorporation is as follows:

Equity Shares

Date of allotment / transfer and made fully paid – up	Nature of issue	Number of Equity Shares issued / transferred	Cumulative number of Equity Shares	Form of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre- Offer capital on a fully diluted basis* (%)	Percentage of the post- Offer capital (%)	Number of pledged Equity Shares	Percentage of pledged Equity Shares on a fully diluted basis* (%)
June 29, 2011	Transfer ⁽¹⁾	5,000	5,000	Cash	10	10	-	[•]		
June 29, 2011	Transfer ⁽²⁾	4,990	9,990	Cash	10	10	-	[•]		
Pursuant to a resolution of our Board passed in their meeting held on June 29, 2011 and a resolution of our Shareholders passed in their extraordinary general meeting held on July 7, 2011, each fully paid up equity share of our Company of face value ₹10 was split into 5 Equity Shares of ₹2 each, and accordingly, 9,990 equity shares of ₹10 each allotted to our Promoter were split into 49,950 Equity Shares of ₹2 each.										
July 7, 2011	Subdivision of face value of Equity Shares from ₹10 to ₹2	NA	49,950	NA	2	2	0.04	[•]		
October 31, 2011	Preferential allotment	26,003	75,953	Cash	2	2	0.02	[•]		
November 23, 2011	Bonus issue	12,304,386	12,380,339	NA	2	NA	8.77	[•]		
October 29, 2018	Transfer ⁽³⁾	2,812,515	15,192,854	Cash	2	39.11	2.01	[•]		
July 30, 2019	Transfer ⁽⁴⁾	163	15,193,017	Cash	2	8,815.59	0.00	[•]		
February 6, 2020	Transfer ⁽⁵⁾	3,50,000	15,543,017	Cash	2	200	0.25	[•]		
March 16, 2020	Conversion ⁽⁶⁾	12,225,000	27,768,017	-	2	-	8.72	[•]		
May 8, 2020	Transfer ⁽⁷⁾	(12,225,000)	15,543,017	NA	2	NA	8.72	[•]		
May 13, 2020	Conversion ⁽⁸⁾	58,472,664	74,015,681	-	2	-	41.70	[•]		
May 26, 2020	Transfer ⁽⁹⁾	(5,723,784)	68,291,897	NA	2	NA	4.08	[•]		
TOTAL		68,291,897					48.70	[•]	24,122,331	17.20

* Percentage is calculated on the basis of Equity Share capital, Preference Share capital and stock option in force

(1) Transfer from S R Gopalan

(2) Transfer from Davis Karedan Paily

(3) Transfer from Vikram Gulati

(4) Transfer from Intel Corporation

(5) Transfer from Salil Godika

(6) 75,000 Preference Shares held by Ashok Soota were converted into 12,225,000 Equity Shares, as per the conversion ratio of 163 Equity Shares for every Preference Share

(7) Transfer to Ashok Soota Medical Research LLP

(8) 358,728 Preference Shares held by Ashok Soota were converted into 58,472,664 Equity Shares, as per the conversion ratio of 163 Equity Shares for every Preference Share

(9) Transfer to Ashok Soota Medical Research LLP

Preference Shares

Date of allotment /transfer	Nature of issue	Number of Preference Shares	Cumulative number of Equity Shares	Form of consideration	Face value per Preference Share (₹)	Issue price / Transfer price per Preference Share (₹)	Percentage of the pre- Offer capital on a fully diluted basis* (%)	Percentage of the post- Offer capital (%) on a fully diluted basis*	Number of pledged Preference Shares	Percentage of pledged Preference Shares (%)
October 31, 2011	Preferential allotment	140,824	140,824	Cash	652	4,890	16.37	[•]		
June 4, 2013	Preferential Allotment	78,000	218,824	Cash	652	5,500	9.07	[•]		
November 27, 2013	Preferential Allotment	9,800	228,624	Cash	652	6,150	1.14	[•]		
August 6, 2014	Preferential Allotment	38,900	267,524	Cash	652	5,930	4.52	[•]		
July 22, 2015	Gift to Sheila Arora	(31)	267,493	NA	652	NA	Negligible	[•]		
July 22, 2015	Gift to Kunku Soota	(147)	267,346	NA	652	NA	0.02	[•]		
July 22, 2015	Gift to Usha Samuel	(39)	267,307	NA	652	NA	Negligible	[•]		
September 15, 2016	Preferential Allotment	58,026	325,333	Cash	652	6,700	6.74	[•]		
October 25, 2017	Transfer ⁽¹⁾	428	325,761	Cash	652	16,300	0.05	[•]		
July 30, 2019	Transfer ⁽²⁾	123,099	448,860	Cash	652	8,827.26	14.31	[•]		
September 25, 2019	Transfer ⁽³⁾	(5,321)	443,539	Cash	652	8,827.19	0.62	[•]		
October 1, 2019	Transfer ⁽⁴⁾	(2,716)	440,823	Cash	652	8,827.19	0.32	[•]		
October 23, 2019	Transfer ⁽⁵⁾	(1,243)	439,580	Cash	652	8,827.19	0.14	[•]		
November 19, 2019	Transfer ⁽⁶⁾	(735)	438,845	Cash	652	8,827.19	0.09	[•]		
November 28, 2019	Transfer ⁽⁷⁾	(2,179)	436,666	Cash	652	8,827.19	0.25	[•]		
December 4, 2019	Transfer ⁽⁸⁾	(169)	436,497	Cash	652	8,827.19	0.02	[•]		
December 18, 2019	Transfer ⁽⁹⁾	(849)	435,648	Cash	652	8,827.19	0.10	[•]		
February 6, 2020	Transfer ⁽¹⁰⁾	307	435,955	Cash	652	16,286.65	0.04	[•]		
February 10, 2020	Gift to Davis Karedan Paily	(675)	435,280	NA	652	NA	0.08	[•]		
February 13, 2020	Transfer ⁽¹¹⁾	(283)	434,997	Cash	652	8,827.19	0.03	[•]		
February 24, 2020	Transfer ⁽¹²⁾	(396)	434,601	Cash	652	8,827.19	0.05	[•]		
March 16, 2020	Conversion ⁽¹³⁾	(75,000)	359,601	NA	652	NA	8.72	[•]		
May 8, 2020	Transfer ⁽¹⁴⁾	(566)	359,035	Cash	652	8,827.19	0.07	[•]		
May 13, 2020	Conversion ⁽¹⁶⁾	(358,728)	307	NA	652	NA	41.70	[•]		
May 15, 2020	Transfer ⁽¹⁵⁾	1,105	1,412	Cash	652	8,827.19	0.13	[•]		
May 26, 2020	Transfer ⁽¹⁷⁾	(283)	1,129	Cash	652	8,827.19	0.03	[•]		
TOTAL		1,129					0.13	[•]		

*Percentage is calculated on the basis of Equity Share capital, Preference Share capital and stock option in force

(1) Transfer from Dattatri Salagame

(2) Transfer from Intel Corporation

- (3) Transfer of 1,699 Preference Shares to Jayalaakshmi Venkatraman, 1,132 Preference Shares to Swarnim Multiventures Private Limited, 679 Preference Shares to C. Ramamohan 566 Preference Shares to Sridhar Mitta, 566 Preference Shares to Salil Godika 566 Preference Shares to Rajiv Khaitan and 113 Preference Shares to Pulapre Venugopal Menon
- (4) Transfer of 566 Preference Shares to Davis Karedan Paily, 566 Preference Shares to Joseph John Thomas, 566 Preference Shares to Narinder Pal Singh Shinh, 283 Preference Shares to Jaideep Singh Shinh, 143 Preference Shares to Usha Vaswani, 141 preference Shares to Ramesh Ajit Vaswani, 113 Preference Shares to Parameswaran KB, 113 Preference Shares to Peddada Rajiv Chakrapani, 113 Preference Shares to Sajith Kumar S and 113 Preference Shares to Vijayalakshmi N
- (5) Transfer of 283 Preference Shares to Gqnapathi Bheemaiah Theethira, 226 Preference Shares to Deepak Soota, 226 Preference Shares to Vijay Bharti, 169 Preference Shares to Manu Tayal, 113 Preference Shares to Bhanu Pradeep Patnaik, 113 Preference Shares to Roopa Sriranganarayan and 113 Preference Shares to Arjun Soot
- (6) Transfer of 283 Preference Shares to Ganapathi Bheemaiah Theethira, 169 Preference Shares to Huzefa Saifee, 113 Preference Shares to Preeti R Menon, 113 Preference Shares to Suresh Soota and 57 Preference Shares to Rahul Kumar Arora
- (7) Transfer of 1,105 Preference Shares to Girish S Paranjpe, 565 Preference Shares to Aurobindo Nanda, 283 Preference Shares to Sridhar Mantha and 226 Preference Shares to Ritesh Gupta
- (8) Transfer of 169 Preference Shares to Rajiv Indravadhan Shah
- (9) Transfer of 453 Preference Shares to Haripriya Kanduri, 283 Preference Shares to Ajay Durgaprasad Agrawal and 113 Preference Shares to Kunku Soota
- (10) Transfer of 307 Preference Shares from Puneet Jetli
- (11) Transfer of 283 Preference Shares to Usha Samuel
- (12) Transfer of 396 Preference Shares to Anand Mohan Khoka
- (13) 75,000 Preference Shares held by Ashok Soota were converted into 12,225,000 Equity Shares, as per the conversion ratio of 163 Equity Shares for every Preference Share
- (14) Transfer of 566 Preference Shares to Josephine Raju
- (15) Transfer of 1,105 Preference Shares from Girish Paranjpe
- (16) 358,728 Preference Shares held by Ashok Soota were converted into 58,472,664 Equity Shares, as per the conversion ratio of 163 Equity Shares for every Preference Share
- (17) Transfer to Chetan P Deshpande

All the Equity Shares and Preference Shares held by our Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares or Preference Shares.

Except as disclosed below, none of the Equity Shares or Preference Shares held by our Promoter are pledged or otherwise encumbered:

Pursuant to a facility agreement dated July 24, 2019 (“**Facility Agreement**”) Avendus Finance Private Limited (“**Avendus**”) has lent ₹400 million to our Promoter. Pursuant to the Facility Agreement, our Promoter has entered into a security trustee agreement dated July 24, 2019 with Avendus and Vistra ITCL (India) Limited (“**Security Trustee**”). The Facility Agreement was amended on May 28, 2020 whereby Ashok Soota Medical Research LLP (“**ASMR LLP**”), a member of our Promoter Group was made a party to the Facility Agreement. Our Promoter, ASMR LLP and the Security Trustee then entered into an amended and restated share pledge agreement on May 28, 2020 (which is an amendment to the share pledge agreement, dated July 24, 2019 entered into by our Promoter), as per which, our Promoter and Ashok Soota Medical Research LLP have pledged 24,122,331 Equity Shares and 17,948,784 Equity Shares, respectively, in favour of the Security Trustee.

(b) Equity shareholding of our Promoter and Promoter Group

Set forth below is the equity shareholding of our Promoter and Promoter Group in our Company as on the date of this Draft Red Herring Prospectus, on a fully diluted basis:

Sr. No.	Name of shareholder	Pre-Offer		Post-Offer	
		Number of Equity Shares	Percentage of Equity Share capital (%) on a fully diluted basis**	Number of Equity Shares	Percentage of Equity Share capital (%)
(A) Promoter					
1.	Ashok Soota	68,475,924*	48.83	[●]	[●]
Total (A)		68,475,924	48.83	[●]	[●]
(B) Promoter Group					
1.	Deepak Soota	49,063 [#]	0.03	[●]	[●]
2.	Kunku Soota	42,380 [#]	0.03	[●]	[●]
3.	Suresh Soota	31,459 [#]	0.02	[●]	[●]
4.	Usha Samuel	78,566 [#]	0.06	[●]	[●]
5.	Ashok Soota Medical Research LLP	17,948,784	12.80	[●]	[●]
Total (B)		18,150,252	12.94	[●]	[●]

Sr. No.	Name of shareholder	Pre-Offer		Post-Offer	
		Number of Equity Shares	Percentage of Equity Share capital (%) on a fully diluted basis**	Number of Equity Shares	Percentage of Equity Share capital (%)
Total (A+B)		86,626,176	61.77	[●]	[●]

* Assuming conversion of all Preference Shares held by Ashok Soota. Includes 68,291,897 Equity Shares held as on the date of this Draft Red Herring Prospectus and 184,027 Equity Shares to be issued upon conversion of 1,129 Preference Shares prior to the filing of the Red Herring Prospectus.

Assuming conversion of: (i) 301 Preference Shares held by Deepak Soota into 49,063 Equity Shares; (ii) 260 Preference Shares held by Kunku Soota into 42,380 Equity Shares; (iii) 193 Preference Shares held by Suresh Soota into 31,459 Equity Shares; and (iv) 482 Preference Shares held by Usha Samuel into 78,566 Equity Shares, prior to filing of the Red Herring Prospectus

**Percentage is calculated on a fully diluted basis

(c) Details of Minimum Promoter's Contribution locked-in for three years

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer paid-up Equity Share capital of our Company held by our Promoter (assuming exercise of all vested options, where any outstanding employee stock options have been granted under the Composite ESOP Scheme or ESOP Scheme USA) shall be provided towards minimum promoter's contribution and locked-in for a period of three years from the date of Allotment ("**Minimum Promoter's Contribution**") and our Promoter's shareholding in excess of 20% shall be locked in for a period of one year from the Allotment. The Equity Shares forming a part of the Minimum Promoter's Contribution are eligible in terms of Regulation 15 of the SEBI ICDR Regulations.

Our Promoter, i.e., Ashok Soota has consented to the inclusion of such number of Equity Shares held by him, as may constitute 20% of the post-Offer Equity Share capital of our Company as Minimum Promoter's Contribution and has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus until the expiry of the lock-in period specified above, or for such other time as required under the SEBI ICDR Regulations.

The details of the Equity Shares held by our Promoter, which shall be locked-in as Minimum Promoter's Contribution for a period of three years from the date of Allotment are set out in the following table:

No. of Equity Shares held pre- Offer	No. of Equity Shares to be locked-in [#]	Date of allotment of Equity Shares and when made fully paid-up ^{\$}	Date of acquisition and when made fully paid-up	Date up to which the Equity Shares are subject to lock – in	Acquisition price per Equity Share	Nature of transaction	Face value per Equity Share (₹)	% of pre- Offer paid-up Equity Share capital on a fully diluted basis*	% of the fully diluted post- Offer Equity Share capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.

*Percentage is calculated on the basis of Equity Share capital, Preference Share capital and stock option in force

For a period of three years from the date of Allotment.

\$ All Equity Shares allotted to our Promoter were fully paid up at the time of allotment / acquisition of such Equity Shares.

For details on the build-up of the equity share capital held by our Promoter, see “- Build-up of Equity Shares held by our Promoter” on page 79.

The Minimum Promoter's Contribution has been brought to the extent of not less than the specified minimum

lot and from the persons identified as ‘Promoter’ under the SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Minimum Promoter’s Contribution under Regulation 15 of the SEBI ICDR Regulations. In this regard, our Company confirms the following:

- (i) the Equity Shares offered as part of the Minimum Promoter’s Contribution do not comprise Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and where revaluation of assets or capitalisation of intangible assets was involved or Equity Shares resulting from bonus issue out of revaluations reserves or unrealised profits of our Company or against Equity Shares that are otherwise ineligible for computation of Minimum Promoter’s Contribution;
- (ii) the Minimum Promoter’s Contribution does not include Equity Shares acquired during the one year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iii) the Equity Shares held by our Promoter that are offered as part of the Minimum Promoter’s Contribution are not subject to any pledge; and
- (iv) our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company.

(d) Details of pre-Offer Equity Share capital locked-in for one year

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company shall be locked-in for a period of one year from the date of Allotment, except (a) the Minimum Promoter’s Contribution which shall be locked in for a period of three years as detailed above; (b) Offered Shares which are successfully transferred as part of the Offer for Sale; (c) Equity Shares held by the employees of our Company (whether currently an employee or not) which have been or will be allotted to them under the Composite ESOP Scheme, ESOP Scheme USA , ESOP Scheme 2014, and ESOP Scheme 2020 prior to the Offer; and (d) Equity Shares held by the Happiest Minds Technologies Share Ownership Plans Trust prior to the Offer.

The aforesaid lock-in arrangement shall be subject to any subsequent amendments to the lock-in requirements under applicable provisions of the SEBI ICDR Regulations. Any unsubscribed portion of the Offered Shares would also be locked in as required under the SEBI ICDR Regulations.

(e) Lock in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

4. Employee Stock Option Schemes

(a) ESOP Scheme 2011

Pursuant to a resolution of our Board of Directors dated October 18, 2011 and a resolution of our Shareholders dated October 31, 2011, our Company has instituted the ESOP Scheme 2011. By way of a resolution of our Board of Directors dated April 29, 2020, and a resolution of our Shareholders dated May 13, 2020, ESOP Scheme 2015 and ESOP Scheme 2011 were merged into a single composite scheme, which was subsequently wound up (“**Composite ESOP Scheme**”), such that all employee stock options granted under ESOP Scheme 2011 and unexercised till date would be governed and administered by the provisions of ESOP Scheme 2015.

(b) ESOP Scheme 2014

Pursuant to a resolution of our Board of Directors dated October 20, 2014 and a resolution of our Shareholders dated January 22, 2015, our Company has instituted the ESOP Scheme 2014. As a result of conversion of Class B non – voting rights equity shares of our Company into Equity Shares by way of

a resolution of our Board of Directors dated April 26, 2017, and a resolution of our Shareholders dated July 31, 2017, the Board of Directors, by way of a resolution dated October 25, 2017, approved the administration of options granted under ESOP Scheme 2014 and unexercised till October 25, 2017 as being deemed to be granted under ESOP Scheme 2011. The Shareholders of our Company ratified the transfer of the administration of the options granted under ESOP Scheme 2014 and unexercised till October 25, 2017 as being deemed to be granted under ESOP Scheme 2011, and consequent termination of ESOP Scheme 2014, pursuant to a resolution of our Shareholders dated May 13, 2020.

(c) ESOP Scheme 2015

Pursuant to a circular resolution of our Board of Directors dated June 30, 2015 and a resolution of our Shareholders dated July 22, 2015, our Company has instituted the ESOP Scheme 2015. The ESOP Scheme 2015 was amended pursuant to a resolution of our Board of Directors dated April 26, 2017 which was ratified by our Shareholders by their resolution dated July 31, 2017. By way of a resolution of our Board of Directors dated April 29, 2020, and a resolution of our Shareholders dated May 13, 2020, ESOP Scheme 2015 and ESOP Scheme 2011 were merged into the Composite ESOP Scheme which was subsequently wound up by a resolution of our Shareholders dated May 13, 2020.

The details of the Composite ESOP Scheme are set out below:

PARTICULARS	DETAILS		
	FISCAL 2020	FISCAL 2019	FISCAL 2018
TOTAL OPTIONS OUTSTANDING AS AT THE BEGINNING OF THE PERIOD	3,812,136	2,093,710	1,575,925
OPTIONS GRANTED	4,068,591	4,157,881	2,098,000
VESTING PERIOD	The outstanding grants as on March 31, 2020 had the following vesting period: Four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant		
EXERCISE PRICE	Weighted Average Exercise Price ₹24.66	Weighted Average Exercise Price ₹25.74	Weighted Average Exercise Price ₹22.39
OPTIONS VESTED	481,928 (Excluding options that have been exercised)	640,742 (Excluding options that have been exercised)	501,677 (Excluding options that have been exercised)
OPTIONS EXERCISED	1,692,720	1,560,106	1,271,254
THE TOTAL NUMBER OF EQUITY SHARES ARISING AS A RESULT OF EXERCISE OF OPTIONS	No fresh equity shares arising as a result of exercise of granted options.*	No fresh equity shares arising as a result of exercise of granted options.*	6,98,680 equity shares arising as a result of exercise of granted options*
OPTIONS FORFEITED/LAPSED	918,153	879,349	722,534
VARIATION OF TERMS OF OPTIONS	The following amendments were made to the plan vide shareholders special resolution dated July 31, 2017 pursuant to conversion Class B Non Voting Shares to Equity Shares: a) The word “Class B Non Voting Shares” be replaced with the word “Equity Shares” at all places. b) Clause 3.6 of the Composite ESOP Scheme to be amended as “Economic Benefits” to mean any benefit arising from the ownership of shares and membership of the Company which is quantifiable in the terms of money, such as dividends, bonus shares, buy back, rights offer, reduction of capital, shares receivable in exchange upon demerger, merger or any other form of corporate reconstruction or arrangement etc.		

	c) Clause 6.2 (f) of the Composite ESOP Scheme be amended to read as “The shares will allow Participant all Economic Benefits arising out of the Equity Shares acquired pursuant to ESOP 2011/ ESOP 2015 only after expiry of the various Vesting Periods, however they shall have voting rights as shareholder of the Company.”																									
MONEY REALIZED BY EXERCISE OF OPTIONS	₹41.7 million	₹40.2 million	₹28.5 million																							
TOTAL NUMBER OF OPTIONS IN FORCE	5,269,854	3,812,136	2,093,710																							
EMPLOYEE WISE DETAILS OF OPTIONS GRANTED TO:																										
(I) KEY MANAGERIAL PERSONNEL	<table><tr><th rowspan="2">Name of employee</th><th colspan="2">Options</th></tr><tr><th>Year of Grant</th><th>Options Granted</th></tr><tr><td>Venkatraman Narayanan</td><td>FY 2018</td><td>50,000</td></tr><tr><td>Venkatraman Narayanan</td><td>FY 2019</td><td>150,000</td></tr><tr><td>Praveen Kumar Darshankar</td><td>FY 2018</td><td>18,000</td></tr><tr><td>Praveen Kumar Darshankar</td><td>FY 2020</td><td>17,000</td></tr><tr><td>Chaluvaiya Ramamohan</td><td>FY 2018</td><td>300,000</td></tr><tr><td>Chaluvaiya Ramamohan</td><td>FY 2019</td><td>100,000</td></tr></table>			Name of employee	Options		Year of Grant	Options Granted	Venkatraman Narayanan	FY 2018	50,000	Venkatraman Narayanan	FY 2019	150,000	Praveen Kumar Darshankar	FY 2018	18,000	Praveen Kumar Darshankar	FY 2020	17,000	Chaluvaiya Ramamohan	FY 2018	300,000	Chaluvaiya Ramamohan	FY 2019	100,000
	Name of employee	Options																								
		Year of Grant	Options Granted																							
	Venkatraman Narayanan	FY 2018	50,000																							
	Venkatraman Narayanan	FY 2019	150,000																							
	Praveen Kumar Darshankar	FY 2018	18,000																							
	Praveen Kumar Darshankar	FY 2020	17,000																							
	Chaluvaiya Ramamohan	FY 2018	300,000																							
Chaluvaiya Ramamohan	FY 2019	100,000																								
(II) ANY OTHER EMPLOYEE WHO RECEIVES A GRANT IN ANY ONE YEAR OF OPTIONS AMOUNTING TO 5% OR MORE OF THE OPTIONS GRANTED DURING THE YEAR	<table><tr><th rowspan="2">Name of employee</th><th colspan="3">Options</th></tr><tr><th>Year of Grant</th><th>Options Granted</th><th>% of Total Options Granted during the FY under this scheme</th></tr><tr><td>Chaluvaiya Ramamohan</td><td>FY 2018</td><td>300,000</td><td>14.30%</td></tr><tr><td>Aurobinda Nanda</td><td>FY 2019</td><td>210,000</td><td>5.05%</td></tr></table>			Name of employee	Options			Year of Grant	Options Granted	% of Total Options Granted during the FY under this scheme	Chaluvaiya Ramamohan	FY 2018	300,000	14.30%	Aurobinda Nanda	FY 2019	210,000	5.05%								
	Name of employee	Options																								
		Year of Grant	Options Granted	% of Total Options Granted during the FY under this scheme																						
	Chaluvaiya Ramamohan	FY 2018	300,000	14.30%																						
Aurobinda Nanda	FY 2019	210,000	5.05%																							
(III) IDENTIFIED EMPLOYEES WHO WERE GRANTED OPTIONS DURING ANY ONE YEAR EQUAL TO OR EXCEEDING 1% OF THE ISSUED CAPITAL (EXCLUDING OUTSTANDING WARRANTS AND CONVERSIONS) OF THE COMPANY AT THE TIME OF GRANT	No options were granted under the Composite ESOP Scheme amounting to more than 1% of the issued capital to any employee in any year																									
LOCK-IN	As per the Composite ESOP Scheme, there is no lock-in.																									
DILUTED EARNINGS PER SHARE PURSUANT TO THE ISSUE OF EQUITY SHARES ON EXERCISE OF OPTIONS IN ACCORDANCE	<table><tr><th colspan="3">Diluted EPS as per the Restated Consolidated Financial Statements</th></tr><tr><td>FISCAL 2020</td><td>FISCAL 2019</td><td>FISCAL 2018</td></tr><tr><td></td><td></td><td></td></tr></table>			Diluted EPS as per the Restated Consolidated Financial Statements			FISCAL 2020	FISCAL 2019	FISCAL 2018																	
	Diluted EPS as per the Restated Consolidated Financial Statements																									
	FISCAL 2020	FISCAL 2019	FISCAL 2018																							

WITH APPLICABLE ACCOUNTING STANDARDS ON 'EARNINGS PER SHARE'	5.36	1.16	(3.13)																																				
WHERE THE COMPANY HAS CALCULATED THE EMPLOYEE COMPENSATION COST USING THE INTRINSIC VALUE OF THE STOCK OPTIONS, DIFFERENCE BETWEEN THE EMPLOYEE COMPENSATION COST SO COMPUTED AND THE EMPLOYEE COMPENSATION COST THAT SHALL HAVE BEEN RECOGNISED IF IT HAS USED THE FAIR VALUE OF THE OPTIONS AND THE IMPACT OF THIS DIFFERENCE ON PROFITS AND ON THE EARNINGS PER SHARE OF THE COMPANY	For the stock options outstanding as on March 31, 2020, there is no difference in the employee cost or earning per share as the share-based employee compensation is calculated as per fair value method.																																						
DESCRIPTION OF THE PRICING FORMULA AND THE METHOD AND THE SIGNIFICANT ASSUMPTIONS USED DURING THE YEAR TO ESTIMATE THE FAIR VALUE OF OPTIONS INCLUDING WEIGHTED AVERAGE INFORMATION, NAMELY, RISK-FREE INTEREST RATE, EXPECTED LIFE, EXPECTED VOLATILITY, EXPECTED DIVIDENDS, AND THE PRICE OF THE UNDERLYING SHARE IN MARKET AT THE TIME OF GRANT OF THE OPTION	The following method and assumptions were used for computing the weighted average fair value: The Black Scholes valuation model has been used for computing the weighted average fair value <table><tr><th>Particulars</th><th>March 31, 2020</th><th>March 31, 2019</th><th>March 31, 2018</th></tr><tr><td>Expected dividend yield</td><td>0.00%</td><td>0.00%</td><td>0.00%</td></tr><tr><td>Expected Annual Volatility of Shares</td><td>50%</td><td>50%</td><td>20%</td></tr><tr><td>Risk-free interest rate (%)</td><td>7.43%-6.86%</td><td>7.42%-7.34%</td><td>6.61%-7.69%</td></tr><tr><td>Attrition rate</td><td>20%</td><td>20%</td><td>23%</td></tr><tr><td>Exercise price (INR)</td><td>26.00</td><td>26.00</td><td>26.00</td></tr><tr><td>Expected life of the options granted (in years)</td><td>3-6 years</td><td>3-6 years</td><td>3-6 years</td></tr></table> The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome. The weighted average share price is as follows: <table><tr><th>Financial Year</th><th>Weighted Average Share Price</th></tr><tr><td>2018</td><td>22.10</td></tr><tr><td>2019</td><td>25.75</td></tr><tr><td>2020</td><td>20.98</td></tr></table>			Particulars	March 31, 2020	March 31, 2019	March 31, 2018	Expected dividend yield	0.00%	0.00%	0.00%	Expected Annual Volatility of Shares	50%	50%	20%	Risk-free interest rate (%)	7.43%-6.86%	7.42%-7.34%	6.61%-7.69%	Attrition rate	20%	20%	23%	Exercise price (INR)	26.00	26.00	26.00	Expected life of the options granted (in years)	3-6 years	3-6 years	3-6 years	Financial Year	Weighted Average Share Price	2018	22.10	2019	25.75	2020	20.98
Particulars	March 31, 2020	March 31, 2019	March 31, 2018																																				
Expected dividend yield	0.00%	0.00%	0.00%																																				
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Financial Year	Weighted Average Share Price																																						
2018	22.10																																						
2019	25.75																																						
2020	20.98																																						

INTENTION OF THE KEY MANAGERIAL PERSONNEL AND WHOLE-TIME DIRECTORS WHO ARE HOLDERS OF EQUITY SHARES ALLOTTED ON EXERCISE OF OPTIONS GRANTED UNDER COMPOSITE ESOP SCHEME TO SELL THEIR EQUITY SHARES WITHIN THREE MONTHS AFTER THE DATE OF LISTING OF THE EQUITY SHARES IN THE INITIAL PUBLIC OFFER (AGGREGATE NUMBER OF EQUITY SHARES INTENDED TO BE SOLD BY THE HOLDERS OF OPTIONS), IF ANY. THIS INFORMATION SHALL BE DISCLOSED REGARDLESS OF WHETHER THE EQUITY SHARES ARISE OUT OF OPTIONS EXERCISED BEFORE OR AFTER THE INITIAL PUBLIC OFFER	None of the Key Managerial Personnel and Whole Time Directors are intending to sell the Equity Shares acquired within three months after listing of Equity Shares pursuant to the Offer.
INTENTION TO SELL EQUITY SHARES ARISING OUT OF THE COMPOSITE ESOP SCHEME WITHIN THREE MONTHS AFTER THE DATE OF LISTING, BY DIRECTORS, SENIOR MANAGERIAL PERSONNEL AND EMPLOYEES HAVING EQUITY SHARES ISSUED UNDER THE COMPOSITE ESOP SCHEME, AMOUNTING TO MORE THAN 1% OF THE ISSUED	As on the date of this Draft Red Herring Prospectus, none of the Directors, Senior Managerial Personnel and Employees hold Equity Shares amounting more than 1% of the issued capital (excluding outstanding warrants and conversions) arising out of Composite ESOP Scheme.

CAPITAL (EXCLUDING OUTSTANDING WARRANTS AND CONVERSIONS), WHICH INTER ALIA SHOULD INCLUDE NAME, DESIGNATION AND QUANTUM OF THE EQUITY SHARES ISSUED UNDER THE COMPOSITE ESOP SCHEME AND THE QUANTUM THEY INTEND TO SELL WITHIN THREE MONTHS													
IMPACT ON THE PROFITS AND ON THE EARNINGS PER SHARE OF THE LAST THREE YEARS IF THE COMPANY HAD FOLLOWED THE ACCOUNTING POLICIES SPECIFIED THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014, IN RESPECT OF OPTIONS GRANTED IN THE LAST THREE YEARS.	The Company has complied with the Relevant Accounting Standard as prescribed by the Companies Act 2013, Institute of Chartered Accountants of India which is in line with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. <table><tr><th>Financial Year</th><th>Effect on Profits</th><th>Effect on EPS</th></tr><tr><td>Financial Year 2018</td><td>Nil</td><td>Nil</td></tr><tr><td>Financial Year 2019</td><td>Nil</td><td>Nil</td></tr><tr><td>Financial Year 2020</td><td>Nil</td><td>Nil</td></tr></table>	Financial Year	Effect on Profits	Effect on EPS	Financial Year 2018	Nil	Nil	Financial Year 2019	Nil	Nil	Financial Year 2020	Nil	Nil
Financial Year	Effect on Profits	Effect on EPS											
Financial Year 2018	Nil	Nil											
Financial Year 2019	Nil	Nil											
Financial Year 2020	Nil	Nil											

* The shares were transferred from the pool of Happiest Minds Technologies Share Ownerships Plans Trust pursuant to the exercise of options by the employees except for 698,680 Equity Shares allotted in Fiscal 2018. Hence every option exercised did not result in new equity shares

(d) ESOP Scheme 2020

Pursuant to resolutions adopted by our Board of Directors and Shareholders on April 29, 2020 and May 13, 2020, respectively, our Company has instituted the ESOP Scheme 2020. ESOP Scheme 2020 has been instituted to grant stock options exercisable into Equity Shares to eligible employees of our Company. In terms of ESOP Scheme 2020, grants to eligible employees will be made by the Nomination and Remuneration Committee, based on the determination of a criteria described under ESOP Scheme 2020.

ESOP Scheme 2020 has been instituted in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The Shareholders, through their resolution dated May 13, 2020, have approved a maximum of 7,000,000 options, exercisable into 7,000,000 Equity Shares under ESOP Scheme 2020. The vesting period under ESOP Scheme 2020 shall be a minimum of one year and a maximum of four years, and the specific vesting schedule applicable to each employee will be as mentioned in the letter of grant issued to such employee. As on the date of this Draft Red Herring Prospectus, our Company has not granted any options under ESOP Scheme 2020. However, our Company may grant options under ESOP 2020 during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until listing of the Equity Shares on the Stock Exchanges pursuant to the Offer. Each option granted under ESOP Scheme 2020 is exercisable into one

Equity Share.

(e) ESOP Scheme USA

Pursuant to a resolution of our Board of Directors dated January 19, 2012 and a resolution of our Shareholders dated July 18, 2012, our Company has instituted the ESOP Scheme USA. The ESOP Scheme USA was amended pursuant to a resolution of our Board of Directors dated April 26, 2017, which was ratified by our Shareholders by their resolution dated July 31, 2017.

The details of the ESOP Scheme USA are set out below:

PARTICULARS	DETAILS													
	FISCAL 2020	FISCAL 2019	FISCAL 2018											
TOTAL OPTIONS OUTSTANDING AS AT THE BEGINNING OF THE PERIOD	382,000	246,500	328,000											
OPTIONS GRANTED	400,000	485,450	872,500											
VESTING PERIOD	The outstanding grants as on March 31, 2020 had the following vesting period: Four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1,2,3 and 4 years respectively from the date of grant.													
EXERCISE PRICE	Weighted Average Exercise Price ₹25.04	Weighted Average Exercise Price ₹25.72	Weighted Average Exercise Price ₹18.92											
OPTIONS VESTED	11,495 (Excluding options that have been exercised)	47,350 (Excluding options that have been exercised)	29,500 (Excluding options that have been exercised)											
OPTIONS EXERCISED	651,450	172,950	376,000											
THE TOTAL NUMBER OF EQUITY SHARES ARISING AS A RESULT OF EXERCISE OF OPTIONS	No fresh equity shares arising as a result of exercise of granted options*	No fresh equity shares arising as a result of exercise of granted options*	120,000 equity shares arising as a result of exercise of granted options*											
OPTIONS FORFEITED/LAPSED	54,175	177,000	615,000											
VARIATION OF TERMS OF OPTIONS	The following amendment was made to ESOP Scheme USA vide shareholders special resolution dated July 31, 2017: The 2011 Equity Incentive Plan for US Personnel was modified to give effect of the conversion of Class B Non Voting Shares to Equity Shares including but not limited to deletion of the word “Class B Non Voting Shares” from all places in ESOP Scheme USA.													
MONEY REALIZED BY EXERCISE OF OPTIONS	₹16.3 million	₹4.4 million	₹7.1 million											
TOTAL NUMBER OF OPTIONS IN FORCE	76,375	382,000	246,500											
EMPLOYEE WISE DETAILS OF OPTIONS GRANTED TO:														
(I) KEY MANAGERIAL PERSONNEL	<table><tr><th rowspan="2">Name of employee</th><th colspan="2">Options</th></tr><tr><th>Year of Grant</th><th>Options Granted</th></tr><tr><td>Joseph V Anantharaju</td><td>FY 2018</td><td>90,000</td></tr><tr><td>Joseph V Anantharaju</td><td>FY 2019</td><td>110,000</td></tr></table>			Name of employee	Options		Year of Grant	Options Granted	Joseph V Anantharaju	FY 2018	90,000	Joseph V Anantharaju	FY 2019	110,000
Name of employee	Options													
	Year of Grant	Options Granted												
Joseph V Anantharaju	FY 2018	90,000												
Joseph V Anantharaju	FY 2019	110,000												

	Joseph V Anantharaju	FY 2020	100,000	
	Rajiv Shah	FY 2020	300,000	
(II) ANY OTHER EMPLOYEE WHO RECEIVES A GRANT IN ANY ONE YEAR OF OPTIONS AMOUNTING TO 5% OR MORE OF THE OPTIONS GRANTED DURING THE YEAR				
	Name of employee	Options		
		Year of Grant	Options Granted	% of Total Options Granted during the FY under this scheme
	Balaji Bussarapu	FY 2018	50,000	5.73%
	Joseph V Anantharaju	FY 2018	90,000	10.32%
	Lavanya Rastogi	FY 2018	425,000	48.71%
	Joseph V Anantharaju	FY 2019	90,000	22.66%
	Rohit Mathur	FY 2019	42,000	8.65%
	Sridhar Mantha	FY 2019	30,000	6.18%
	Joseph V Anantharaju	FY 2020	100,000	25.00%
Rajiv Shah	FY 2020	300,000	75.00%	
(III) IDENTIFIED EMPLOYEES WHO WERE GRANTED OPTIONS DURING ANY ONE YEAR EQUAL TO OR EXCEEDING 1% OF THE ISSUED CAPITAL (EXCLUDING OUTSTANDING WARRANTS AND CONVERSIONS) OF THE COMPANY AT THE TIME OF GRANT				
	Financial year	Name of the Employee	Options Granted	% of Issued Capital as on the Date of Grant (excluding Outstanding Warrants and Conversions)
	FY 2018	Lavanya Rastogi	425,000	1.16%
	FY 2019	NA	NA	NA
FY 2020	NA	NA	NA	
LOCK-IN	As per the plan, there is no lock-in.			
DILUTED EARNINGS PER SHARE PURSUANT TO THE ISSUE OF EQUITY SHARES ON EXERCISE OF OPTIONS IN ACCORDANCE WITH APPLICABLE ACCOUNTING STANDARDS ON ‘EARNINGS PER SHARE’	As per the Restated Consolidated Financial Statements			
	FISCAL 2020	FISCAL 2019	FISCAL 2018	
	5.36	1.16	(3.13)	
WHERE THE COMPANY HAS CALCULATED THE EMPLOYEE COMPENSATION COST USING THE INTRINSIC VALUE OF THE STOCK OPTIONS, DIFFERENCE, BETWEEN	For the stock options outstanding as on March 31, 2020, there is no difference in the employee cost or earning per share as the share-based employee compensation is calculated as per fair value method.			

EMPLOYEE COMPENSATION COST SO COMPUTED AND THE EMPLOYEE COMPENSATION COST THAT SHALL HAVE BEEN RECOGNISED IF IT HAS USED THE FAIR VALUE OF THE OPTIONS AND THE IMPACT OF THIS DIFFERENCE ON PROFITS AND ON THE EARNINGS PER SHARE OF THE COMPANY																																					
DESCRIPTION OF THE PRICING FORMULA AND THE METHOD AND THE SIGNIFICANT ASSUMPTIONS USED DURING THE YEAR TO ESTIMATE THE FAIR VALUE OF OPTIONS INCLUDING WEIGHTED AVERAGE INFORMATION, NAMELY, RISK-FREE INTEREST RATE, EXPECTED LIFE, EXPECTED VOLATILITY, EXPECTED DIVIDENDS, AND THE PRICE OF THE UNDERLYING SHARE IN MARKET AT THE TIME OF GRANT OF THE OPTION	The following method and assumptions were used for computing the weighted average fair value: The Black Scholes valuation model has been used for computing the weighted average fair value <table><tr><th>Particulars</th><th>March 31, 2020</th><th>March 31, 2019</th><th>March 31, 2018</th></tr><tr><td>Expected dividend yield</td><td>0.00%</td><td>0.00%</td><td>0.00%</td></tr><tr><td>Expected Annual Volatility of Shares</td><td>50.00%</td><td>50.00%</td><td>20.00%</td></tr><tr><td>Risk-free interest rate (%)</td><td>7.43%-6.86%</td><td>7.42%-7.34%</td><td>6.61%-7.69%</td></tr><tr><td>Attrition rate</td><td>20.00%</td><td>20.00%</td><td>23.00%</td></tr><tr><td>Exercise price (INR)</td><td>26</td><td>26</td><td>26</td></tr><tr><td>Expected life of the options granted (in years)</td><td>3-6 years</td><td>3-6 years</td><td>3-6 years</td></tr></table> The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome. The weighted average share price is as follows: <table><tr><th>Financial Year</th><th>Weighted Average Share Price</th></tr><tr><td>2018</td><td>22.10</td></tr><tr><td>2019</td><td>25.75</td></tr><tr><td>2020</td><td>20.98</td></tr></table>	Particulars	March 31, 2020	March 31, 2019	March 31, 2018	Expected dividend yield	0.00%	0.00%	0.00%	Expected Annual Volatility of Shares	50.00%	50.00%	20.00%	Risk-free interest rate (%)	7.43%-6.86%	7.42%-7.34%	6.61%-7.69%	Attrition rate	20.00%	20.00%	23.00%	Exercise price (INR)	26	26	26	Expected life of the options granted (in years)	3-6 years	3-6 years	3-6 years	Financial Year	Weighted Average Share Price	2018	22.10	2019	25.75	2020	20.98
Particulars	March 31, 2020	March 31, 2019	March 31, 2018																																		
Expected dividend yield	0.00%	0.00%	0.00%																																		
Expected Annual Volatility of Shares	50.00%	50.00%	20.00%																																		
Risk-free interest rate (%)	7.43%-6.86%	7.42%-7.34%	6.61%-7.69%																																		
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Financial Year	Weighted Average Share Price																																				
2018	22.10																																				
2019	25.75																																				
2020	20.98																																				
INTENTION OF THE KEY MANAGERIAL PERSONNEL AND WHOLE-TIME DIRECTORS HOLDING WHO ARE HOLDERS OF EQUITY SHARES ALLOTTED ON EXERCISE OF OPTIONS UNDER THE ESOP SCHEME USA, TO SELL THEIR EQUITY SHARES	None of the Key Managerial Personnel and Whole Time Directors are intending to sell the Equity Shares acquired within three months after listing of Equity Shares pursuant to the Offer.																																				

WITHIN THREE MONTHS AFTER THE DATE OF LISTING OF THE EQUITY SHARES IN THE INITIAL PUBLIC OFFER (AGGREGATE NUMBER OF EQUITY SHARES INTENDED TO BE SOLD BY THE HOLDERS OF OPTIONS) IF ANY, THIS INFORMATION SHALL BE DISCLOSED REGARDLESS OF WHETHER THE EQUITY SHARES ARISE OUT OF OPTIONS EXERCISED BEFORE OR AFTER THE INITIAL PUBLIC OFFER	
INTENTION TO SELL EQUITY SHARES ARISING OUT OF THE ESOP SCHEME USA WITHIN THREE MONTHS AFTER THE DATE OF LISTING, BY DIRECTORS, SENIOR MANAGERIAL PERSONNEL AND EMPLOYEES HAVING EQUITY SHARES ISSUED UNDER THE ESOP S SCHEME USA, AMOUNTING TO MORE THAN 1% OF THE ISSUED CAPITAL (EXCLUDING OUTSTANDING WARRANTS AND CONVERSIONS) WHICH INTER ALIA SHALL INCLUDE NAME, DESIGNATION AND QUANTUM OF THE EQUITY SHARES ISSUED UNDER THE ESOP SCHEME USA AND THE QUANTUM THEY INTEND TO SELL WITHIN THREE MONTHS	As on the date of this certificate, none of the Directors, Senior Managerial Personnel and Employees hold Equity Shares amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) arising out of ESOP Scheme USA.

IMPACT ON THE PROFITS AND ON THE EARNINGS PER SHARE OF THE LAST THREE YEARS IF THE COMPANY HAD FOLLOWED THE ACCOUNTING POLICIES SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014, IN RESPECT OF OPTIONS GRANTED IN THE LAST THREE YEARS.

The Company has complied with the Relevant Accounting Standard as prescribed by the Companies Act 2013, Institute of Chartered Accountants of India which is in line with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Financial Year	Effect on Profits	Effect on EPS
Financial Year 2018	Nil	Nil
Financial Year 2019	Nil	Nil
Financial Year 2020	Nil	Nil

* The shares were transferred from the pool of Happiest Minds Technologies Share Ownerships Plans Trust pursuant to the exercise of options by the employees except for 120,000 equity shares allotted in FY 2018. Hence every option exercised did not result in new shares.

5. Shareholding pattern of our Company

Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of shares underlying depositary receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)			No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No of voting rights					No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class - Equity	Total	Total as a % of (A+B+C)							
(A)	Promoter and Promoter Group	6	86,626,176	0	0	86,626,176	61.77	86,626,176	86,626,176	61.77	2,365	61.77	0	0.00	42,071,115	30.00	86,556,738
(B)	Public	718	47,909,567	0	0	47,909,567	34.16	47,909,567	47,909,567	34.16	196,252	34.16	0	0.00	0	0.00	30,123,215
(C)	Non-Promoter Non-Public	0	0	0	0	0	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C) (1)	Shares underlying DRs	0	0	0	0	0	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C) (2)	Shares held by Employee Trusts	1	5,701,307	0	0	5,701,307	4.07	5,701,307	5,701,307	4.07	0	4.07	0	0.00	0	0.00	0
	Total (A)+(B)+(C)	725	140,237,050	0	0	140,237,050	100.00	140,237,050	140,237,050	100.00	198,617	100.00	0	0.00	42,071,115	30.00	116,679,953

6. Details of Equity Shareholding of the major Shareholders

- (a) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them, on a fully diluted basis, as on the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis	Percentage of the pre- Offer Equity Share capital (%) on a fully diluted basis*
1.	Ashok Soota [#]	68,475,924	48.83
2.	CMDB II [#]	27,249,362	19.43
3.	Ashok Soota Medical Research LLP	17,948,784	12.80
4.	Happiest Minds Technologies Share Ownership Plans Trust	5,701,307	4.07
Total		119,375,377	85.13

*Percentage is calculated on the basis of Equity Share capital, Preference Share capital and vested stock options in force

[#]For details of Preference Shares held by Ashok Soota and CMDB II, please see "Capital Structure - Equity shareholding of our Promoter and Promoter Group" and "Capital Structure" on pages 81 and 73, respectively

- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them, on a fully diluted basis, as of 10 days prior to the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis [#]	Percentage of the pre- Offer Equity Share capital (%) on a fully diluted basis*
1.	Ashok Soota [#]	68,475,924	48.83
2.	CMDB II [#]	27,249,362	19.43
3.	Ashok Soota Medical Research LLP	17,948,784	12.80
4.	Happiest Minds Technologies Share Ownership Plans Trust	5,701,307	4.07
Total		119,375,377	85.13

*Percentage is calculated on the basis of Equity Share capital, Preference Share capital and vested stock options in force

[#]Calculated based on the BENPOS statement of the Company dated May 22, 2020 and the delivery instruction slips for transfer of shares by Ashok Soota dated May 26, 2020

[#]For details of Preference Shares held by Ashok Soota and CMDB II, please see "Capital Structure - Equity shareholding of our Promoter and Promoter Group" and "Capital Structure" on pages 81 and 73, respectively

- (c) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them, on a fully diluted basis, as of the date one year prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis	Percentage of the pre- Offer Equity Share capital (%) on a fully diluted basis*
1.	Ashok Soota	68,291,897	48.70
2.	CMDB II	27,249,362	19.43
3.	Intel Corporation	20,065,300	14.31
4.	Happiest Minds Technologies Share Ownership Plans Trust	7,298,963	5.20
Total		122,905,522	87.64

*Percentage is calculated on the basis of Equity Share capital, Preference Share capital and vested stock options in force

- (d) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them, on a fully diluted basis, as of the date two years prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis [#]	Percentage of the pre- Offer Equity Share capital (%) on a fully diluted basis*
1.	Ashok Soota	65,479,382	46.69

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis [#]	Percentage of the pre- Offer Equity Share capital (%) on a fully diluted basis*
2.	CMDB II	27,249,362	19.43
3.	Intel Corporation	20,065,300	14.31
4.	Happiest Minds Technologies Share Ownership Plans Trust	8,062,894	5.75
5.	Vikram Gulati	3,342,265	2.38
Total		124,199,203	88.56

*Percentage is calculated on the basis of Equity Share capital, Preference Share capital and stock option in force

[#]Calculated based on the list of members filed as per Form MGT-7 as on March 31, 2018 and the shares transferred as per minutes of board meeting dated April 25, 2018

7. All Equity Shares of our Company held by our Promoter are in dematerialised form.
8. Our Company has not allotted any Equity Shares pursuant to any scheme of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 232 of the Companies Act, 2013.
9. Our Company has not issued Equity Shares at a price lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.
10. As on the date of this Draft Red Herring Prospectus, except for Ashok Soota, Venkatraman Narayanan, Praveen Kumar Darshankar, Chaluvaiya Ramamohan, Rajiv Shah, and Joseph Anantharaju, none of our other Directors or Key Management Personnel hold any Equity Shares of our Company.
11. As on the date of this Draft Red Herring Prospectus, our Company has 725 Shareholders.
12. Except for any Equity Shares resulting out of exercise of any employee stock option that may be granted under Composite ESOP Scheme, and ESOP Scheme USA, or conversion of the Preference Shares, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of bonus issue of Equity Shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.
13. Our Company, our Directors and/or the BRLMs have not entered into any buy-back arrangements for purchase of the Equity Shares.
14. The BRLMs and their respective associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus.
15. All Equity Shares allotted pursuant to the Offer will be fully paid up at the time of Allotment.
16. Except for Equity Shares that may be allotted or transferred pursuant to the conversion of employee stock options granted under the Composite ESOP Scheme and ESOP Scheme USA, conversion of employee stock options that may be granted under the ESOP Scheme 2020 and the Preference Shares and the Equity Shares allotted pursuant to the Offer, our Company shall not make any further issue of Equity Shares and/or any securities convertible into or exchangeable for Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner, during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares being offered under the Offer, have been listed on the Stock Exchanges pursuant to the Offer or all application monies have been refunded, as the case may be.
17. There have been no financing arrangements whereby our Promoter, members of the Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity, during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.
18. Except as disclosed in this section, none of the members of our Promoter Group, our Promoter, our Directors, or their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

19. Except for employee stock option granted under Composite ESOP Scheme, and ESOP Scheme USA, employee stock options that may be granted under ESOP Scheme 2020, and the Preference Shares, there are no outstanding convertible securities or any other right granted by the Company which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The Offer comprises the Offer for Sale and the Fresh Issue.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale, net of their respective portion of the Offer related expenses.

Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:

1. To meet long term working capital requirement; and
2. General corporate purposes (collectively, referred to herein as the “**Objects**”).

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company’s brand name amongst our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are proposed to be raised by our Company through the Fresh Issue.

Net Proceeds

The details of the proceeds of the Fresh Issue are summarised in the table below:

Particulars ¹	Amount
Gross Proceeds from the Fresh Issue	1,100.0
(Less) Offer expenses	[•]
Net Proceeds	[•]

¹ To be finalised upon determination of the Offer Price and updated in the Prospectus at the time of filing with the RoC.

Utilization of Net Proceeds and Schedule of Implementation and Deployment

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

Particulars	Amount which will be financed from Net Proceeds ¹	Estimated Utilisation of Net Proceeds	
		Fiscal 2021	Fiscal 2022
To meet long term working capital requirements	1,010.0	1,010.0	-
General corporate purposes ⁽²⁾	[•]	[•]	[•]
Total	[•]	[•]	[•]

¹ To be finalised upon determination of Offer Price and updated in the Prospectus prior to filing with the RoC.

² The amount shall not exceed 25% of the Gross Proceeds

The deployment of funds indicated above is based on management estimates, current circumstances of our business and the prevailing market condition. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See “*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds have not been appraised and our management will have broad discretion over the use of the Net Proceeds*” on page 48. Given the nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Fresh Issue in accordance with

Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned Objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned Objects.

Details of the Objects of the Fresh Issue

1. Long Term Working Capital Requirements

We fund a majority of our working capital requirements in the ordinary course of business from various banks and internal accruals. As on May 15, 2020, the aggregate amounts outstanding under the fund based and non-fund based working capital facilities of our Company are ₹442.3 million and ₹100.7 million, respectively. For details, see “Financial Indebtedness” on page 316.

Our Company requires additional working capital for funding its long term working capital requirements in Fiscal 2021 and Fiscal 2022. The funding of the long term working capital requirements of our Company will lead to a consequent increase in our profitability.

Basis of estimation of long term working capital requirement

The details of our Company’s working capital as at March 31, 2019 and March 31, 2020, expected working capital requirements for the Fiscal 2021 and Fiscal 2022 and source of funding of the same are provided in the table below:

(₹ in million)

Sl. no	Particulars	Notes	Amount as on March 31, 2019	Amount as on March 31, 2020	Estimated Amount as on March 31, 2021	Estimated Amount as on March 31, 2022
1	Current Assets					
a	Current investments	(1)	81.5	33.7	175.0	200.0
b	Trade receivables		1,292.7	1,148.7	1,656.4	2,065.5
c	Cash and cash equivalents	(1)	62.7	35.3	566.9	780.1
d	Other financial assets	(1)	709.1	917.7	711.2	915.6
e	Other current assets	(2)	93.9	116.0	141.0	176.2
	Total current assets	(A)	2,239.9	2,251.4	3,250.4	4,137.4
2	Current Liabilities					
a	Trade payables		287.8	344.2	327.2	359.9
b	Other current liabilities	(3)	541.1	774.6	326.8	403.5
c	Borrowings		601.2	691.6	727.0	906.6
d	Lease		158.2	181.6	208.9	240.2
e	Short-term provisions		99.8	124.6	131.2	137.8
	Total current liabilities	(B)	1,688.1	2,116.6	1,721.1	2,047.9
3	Working capital gap	(C) = (A) - (B)	551.8	134.8	1,529.4	2,089.4
4	Source of finance					
	Internal accruals		551.8	134.8	519.4	2,089.4
	IPO		-	-	1,010.0	-
	Total source of finance		551.8	134.8	1,529.4	2,089.4

*Pursuant to the certificate dated June 10, 2020, issued by Manian & Rao, Chartered Accountants.

Notes:

1. As on March 31, 2019 and March 31, 2020 there is strategic reserve of ₹1,100 million and ₹2,200 million. The same has been earmarked out of current investments (₹900 million in Fiscal 2019 and ₹800 million in Fiscal 2020), cash and cash equivalent (₹200 million in Fiscal 2019 and ₹400 million in Fiscal 2020) and other financial assets (₹1,000 million in Fiscal 2020). Similarly, strategic reserve as on March 31, 2021 and March 31, 2022 has been considered as ₹3,050 million and ₹500 million respectively. The strategic reserve does not form part of current assets for the purpose of working capital computation. Earmarking of such strategic reserve has been approved by the Board of Directors vide resolution dated June 4, 2020.
2. Other current assets comprises of prepaid expenses, balances with statutory authorities, advances to employees against expenses, advance to suppliers and loan to employees and security deposits.
3. Other current liabilities consists of statutory dues and other payables, contract liability in the form of unearned revenues, other financial liabilities in the form of current maturity of the long-term borrowings, employee related liabilities and foreign currency forward contracts. As on March 31, 2019, other financial liabilities included Preference Shares of ₹2,632.2 million. The same was reclassified as 'Instruments entirely in the nature of equity' and 'Security premium account' in financial year ending March 31, 2020 in accordance with the applicable accounting standards. Hence, this has been not considered as current liability for the purpose of working capital.

Our Company proposes to utilize ₹1,010.0 million from the Net Proceeds towards funding the long term working capital requirements of the Company.

(₹ in million)		
Particulars	Estimated Amount for FY 2020-21*	Estimated Amount for FY 2021-22*
Incremental working capital requirement	1,394.6	560.1
Funding pattern		
Internal accruals	384.6	560.1
Proceeds from fresh issue of shares	1,010.0	-
Total	1,394.6	560.1

The table below contains the details of the holding levels (in number of days or relevant matrix as applicable) considered and is derived from the Restated Consolidated Financial Statements for the Fiscal 2019 and Fiscal 2020 and assumptions based on which the working plan projections has been made and approved by the Board of Directors:

(₹ in million)					
S. No	Particulars	Amount as on March 31, 2019	Amount as on March 31, 2020	Estimated Amount as on March 31, 2021	Estimated Amount as on March 31, 2022
1	Current Assets				
a.	Current investments + Cash & Cash Equivalents (₹ in million)	144.2	69.0	741.9	980.1
b.	Current investments + Cash & Cash Equivalents as % to revenue from contract with customers (Board mandate to maintain 10 %)	2%	1%	10%	10%
c.	Trade receivables - Days of Sales Outstanding (DSO)	80	60	80	80
d.	Other Financial Assets				
	-Fixed deposit with maturity of more than 12 months (₹ in million)	135.1	18.5	-	-
	-Margin Money (as % of Current Borrowings)	60%	64%	64%	64%
	-Unbilled Revenues (DSO of Sales)	11	23	13	13
	-Others (As % of Total Current Assets)	0.7%	0.4%	0.0%	0.0%
e.	Other current assets as % of total current assets	4%	5%	4%	4%
2	Current Liabilities				
a.	Trade payables – Days of Expense Outstanding (on total expenses other than employee benefit expenses, depreciation & amortization, finance cost and tax expense)	70	79	77	77
b.	Other Current Liability as % of total current liabilities	32%	37%	19%	20%
c.	Borrowings as % to Trade Receivables	47%	60%	44%	44%
d.	Lease liability growth Year on Year		15%	15%	15%
e.	Short-term provisions as % to Total Current Liabilities	6%	6%	8%	7%

Key assumptions for working capital projections made by the Company:

S No.	Particulars	Assumptions
Current Assets		
1.	Trade receivables	Our Company had trade receivables of 80 days and 60 days of revenue from contracts with customers at the end of Fiscal 2019 and Fiscal 2020 respectively. Our Company has assumed trade receivables of 80 days of projected revenue from contracts with customers for Fiscal 2021 and Fiscal 2022. Trade receivables days calculated as closing trade receivables divided by revenue from contracts with customers over 365 days).
2.	Other financial assets	Other financial assets predominantly includes: i. Margin money deposits: Margin money deposits, as deposits held to secure current borrowings from banks. We had margin money deposits of 60% and 64% during the Fiscal 2019 and Fiscal 2020 respectively for the current borrowings from our Company's banks. Our Company has assumed margin money deposit of 64% of current borrowings for the Fiscal 2021 and Fiscal 2022 i. Unbilled receivables: Our Company had unbilled receivables of 11 days and 23 days of revenue from contracts with customers at the end of Fiscal 2019 and Fiscal 2020 respectively. Our Company has assumed unbilled receivables of 13 days of projected revenue from contracts with customers for Fiscal 2021 and Fiscal 2022.
Current Liabilities		
3.	Trade Payables	Our Company's trade payable days were 70 and 79 days of total expenses excluding employee benefit expenses, depreciation & amortization, finance costs and tax expense incurred for Fiscal 2019 and Fiscal 2020 respectively. Our Company has assumed trade payable days of 77 days of total expenses excluding employee benefit expenses, depreciation & amortization, finance cost and tax expense for Fiscal 2021 and Fiscal 2022 respectively. Trade payable days calculated as trade payables divided by total expenses (excluding employee benefits expense, depreciation and amortization, finance cost and tax expense) over 365 days
4.	Borrowings	Current borrowings consist of PCFC (Packing credit Loan on Foreign Currency) which is availed on foreign currency trade receivables and Overdraft facilities. PCFC and overdraft stood at 47% and 60% of trade receivables for Fiscal 2019 and Fiscal 2020 respectively. Our Company has assumed PCFC as 44% of trade receivables for Fiscal 2021 and Fiscal 2022.
5.	Other Current Liabilities	Our Company's other Current Liabilities consists of Statutory dues and other payables, Contract Liability in the form of unearned revenues, other financial liabilities in the form of Current Maturity of the Long-term borrowings, Employee Related Liabilities and Foreign currency forward contracts. During the Fiscal 2019 and Fiscal 2020 our Company's other current liabilities as percentage of total current liabilities were 32% and 37% respectively. The tenure of long-term borrowings of our Company ended during the first quarter of Fiscal 2022. Our Company has assumed other current liabilities to the total current liabilities of 19% and 20% for the Fiscal 2021 and Fiscal 2022.

**Pursuant to the certificate dated June 10, 2020, issued by Manian & Rao, Chartered Accountants*

The aforementioned working capital estimates and projections have been approved by the Board through a resolution dated June 4, 2020.

Our Company proposes to utilize ₹1,010.0 million of the Net Proceeds in Fiscal 2021 and Fiscal 2022 towards our long term working capital requirements. The balance portion of our long term working capital requirement will be arranged from existing equity, internal accruals and borrowings from banks.

2. General Corporate Purposes

We will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations, including but not restricted towards strategic initiatives and acquisitions, working capital

requirements, part or full debt repayment, strengthening of our marketing capabilities and towards repayment and pre-payment penalty on loans as may be applicable. The quantum of utilisation of funds towards the aforementioned purposes will be determined by our Board based on the amount actually available under the head “General Corporate Purposes” and the corporate requirements of our Company.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or the Fund Raising Committee.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Means of finance

The fund requirements set out for the aforesaid objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue, existing working capital funding from the banks and internal accruals as required under the SEBI ICDR Regulations.

Bridge Financing Facilities and appraisal

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. The above fund requirements have not been appraised by any bank or financial institution.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The Offer expenses includes listing fees, fees payable to the BRLMs, underwriting fees, selling commission, legal counsel, advisors to the Offer, Registrar to the Offer, Banker(s) to the Offer including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

The fees and expenses relating to the Offer shall be shared in the proportion between the Company and the Selling Shareholders, in accordance with Applicable Laws. The Selling Shareholders undertake to reimburse the Company for the expenses incurred by the Company on their behalf for the proportion of Equity Shares sold by the Selling Shareholders.

The break-up for the estimated Offer expenses are as follows:

Activity	Estimated expenses ⁽¹⁾ (₹ in million)	As a % of total estimated Offer related expenses ⁽¹⁾	As a % of Offer size ⁽¹⁾
Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission payable to SCSBs for Bids directly procured by them and processing fees payable to SCSBs for Bids (other than Bids	[●]	[●]	[●]

Activity	Estimated expenses ⁽¹⁾ (₹ in million)	As a % of total estimated Offer related expenses ⁽¹⁾	As a % of Offer size ⁽¹⁾
submitted by RIIs using the UPI Mechanism) procured by the Members of the Syndicate, the Registered Brokers, CRTAs or CDPs and submitted to SCSBs for blocking, Bankers to the Offer, fees payable to the Sponsor Bank for Bids made by RIBs ⁽²⁾⁽³⁾			
Selling commission and uploading charges payable to Members of the Syndicate (including their Sub-Syndicate Members), RTAs, CDPs and Registered Brokers ⁽⁴⁾⁽⁵⁾⁽⁶⁾	[●]	[●]	[●]
Processing fees payable to the Sponsor Bank ⁽⁶⁾	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others: (i) Listing fees; (ii) SEBI fees, BSE and NSE processing fees; (iii) Book-building software fees (iv) Other regulatory expenses (v) Fees payable to legal counsel; and (vi) Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) The Offer expenses will be incorporated in the Prospectus on finalization of the Offer Price.

(2) Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

Portion for RIBs*	[●] % of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●] % of the Amount Allotted (plus applicable taxes)

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

(3) No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

Processing fees payable to the SCSBs on the portion for Non-Institutional Bidders which are procured by the Members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Non-Institutional Bidders*	₹[●] per valid application (plus applicable taxes)

(4) Selling commission on the portion for RIBs (using the UPI mechanism), Non-Institutional Bidders which are procured by Members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for RIBs	[●] % of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	[●] % of the Amount Allotted* (plus applicable taxes)

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Uploading Charges payable to Members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or

using 3-in-1 accounts, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

- (5) Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs procured through UPI Mechanism and Non Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

Portion for RIBs*	₹[●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹[●] per valid application (plus applicable taxes)

* Based on valid applications

- (6) Uploading charges/ Processing fees for applications made by RIBs using the UPI Mechanism would be as under:

Payable to Members of the Syndicate (including their sub-Syndicate Members)/ RTAs / CDPs	₹[●] per valid application (plus applicable taxes)
Payable to Sponsor Bank	₹[●] per valid application (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

Monitoring Utilization of Funds

Our Company shall appoint a Monitoring Agency for monitoring the utilization of Net Proceeds of the Fresh Offer prior to the filing of the Red Herring Prospectus. Our Board and the Monitoring Agency will monitor the utilization of Net Proceeds and submit its report to us in terms of Regulation 41 of the SEBI ICDR Regulations.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Additionally, the Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32 of the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Offer from the objects of the Offer as stated above. The information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and the applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Notice") shall specify the prescribed details as required under the Companies Act. The Notice shall simultaneously be published in the newspapers, one in English and one in Kannada the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Our Promoter will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal, at a price as prescribed by SEBI, in this regard.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, members of the Promoter Group, our Directors or our Key Managerial Personnel except in the normal course of business and in compliance with applicable law.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with our Promoter, Directors, or Key Managerial Personnel in relation to the utilisation of the Net Proceeds. Further, there are no existing or anticipated interest of such individuals and entities in the objects of the Offer as set out above.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹2 each and the Offer Price is [●] times the face value at the Floor Price and [●] times the Cap Price. Bidders should also see “Risk Factors”, “Our Business”, “Summary of Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 27, 138, 61, 293 and 197, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- Strong brand in Digital IT services;
- Growing high revenue generating customer accounts with a high proportion of repeat revenues and revenues from mature markets;
- Scalable business model with multiple drivers of steady growth;
- End to End capabilities spanning the digital lifecycle from roadmap to deployment and maintenance;
- Strong R&D capability with depth in disruptive technologies creating value through newly engineered solutions;
- Agile Engineering and Delivery; and
- Mindful approach towards systems, employee policies and practices led by an experienced leadership and senior management team focused on sound corporate governance practices.

For details, see “Our Business – Strengths” on page 139.

Quantitative Factors

Some of the information presented below relating to our Company, wherever applicable, is based on or derived from the Restated Consolidated Financial Statements. For details, see “Financial Statements” on page 197.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share (“EPS”), as adjusted for change in capital

As derived from the Restated Consolidated Financial Statements:

Fiscals	Basic EPS (In ₹)	Diluted EPS (In ₹)	Weight
For the year ended March 31, 2018	(3.13)	(3.13)	1
For the year ended March 31, 2019	1.89	1.16	2
For the year ended March 31, 2020	7.04	5.36	3
Weighted Average	3.63	2.55	

Notes:

- i) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights
- ii) The face value of the Equity Shares is ₹2 each
- iii) Basic Earnings per Share (₹) = Net profit after tax attributable to owners of the Company, as restated / Weighted average no. of equity shares outstanding during the year
- iv) Diluted Earnings per Share (₹) = Net Profit after tax attributable to owners of the Company, as restated / Weighted average no. of potential equity shares outstanding during the year
- v) Weighted average number of equity shares is the number of Equity Shares, and Preference Shares convertible into Equity Shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.
- vi) Earnings per share calculations are in accordance with the notified Indian Accounting Standard 33 ‘Earnings per share’.
- vii) The figures disclosed above are derived from the Restated Consolidated Financial Statements of our Company.

2. Price/Earning (“P/E”) ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share

Particulars	P/E at the lower end of Price band (no. of times)	P/E at the higher end of Price band (no. of times)
Based on basic EPS for the year ended March 31, 2020 on a consolidated basis	[●]	[●]
Based on diluted EPS for the year ended March 31, 2020 on a consolidated basis	[●]	[●]

Industry Peer Group P/E ratio

Particulars	Industry P/E (number of times)
Highest	24.0x
Lowest	18.2x
Average	21.8x

Note:

The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average of P/E for industry peer set disclosed in this section. For further details, see "Comparison of Accounting Ratios with listed industry peers" on page 108. All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2020, as available on website of stock exchanges.

3. Return on Net Worth ("RoNW")

Derived from the Restated Consolidated Financial Statements:

Fiscals	RoNW %	Weight
For the year ended March 31, 2018	(20.6%)	1
For the year ended March 31, 2019	(21.1%)	2
For the year ended March 31, 2020	27.1%	3
Weighted Average	3.1%	

Notes:

- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.
- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Restated net worth at the end of the year/period.
- 'Net worth' under Ind-As: Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits (excluding foreign currency translation reserve) and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2018; 2019 and 2020, in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.

4. Net Asset Value per Equity Share

NAV	Consolidated (₹)
As on March 31, 2020	26.0
At the Offer Price	[●]

- Net asset value per Equity Share = Restated Net worth at the end of the year / Weighted average number of shares outstanding during the year.
- 'Net worth' under Ind-As: Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits (excluding foreign currency translation reserve) and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2018; 2019 and 2020, in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.
- Weighted average number of shares is the number of equity shares and CCPS convertible into Equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.

5. Comparison of accounting ratios with listed industry peers

Name of the Company	Consolidated / Unconsolidated	Face Value Per Share	EPS ⁽⁵⁾ (₹ per share)		NAV ⁽⁶⁾⁽⁷⁾	P/E ⁽⁸⁾	RONW ⁽⁹⁾
		(₹)	Basic	Diluted	INR Per Share	Basic	%
TCS ⁽¹⁾	Consolidated	1	86.19	86.19	225.9	23.7x	37.2%
Infosys ⁽²⁾	Consolidated	5	38.97	38.91	154.8	18.2x	25.4%
LTI ⁽³⁾	Consolidated	1	87.45	86.61	310.4	21.2x	29.5%
Mindtree ⁽⁴⁾	Consolidated	10	38.35	38.33	191.8	24.0x	19.5%

Note 1: Financials for TCS are for the year ending March 31, 2020 and sourced from BSE.

Note 2: Financials for Infosys are for the year ending March 31, 2020 and sourced from BSE.

Note 3: Financials for LTI are for the year ending March 31, 2020 and sourced from BSE.

Note 4: Financials for Mindtree are for the year ending March 31, 2020 and sourced from BSE.

Note 5: Basic and Diluted EPS for the companies are for the year ending March 31, 2020 and sourced from BSE.

Note 6: Net worth for the companies have been computed as sum of share capital, minority interest and reserves as of March 31, 2020 and sourced from BSE.

Note 7: NAV is computed as the closing net worth of the companies computed as per Note 6, divided by the closing outstanding number of fully paid up equity shares as sourced from the BSE.

Note 8: P/E Ratio has been computed as the closing market prices of the companies on the BSE Limited sourced from the BSE website as of 2nd June 2020 divided by the basic EPS as described in Note 5.

Note 9: RoNW for peers have been computed as net profit after tax (including minority interest) divided by the average net worth of preceding two financial years of these companies as per Note 6.

6. The Offer Price will be [●] times of the face value of the Equity Shares.

The Offer Price of ₹[●] has been determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 27, 138, 293 and 197, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” on page 27 and you may lose all or part of your investment.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Happiest Minds Technologies Limited (formerly Happiest Minds Technologies Private Limited)
#53/1-4, Hosur Road
Madivala (Next to Madiwala Police Station)
Bengaluru – 560 068

Dear Sirs,

Statement of Possible Special Tax Benefits ('the Statement') available to Happiest Minds Technologies Limited ('the Company') and its shareholders under the Indian tax laws

We hereby confirm that the enclosed Annexure 1 and 2 (together 'the Annexures'), prepared by the Company, provide the possible special tax benefits available to the Company and to the shareholders of the Company under direct and indirect tax laws, including the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2019, i.e. applicable for the Financial Year 2019-20 relevant to the Assessment Year 2020-21, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act") read with Rules, Circulars, and Notifications ("GSR law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") as amended by the Finance Act, 2019 and the Finance (No. 2) Act, 2019, i.e., applicable for the Financial Year 2019-20 relevant to the Assessment Year 2020-21, presently in force in India (together, the '**Tax Laws**'). Several of these benefits are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company and/or its shareholders may or may not choose to fulfil.

The Central Board for Direct Taxes ('CBDT') has constituted a Committee to suggest framework to compute book profit which constitutes the tax base for Minimum Alternate Tax ('MAT') levy for companies converging to Ind-AS. Till date the Committee has made two reports, which are yet to be accepted by the Government. Since the Committee recommendations do not carry any weightage in law as they may or may not be accepted, we have not expressed our opinion on the transitional impact of Ind-AS, which maybe applicable to the Company from Financial Year 2019-20 onwards.

1. The benefits discussed in the enclosed Annexures are not exhaustive, and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
2. We do not express any opinion or provide any assurance as to whether:
 - i) the Company and/or its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
4. This Statement is issued solely in connection with the proposed initial public offering of equity shares of face value of ₹2 each of the Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (the "Offer") and is not to be used, referred to or distributed for any other purpose.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sumit Mehra
Partner
Membership Number: 096547

Place of Signature: Bengaluru
Date: June 09, 2020

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Direct Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2019 i.e., applicable for Financial Year 2019-20 relevant to the Assessment Year 2020-21, presently in force in India.

I. Special tax benefits available to the Company

The Company is eligible to opt for and the Company intends to opt for the beneficial tax rate of 22% (plus applicable surcharge and cess) as provided under Section 115BAA of the Act, subject to the condition that going forward it does not claim the deductions as specified in Section 115BAA(2) of the Act and computes total income as per the provisions of Section 115BAA(2) of the Act. Proviso to Section 115BAA(5) provides that once the Company opts for paying tax as per Section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other Previous Year.

The Company will exercise the option under this Section on or before the due date of filing the returns under sub-section (1) of Section 139 of the Act for the Previous Year relevant to the Assessment Year 2020-2021.

Further, the provisions of Section 115JB i.e. MAT provisions shall not apply to the Company on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above Statement covers only certain relevant benefits under Income tax Act, 1961 read with relevant rules, circulars and notifications and does not cover any indirect tax law benefits or benefit under any other law.
3. The above Statement of possible tax benefits is as per the current Income tax Act, 1961 read with relevant rules, circulars and notifications relevant for the Assessment Year 2020-21 and Assessment Year 2021-22.
4. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such non-resident is a tax resident of.
6. Our views expressed in this Statement are based on the facts and assumptions as indicated in the Statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Happiest Minds Technologies Limited

Venkatraman N
Director & Chief Financial Officer

Place: Bengaluru
Date: June 09, 2020

ANNEXURE 2

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications (“GST law”), the Customs Act, 1962, Customs Tariff Act, 1975 (“Customs law”) and Foreign Trade Policy 2015-2020 (“FTP”) (collectively referred as “Indirect Tax”)

I. Special tax benefits available to the Company

1. There are no special tax benefits available to the Company under GST law.
2. The Company has availed exemption from basic customs duty, social welfare surcharge and integrated goods and services tax on import of goods on account of being registered as a Software Technology Park of India (“STPI”) unit.
3. Exemption from IGST on imports of goods is available till 31 March 2021.

II. Special tax benefits available to Shareholders

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

Notes:

1. The above Statement of Indirect Tax benefits sets out the special tax benefits available to the Company and its shareholders under the Indirect Tax laws mentioned above
2. The above Statement covers only above-mentioned tax laws benefits and does not cover any Income Tax law benefits or benefit under any other law.
3. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Happiest Minds Technologies Limited

Venkatraman N
Director & Chief Financial Officer

Place: Bengaluru
Date: June 09, 2020

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

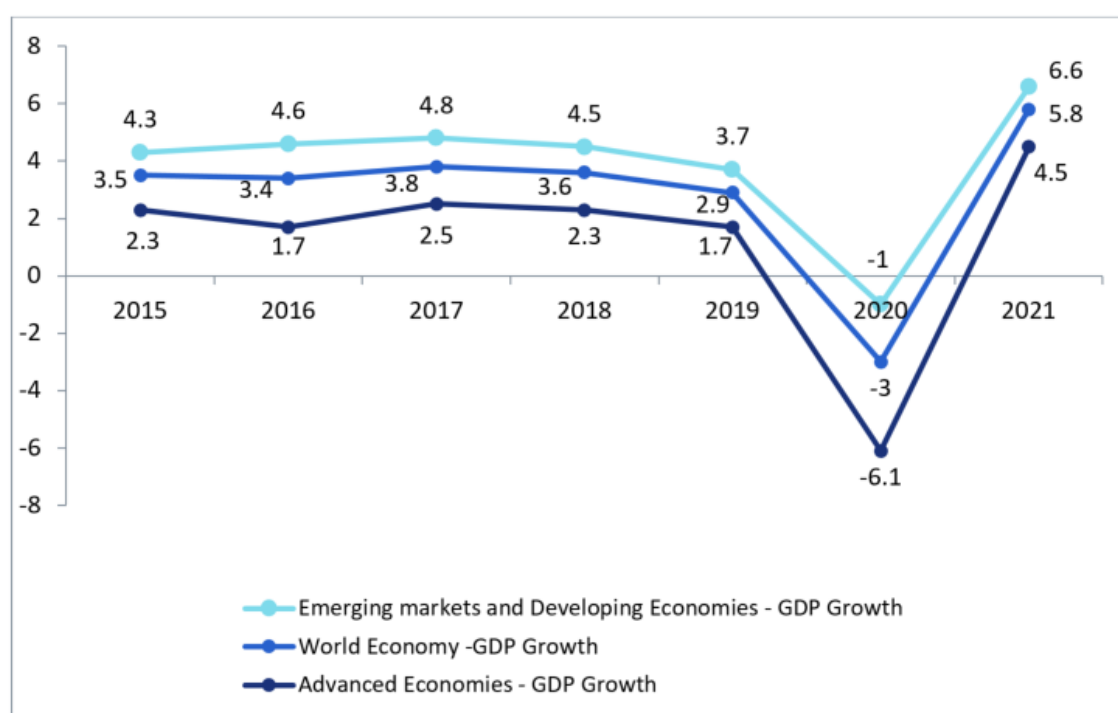
The information in this section is derived from industry sources including an industry report entitled “Assessing the Market Potential of Information Technology Services Market” dated June 2020 that we have commissioned from Frost & Sullivan (India) Private Limited. Neither we nor any other person connected with the offering has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Macroeconomic Overview

The global economy has been adversely affected by COVID-19, with many global businesses having to cease or slow down their operations. Following the outbreak of COVID-19, the global GDP projection is further expected to weaken to an estimated -3.0% in 2020.

In the past, major epidemics have significantly reshaped growth trajectories globally, with severe disruptions taking place especially in poor countries. While the Severe Acute Respiratory Syndrome (SARS) virus of 2003 only reduced global growth by around 0.1% (nearly USD 50 billion), the spread of avian influenza during the same period cost close to 0.6% of the world GDP.

Global GDP Growth (2019 – 2021)



Note:

1. Advanced economies include regions such as United States, Germany, France, Italy, Spain, Japan, United Kingdom
2. Emerging economies include regions such as China, India, ASEAN-5, Russia, Brazil, Mexico, Saudi Arabia, Nigeria, South Africa

Source: IMF

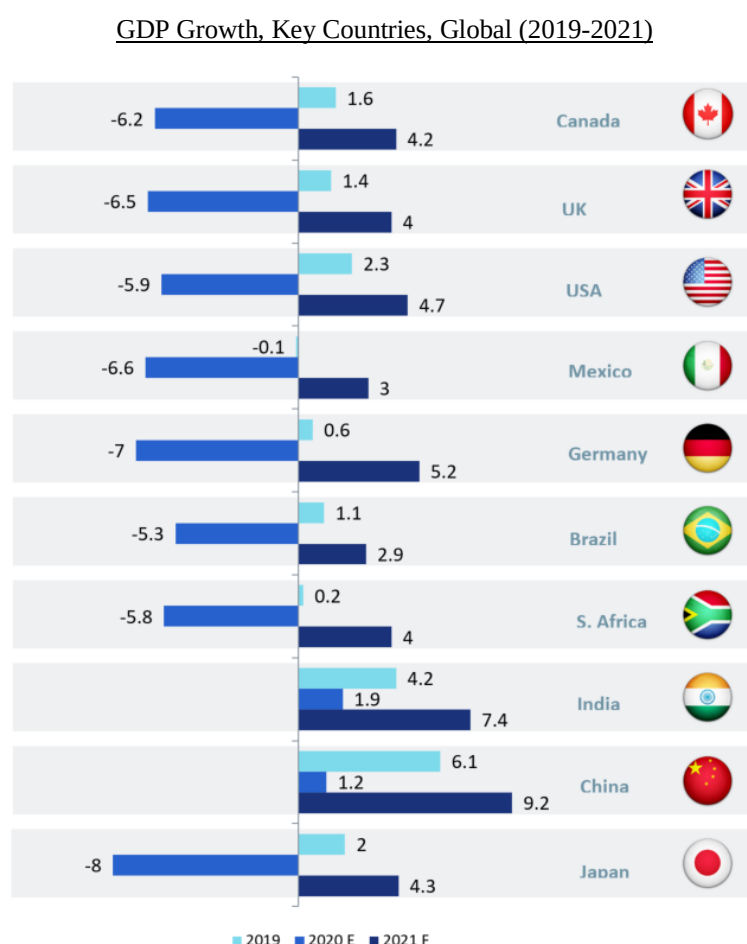
The GDP growth in advanced economies is expected to be more significantly hit with estimates of a decline from 1.7% in 2019 to -6.1% in 2020. However, a successful fight back against COVID-19 by 2020 is expected to potentially help the region's GDP to reach a growth rate of 4.5% by 2021.

- (a) Emerging markets such as the Arab countries, the LATAM region, China and India had a combined overall GDP growth of 3.7% in 2019. However, owing to the COVID-19 outbreak, this market is projected to see a decline in the

GDP growth to -1.0%. With regions such as India managing to handle the crisis well, as well the rebound of the Chinese economy, emerging markets are expected not to witness catastrophic consequences in the post-COVID era. A rise in the GDP growth rate to a healthy 6.6% in 2021 is expected for emerging economies.

Global GDP growth rate of key select economies (2019 – 2021)

The COVID-19 crisis is expected to impact all the regions globally and consequentially the GDP growth within these regions as well. Barring a few emerging markets such as India and China, most of the other regions are expected to see a significant impact on their GDP, which could fall below 0%.



Source: IMF

Note:

1. GDP Growth rates are expressed in percentage
2. E- Estimates. F- Forecast

Growth of digital services

Increasing demand from digital natives

The term digital native refers to a person who has grown up in the digital age, rather than having acquired familiarity with digital systems as an adult. While 30% of the youth population today are digital natives, the digital native population in the developing world is expected to double within the next five years. This generation is familiar with the rapid technological advancements and their demand for better digital solutions has mandated service providers to push their boundaries to sustain market advantage. This is predominantly because the digitally-empowered population prefers customised solutions over brand loyalty and other traditional factors.

Social networking and platforms

Modern digital services extensively focus on delivering solutions with a focus on customer satisfaction. Advanced digital technologies such as artificial intelligence (AI) and machine learning require volumes of data to provide accurate analysis and granular reports. With an estimated 95 million Instagram posts a day, 31.25 million Facebook posts per minute, and 6,000 tweets a second, social media generates data in volumes that could be harnessed by organisations to glean insights from customer conversations, understand emerging trends and topics and adapting quickly to evolving customer requirements.

Evolutionary shift towards efficiency

Globally organisations are looking to shift from an “e-business” model to a more “digital-business” model where interconnected components such as the business, the consumer, the product and the service are brought together into one centralised ecosystem.

Everything on the cloud

Cloud has played a significant role in the growth of digital services ranging from alleviating concerns over capacity management to managing a wider range of operational functions while delivering multiple capabilities such as analytics and computing. Digital services are increasingly reliant on cloud-based technological functions and this trend is expected to gain traction in the future as well. The cloud computing market was valued at USD 224 billion in 2019 and is estimated to reach USD 719 billion by 2025, growing at a CAGR of 21.45%.

Digital KPIs to measure growth

Digital KPIs are metrics which help to evaluate organisations on digital initiatives and quantify the benefits of the processes that they are responsible for, with the aim of monitoring the outcome of the digital investment. As digital transformation expands across multiple regions and industry verticals, organisations are measuring their business efficiencies using digital KPIs such as high-performing digital functions and their impact on revenue growth. Digital KPIs help organisations determine if the digital investments will sustain and drive the company’s bottom line. They provide detailed insights and have the potential to unearth valuable information that can help organisations make informed decisions keeping in mind the requirements of the future.

Ability to create and recreate value

Digital services provide avenues for technology convergence and allows for the provision of solution integration from multiple technology functions. The efficiency derived from one system or function has the ability to percolate and create efficiencies across several systems that are connected over a digital network. Such efficiencies have already been observed in concepts such as IIoT (Industrial IoT) automation and supply chain automation through digital analytics.

Data for intelligence

A primary driver for digital services is the adoption and utilisation of data-driven technology services such as Internet of Things (IoT) and predictive analytics that have demonstrated the benefits of digital services across multiple industry verticals, thereby reducing the gap between under-connected and hyper-digitized environments. Smart data has seen a considerable traction in manufacturing and automotive segments wherein a lot of production modelling is being built around machine learning and advanced algorithms. A combination of intelligence along with the potential of advanced data mining technologies has led to the development of novel solutions around several industrial problems. Services like IoTaaS (IoT as a Service) and AIaaS (AI as a service) are gaining considerable traction because service providers are able to transcend beyond providing data-enabled solutions to intelligence-enabled business insights. Segments like IoT have already gained significant traction within the IT sector with a spend of USD 714 billion in 2019 that is projected to reach over USD 1,583 billion by 2025 growing at a CAGR of 14.19%.

Digital services: Growth Drivers

Connectivity for business efficiency

The speed, quality and reach of connectivity are critical in enabling businesses to make economic and mission-critical decisions. Connectivity is key for digital services, with the growing number of connected devices such as smartphones, server-less computing, sensors and the explosion of digitally shared data. With over 4.3 billion internet users and 5.1 billion mobile users, the scope for utilising digital connectivity for business has pushed multiple organisations to create and modify business models which can leverage on the power of digital data and open up new avenues. Connectivity is expected to create a high impact both in the short term (FY 21-23) and in the long term (FY 23-25).

Business environments relying on digital KPIs

Organisations increasingly rely on digital environment to identify opportunities and assess their business performance at the most granular level. Digital KPIs are replacing traditional KPIs and efficiencies are measured against digital parameters to supplement the organizational initiatives. As businesses increasingly continue to leverage digital KPIs, the industrial impact of digital KPIs is expected to remain high in the short term (FY 21-23) as well as in the long term (FY 23-25).

Augmenting outcomes through technology convergence

With the ability to combine multiple technology services, business leaders are looking at the transformational potential of digital services in bringing about workplace efficiency. Commoditised computing using the cloud and utilising AI and machine learning have been key drivers to efficiently drive operational and supply chain outcomes. Technology convergence is faced with some barriers today in the form of integration issues and regulations and this is expected to have a medium impact in the short term (FY 21-23) but once the issues are ironed out, there will be a significant impact in the long term (FY 23-25).

Competitive exigencies

Many organisations have already reaped the benefits of adopting digital within their organisational services and in doing so have demonstrated successful use cases that alleviate concerns for other organisations. The increasing pressure to deliver efficiency from the customer community is also exerting pressures on organisations to shift towards digitally enabled, effective services. Organisations have just begun to realise the benefits of digital maturity and hence the short term (FY 21-23) impact of using digital technologies for competitive differentiation is expected to be moderate. Moving forward, in the long term (FY 23-25), most organisations would base their competitive differentiation around digital parameters.

Global Technology Market: Challenges

While the global technology market is expected to have a healthy growth, there are still some challenges to adoption that have hindered market players from completely realising the potential of the developing IT market. Some of these challenge areas are discussed below:

True value of digital

While there is a lot of hype around new-age digital technologies such as AI, machine learning and robotics, not all segments have realised the full value of such digital innovations. In this regard, service providers are trying to address segment-specific challenges and demonstrate successful use cases but the rigidity around the willingness to shift from legacy to digital still persists in multiple industry segments.

Finding the right talent

The continuous innovation around digital technologies has not been met with a corresponding maturity from the talent pool, and global organisations are consequently struggling with resource constraints. As new digital technologies and services are being introduced to the market, it becomes mandatory for the digital talent to understand and consume the inherent features of such technologies without much delay. The World Economic Forum estimates that more than half (54%) of all employees will require significant reskilling by 2022. However, the problem is likely to be even more acute in some regions. European Commission figures show that around 37% of workers in Europe are lacking in basic digital skills.

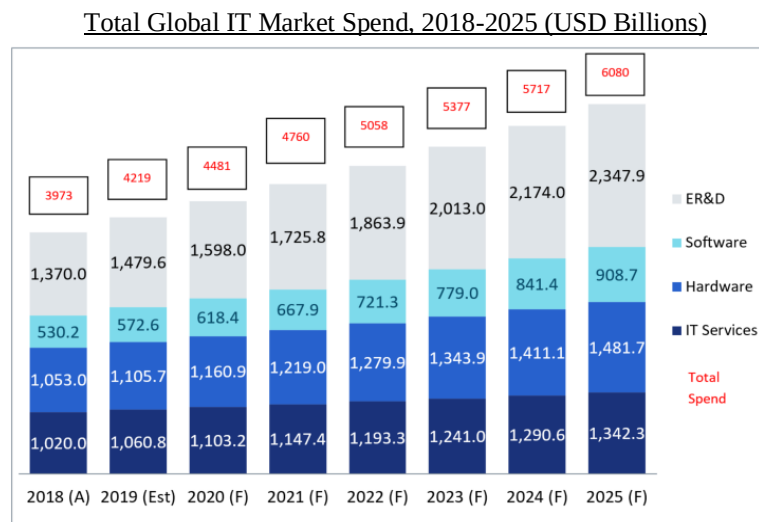
The growth of new-age technological services is relatively higher than the growth of the talent mapped for such services. In order to cope with the lack of digital talent, organisations are opting to enhance their internal digital capabilities through training programs and the hiring of specialised talent from other regions. The relatively higher pay offered to digitally-proficient employees has also pushed people to further their digital capabilities in order to land lucrative offers in the IT sector.

Security and privacy

With the advent of cloud and virtualisation, organisations are increasingly concerned over the privacy and security of their data as service providers are yet to completely alleviate the threats around cyber risks and provide a holistic solution. Data-sensitive industries such as finance and healthcare are impacted by these concerns.

Global Technology Market Spend

The global technology spend is estimated to be USD4,218.7 billion in 2019. A growth of 6.3 per cent is expected year-on-year, reaching USD 6,080 billion by 2025. Software and engineering research and design (ER&D) are the expected to lead the growth going forward.



Source: Frost & Sullivan

The accelerated spending on emerging technologies and the increase in the technology product mix within organisations that have conventionally invested in non-IT solutions are key reasons for the projected market growth. Digitisation and connectivity has created opportunities for service providers to focus more on R&D and consequentially created a demand within the software space, which is expected to increase going forward.

The popularity of “as-a-service” culture has been of a major advantage to service providers as they look to capitalise on combining the potential from the changing customer community and the evolving technological solutions. Cost reduction through automation and analytics-driven business decisions have encouraged organisations to invest more in technological solutions and the benefits of such investments are expected to create more traction going forward.

Digital IT and legacy IT

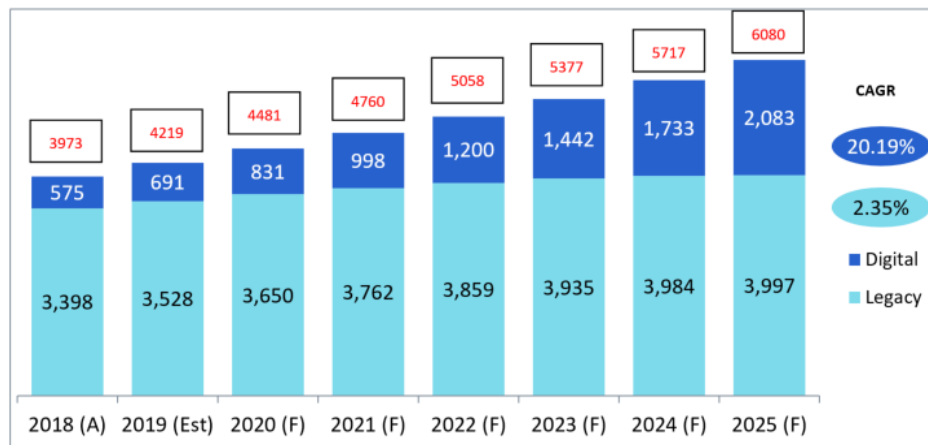
Legacy IT

Legacy systems can be defined as software or hardware related IT stack that could comprise of internal systems, external communication channels and storage. Typically, legacy systems utilise technology that is relatively old or outdated but is critical to run the business. Investments in legacy systems are relatively higher and this is a key reason for organisations displaying resistance when it comes to replacing legacy systems.

Digital IT

Digital services are those that enable organisations to leverage the new-age services that have permeated the technology market. The combination of software and hardware services that enable the delivery of information using the internet typically comes under the purview of digital service. With technology convergence, the term digital encompasses services that are interconnected within the network of technological components via the internet.

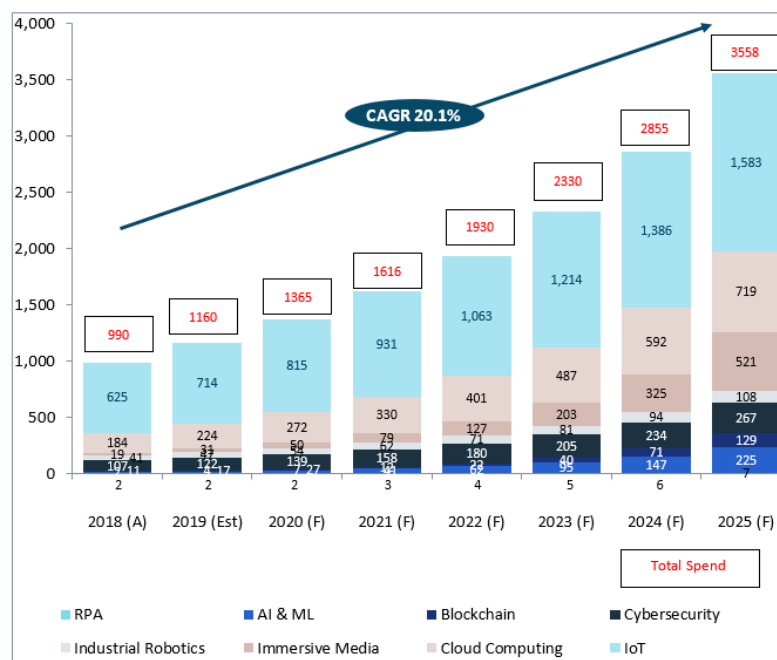
Digital vs. legacy market size, 2018 – 2025, (USD Billion)



Source: Frost & Sullivan

In 2019, the global enterprise digital spend stood at USD691 billion and represented about 16.3% of the total technology spend within the IT sector. By 2025, the enterprise digital spend is projected to be around 34% of the total technology spend with the digital spending growing at a healthy CAGR of 20.19%. With organisations looking to capitalise on the benefits of digitisation through leveraging capabilities around cost-reduction, service automation and efficient work channels, the adoption of digital technologies will improve. Legacy investments are already deemed as cost-overheads and the cloud-based digital service offerings present valuable opportunities to small and mid-size organisations that look to benefit from the digital era.

Global IT Spend across Emerging Technologies: Split, 2018-2025, (USD Billion)



Source: Frost & Sullivan

The global IT spend across key emerging technologies is expected to grow from USD 1,160 billion in 2019 to USD 3,558 billion in 2025 growing at a CAGR of 20.5%.

The increasing utilisation of robotic process automation (RPA) in business process integration is expected to deliver a healthy growth of the segment that is projected to reach a market size of over USD 7 billion by 2025, growing at a CAGR of 25%.

AI and machine learning are increasingly being adopted as a modern solution by organisations that are looking to leverage automation and intelligence from technological solutions to iron out their business inefficiencies. The combination of these two technologies is expected to grow at a rate of 55% from 2019 to 2025.

Blockchain solutions have already gained significant traction within the IT landscape and are expected to see a considerable momentum going forward owing to the success demonstrated in the finance and trading sectors. Being one of the fastest growing markets, it is expected to have a healthy growth rate of over 80% from 2019 to 2025.

Cybersecurity has always been a core component within the IT sector and is increasingly gaining importance with the advancement of connected technologies. Organisations are looking for increased security solutions, which is expected to drive the market at a CAGR of 14% and is projected to reach a size of USD 266.7 billion by 2025.

Immersive media has already gained considerable momentum and the growth within the segment is projected to catapult over USD 700 billion dollars by 2025 due to the number of immersive, innovative solutions created within the market space.

Cloud computing and related services are expected to have a steady growth of 21.4% CAGR, owing to the ability to deliver cost-efficient and customised service.

The increasing demand for connectivity is already creating acceleration within the IoT segment, which is expected to have a healthy CAGR of 14.2%.

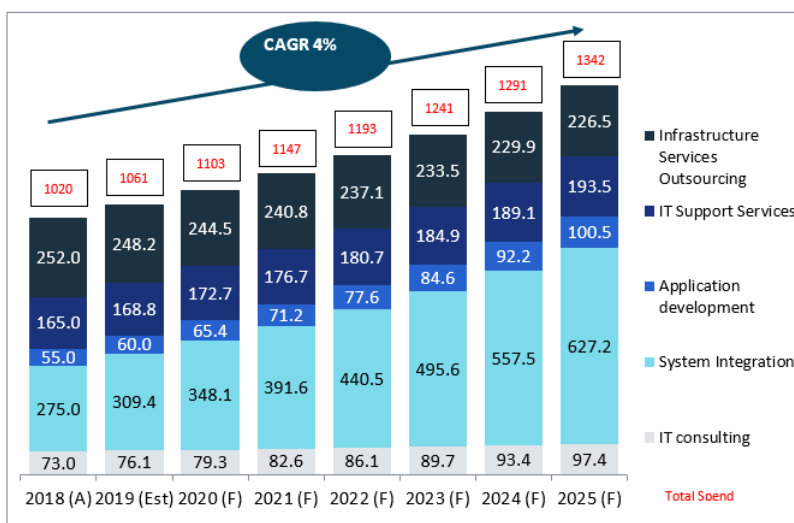
Note:

Cloud computing market size is defined as the spend on global cloud services

IoT market includes spend on hardware, software and related services

IT Services Split Across Key Functions

IT Services Split, 2018-2025, (USD Billion)



The IT spend across key technology functions mentioned above is expected to grow from USD1,061 billion in 2019 to USD 1,342 billion in 2025 growing at a CAGR of 4%.

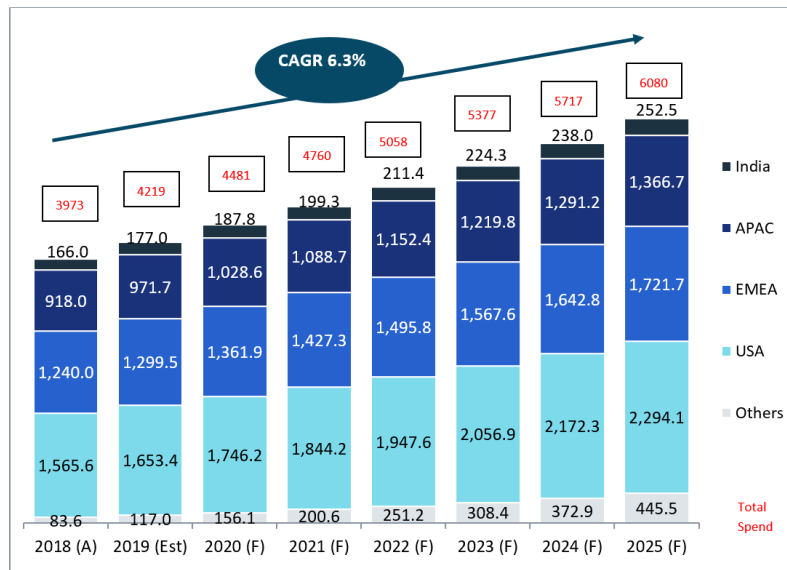
The spending on the system integration segment is expected to witness relatively higher growth as compared to the other segments owing to the need for bundled offerings, security concerns and advanced solutions that has led to a higher bargaining power of the system integrators. This segment is expected to grow at a CAGR of 12.4% from 2019 to 2025. Custom application development is also expected to see a healthy CAGR of 8.9% due to the increasing demand within the enterprise application development sector as well as from the mobile application development.

Infrastructure services is expected to witness a drop in the overall spend owing to the projected investments in cloud services.

Global Technology Spend Across Regions

Regional Split (USD Billion)

Exhibit 8: Regional Split (USD Billion)



Source: Frost & Sullivan

Source: Frost & Sullivan

The APAC region is projected to have a relatively healthy CAGR of 5.85% until 2025 due to the growing population of software professionals and the availability of cost-efficient software solutions from within this region.

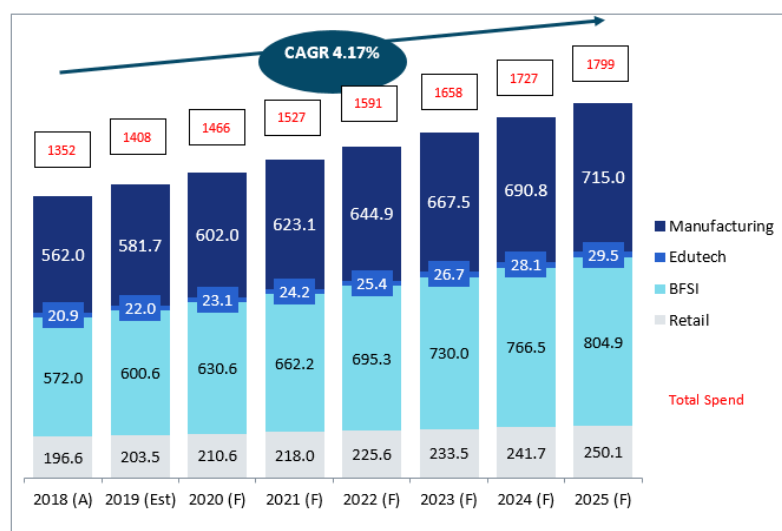
USA has the majority of the market share owing to economic development and abundance of investment opportunities. As one of the key regions when it comes to adopting and utilising modern technologies, USA has been the forerunner in technology innovation with a number of companies, particularly startups in the Silicon Valley area, focusing on bringing new solutions to the market. The constant focus on innovation is expected to drive the market in this region at a CAGR of 5.6%.

Europe and Middle East are hubs for technology-driven industrial solutions which have consequentially created a demand within these regions. This region is expected to have a CAGR of 4.79% until 2025.

India, in particular, benefits from a rapidly growing population of digital experts and software engineers as well as being an economy that is gearing up for digitisation on major fronts, which is expected to create a boom within the information technology space and consequentially the market is expected to grow at a CAGR of 6.1% from 2019 to 2025.

Global Technology Spend Across Select Industry Verticals

Vertical Split, 2018-25, (USD Billion)



Note:

1. Manufacturing includes discreet & process manufacturing along with natural resource processing industries
2. Retail includes both physical retail (brick & mortar stores) as well as online retail
3. The chart above only represents spending across select key industry verticals.

Source: Frost & Sullivan

From a growth perspective, the edutech market is expected to witness a higher CAGR of 5% owing to the adoption of digital solutions within the sector in the recent years and the momentum is expected to carry on going forward.

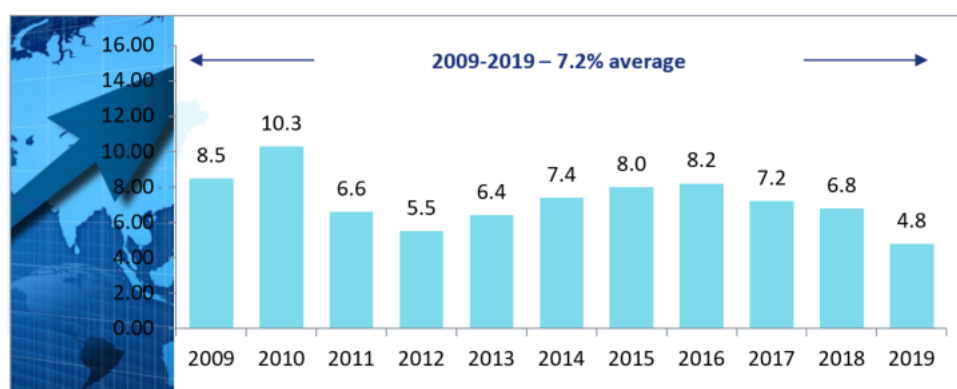
The advancements in IoT solutions and the ability to use advanced technology to predict and prevent industrial losses has led to a significant increase in the adoption of technology solutions within the manufacturing sector, which is expected to grow at a CAGR of 3.5% until 2025.

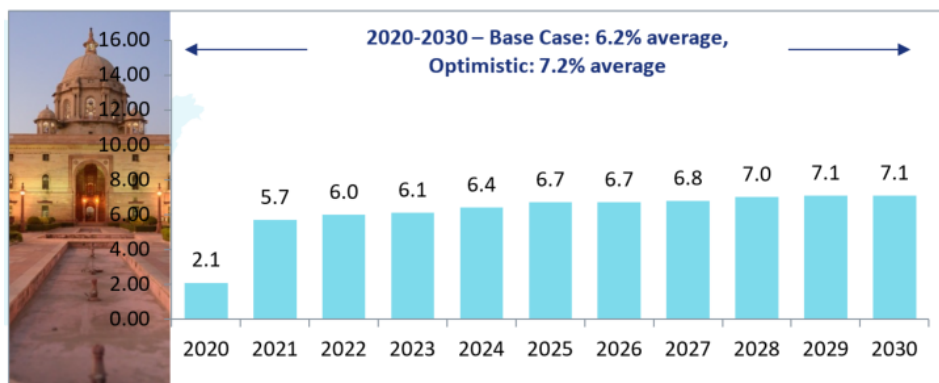
The benefits of e-commerce has been a successful use case for the retail sector which is already benefitting from automation and machine learning solutions that have cut down costs and boosted sales equally. The technology spend in the retail sector is expected to grow at a CAGR of 3.5% from 2019 to 2025.

An all-round connectivity and realisation of the need to shift from legacy technology to a digital environment is the major reason for the expected market growth in the future.

Key Indian technology market trends

India's successful economic transformation story is evident from its emergence from the 1991 crisis to its present day economic position.

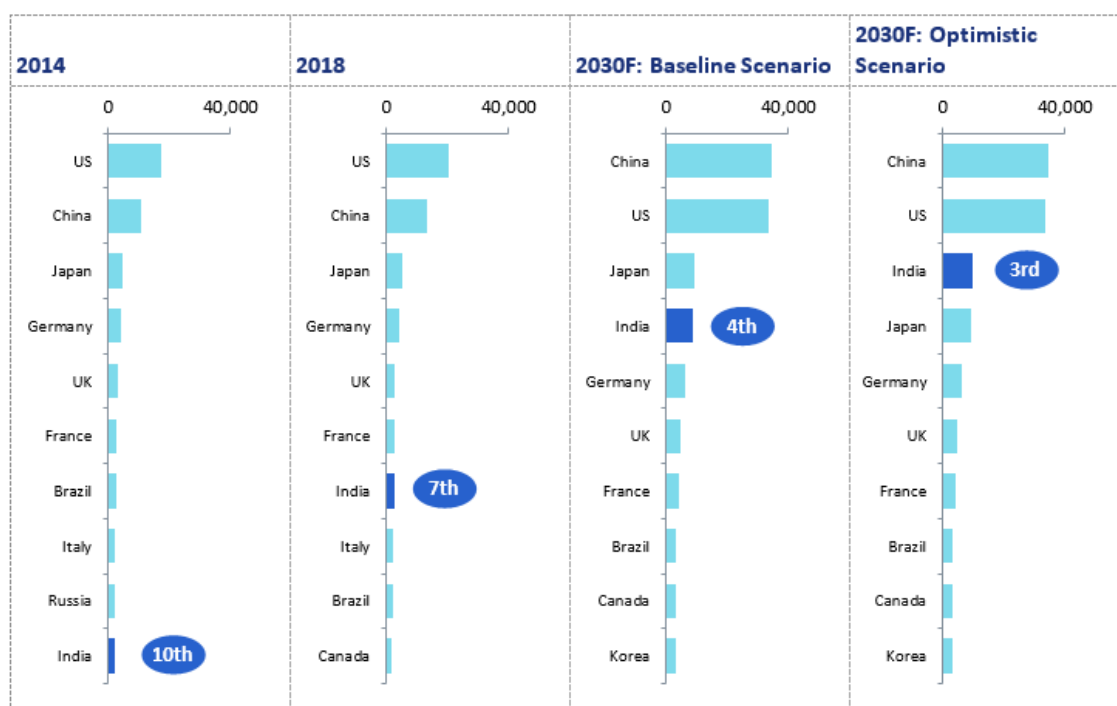




Source: World Economic Forum; The World Bank; International Monetary Fund; International Labour Organization; World Trade Organization; Ministry of Finance; Frost & Sullivan

India is expected to move from being the 7th largest economy in 2018 to the 3rd (optimistic scenario) or 4th (baseline scenario) largest by 2030, depending on scenario conditions, with strong consumer demand and structural reforms being key driving factors.

Top 10 Countries Based on Nominal GDP, Global, 2014, 2018, 2030

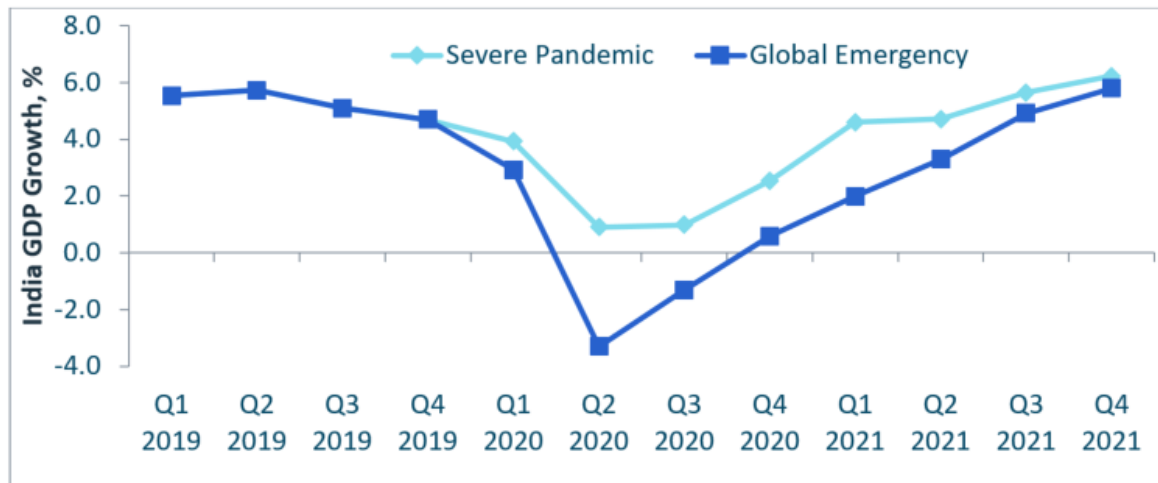


Source: IMF; Frost & Sullivan

India: COVID-19 impact on GDP

IMF projects India's growth in GDP to decline to 1.9% owing to COVID-19. It is expected that India's 2020 GDP annual growth could be between 2.1% and -0.3%, depending on the scenario, with 2021 recovery between 4 and 5% levels

India GDP Quarterly Growth (2019-2021)



The Indian IT sector was quick to respond to the COVID-19 crisis, ensuring a business continuity through establishing effective work-from-home policies during the national lockdown. Due to this, several companies were able to cut down on losses. Companies have also realised the inherent efficiencies of enabling a remote work culture. Companies like TCS are looking to shift 75% of their total workforce to a permanently remote environment by 2025.

India: Technology Profile

India is gradually becoming a global technology hub, being the world's third-largest technology start-up hub with incorporation of 1,000 new companies in 2018. The number of overall patents issued in 2018 stood at a 47,857. R&D investments is estimated to increase to USD 94.06 billion in 2019 from USD 86.24 billion in 2018.

India: Value Proposition and a Destination of Choice for Digital Services

India ranks third as the most attractive investment destination for technology transactions in the world (*Source: EY's 14th biannual Global Capital Confidence Barometer*). With a 4 per cent increase in the union budget and an USD8 billion rise in R&D investment, great advancements are expected in sectors such as agriculture, healthcare, space research, and nuclear power. The government's initiation to focus on R&D has increased growth opportunities for science and technology with a visible rise in patents to 47,000 in 2018. An increasing number of international firms are choosing to set-up their R&D centres in India.

The Indian IT-ITeS is at the inflexion point with emerging technologies and digital services expected to drive the industry going forward. The year 2019 was remarkable more so for digital services as digital revenues grew at a staggering 30%+ to reach USD 33 billion. With emergence of digital services and offerings the sector is witnessing an increasing trend in demand for talent in these technologies.

Indian IT: Growth Drivers

Digitally mature IT workforce

India's IT workforce is one of the most mature globally, owing to the continuous exposure to developing emerging technologies and the catering to multiple service requests from global organisations. The extensive competition within the market has pushed the population towards developing unique digital skill sets that can differentiate themselves and this in turn creates a portfolio of experts within the IT services domain. From an impact perspective, digital maturity in the IT workforce is expected to have a high impact in both the short (FY 21-23) and long term (FY 23-25).

Extensive push from the government

The Indian government has been pushing towards a digital economy through several initiatives such as digital India campaigns and smart city developments. The government of India has also provided support towards the IT services sector through funding for digital education, training and IT outsourcing. Government aided development of digital services is expected to have a high impact in both the short (FY 21-23) and long term (FY 23-25).

Impact of increasing connectivity in the rural sector

4G has already connected the rural areas, 5G is expected to boost the adoption of connectivity, particularly in the usage of smart-phone related services, with service providers expecting a healthy growth. Connected environments and growing

maturity of IoT is expected to result in innovative use cases in industry verticals like manufacturing and retail. While connectivity in the rural sector is expected to witness a moderate growth in the short term (FY 21-23), going forward, with the imminent adoption of 5G, it is expected to have a significant impact in the long term (FY 23-25).

Rising number of start-ups and indigenous development

There are more than 21,000 start-ups in India of which around 9,000 are technology start-ups. These numbers are expected to increase owing to the successful revenue growth and favorable M&As. The success of local companies such as OYO, Ola and Zomato have propelled multiple companies to focus more on domestic market. The start-up sectors has been booming recently with a medium impact expected in the short term (FY 21-23), and a significant impact expected in the long term (FY 23-25).

Indian IT: Challenges

While the technology industry in India remains one of the most sought after sectors for employment, the industry has predominantly leveraged outsourcing as its major business and has lagged behind countries like the USA and UK when it comes to adopting high-end digital technologies for their operations. There are challenges that remain to be addressed in the market, which are listed below:

Employee attrition rates

IT companies have been struggling with rising attrition rates and continue to focus on retaining talent skilled in emerging digital technologies. While the demand continues to grow for talent skilled in such emerging technologies, companies are offering better salaries and bonuses in a bid to retain them. Further, the adoption of new technology and shifting to digitalising company operations have also contributed majorly to the high attrition rates across the sector as many without the requisite skills were let go. In addition to these major factors, the growing number of alternatives in front of tech talent today has meant that many have, over these troubling times, decided to leave the IT sector and preferred to join other places. The advent of e-commerce and other tech-based startup sectors has helped many professionals find an alternative to taking up jobs within the IT sector.

Reluctance to shift from pure-play software

Traditionally the country has benefitted from the software services and investments have been centered on the same owing to high growth. Emerging graduates are still reluctant to look beyond the lucrative software sector.

Emerging technology talent crunch

The Indian IT industry is faced with shortage of employees skilled in emerging technologies like AI, machine learning, blockchain, IoT, cybersecurity and data analytics. For every candidate skilled in emerging digital technologies, there are three firms offering a role. According to a leading recruitment consultancy firm, the estimated demand in 2020 would be 4.4 lakh for new-age tech professionals, while the supply is projected to be 2.4 lakh only.

Economic slowdown

The Indian IT sector is dependent largely on the global economy and the slowdown in the global market has consequentially caused a drop in the number of available opportunities. Uncertainties in the national economy add to the challenges faced by the IT sector in India.

Impact of outbreak of COVID-19

Economic slowdown is inevitable given the outbreak of COVID-19. Many companies, globally, will be forced to cut costs and put non-essential spending on hold. IT projects and spending will be pushed to the next few quarters and many ongoing projects will be delayed until the economy recovers or at least, until the widespread lockdown is lifted.

Indian IT: Key Government Initiatives

The Indian government's strong push towards a cashless economy, enhanced infrastructure and adoption of digital instruments has resulted in strong growth of digital payment and has allowed for multiple service providers to capitalise on the e-payment ecosystem.

The government has set up a botnet clearing and malware analysis center called Cyber Swachhta Kendra to provide an inclusive, safe and secure cyberspace. A budget of Rs 100 crore has been benchmarked for the set-up of IoT innovation

centers, wherein the latest gadgets and instruments would be provided for researchers to come up with ideas pertaining to IoT implementation.

The Ministry of Commerce and Industry has built up an AI taskforce to create strategies that encourage advancement of AI, ML and related technologies. The government of India has also allocated USD 480 million to promote AI, machine learning (ML) and IoT under the digital India campaign and has opened 9 centers of excellence (COEs) to take AI to the masses.

There have been an increasing number of promotions for digital education through platforms such as eBasta, Swayam, Diksha and ePaatshaala. The government's Make in India program is expected to drive industrial robotics, with the 2nd phase having specific focus on robotics

Further, the set up by NITI Aayog at IIT Chennai, the National AI program, will focus to encourage big data, cybersecurity and robotics with some of the initiatives aimed to help promote Industry 4.0.

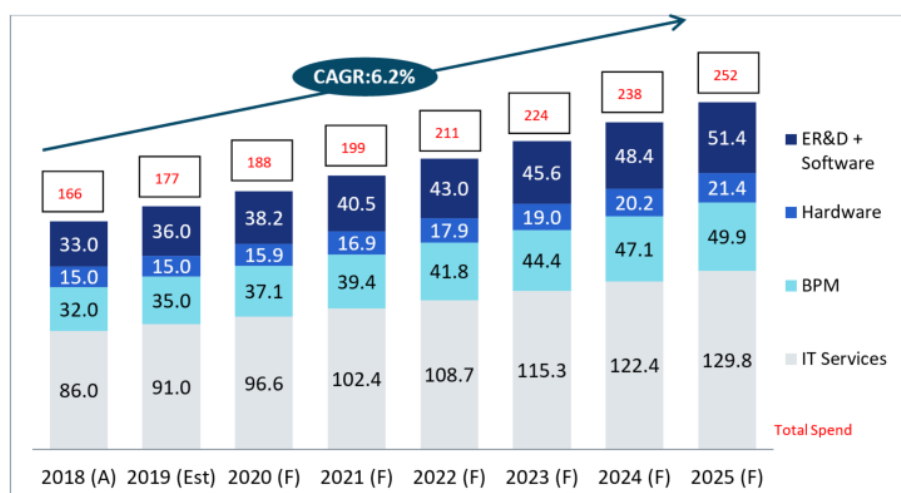
There has also been initiatives towards digitisation of records like Aadhar, electronic voter IDs and repositories for the e-storage of government information. Electronic service delivery through schemes such as eKranti is aimed at providing digital solutions to sectors such as healthcare, agriculture, education and finance.

With a target to double farm income by 2020, digital initiatives in the agriculture sector are expected to provide significant benefits to the farming community.

India Technology Market Spend

The IT-BPM sector in India stood at USD 177 billion in 2019 and is expected to witness a growth of 6.2 per cent year-on-year to reach USD 252 billion by 2025

Total India IT-BPM market expenditure, FY2018-2025 (USD Billions)



Source: Frost & Sullivan

The Indian IT-BPM industry has the highest relative share (7.9%) in the national GDP as of 2019.

The government initiatives towards a digital economy in the form of campaigns such as smart cities, digital India initiatives and the general investment into technology-driven solutions are expected to contribute to a healthy growth for the market.

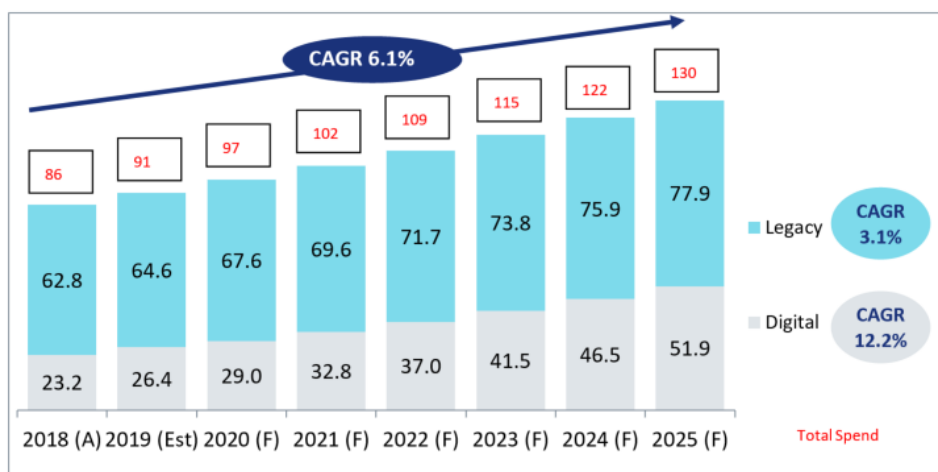
The growing startup ecosystem and the increasing number of academic graduates opting to work in the sector has been a major growth driver for the IT-BPM sector in India.

In addition to this, mobility and connectivity has opened up avenues within the largely rural population, which has translated into identifying innovative solutions to cater to their needs. The growing ER&D spend is a reflection of the addressing of such needs.

IT Services Split Across Digital/Legacy

Digital services are expected to gain significant traction going forward and witness a growth of 12.2 per cent year-on-year to reach USD 52 billion by 2025. Legacy services at the same time is expected to grow at a CAGR of 3.1% only.

Digital and legacy split (USD Billion), FY2018-2025



Source: Frost & Sullivan

The need to move towards a digital economy has led to service providers and IT companies focusing on up-skilling and reskilling their workforce to develop an ecosystem for new-age products and solutions.

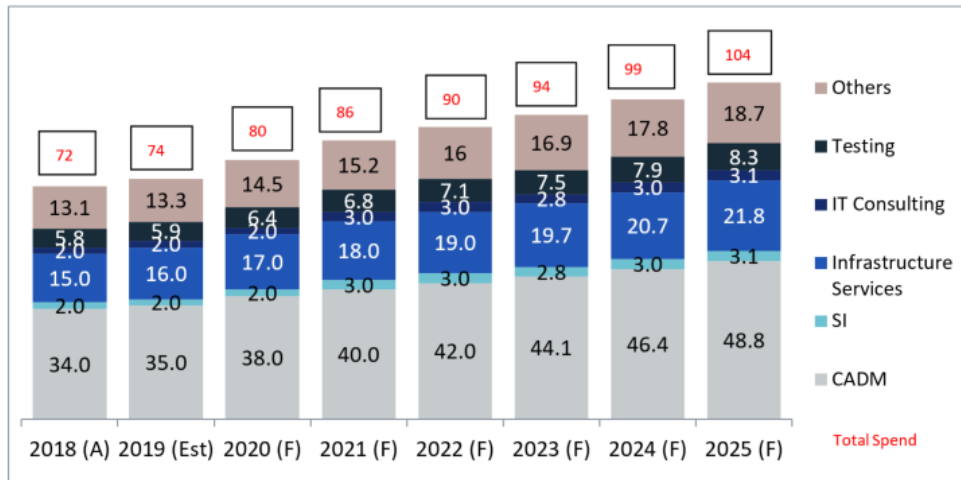
The growth of digital services is expected to be higher than that of the legacy segment owing to the attractiveness of cost-effective digital alternatives to traditional solutions. Moreover, more and more enterprises want to digitally transform themselves to stay ahead of the technology curve and make their operations sustainable to stay competitive. Many organisations, particularly within the IT space, have already implemented digital services within their workspace (such as automation of internal functions) to bolster productivity and drive cost efficiency.

Technology convergence has added another layer of opportunity to the growing digital workforce, which is constantly looking to create monetising avenues from available options.

IT Services Split: Split of Domestic & Exports

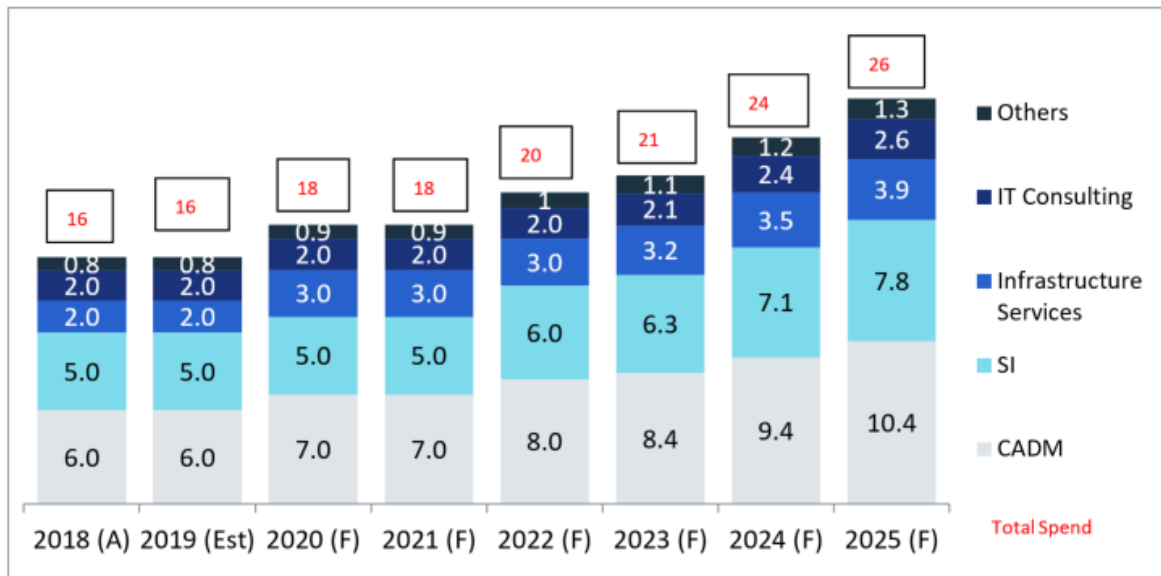
Exports from the industry increased to USD 74 billion in FY19 while domestic revenues (from IT services) advanced to USD 16 billion.

IT Services Split of Exports (USD Billion), FY2018-2025



Source: Frost & Sullivan

IT Services Split of Domestic (USD Billion), FY2018-2025



Source: Frost & Sullivan

The growth of IT service exports will stay healthy across all segments owing to digital engagements and solutions being predicted as major drivers for delivering business value in the future.

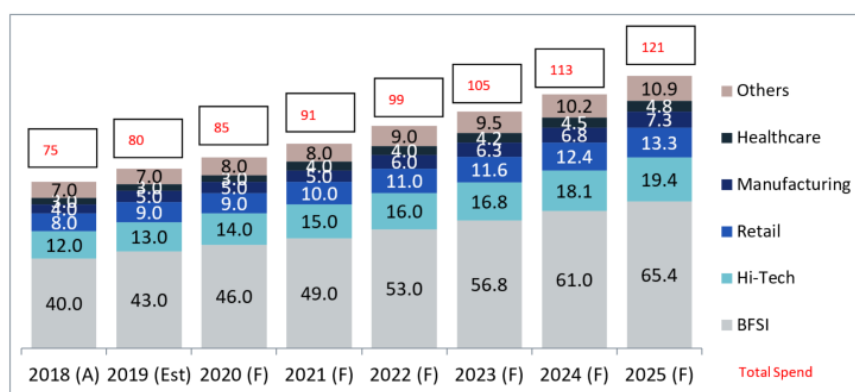
Custom application development & maintenance (CADM) contributes to nearly half of the overall IT service exports owing to the number of software projects that is delivered by IT professionals. IT service providers are expanding from pure services to platform-plus-services model thereby creating more opportunities within the landscape.

Domestic IT services is expected to have a growth rate of 6.3% with application development and system integration as major contributors to the growth of the segment.

India IT Services: Split of Exports

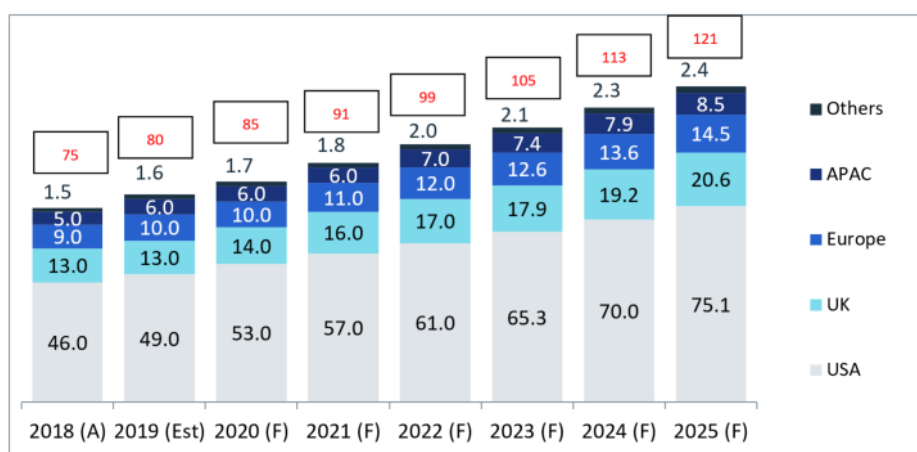
India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India.

IT Services Split of Exports by Industry Verticals (USD Billion), FY2018-2025



Source: Frost & Sullivan

IT Services Split of Exports by Regions (USD Billion), FY2018-2025



Source: Frost & Sullivan

The Indian IT exports market is driven by the US market that contributes to over 60% of the overall market revenue. Moving forward, growth is expected to be driven by the demand in cloud migration, cyber-security services and cloud brokerage.

The BFSI sector occupies a major share of overall IT exports owing to need for solutions focusing on security and enhanced customer experience.

The increasing demand for connectivity and digitisation in otherwise traditional sectors are also expected to increase the demand for IT services and consequentially drive the growth of IT exports

Impact of COVID-19 on the IT Sector

Technology spend is expected to be impacted as businesses across industry verticals globally resort to cost-cutting measures. The impact of COVID-19 on IT spending is expected to be much higher than what it was during the global recession of 2007-2008, where the IT spending declined by over USD 165 billion. Overall spending on IT is expected to decline with the impact being most severe in the next 4-8 quarters, after which the pent up demand will drive higher investments and growth rates in the sector. While the extent of decline at an overall level and in the respective segments is still being evaluated, early trends point to the following:

Hardware and devices

As hardware is seen as a quasi-discretionary spend, enterprises will push back their spend on hardware (laptops, desktops and personal computing devices) as they look to conserve cash in the short term. Spend on servers and storage is also expected to decline.

Cloud/SaaS services and IaaS (Infrastructure as a service)

Investments in the digital space and cloud computing is expected to increase owing to a shift towards remote business models and an increase in the number of online channels utilised by multiple industry verticals during the COVID-19 pandemic. SaaS applications continue to be the default choice which enables remote working. Cloud and Software providers

are working on replacing legacy with SaaS. The cloud SaaS market has witnessed a CAGR of 12% from 2018 to 2020. Disaster recovery solutions will be a critical area to evaluate for business continuity.

Software

Spending on software is expected to remain flat or witness a negligible growth. There will be pockets of growth. However, major markets like ERP, SCM, and CRM would be the most impacted.

Services

The IT services sector is expected to clock a negative growth, though not as significant as the hardware and devices market. Most clients will focus on mitigating emerging business risks and defer discretionary IT spend, while permitting existing contracts to continue. IT firms could also face the challenge of price renegotiations by clients, which could add to cost pressures. With the need to effectively utilise IT budgets, organisations will seek to cut down on costs associated with travel, operational maintenance and infrastructure expenses. Spending on services which are made use of by industry verticals which are impacted the most will decline. Services to help remote work and collaboration will gain significance. However, managed services are expected to witness a decline.

Emerging digital services: Big Data, AI and RPA

Emerging digital services will witness an uptick in spend as some technologies like AI, RPA and big data analytics increasingly playing a more important role.

Enterprise security

Remote collaboration has necessitated an increased focus on cloud security. Managed security, enhanced data loss protection solutions will continue to grow. Demand for Wi-Fi Security, Endpoint Security, VPN solutions and Advanced Threat Protection solutions will be strong.

Digital Media

The consumption of digital media has witnessed a considerable growth with people being confined to their homes. The pandemic will result in greater integration of digital technologies in our everyday life as people explore options for at home entertainment. It is expected that there will be a steady increase in subscription model based content and streaming on larger screens.

Increased consumption of digital content from mobile apps to free TV streaming and gaming has already been observed in China, Italy, USA and India. Online streaming services provided by brands such as Netflix and now Disney+ are likely to witness a 12% growth in 2020. Services like Hotstar, Amazon Prime and Netflix have witnessed an 82.63% increase in time spent in total viewership in the month of April. TV-viewing has gone up in Italy by 25-26%, while there has been an 85% surge in at-home on-screen usage in China between March and April of 2020. In India, Disney's acquisition of Hotstar has also witnessed the platform being increasingly used by a number of viewers owing to the addition of Disney-owned content on the platform. Bharti Airtel's digital content platform, Xstream has recorded a 50% increase in the streaming volume during the lockdown period.

Edutech

Many edutech firms have attempted to leverage the pandemic by offering free online classes or attractive discounts on e-learning modules. These measures have been met positively by students with some start-ups such as Gradeup from Noida (India) witnessing as high as 25% uptick in e-learning. Remote learning seems a viable solution to students during this time as they offer convenient, on-the-go and affordable access to lessons. E-learning also comes as an interesting and interactive alternative as compared to classroom teaching.

Across the edutech ecosystem, companies are mounting rapid-response efforts to the COVID-19 outbreak which are worthy of attention. Credly, one of the leaders in digital badging, is spearheading an effort to help individuals showcase their skills in ways that are easier for both education providers and employers to understand and map. Companies like Study Edge and Write Lab, which provide online tutoring and writing support, will become increasingly critical with in-person writing centres closed. India-based edutech start-up Embibe raised USD 65.9 million from an existing investor and shareholder Reliance Industries Ltd., an India-based multinational conglomerate and investment company. Another India-based tutoring start-up Camp K12 attracted USD 4 million in seed funding in a round led by venture capital funds Matrix Partners and SAIF Partners. Edutech start-up Lido Learning has raised USD 3 million as part of a Series B funding round, and will hire 500 online tutors in India this month.

Silver lining for Indian IT companies Amidst the COVID-19 pandemic

The successful demonstration of work-from-home policies

Customers may no longer resist offshoring as they have seen how seamlessly work-from-home policies have worked in India during the COVID-19 pandemic. This flexible remote working model should offer Indian companies a strong lever to tap into right talent globally without location constraints.

Impact of currency exchange volatility

The exchange rates have fluctuated significantly owing to the COVID-19 outbreak with the Indian Rupee falling sharply against the US dollar, weakening past the 76 per dollar mark for the first time in April 2020. Uncertainty about the spread of COVID-19 is likely to support the dollar in near term as investors have been liquidating positions in safe-havens, including gold, and other riskier investments to keep their money in dollars due to the uncertainty caused by the pandemic. This is particularly favourable for companies which have their business in the American markets as the rise in the dollar value corresponds to an increase in business revenue.

Increase in ER&D Investments

ER&D spend is core to a company and is part of its long-term strategy. It is anticipated that organisations will continue looking to invest in technology to make sure that they remain relevant in the long-term. Industry leaders believe that this a critical time to focus on core-business and rethink strategic R&D investments to ensure organisations are better prepared to handle the post-COVID environment.

More investments on robotics and automation

Customers may initiate plans to invest heavily on automating their back office and IT operations to reduce dependency on manual interventions. This may have some negative impact on commodity business for Indian IT companies. However, a focus on new automation projects may help to offset this impact.

Push for outsourcing to create demand

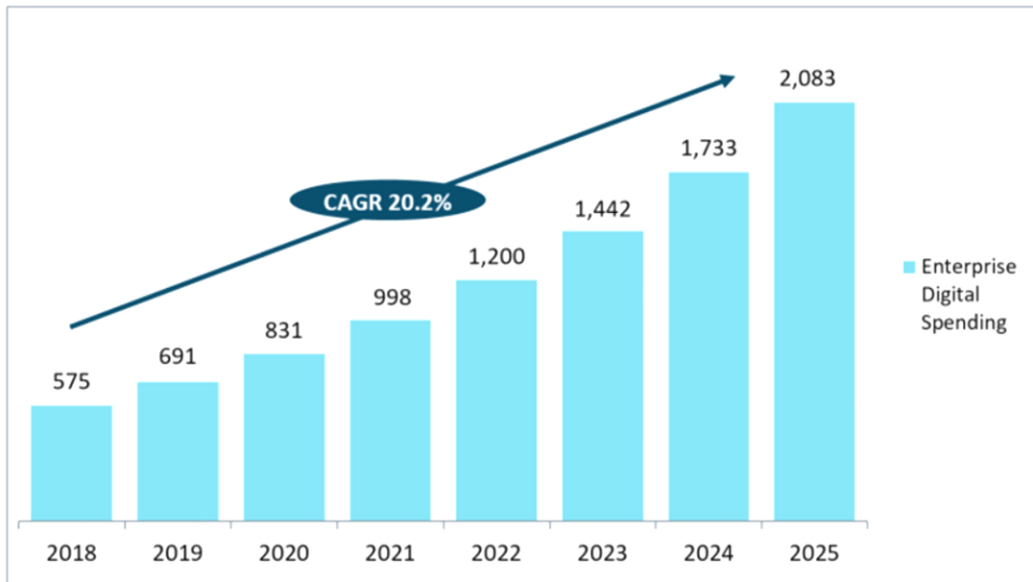
With the IT market brought to a standstill at a global level, organisations throughout the world are looking to ensure business continuity through enforcing effective work-from-home policies and remote work. The success of work-from-home policies and remote work is expected to promote work being done from offshore development centres. India, being a traditionally recognised leader in the offshore outsourcing segment, is expected to benefit largely from opportunities that can stem from the outsourcing market owing to the COVID-19 crisis.

Indian IT: Market Split by Key Businesses

Digital business services

Digital business services are those that are able to create business value through the adoption of powerful digital and disruptive enablers such as mobile, analytics, social media, big data and cloud to fuel topline growth, improve customer experiences, and foster a culture of innovation.

Enterprise digital spend, 2018-25 (USD Billion)



Source: Frost & Sullivan

Most organisations have put digital transformation as their major strategic priority to reap the early benefits of digitisation and identify business-specific solutions within the digital space that can help drive their operations in the future.

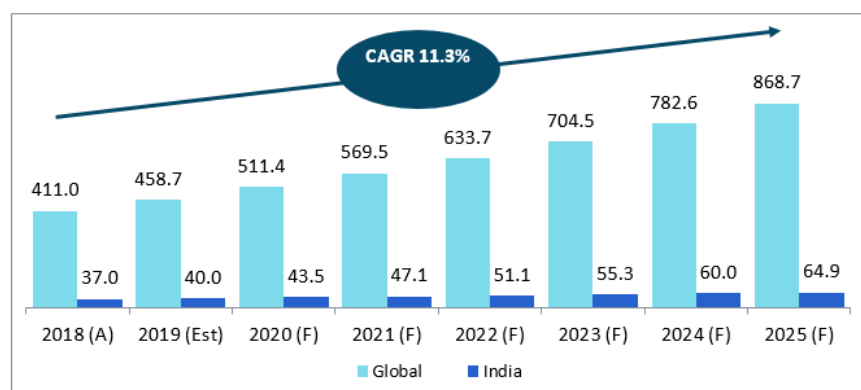
The growth in the enterprise digital spending is predominantly due to multiple organisations utilising new-age, digital technologies to derive operational excellence and connect with their customer community in an improved manner.

Moving forward, an enterprise-level focus on innovation accelerators in the form of technologies such as 3D printing, cognitive systems and immersive media is expected to be a major driver for the market.

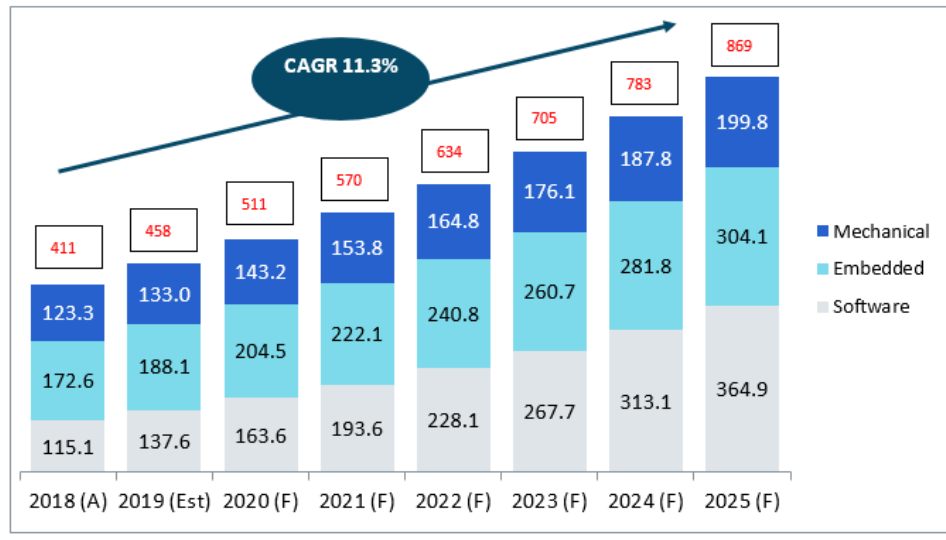
Product engineering services

Product engineering services (PES) includes the engineering of next generation products and platforms across software and hardware that power digital evolution and provide end-to-end engineering services for developing high quality, scalable and secure products.

PES split by regions, 2018-25, (USD Billion)



PES split by segments, 2018-25 (USD Billion)



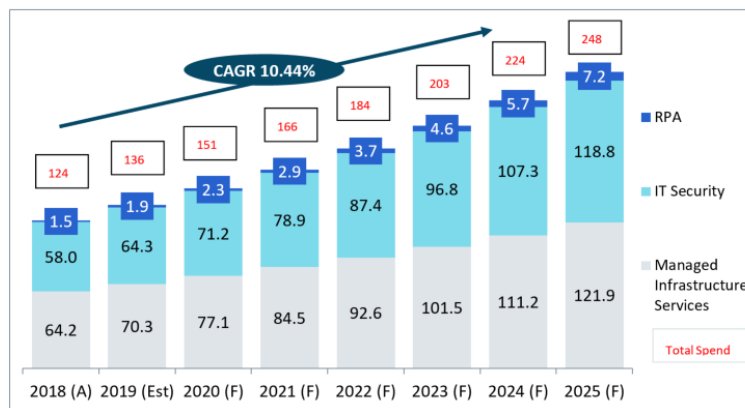
Source: Frost & Sullivan

The global PES market is expected to have a steady CAGR of 11.3% between 2019 and 2025. The offshore delivery of software products is on the rise and with the increase in the number of service providers that cater to delivering the requirements on this front; the market growth is generally expected to be healthy.

Competition to develop cutting-edge technology solutions creates a wealth of opportunities for entities looking to enter the market as service providers. Minimising the time to market (TTM), deriving operational efficiency, addressing the continuous need for innovation while ensuring compliance and customer requirements are major growth drivers for the market.

Infrastructure Management & Security Services (IMSS)

IMSS split by solution, 2018-25, (USD Billions)



Source: Frost & Sullivan

RPA, while only contributing to a small fraction to the IMSS segment, is expected to have a considerably higher CAGR of 25% owing to the attractiveness of automation across multiple industry verticals and the ease of operations brought about by the process.

IT security services are largely expected to be driven by the need for enhanced security services that have traditionally hindered organisations from expanding to the cloud. Service providers are increasingly looking to provide security-led delivery of their offerings in the future.

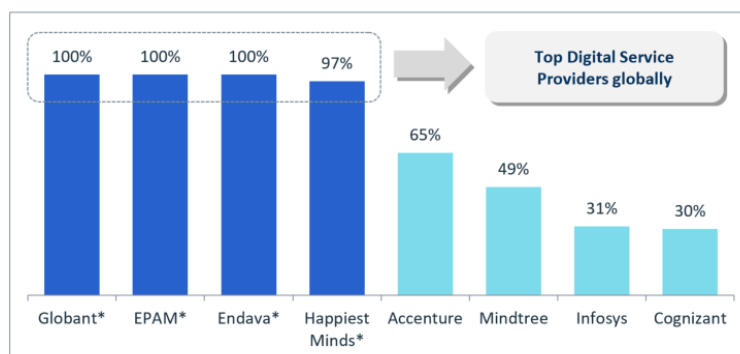
While traditional infrastructure outsourcing market is generally expected to see a slower growth, this has given considerable traction to cloud-based infrastructure services where there is an increased inclination from organisations looking to opt for low-cost offerings in the cloud.

Competitive Landscape

Top Digital Service Providers globally

Global organisations like Globant, EPAM and Endava have 100% of their revenues derived from digital services. Amongst the Indian IT firms, Happiest Minds' digital IT revenues as a proportion of overall revenues is the highest at 97% as of March 31, 2020. Other leading Indian IT firms like Infosys, Wipro, TCS and Tech Mahindra, are also diversifying their offerings and showcasing ideas in digital services like blockchain, AI using innovation hubs, R&D centres, in order to create differentiated offerings.

Digital as a percentage of total revenue



Source: Company filings, annual reports

Leading digital service providers globally compared

Leading digital service providers witnessed higher than industry growth rates for their revenues and profitability.

	Globant	EPAM	Endava	Happiest Minds
Headquarters	Luxembourg	USA	UK	India
Market Cap (\$ BN) (as of 12 th May, 2020)	4.54	12.61	2.53	NA
Employees	11855	36700	5754	2666
Delivery Model	Onshore: 3% Offshore: 97%	Onshore: 9% Offshore: 91%	Onshore: 6% Offshore: 94%	Onshore: 5% Offshore: 95%
Revenue Split				
Others	0%	0%	0%	3%
Digital	100%	100%	100%	97%
Financial Metrics				
Revenues (2015) (\$MN)	254	914	102	53
Revenues (2019) (\$MN)	659	2294	351	101
Revenue CAGR (2015-2019) (%)	26.9%	25.9%	36.1%	17.21%
Profit Before Tax (PBT) (2015) (\$MN)	50	106	17.63	0.72
Profit Before Tax (PBT) (2019) (\$MN)	80	305	34.91	10.38

PBT CAGR (2015-2019) (%)	12.5%	30.2%	18.6%	95.07%
Revenue / Employee (\$MN)	0.055	0.062	0.061	0.043
Cost / Employee (\$MN)	0.034	0.040	0.040	**0.018

Financial Ratios (%)

Gross Margin (%)	39.60%	36.70%	*34.50%	37.30%
Operating Margin (%)	13.70%	13.40%	11.40%	10.78%
EBITDA Margin (%) (LFY)	20%	17.70%	14.60%	15.80%
ROCE (LFY)	21%	19%	27%	32.8%
ROE (LFY)	14%	18%	21%	27.1%

Data as on 31st December (2015 and 2019) for Globant and EPAM; 31st March (2016 and 2020) for Happiest Minds; 30th June (2015 and 2019) for Endava (unless otherwise stated)

LFY: Last Financial Year

*Quarter end June, 2019

**Offshore billable salary per annum / employee

Exchange rates considered: Pound sterling to USD: 1.22, INR to USD: 70

	Accenture	Mindtree Technologies	Infosys	Cognizant
Headquarters	Ireland	India	India	USA
Market Cap (\$ BN) (as of 12 th May, 2020)	124.8	1.93	38.93	29.29
Employees	492000	20204	228123	292500
Delivery Model		Onshore: 59% Offshore: 41%	Onshore: 55% Offshore: 45%	

Revenue Split

Legacy	35.5%	51.0%	68.8%	70.0%
Digital	65%	49%	31.2%	30%

Financial Metrics

Revenues (2015) (\$MN)	31047	509	7617	12416
Revenues (2019) (\$MN)	43215	1016	11810.71	16783
Revenue CAGR (2015-2019) (%)	8.6%	18.9%	11.6%	7.8%

Profit Before Tax (PBT) 4410 (2015) (\$MN)	99	2469	2142
Profit Before Tax (PBT) 6251 (2019) (\$MN)	141	3006	2543
PBT CAGR (2015-2019) (%) 9.1%	9.3%	5.0%	4.4%
Revenue / Employee 0.088 (\$MN)	0.050	0.052	0.057
Cost / Employee (\$MN) 0.061	0.034	0.034	0.036

Financial Ratios (%)

Gross Margin (%)	31%	36.22%	34.85%	36.64%
Operating Margin (%)	14.6%	15.15	22.80%	14.60%
EBITDA Margin (%) (TTM)	17%	14%	25%	20%
ROCE (LFY)	50%	24%	29%	21%
ROE (LFY)	39%	20%	26%	16%

Data as on 31st March (2015 and 2019) for Infosys and Mindtree; 31st August (2015 and 2019) for Accenture; 31st December (2015 and 2019) for Cognizant (unless otherwise stated)

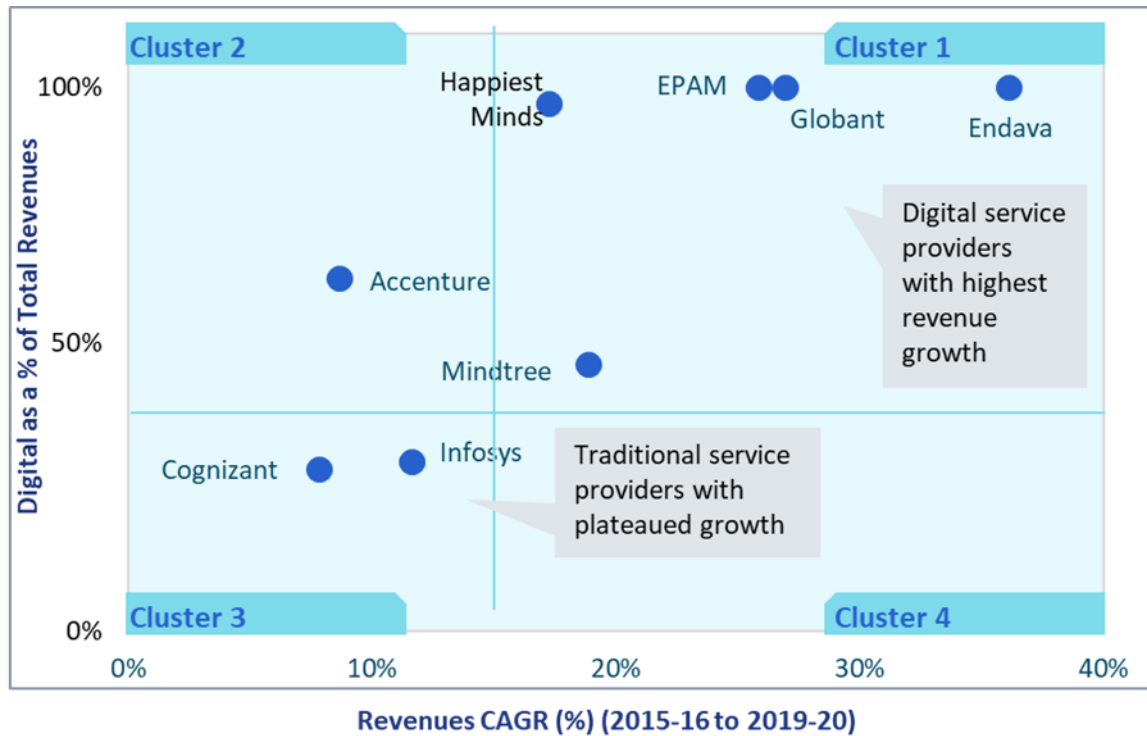
LFY: Last Financial Year; TTM: Trailing twelve months

Exchange rates considered: Pound sterling to USD: 1.22, INR to USD: 70

Growth in Revenues

Higher CAGR of Revenues (26% to 36%) for organisations with higher proportion of revenues from digital services (100% of revenues from digital). With higher digital revenues and lower revenue growth rates, Happiest Minds has tremendous scope for improvement.

Growth in Revenues Prioritized



Source: Annual report, Company Filings, Frost & Sullivan analysis

The organisations grouped into four clusters based on their CAGR of Revenues and proportion of digital revenues:

- Cluster 1 consists of high CAGR Revenues (>15%) and high % of digital revenues (>40%)
- Cluster 2 consists of low CAGR Revenues (<15%) and high % of digital revenues (>40%)
- Cluster 3 consists of low CAGR Revenues (<15%) and low % of digital revenues (<40%)
- Cluster 4 consists of high CAGR Revenues (>15%) and low % of digital revenues (<40%)

Traditional service providers find themselves in Cluster-3 (with lower growth rates for revenues).

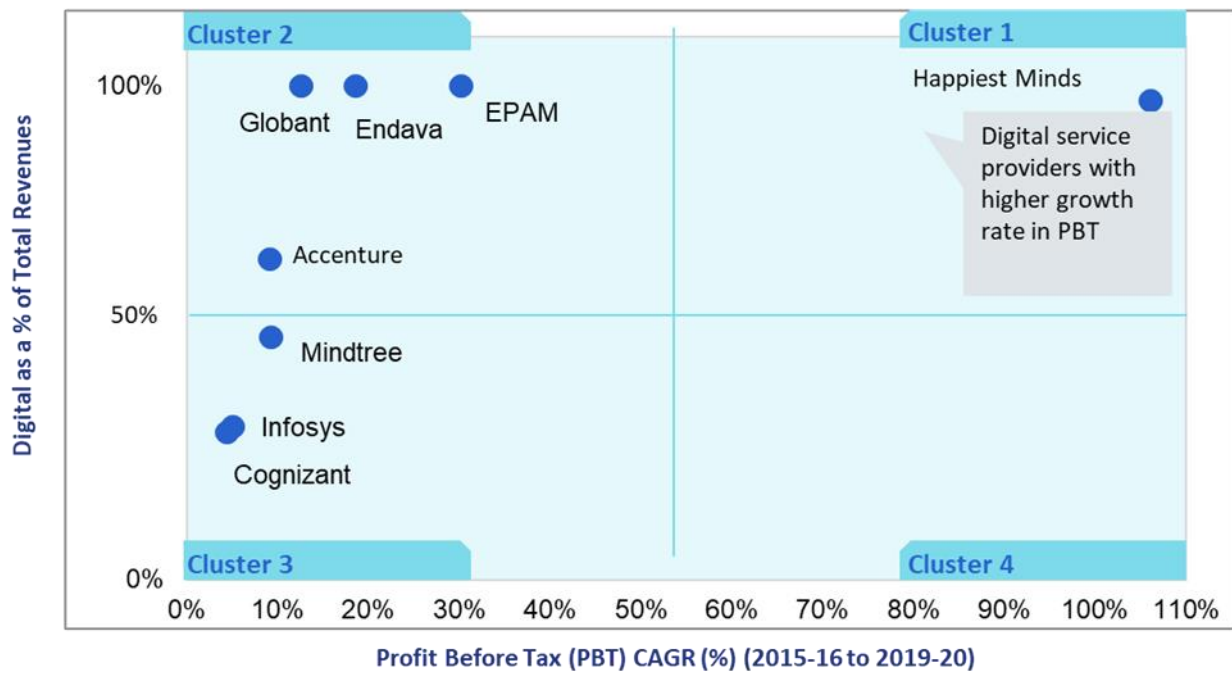
Digital service providers have yielded higher growth rates in revenues since the past few years (2015-2019)

Growth in Profit before tax (PBT)

Higher CAGR of PBT for organisations with higher proportion of revenues from digital services

Lower CAGR of PBT corresponds with lower proportion of digital revenues

Growth in Profitability Prioritized



Source: Annual report, Company Filings, Frost & Sullivan analysis

Organisations grouped into four clusters based on their CAGR of Profit before tax (PBT) and proportion of digital revenues

- Cluster 1 consists of high CAGR PBT (>20%) and high % of digital revenues (>50%)
- Cluster 2 consists of low CAGR PBT (<20%) and high % of digital revenues (>50%)
- Cluster 3 consists of low CAGR PBT (<20%) and low % of digital revenues (<50%)
- Cluster 4 consists of high CAGR PBT (>20%) and low % of digital revenues (<50%)

Traditional service providers find themselves in Cluster-3 (with lower profitability growth)

Digital services have yielded higher growth rates in profitability since the past few years (2015-2019)

OUR BUSINESS

The industry information contained in this section is derived from the Frost & Sullivan Report. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. For more information, see “Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.” on page 49.

Unless otherwise stated, references in this section to “we”, “our” or “us” (including in the context of any financial information) are to the Company along with its Subsidiaries, on a consolidated basis. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with “Risk Factors”, “Industry Overview” and “Management’s Discussions and Analysis of Financial Condition and Results of Operations” and “Financial Information” on pages 27, 113, 293 and 197, respectively, as well as the financial and other information contained in this Draft Red Herring Prospectus. Additionally, please refer to “Definitions and Abbreviations” on page 4 for certain terms used in the following section.

Overview

Positioned as “Born Digital. Born Agile”, we focus on delivering a seamless digital experience to our customers. Our offerings include, among others, digital business, product engineering, infrastructure management and security services. Our capabilities provide end-to-end solution in the digital space. We believe that we have developed a customer-centric focus that aims to fulfil their immediate business requirements and to provide them strategically viable, futuristic and transformative digital solutions.

We help our customers in finding new ways to interact with their users and clients enabling them to become more engaging, responsive and efficient. We also offer solutions across the spectrum of various digital technologies such as Robotic Process Automation (RPA), Software-Defined Networking/Network Function Virtualization (SDN/NFV), Big Data and advanced analytics, Internet of Things (IoT), cloud, Business Process Management (BPM) and security.

The Frost & Sullivan Report estimates the global digital services market of USD 691 billion in 2019 to grow at a CAGR of 20.2% to USD 2,083 billion by 2025. In Fiscal 2020, 96.9% of our revenues came from digital services. This is one of the highest among Indian IT companies (*Source: Frost & Sullivan Report*). The Frost & Sullivan Report notes that the legacy IT market as a percentage of total technology spend is estimated to decline from 85.7% share in 2019 to 65% share by 2025, with digital spend making up the remaining 35% share by then.

As of March 31, 2020, we had 157 active customers. Our repeat business (revenue from existing customers) has steadily grown and contributed a significant portion of our revenue from contracts with customers over the years indicating a high degree of customer stickiness.

We believe our agility and resilience has stood out in recent years. In Fiscal 2020, we delivered 87.9% of our projects through agile delivery methodology. Over the years and currently during the ongoing outbreak of Novel Coronavirus, we have successfully implemented our business continuity plans including to achieve efficient work-from-home practices to ensure connectivity across the enterprise.

Our mission statement is “Happiest People. Happiest Customers” and we seek to enable our customers’ happiness through our people’s happiness. Our culture rests on the foundation of our SMILES Values (Sharing, Mindful, Integrity, Learning, Excellence, Social Responsibility). We believe that the recognitions and awards received by our Company are an outcome of our mindful approach. In the Great Place to Work® 2019 survey, we were ranked among India’s Top 25 Best Workplaces for Women. We have also received the Great Place to Work® Certification. As of March 31, 2020, we had a Glassdoor rating of 4.1 on a scale of ‘1- 5’, among the highest for Indian IT services companies (*Source: Frost & Sullivan Report*).

Our business is divided into the following three Business Units (BUs):

- **Digital Business Services (DBS):** Our DBS offerings are aimed at (i) driving digital modernisation and transformation for our customers through digital application development and application modernisation for an improved customer experience, enhanced productivity and better business outcomes; (ii) implementation of solutions, development and implementation of solution, capabilities for improving data quality of the customer’s platform, assistance in designing and testing of operations and management of platform and modernisation of digital practices; and (iii) consulting and domain led offerings such as digital roadmap, mindful design thinking, and migration of on-premise applications to cloud.

- **Product Engineering Services (PES):** Our PES BU aims to help our customers capitalise on the transformative potential of ‘digital’ by building products and platforms that are smart, secure and connected. We provide our customers a blend of hardware and embedded software knowledge which combines with our software platform engineering skills to help create high quality, scalable and secure solutions. Our offerings extend across the development lifecycle from strategy to final roll out while ensuring quality. We get our clients started on this journey with our digital foundry that allows us to build rapid prototypes for our customers and provide a scalable Minimum Viable Product (MVP). We embrace a cloud and a mobile friendly approach along with an agile model that is supported by test automation to help our clients accelerate their time to market and build a competitive advantage.
- **Infrastructure Management & Security Services (IMSS):** Our IMSS offerings provide an end to end monitoring and management capability with secure ring fencing of our customers' applications and infrastructure. We provide continuous support and managed security services for mid-sized enterprises and technology companies. Specialized in automation of business and IT operations with DevSecOps model and with NOC/SOC, we strive to ensure that the data center, cloud infrastructure and applications are safe, secure, efficient and productive. Our security offerings include cyber and infrastructure security, governance, risk & compliance, data privacy and security, identity and access management and threat and vulnerability management. Our infrastructure offerings include DC and hybrid cloud services, workspace services, service automation (RPA, ITSM & ITOM), database and middleware services and software defined infrastructure services.

Our business units are supported by the following three Centres of Excellence (CoEs):

- **Internet of Things (IoT):** Our IoT offering includes consulting led digital strategy creation, device/edge/platform engineering, end-to-end system integration on industry standard IoT platforms, IoT security, and IoT enabled managed services, implementing IoT roadmap, deriving insights from connecting assets, connecting manufacturing, supply chain, products and services to deliver IoT led business transformation and new business models aimed at enhancing our customers' operations and customer experience. In Fiscals 2019 and 2020, revenues from IoT offerings were 8.4% and 9.8% respectively.
- **Analytics / Artificial Intelligence (AI):** Our analytics/AI offering includes implementation of advanced analytics using artificial intelligence, machine learning and statistical models, engineering big data platforms to deal with large volume of data, creating actionable insights with data warehousing, modernization of data infrastructure and process automation through AI. In Fiscals 2019 and 2020, revenues from analytics/AI were 9.1% and 11.6% respectively.
- **Digital Process Automation (DPA):** Our DPA offering includes consulting led digital transformation through process automation of core business applications, products and infrastructure landscape of our customers, leveraging various intelligent process automation tools and technologies including Robotic Process Automation (RPA), intelligent business process management (iBPMS) and cognitive automation using AI & machine learning based models. In Fiscal 2020, revenue from DPA was 20.7%.

Ashok Soota, our Promoter, Executive Chairman and Director has several years of experience in the IT industry. Prior to founding our Company, Mr. Soota was associated with Wipro Limited as its Vice Chairman and Mindtree Limited as its Chairman and Chief Executive Officer. He has been conferred with a Dataquest IT Man of the Year, 2017, a Dataquest Lifetime Achievement Award for outstanding contribution in organizing and building the Indian software industry, an IT Lifetime Achievement Award from the Financial Express, and a Lifetime Achievement Award from Chiratae Ventures (formerly known as IDG Ventures). We are led by a professional management team with extensive experience in the IT Services industry, in-depth understanding of managing complex projects and a proven performance track record. For more information, see “*Our Management – Brief Biographies of our Directors*” on page 176.

In Fiscals 2018, 2019 and 2020, our total income was ₹4,891.2 million, ₹6,018.1 million and ₹7,142.3 million, respectively, our EBITDA was ₹76.2 million, ₹662.8 million and ₹1,131.2 million, respectively and our restated profit / (loss) for the year was ₹(224.7) million, ₹142.1 million and ₹717.1 million, respectively. This represents a CAGR for total income of 20.8% and a CAGR for EBITDA of 285.3% between Fiscal 2018 and Fiscal 2020. For EBITDA reconciliation, please see “*Our Business – Our Strengths – Scalable business model with multiple drivers of steady growth*” on page 141.

Our Strengths

Strong brand in Digital IT services

According to the Frost & Sullivan Report, the global enterprise digital spend is expected to be approximately USD 691 billion in 2019 and is expected to grow to USD 2,083 billion by 2025 at a CAGR of 20.19%. Broadly, our target market includes business services, IT services, infrastructure-as-a-service, applications, application development and deployment.

Our brand positioning “Born Digital. Born Agile” is a reflection of digitalization being built into the essence of our business. In Fiscals 2019 and 2020, 97.2% and 96.9% of our revenue from operations was from providing digital IT services as below:

Service offering	Fiscal 2019	Fiscal 2020
Digital infrastructure/Cloud	40.9%	31.2%
SaaS	28.6%	29.4%
Security solutions	10.2%	14.9%
Analytics/AI	9.1%	11.6%
IoT	8.4%	9.8%
Total	97.2%	96.9%

Since our inception, we have focused on software product development, which we have refined through repeat, multi-year engagements with various global Independent Software Vendors (ISVs). Unlike custom application development, which is usually tailored to specific business requirements, software products of ISVs must be designed with a high level of product configurability and operational performance to address the needs of a diverse set of end-users working in multiple industries and operating in a variety of deployment environments. This demands a strong focus on upfront design and architecture, strict software engineering practices, and extensive testing procedures. We partner with global ISVs to develop our offerings such as Microsoft, Amazon Web Services Intel, IBM, McAfee, Netsuite, Salesforce, Cloudlending, Pimcore, Mindsphere, ThingWorx and PTC, Mulesoft, Talend, Appian, UiPath, AutonomIQ, Magento, Checkpoint, Saviynt, ManageEngine, CloudFabrix, OKTA, BluSapphire, Onelogin etc. (Source: Frost & Sullivan Report).

Our focus on software product development services for ISVs and technology companies requires quality software engineering talent, advanced knowledge of up-to-date methodologies and productivity tools, and strong project management practices. For more details, please see “Risk Factors - If we fail to attract and retain highly skilled IT professionals, we may not have the necessary resources to properly staff projects, and failure to successfully compete for such IT professionals could materially adversely affect our business, financial condition and results of operations” on page 28. As a result, we believe that we have developed a culture focused on innovation, technology leadership and process excellence, which helps us in maintaining a strong reputation with our customers. Our work with renowned ISVs and emerging innovative technology companies which focus on new trends, exposes us to their customers’ business and strategic challenges, allowing us to develop vertical-specific domain expertise. Our experience with ISV and technology company customers enables us to grow our business in multiple industries, including Edutech, HiTech, Industrial/Manufacturing, BFSI and Retail. Set out below is the contribution to the total revenue by our customer industry groups:

Customer Industry group	Fiscal 2018	Fiscal 2019	Fiscal 2020
Edutech	18.0%	21.3%	21.3%
Hitech	24.6%	21.0%	21.0%
BFSI	17.9%	18.2%	17.5%
Travel, Media and Entertainment (TME)	11.0%	13.8%	17.1%
Retail	7.0%	6.9%	7.5%
Industrial	6.2%	8.1%	7.0%
Manufacturing	3.2%	3.8%	3.7%
Others	12.3%	6.9%	4.9%
Total	100%	100%	100%

Growing high revenue generating customer accounts with a high proportion of repeat revenues and revenues from mature markets

We have generally witnessed an increase in the number of our top accounts by revenue contribution. Set out below is the number of customers which contributed more than USD 1 million, USD 5 million and USD 10 million annually for the last three Fiscals:

Number of customers based on quarter revenues on an annualized basis	Fiscal 2018	Fiscal 2019	Fiscal 2020
USD 1 – 5 million	14	18	24
USD 5 – 10 million	2	2	-
More than USD 10 million	-	1	1
Total	16	21	25

We have been recognized by several global analysts. In 2020, we received the Regional award – South in Industrial IoT/ Industry 4.0 category by the EFY group. In 2017, we were recognized by Forrester as a service provider in advanced analytics. We have been consistently mentioned in various analyst reports including by Gartner, Forrester, IDC, Avast, Zinnov Consulting and Frost & Sullivan (Source: Frost & Sullivan). We have also received awards including from

NASSCOM, IoT Innovator and Express IT Awards. For more details of our analyst report mentions and the awards we have won, please see “History and Certain Corporate Matters - Key awards, recognitions and accreditations received by our Company” on page 169.

We have repeat business from our customer base, which includes more than 37 Fortune2000 / Forbes200 / Billion \$ corporations (*Source: Frost & Sullivan Report*). Our broad range of offerings helps us to up-sell and our multiple BUs help us to cross-sell to our existing customers as well as to acquire new customers. We also conduct senior management reviews with our key customers to engage with them for feedback and future opportunities. Our average revenue per customer has increased from USD 471,472 in Fiscal 2018, to USD 501,562 in Fiscal 2019 to USD 614,675 in Fiscal 2020.

In Fiscals 2018, 2019 and 2020, our total sales team (onsite and offshore) comprised of 51, 50 and 32 employees, respectively. Our revenue per sales employee has increased from USD 1.4 million in Fiscal 2018 to USD 1.7 million in Fiscal 2019 and further to USD 3.1 million in Fiscal 2020.

We have witnessed a steady generation of revenues from our existing customer accounts.

The United States which has the majority market share of global technology spend (*Source: Frost & Sullivan Report*) historically has contributed a majority of our revenues. The following table sets out the proportion of our revenue from contract with customers on the basis of the location of the external customer for the period indicated:

Location of external customer	Fiscal 2018	Fiscal 2019	Fiscal 2020
USA	73.5%	75.5%	77.5%
India	11.7%	11.9%	11.9%
UK	11.4%	9.5%	7.2%
Others	3.4%	3.1%	3.4%

Scalable business model with multiple drivers of steady growth

We believe that our business model is scalable across customer industries, functions and geographies. In addition to our spread across customer industries and geographic markets we have also developed key operational drivers delivering us steady growth. These drivers include our revenue mix, contract structure, utilization rates and bill rates.

Revenue mix

Offshore business for Indian IT services industry is generally at a higher margin than onshore business primarily because personnel costs have been lower in India than in many other countries. Offshore business also supports scalability as India has a large pool of trained engineers who speak English and are experienced in delivering IT services (*Source: Frost & Sullivan Report*).

The following table shows our revenue mix in Fiscals 2018, 2019 and 2020 as a percentage of revenues:

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Onsite	21.4%	22.0%	22.5%
Offshore*	78.6%	78.0%	77.5%

* Offshore includes revenues from offshore clients served from India and from Indian clients

Contract structure

Fixed price contracts require us to take on more financial risk compared to time and material contracts. For digital projects, the share of time and material contracts tends to be greater as these projects are iterative in nature.

The following table shows our contract structure mix in Fiscals 2018, 2019 and 2020 as a percentage of revenues:

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Fixed Price	18.4%	16.8%	19.0%
Time and Material	81.6%	83.2%	81.0%

Utilization

Utilization is a key lever in maintaining growth. Our loss in Fiscal 2018 was in part driven by lower utilization rates in that year. For more information, please see “*Management’s Discussion and Analysis of Financial Conditions and Results – Results of Operations*” on page 306.

The following table shows our delivery workforce utilization rates in Fiscals 2018, 2019 and 2020:

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Delivery workforce utilization rates	68.4%	77.3%	76.9%

Bill rates

Our bill rates for offshore work are higher than those for onshore work, owing to difference in services provided.

The following table shows our average USD bill rates in Fiscals 2018, 2019 and 2020:

Bill rates	Fiscal 2018	Fiscal 2019	Fiscal 2020
Onsite	89.4	90.4	91.1
Offshore	24.2	25.5	25.6

We believe that the foregoing operational drivers have helped deliver us steady growth in recent years. Key financial ratios in this regard for Fiscals 2018, 2019 and 2020 are as follows:

Key Financial Ratios	Fiscal 2018	Fiscal 2019	Fiscal 2020
EBITDA / Total Income	1.6%	11.0%	15.8%
Return on capital employed**	-	-	28.9%
Return on equity***	-	-	27.1%

The following tables show reconciliation between our EBITDA % to total income and restated profit/ (loss) for the year, return on capital employed to restated profit/ (loss) for the year and return to equity to equity share capital:

Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA):			
Particulars	For the year ended	For the year ended	For the year ended
	March 31, 2018	March 31, 2019	March 31, 2020
	₹ in Millions		
	Consolidated		
Restated profit/ (loss) for the year	(224.7)	142.1	717.1
Add: Tax expense	(6.1)	(12.3)	19.0
Add: Exceptional Items - Impairment of goodwill	-	125.8	112.6
Add: Depreciation and amortisation	207.5	247.8	202.3
Add: Finance cost	99.5	159.4	80.2
EBITDA (A)	76.2	662.8	1,131.2
Total income (B)	4,891.2	6,018.1	7,142.3
EBITDA / Total Income (C=A/B)	1.6%	11.0%	15.8%
Earnings Before Interest and Taxes (EBIT) :			
Particulars	For the year ended	For the year ended	For the year ended
	March 31, 2018	March 31, 2019	March 31, 2020
	₹ in Millions		
	Consolidated		
Restated profit/ (loss) for the year	(224.7)	142.1	717.1
Add: Tax expense	(6.1)	(12.3)	19.0
Add: Finance cost	99.5	159.4	80.2
Earnings Before Interest and Taxes (EBIT) (D)	(131.3)	289.2	816.3

Return on Capital employed			
EBIT (D)	(131.3)	289.2	816.3
Total assets	3,869.9	4,135.2	5,081.5
Current liabilities	4,285.5	4,320.3	2,116.6
Non Current Provisions and Deferred Tax Liabilities (iii)	93.5	94.0	125.5
Foreign Currency Translation Reserve (iv)	1.4	12.2	11.0
Total Capital employed (i-ii-iii-iv) (E)	(510.5)	(291.3)	2,828.4
Return on Capital employed (H=D/E) **	-	-	28.9%
Return on Equity			
Equity			
Equity share capital	37.5	59.7	87.9
Instruments entirely in the nature of equity	222.9	223.0	363.4
Other equity	(1,349.2)	(943.2)	2,201.8
Foreign Currency Translation Reserve	(1.4)	(12.2)	(11.0)
Equity attributable to equity holders (I)	(1,090.2)	(672.2)	2,642.1
Restated profit / (loss) for the year (J)	(224.7)	142.1	717.1
Return on Equity (K=J/I) ***	-	-	27.1%

Notes: EBITDA stands for earnings before interest, taxes, depreciation and amortization. EBITDA = Restated profit/ (loss) for the year + Tax expenses + Exceptional Items - Impairment of goodwill + Finance Costs + Depreciation and Amortization Expenses.

Return on capital employed : Earnings Before Interest and Tax divided by Capital Employed. Capital Employed = Total Assets – Current Liabilities – Non Current Provisions and Deferred Tax Liabilities – Foreign Currency Translation Reserve

Return on equity : Restated profit/ (loss) for the year divided by Restated networth for equity shareholders at the end of the year / period.

** Total Capital Employed for Fiscal 2018 and Fiscal 2019 being negative, we have not calculated ROCE% for those years.

***Restated net worth for equity shareholders for Fiscal 2018 and Fiscal 2019 being negative, we have not calculated the ROE% for those years.

End to End capabilities spanning the digital lifecycle from roadmap to deployment and maintenance

Our core competency is full lifecycle software development services including design and prototyping, product development and testing, component design and integration, product deployment, performance tuning, porting, cross-platform migration and ongoing support. We have developed experience in each of these areas by working collaboratively with partner ISVs and technology companies, creating a foundation for the evolution of our other offerings, which include custom application development, application testing, enterprise application platforms, application maintenance and support, and infrastructure management.

Our multiple BUs also help us cross-sell our solutions and services to existing customers. We help our customers to prepare a digital roadmap for the transformation or upgrading their existing IT systems and implementing SaaS platforms. Our PES unit helps in building digital platforms. Finally, our IMSS offering covers various aspects of cloud lifecycle services catering to different infrastructure and security needs.

Our BU-wise revenue from contracts with customers and growth for the last three Fiscals are set out below:

(in ₹ million)

Disaggregated Revenue Information	Fiscal 2018	Fiscal 2019	Fiscal 2020
Revenue from Infrastructure Management & Security Services	986.2	1,294.3	1,536.1
Revenue from Digital Business Solutions	1,540.3	1,809.0	1,916.7
Revenue from Product Engineering Services	2,102.4	2,800.3	3,529.3
Total revenue from contracts with customers	4,628.9	5,903.6	6,982.1

Strong R&D capability with depth in disruptive technologies creating value through newly engineered solutions

We have garnered experience in next-generation technologies that drives our ability to provide solutions for digital evolution, agile transformation and automation. Our expertise includes technological capabilities developed to support mobile connectivity with other devices, social media, big data analytics and cloud delivery, among others. However, technologies that power digital evolution are rapidly evolving with new technological breakthroughs constantly happening and we evolve our offerings to include them, such as augmented/virtual reality, chatbots etc. To help our customers to future proof their digital transformation initiatives, we created offerings in emerging technologies such as:

- **Automation:** We have developed automation solutions that include infrastructure automation, test automation, industrial automation, Development and Operations (DevOps) automation and Robotic Process Automation (RPA). These offerings leverage new technologies like creating cognitive test automation for efficient testing, integration of assets and industrial automation using IoT for improved productivity. Our RPA solutions leverage AI including Optical Character Recognition (OCR) to digitally process documents in the workflow and API based approach to integrate disparate systems to achieve automation across problem domains like IT security management, cyber security & finance.
- **Blockchain:** Our blockchain offerings include providing advisory services on leveraging blockchain to solve business problems, engineering blockchain platforms and middleware, developing vertical specific blockchain based distributed applications and implementing smart contract solutions. Our blockchain capabilities are offered on blockchain platform like Hyperledger. We have developed engineered solutions for some of our key verticals including supply chain and industrials.
- **Drones & Robotics:** As new opportunities and usage scenarios for drones and robots are emerging, we have created new offerings for these markets leveraging our capabilities in engineering, IoT and AI capabilities. Since underlying technologies for drones and robotics are very young, we work with emerging open source platforms like Robotics Operating System (ROS2) and Flight Operating System (FlytOS) for drones. Our solutions focus on surveillance and retail markets, including AI based communication between drones and robots and traffic management.

We have also engineered solutions that can be used as is by our customers as a part of digital transformation and allow us to deliver our services more efficiently.

- **Ellipse** is an AI-enabled managed service delivery platform. The platform enables us to manage hybrid cloud operations for our enterprise customers with features that reduce total cost of ownership (TCO), improve security controls and lower risks, and enhance user experience and productivity ensuring agile IT operations. Benefits of the solution include reduced mean time to resolution (MTTR), higher availability of business applications and systems and improved response time for business-critical applications.
- **Digital Content Monetization (DCM) SaaS** enables organizations to derive relevant information from enterprise content and digital assets and monetize them in an efficient manner by ingesting content into an AI powered engine. DCM allows organizations to manage digital assets throughout their lifecycle. Benefits of the solution include personalized and contextualized knowledge delivery, low cost of ownership since DCM is SaaS based, and time to market advantages due to single platform architecture.
- **UniVu** is a big data based university analytics solution which enables course delivery and administrative insights along with student success analytics. UniVu binds siloed data available with universities in an integrated data platform. This allows for critical, actionable and predictive insights to be derived by using predefined or customizable KPIs. We believe that the benefits of this solution include visibility across a business entity (students, teachers, courses, and campaigns), customizable KPIs and reports and analytics solutions for higher education.

Pro-RiTE is a test automation framework that can decipher and interpret industry standard specification models and auto-generate test artifacts with optimized data feeds using model based system engineering. Test types include UI, API and performance security testing. We believe that the benefits of the solution include predictable quality from systematic test analysis, elimination of mundane test scripting and shorter feedback cycles.

Agile Engineering and Delivery

We help our customers deliver effective, quality software. With broad software engineering capabilities, we have the ability to choose the methods, technologies and tools which we believe are best suited to customers' business needs. Our engineers use a broad range of technologies including web technologies, cloud, data, mobile, testing, hardware & embedded, integration and APIs, IoT, AI, analytics and DevOps. We believe that our tools provide us with a flexible approach for running large software projects and we constantly experiment with the latest tools and techniques, which allow us to select technologies with the right balance between innovation and predictability. As our customers digitally evolve and plan to adopt the Agile approach, we help integrate new systems into their existing technology architecture and help their existing systems keep pace. We review customers' current architectures and provide support in building architectural capability which we believe allows us to plan, adapt and deliver solutions that increase responsiveness, mitigate risks and achieve continuous improvement.

We utilize common agile scaling frameworks, but enhance them by balancing the requirements of delivering both quality and speed-to-market. We believe we provide enough guidance to allow our employees to address customer challenges, while building in flexibility to adapt to evolving customer needs, environments and cultures. Our agile frameworks enable

us to scale across the spectrum from ideation to production. As a result, our teams are able to design, develop and test digital solutions, providing actionable insights into their value and business potential in a shorter timeframe, while our customers are able to release products to market faster, respond better to market changes and incorporate customer and user feedback through subsequent releases and product iterations. We believe our approach to Distributed Enterprise Agile at scale delivers tangible and valuable benefits for our customers.

We believe we have invested considerable resources into developing a proprietary suite of internal applications and tools to manage our delivery process. We believe that these applications and tools are effective in reducing risks, such as security breaches and cost overruns, while providing control and visibility across the project lifecycle stages to both us and our customers. In addition, these applications and tools enable us to provide solutions using the optimal software product development methodologies, including iterative methodologies such as agile development. Our applications, tools, methodologies and infrastructure allow us to seamlessly deliver services and solutions from our delivery centres to global customers, thereby further strengthening our relationships with them.

Mindful approach towards systems, employee policies and practices led by an experienced leadership and senior management team focused on sound corporate governance practices

We are led by a professional management team with extensive experience in the IT services industry, and a proven performance track record. Our senior management team includes Ashok Soota (Executive Chairman) with oversight across all areas of our business, Joseph Anantharaju (Vice Chairman Designate, President & CEO, PSE), Rajiv Shah (President & CEO, DBS), Ramamohan Chaluvaia (President & CEO, IMSS) and Venkatraman Narayanan (Executive Director & CFO). Other senior persons include Aurobinda Nanda (Deputy CEO, PES & President – Operations), Sridhar Mantha (Senior Vice President and CTO – SPE Business) and Sachin Khurana (Head of People Practice). Each business CEO is supported by BU COOs, Aurobinda Nanda (PES), Sandeep Agarwal (DBS) and Ganapathi T.B (IMSS). Praveen Darshankar is our Company Secretary and Compliance Officer and Raja Sekhar is our Head of Business Excellence. We draw on the knowledge of our Board of Directors, who bring us their experience in the areas of corporate governance, business strategy, and operational and financial capabilities, among others.

Our high corporate governance standards are monitored by our independent directors and an investor-nominated director. For more information, please see “*Our Management*” on page 174 We pay particular attention in adhering to anti-corruption and anti-money laundering standards. We believe we have a well-developed organisational structure.

We believe that our approach to mindfulness in our business is underpinned by our belief that happy people lead to happy customers. Our systems, policies and practices seek to foster an open, mindful culture, enabling our people to discover their potential and participate in shaping their own work experience. Please see “*--Our Mindfulness Approach*”. We believe the quality of our people underpins our success and serves as a key point of differentiation in how we deliver a value proposition to our customers. We believe that our experienced professionals, combined with our experience in delivering custom solutions that meet our customers’ business needs, has allowed us to develop a culture of striving for software engineering excellence. We believe this culture enables us to attract, train and retain talented IT professionals.

Our Company has been recognised and rewarded. In the Great Place to Work® survey for 2019, we have been ranked fourth in IT services, in India’s Top 25 Best Workplaces for IT & IT-BPM and among India’s Top 25 Best Workplaces for Women. We have also received the Great Place to Work® which is believed to be the ‘Gold Standard’ in identifying and recognizing great workplace cultures. As of March 31, 2020, we received a Glassdoor rating of 4.1 on a scale of ‘1-5’, among the highest for Indian IT services companies (Source: Frost & Sullivan).

Strategies

Acquire new accounts and deepen key account relationships

Over the years we have developed long standing relationships with our customers. We devote significant attention to being able to understand the behavior, preferences and trends of our customers through research and a consultation process. We believe that this gives us a distinct perspective that we bring to our engagements. We also conduct periodic market scans to identify upcoming technologies. With this approach, we aim to become a key part of our customer’s operating and growth strategy, enabling us to serve our customers across multiple touchpoints and projects.

We are focused on continuing to expand our relationships with existing customers by helping them solve new problems and become more engaging, responsive and efficient. We have a demonstrated track record of expanding our work with customers after an initial engagement. Our number of customer accounts that have a minimum annual spend of USD1 million, USD 5 million and USD 10 million has grown in the last three Fiscals and we aim to continue to grow the number of our key account relationships. As we have done previously, we aim to sustain the annual revenue contribution of a customer in subsequent years after the year of customer acquisition. Expansion of our relationships with existing active

customers will remain a key strategy going forward as we continue to leverage our domain expertise and knowledge of emerging technology trends in order to drive incremental growth for our business.

We believe that we continue to have opportunities to add new customers to our portfolio. We use next-generation technologies, including AI, bots, and robotic process automation, together with microservices, to help our customers transform areas ranging from technical IT processes to complex business processes. Leveraging our creative and engineering capabilities, we work with our customers to create complete solutions, often involving custom, task-oriented user interfaces, integration and continuous delivery pipelines. We often use a blend of open source, commercial and custom technologies in order to optimize for cost, flexibility, sophistication and long-term sustainability requirements unique to our customers' environments. Where appropriate, we also work with the cloud delivery providers with respect to both their infrastructure-as-a-service and SaaS offerings.

While our PES BU focuses on engineering digital platforms, our DBS BU takes these platforms to market while helping clients with their digital transformation journey and finally our IMSS BU helps in managing and securing this digital infrastructure, allowing us to span the entire digital lifecycle of our customers. While our customer engagements typically start with an area of the customer's technological needs requiring immediate attention, we have been able to win new projects from the customer in many cases. This may be due to a number of reasons including due to the inter dependency of platforms, implementation and infrastructure. Our customers often choose us for creation of their digital roadmap and proof-of-concept of their digital journey due to our specialization in disruptive technologies and digital focus. Successful execution of these high-value assignments leads to larger implementation projects and long-term relationships. We have, over the last few years, matured our account expansion capabilities to develop account strategies and plans to identify and acquire projects across various customer stakeholders to map our solutions to their needs.

Further investments in our CoEs and digital processes

To deliver value to our customers efficiently, it is critical to create smart and agile solutions such as software and business architectures and process methodologies, which enable us to implement market-ready solutions for our customers in a timely manner. To this end, we intend to continue investing in our employees and increase our R&D capabilities, particularly with a view to create solutions in emerging disruptive technologies that enhance our ability to develop tools for leading our entry into new areas such as payments and intelligent enterprises and developing products that address industry specific customer requirements. The specific technologies and solutions we develop evolve periodically based on the latest technology trends. At this stage, we have identified AI, blockchain, RPA, robotics & drones as focus technology areas. We have created use cases and demos to show the potential and fitment of these technologies to customers in their solutions.

We provide solutions that leverage the power of mobile connectivity and IoT to develop flexible and adaptable solutions to business challenges. The ubiquitous nature of mobile networks and the emergence of data-driven technology services such as the IoT has also given enterprises the ability to collect and analyze data, providing them with insights into customer and user behavior and operational workflows. Our focus areas will continue to include smart industries (for manufacturing, renewable energy and utilities), smart enterprises (smart homes, buildings/offices, retail and telecommunications) and smart living (healthcare and security). Our work extends to sectors that are constantly changing, with disruptions being the norm. At the same time, we monitor the changes happening in specific industries and keeping ourselves aware of the customers' aspirations and align our solution accordingly. We believe this approach would keep differentiating us in the market.

We seek to apply our creative skills and digital technical engineering capabilities to enhance our customers' value to their end customers and users. As a result, we believe we are focused on remaining at the forefront of emerging technology trends, including in areas such as IoT, artificial intelligence, machine learning, advanced analytics, augmented reality, virtual reality and blockchain. For example, we have developed next-generation technology solutions such as blockchain based voucher wallets and chatbots. We believe that our association with our customers gives us insight into how emerging industry trends can help address their needs. We plan to leverage these insights to continue innovating for our customers.

Strengthen existing partnerships and enter into new partnerships with Independent Software Vendors

We have a long standing relationship with global ISVs and technology companies to develop various key features of their product portfolios. Some of our current partners include Microsoft, Amazon Web Services, NetSuite, and Salesforce (*Source: Frost & Sullivan Report*). Our focus on software product development for such ISVs has shaped key aspects of our service offerings as well as our culture of software engineering excellence, enabling us to expand our services into other key industry verticals. In addition, we believe that our work with companies involved in developing emerging technologies, such as cloud and mobile, keeps us on the forefront of IT, strengthens our relationships with our established ISVs and other customers and enables us to attract new customers.

To streamline and accelerate the software development process, we have created proprietary software development lifecycle processes, applications and tools. From managing every aspect of a development project, to automated testing tools, to management and hosting options for delivered solutions, our applications and tools aim to help ensure that our customers

achieve faster turn-around times, quality results. Our custom-built, proprietary internal project management system allows our project teams to work across multiple locations seamlessly within our global delivery ecosystem and provides us with detailed insight into our entire business, including the capabilities and utilisation of our employees, in order to quickly staff our new and existing engagements with the best available resources. The applications also form a foundation for our internal management information system which allows us to monitor and manage our business to track a wide variety of operational metrics that are merged with financial information to produce granular reporting necessary for real-time decision making.

Our objective is to be a leader in providing high-quality software engineering services for global ISVs and emerging technology companies, and use our accumulated technology and industry expertise to become a strategic vendor of choice for delivering complex software solutions and other complementary and diversified IT services to global companies across a range of verticals. We will continue to develop new solutions jointly with our partner ISVs. We believe that such joint efforts will help us in accessing a greenfield customer base of our partner ISVs which will further help us up-sell and cross-sell to these new customers. We have created multiple solution accelerators on the Azure platform like Connected Field Service Accelerator (IoT devices are connected with cloud technologies), external facing chatbots available on websites for customer interaction, data lake and streaming analytics platform & prediction models.

Domain led approach towards customer acquisition and revenue generation in specific verticals

We have traditionally focused on enterprises that are technology- and information-centric, where we believe our software development expertise is valued. To further enhance and develop our solutions and offerings, we have focussed on certain verticals including banking and financial services, Edutech, Retail, Manufacturing, Travel and Hospitality and Enterprise.

For developing our solutions in each of these verticals, we have recruited IT professionals with experience in our industry. The combination of our software development expertise and vertical industry depth has enabled us to build vertical-specific solutions that provide our customers with rapid time-to-market solutions. For example, in our EduTech vertical, we have developed and offer our customers UniVu, which enables our customers to implement a university analytics solution enabling improved outcomes in administrative course delivery and student success KPIs through real time actionable insights. We plan to continue enhancing our expertise in different verticals by recruiting IT professionals with industry expertise.

We believe that specialisation provides the efficiency and flexibility which has served as a catalyst for quicker turnaround times and higher levels of quality. These benefits have served as a catalyst for the increase in the number of customer accounts in our targeted verticals. We believe that we continue to have a significant untapped opportunity in these verticals and we plan to leverage this experience to expand our vertical reach. We believe that our reputation as a provider of complex software development solutions and our distinctive culture of happiness have been critical elements in attracting and retaining our IT professionals. As of March 31, 2020, we had over 2,455 full-time employees.

We believe our experience working within our core customer base will also be of particular value in expanding our vertical reach. For example, as customers increasingly demand a frictionless and consistent buying experience, we believe our expertise in these verticals will allow us to grow our base of customers.

Attract, develop and retain skilled employees to sustain our service quality and customer experience

We conduct lateral hiring through a dedicated IT professional talent acquisition team whose objective is to locate and attract qualified and experienced IT professionals within the relevant region.

We aim to develop our position as a coveted employer in the Indian IT services industry and place a high priority on attracting, training and retaining our employees, which we believe is integral to our continued ability to grow our customer relationships. We aim to continue to dedicate resources to the training and development of our IT professionals. We also provide management and soft skills training, intensive workshops and management and technical advancement programs. We are committed to systematically identifying and nurturing the development of middle and senior management through formal leadership training.

We intend to continue to organise development and networking events for our employees. For example, our annual event 'Blitz' is designed with the objective of demonstrating our employees' skills and capabilities through several workshops, hackathons and quizzes. A major attraction of the event is when multiple teams exhibit their solutions for challenges and products of the future.

We intend to continue our mindful approach towards systems, people and practices. We also intend to continue our efforts to improve our ratings on Glassdoor as well as our overall ranking in Great Places to Work. As a tool for employee engagement and retention, our Company has issued ESOPs to employees over the years. We intend to attract, hire, develop and retain our professionals, which are critical to our enterprise, by formulating ESOP schemes in the future. For further

details on the ESOP schemes of our Company, please see “*Capital Structure – Employee Stock Option Schemes*” on page 83.

Selectively Pursue Strategic Acquisitions

We plan to selectively pursue acquisitions. Our focus is on augmenting our core capabilities to enhance our experience in new technologies and verticals and increase our geographic reach, while preserving our corporate culture and sustainably managing our growth. Consistent with these goals, in the past, we have completed two acquisitions, both of which have accelerated core strategic goals.

In 2017, we acquired OSSCube LLC and Cupola Technology Private Limited to expand our DBS and PES BUs, respectively. These acquisitions have given us experience in completing and integrating complementary acquisitions. For further details on the acquisitions, please see “*History and Certain Corporate Matters - Details regarding material acquisition/divestments of business/undertakings, mergers and amalgamation*” on page 171.

Furthermore, as part of our strategy to expand our geographic footprint with high-quality global resources, we may pursue acquisitions of companies with significant presence in our areas of operation. Our acquisition strategy is shaped by our continued focus on acquiring scalable resources and developing a global, multi-shore operation with high-quality software engineering talent.

Our Mindfulness Approach

Our approach to mindfulness in our business is underpinned by our belief that happy people lead to happy customers. Our business mission is to enable customer happiness through our people’s happiness. Our systems, policies and practices seek to foster an open, mindful culture, enabling our people to discover their potential and participate in shaping their own work experience.

We have identified certain predictive factors that we believe enable happiness. Some of these are organizational, such as fairness, transparency and joy in the workplace. Others are individual oriented, such as wellness, enriched personal life and giving back to society. Our Happiest People Framework is built on the 7Cs: Culture, Credibility, Collaboration, Contribution, Communication, Community and Choice.

At the core is ‘Culture’, where we seek to inculcate a diverse and inclusive organizational culture with mindfulness and gratitude held together by our SMILES values (Sharing, Mindful, Integrity, Learning, Excellence and Social Responsibility). We also emphasize sustained social engagement in our wider communities.

We aim to enable the happiness of our people by providing opportunities including yoga, mindfulness training and volunteering and community service. While happiness is a personal choice, we promote happiness evangelism as a business imperative where every Happiness Minds team member is a happiness evangelist to one another and to our customers.

Our tagline as ‘The Mindful IT Company’ reflects our aims of ‘Being Mindful’ in addressing situations in the present moment and also ‘Doing Mindful’ in processing situations without biases or filters and performing empathetically. A majority of our team has undergone mindfulness training and post training surveys show happiness with the sessions

Mithra, our good samaritan programme, facilitates a culture of listening along with the various surveys that we run. These include our annual Happiest People Pulse Survey, annual customer happiness survey, a real-time Happimeter that measures the happiness of our employees and an annual dipstick of support functions. We organize quarterly business updates; quarterly business reviews and weekly team meetings to foster continuous communication. We also operate policy portals with feedback mechanisms.

Our aim is to help our people increase their capacity to make effective choices in managing their day to day work, careers and wellbeing.

Business Units

Digital Business Services (DBS)

Our customers’ transition to digital technologies is driven by business needs. Digital technologies help businesses adapt to changes at a faster pace. We offer our clients new age scalable digital solutions to support large scale applications, support flexible business ecosystems by acting as a glue for collaborative business capabilities. We help businesses deliver a digital-led experience to their customers by offering to integrate marketing platforms which we believe unified their brand presence.

Our agile delivery process focuses on working with business stakeholders to align changes in technology with their strategic business goals.

Offerings

Our DBS offerings include driving digital transformation in the customer environment. The services include:

- digital application development and application modernisation for improved customer experience, enhanced productivity and better business outcomes
- development and implementation of solution accelerators for faster-time to market
- enable automation and IoT led capabilities for improving data quality of the customer's platform, assist in design and testing of operations and management of platform and modernisation of digital practices.
- consulting and domain-led offerings such as digital roadmap, mindful design thinking, and migration of on-premise applications to the cloud
specially designed solutions such as digital content monetization platform for content, real time insights and analytics, knowledge BoT and advisory sales

Our DBS offerings are further complemented by our CoEs. Examples include:

- Analytics and AI tools include enterprise information, EDW optimization, data lakes, stream analytics and data science as a service
- IoT tools including, smart tracking of people, devices, assets and products, field force management, smart manufacturing and smart product
- Automation provides tools to support business and enterprise process workflow automation to drive seamless integration and optimisation
- Security CoE provides tools to enable secure code, penetration testing and secure managed infrastructure for cloud environments

App Modernisation and Digital App development

Our customer experience solutions help our clients serve their customers better by gaining insights on customer needs and preferences by delivering omni-channel digital experiences using simple user experience design solutions. Using technologies like analytics, AI, machine learning, automation and IoT we understand customer behavior and engage with them by providing relevant solutions. These include in-premise to cloud migrations, and hybrid cloud implementations.

Solutions Leveraging Packages and Platforms

We work with standard industry grade ISVs like Microsoft, AWS and Salesforce (*Source: Frost & Sullivan Report*) and packages such as Pimcore. Pimcore is an award-winning software, which delivers significant business value by breaking up data silos that exist in many enterprises.

We offer customized solutions, and we build platforms suited to our clients' requirements. Our solutions help tracking of products from procurement of raw materials to outbound inventory management. We create connected experience by consolidating data in silos into a common platform, thereby correlating the data and generating better insights for functions within the enterprise.

Digital Content Monetisation (DCM) is a pluggable, cloud-powered digital content solution that integrates with transactional systems and leverages standard storage and middleware. This solution enables organizations to derive relevant information from enterprise content in an efficient manner by ingesting the content into an AI-powered bot.

For example, we provide consulting-led solution to financial institutions to build software applications which enable a seamless customer experience for their banking, borrowing, lending and leasing operations. Our retail solutions enhance end-customer experience and improve business efficiency through an integrated set of technologies like mobility, big data analytics, security, cloud computing, social computing, IoT and unified communications. We provide digital solutions to our retail customers in the areas of in-store data analysis related to behaviour, and productivity insights.

Key Strategic Alliances

- **Microsoft:** We are a strategic Gold certified, NSI tier 1 system integrator with Microsoft. We have consistently delivered end-end solution leveraging Azure cloud, Dynamics, Teams, Power platforms etc. (*Source: Frost & Sullivan Report*)
- **Amazon (AWS):** We are an "Advance Consulting Partner" to AWS worldwide and have completed multiple system integration projects worldwide in Digital Platforms (*Source: Frost & Sullivan Report*).

Key Partner Alliances

- **Pimcore:** We are a Gold Partner of Pimcore in North America. Our team has utilized this platform to introduce digital transformation solutions to enterprise-level organizations to help address product data and digital asset management challenges (*Source: Frost & Sullivan Report*).

Case study

Our customer, a US-based transportation and supply chain management business wanted to achieve the following strategic objectives:

- digitize and modernize legacy invoicing and consolidating invoices at the group and customer levels
- implement a tracking mechanism to manage returns to their regional distribution centre and automate reassignment of goods returned
- automate and standardize breakdown analysis and root cause identification

This required modernization of past transactions, automation of processes, automation of authorization of return of goods as well as the process of such returns, digitization of processing of invoices and an automated analysis of breakdowns. We enabled these goals by facilitating migration of legacy invoice processing to a business process management platform with a built-in functionality in the invoice profiles to consolidate, modify or alter invoices. Further, we deployed a web-enabled return merchandise authorization portal to manage such authorization and related communication with customers. Finally, we also implemented an application to monitor breakdowns, identify the cause and schedule maintenance to automate and streamline the entire process.

We believe that the digital transformation in this case helped to minimize the customer's vehicle downtime (through breakdown analysis), reduction of time taken for invoice processing, consolidation and customization, and a seamless tracking and authorization mechanism.

Product Engineering Services (PES)

Our PES BU is driven by our engineering capability and is focused on helping our clients create digital-ready, next generation products and platforms across software and hardware. Our PES BU has built capabilities in the hardware and embedded technologies, with focus on both software platforms and hardware devices.

The PES BU provides the following services:

- **Digital Foundry:** We help our product company customers to materialise their ideas. The initial stage entails a proof-of-concept of their ideas, followed by building scalable MVP and finally testing the market to build the product by leveraging emerging technologies
- **Startup Technology Acceleration:** We help both startups and new initiatives taken up by mature organizations to reach the market and test assumptions with a minimum viable product in an agile manner
- **Platform Engineering:** We offer end to end engineering services for building smart and secure cognitive products and platforms on the cloud by using a mobile friendly approach
- **Device Engineering:** We help design and validate secure intelligent devices that power next generation industrial and consumer products.
- **Quality Engineering:** We work with our clients to ensure that their customers' digital products and platforms are secure, scalable and user-ready.

Our PES BU focuses on sectors including:

- **Enterprise SaaS:** We help both Horizontal SaaS companies as well as Industry Cloud/Vertical SaaS companies modernize their platforms by leveraging micro services and containers, digitizing their offering and introducing automation with AI and machine learning
- **Education & Publishing:** In the education and publishing sector, PES BU focused on expecting rapid digitization and adoption of emerging technologies. The services offered to this vertical include digital learning, learner experience, guided assessment and digital campuses.
- **Consumer Solutions:** This sector is focused on companies that build platforms and services targeted primarily at the B2C market. The sub-sectors of focus are e-commerce, Digital Health, Smart Living and Media, Sports & Entertainment.
- **Industrial:** This sector helps industrial companies such as Industrial OEMs, Industrial Platforms and Industrial Solutions providers enabling their digital transformation journey by leveraging our capabilities in IoT, hardware, embedded, platform engineering and analytics.

- **Networking:** The focus in this sector is on helping companies build products and platforms for emerging digital infrastructure while bridging a mix of hardware and software gaps. Services in this vertical enable our customers build products and platforms on Software Defined Networking, Network Function Virtualization, Software Defined Wide Area Networks and Network Stack Engineering. The subsectors of focus are OEMs, ISVs and Cloud Infrastructure Service Providers.

Case Study 1

Our customer is a global provider of online learning software solutions for diversified businesses with a primary focus on vocational training and certifications. This customer had grown over the years by acquiring many companies. The customer wanted to digitally transform disparate systems such as learning, content management, content delivery, assessments and grading systems while adopting new technologies like cloud, mobile and analytics.

As part of digital transformation, we created a common platform services by consolidating the features and capabilities of multiple learning systems by leveraging modern technologies like micro services and cloud-native as well as adopting a mobile friendly approach. This helped developing multiple modern learning solutions for various business units that focused on different industries. We also helped in improving analytics by creating a common data platform with advanced analytics including reports, predictions and dashboards.

This digital transformation led to increased end-user satisfaction and improved student learning outcomes.

Case Study 2

The client is a provider of chemical-based solutions for industrial applications such as pulp and paper processing, industrial water treatment and biofuels. Having been in business for several decades, our client provided a traditional onsite-only offering with the monitoring and management of its chemical applications limited to basic visual monitoring. As part of their Industry 4.0 vision, our client wanted to equip their trained industry experts and customer service technicians to better manage and monitor their customer applications remotely.

We built a SCADA system with the ability to draw plant operations schematics using a customized palette of components specific to each industry serviced by our client. This allowed them to view real-time data and alerts from probes in the field using digital twins while controlling plant operations remotely. In addition, we also built in anomaly detection capabilities using machine learning.

Our aim was to enable the client to have improved control over their operations with rich visual dashboards for monitoring KPIs while allowing for ordering and tracking of chemical consignments. We also put in place a notification mechanism to alert relevant users across different communication interfaces.

Some of the technologies we used include Azure IoT suite, Azure IoT Edge (on the edge computers), Azure ML, GoJS (for web-based SCADA), React JS and React Native. We believe that using the SCADA based system developed by us, the client was able to drive down their operational costs by facilitating the remote monitoring and maintenance of their operations. We believe that we also facilitated offshore teams to perform service tasks that led to a further reduction in operational costs and enabled a single pane of view application that provided information related to orders, consignment tracking, deployment, monitoring, control, and predictive analytics.

Select Solutions

Some of the solutions that the PES BU has built are:

- **Univu:** A pluggable learning analytics solution, it is a big data-based university analytics solution which enables course delivery and administrative insights along with student success analytics.
- **Thing Center:** An IoT platform that enables appliance manufacturers to transform their existing products into smart products aimed at allowing efficient maintenance along with obtaining consumer usage insights.
- **SD-WAN Portal:** This solution is an orchestration portal that enables enterprises to design, configure and manage their network using the Software-defined Wide Area Network (SD-WAN) controllers and other components in their network efficiently, leveraging software defined networking and AI driven intent based networking technologies.
- **Pro-Rite:** A model based testing framework that supports quick automation when using a model based system engineering approach, which reduces both automation time and feedback time.
- **Anomaly Detection Framework:** This is a feedback based domain agnostic solution which runs a variety of algorithms to check data anomalies and also learns over time.

Key Strategic Alliances

- **Microsoft:** Microsoft is one of our partners spanning across all the PES sectors and multiple Microsoft platforms. Our relationship now include Azure IoT, Azure AI and Analytics, Azure Cloud and Dev Services, Azure BoT Services and Azure Blockchain Workbench (*Source: Frost & Sullivan Report*).
- **Amazon Web Services:** We observed many of our software platform customers building their platforms on top of the AWS Cloud, which led to us fostering an important partnership with AWS. Over the last couple of years, we have extended this relationship into AWS IoT, Data Lake on AWS, Sagemaker and other platforms (*Source: Frost & Sullivan Report*).

Infrastructure Management & Security Services (IMSS)

Our IMSS BU provides end to end monitoring and management capability with ring-fencing of our customers' applications and infrastructure. We provide 24x7 production support and managed security services for mid-sized enterprises and technology companies. Specialized in automation of business and IT operations with a DevSecOps model and with NOC/SOC, we aim to ensure the data centre, cloud infrastructure and applications, are safe, secure, efficient, and productive.

Our infrastructure services consist of a integrated suite of services to manage an enterprise's distributed and Hybrid IT/Cloud environment as a single entity with a single point of accountability. We aim to transition our process to ensure a smooth start of systems support services to be operational with minimal time and impact.

Our infrastructure lifecycle services include:

- **DC & Hybrid Cloud Services:** Assessment, build, deploy, integrate & migrate, DC & cloud Automation and Managed Services for clouds.
- **Workspace Services:** Consulting and design, manage and automate.
- **Service Automation (ITSM & ITOM):** Platform consulting and assessment, monitor and operate, provision & configure and request and support.
- **Database & Middleware Services:** Architecture and design of physical database, security & auditing, implementation & migration services, performance tuning and support services for database middleware.
- **SD Network Services:** Consulting, integration & deployment and managed infrastructure services capabilities.

We draw on our IMSS security professionals to offer IT security solutions that address the key security challenges faced by enterprises today. Our IT security services aim to improve the agility, flexibility, and cost-effectiveness of information security and compliance programs.

Our security offerings include:

- **Cyber & Infrastructure Security:** Security for digital technologies through MDR, EDR, cyber analytics, threat protection, network security management, and IoT security.
- **Governance, Risk & Compliance:** Risk and compliance management by helping customers build an information risk office which governs their people, processes, data and infrastructure.
- **Data Privacy & Security:** Our data-centric security service offers a holistic technology solution to secure sensitive data across the organisation's data life cycle management.
- **Identity & Access Management:** Our managed identity and access management services provides access management services to authorize access and grant necessary privileges to both internal and external stakeholders.
- **Threat & Vulnerability Management:** Covers a cycle of activities including web network, application, and system infrastructure vulnerability assessment penetration testing (VAPT), consulting, automation and vulnerability management metrics.

Select Solutions

- **Ellipse:** An AI-enabled managed service delivery platform. The platform enables us to manage hybrid cloud operations for our enterprise customers with advanced features that aim to reduce total cost of ownership (TCO), improve infrastructure and application uptime, enhance user experience and productivity to ensure agile IT operations.
- **CRPP:** Helps companies to automate, accelerate and orchestrate defense lifecycle. CRPP is built by leveraging multiple security technologies including SIEM, next generation network and end point security, managed detection and response, data security, to provide deeper analytics and insights. CRPP is a cloud-hosted platform and can be leveraged in a subscription-based model.

- **ThreatVigil 2.0** An on-demand, cloud based, penetration testing platform. Apart from affordable pricing, we offer testing of our threat management solution, which aims at false positive elimination and provides business logic testing.

Key Strategic Alliances

- **Microsoft:** We are a Gold certified and NSI tier 1 integrator with Microsoft. We are focused on solutions on Azure, modern workplace, identity and access management and cloud security (*Source: Frost & Sullivan Report*).
- **AWS:** We are an “Advance Consulting Partner” with AWS. We are focused on AWS’ infrastructure as a service and platform as a service offerings. Using various AWS skillsets we offer services around cloud consulting, cloud migration and cloud operation service to our customers (*Source: Frost & Sullivan Report*).

Case study 1

We provide offshore infrastructure operational and project execution for a large pharmaceutical company in the United States. The operational support engagement started in late 2017 and has been growing since then. After helping them transition infrastructure services from an incumbent provider, we have been expanding our foot print into the following areas:

- Infrastructure change & transformation projects
- M&A support activities
- DC consolidation and cloud adoption
- Multiple site support
- Application support services
- Tools integration and IT process management

We believe that the benefits include:

- Adaptability of the models to dynamically changing contexts and environments
- Introduced our best practices during transition services
- Training and competency development for our teams
- Introduction of best practices in multiple tracks

Case Study 2

Customer is a retail chain with a large number of stores in Australia and New Zealand. They had invested in multiple tools and technologies but lacked centralized visibility, monitoring and continuous enhancement of their security posture across their environment. We set up centralizing security event monitoring and remediation capabilities by integrating various solutions including AD, security tools across the network, servers, endpoints, PoS terminals and cloud-based tools. We enabled proactive monitoring, threat hunting and incident response capabilities in a hybrid model delivered from the customer’s security operations centers.

We believe that the benefits include:

- With centralized monitoring, response, and visibility across on-premises, cloud and SaaS environments, the customer is now able to get a better visibility of the various risks and proactively plan for short and long term remediation measures.
- Leveraging tools with AI-based detection and automation of incident triage and management
- Mean time to detect (MTTD) and Mean time to Response (MTTR) have improved.

Centers of Excellence

I. Internet of Things (IoT)

Our IoT CoE aims to enable our clients to transform their business needs into competitive differentiators by delivering IoT-powered solutions. We provide various IoT services across the cycle of business needs to our clients including consulting-led solution blueprinting, integrating the right sensors by connecting assets, deriving useful insights to choosing the best-fit platform, end-end IoT Security, and managing connected assets after deployment.

Our IoT CoE focuses on three market segments:

- **Smart Industries:** Leveraging Industry 4.0 for manufacturing plants, renewable energy and utilities
- **Smart Enterprise:** Smart buildings/offices, retail, telecommunications etc.
- **Smart living:** Healthcare, home and security

To derive the benefits that data offers, enterprises are implementing the Digital Thread and the Digital Twin. The Digital Thread connects the complete product lifecycle digitally. It is the digital illustration of the value chain from R&D to product conceptualization and design, to manufacturing, distribution and retailing, to customer feedback gathering, to servicing, maintenance, and product-in-use (*Source: Frost & Sullivan Report*).

Our IoT CoE helps our clients create a “Digital Thread” by building a common platform across an enterprise connecting distinct data processes by

- **Connecting Manufacturing:** Examples include material logistics, batch traceability, connecting production line, quality management, connected workers and maintenance
- **Connecting Supply Chain and Distribution:** Examples include vehicle tracking, consignment tracking, cold-chain monitoring and inventory monitoring
- **Connecting Product:** Examples include condition/usage monitoring, device lifecycle management and usage insights
- **Connecting Services:** Examples include troubleshooting, field force management and field repairs

Key Strategic Alliances

- **Microsoft:** We are a strategic partner with Microsoft in IoT. We are a part of the IoT Advisory Council and a part of the Microsoft engineering-led Elite IoT program (*Source: Frost & Sullivan Report*).
- **Amazon (AWS):** We are an “Advance Consulting Partner” to AWS worldwide leveraging AWS IoT (*Source: Frost & Sullivan Report*).
- **PTC:** We are a “Silver partner” with PTC and leverage the PTC ThingWorx platform in IoT solution implementation and deployment (*Source: Frost & Sullivan Report*).

Some of our IoT projects include:

- Connected fleet and trailers platform leveraging Azure IoT for monitoring the consignment (fuel), vehicle location and driver behavior for a US based manufacturer of industrial products.
- Common IoT platform for a US based water treatment company.

Case Study

Our customer, a fashion e-commerce retailer in India with multiple textile manufacturing units, wanted real time visibility on their apparel production process and an automated way of gathering the production process information.

We helped our customer by building a production monitoring solution. Our work comprised of the following:

- **Sensor selection & integration:** We used the RFID and washable labels (bar codes) as sensors to manage visibility across the various production stages.
- **Implementation:** We built a monitoring application to handle the production stages from inbound logistics, cutting, stitching, washing, finishing, packaging to warehouse dispatch. The flow allowed a quality check at various critical set points.

II. Analytics/ AI

Our analytics CoE helps our customers gain valuable insights from large amounts of enterprise data leveraging big data and AI tools and techniques, aimed at improving revenues and operational efficiency. Our AI and data science wing helps build solutions by leveraging deep learning and machine learning techniques to accelerate productivity.

In relation to data, we focus on building platforms in the cloud / on-premise using big data technologies and supplementing them with tool-based solutions for data management and visualization. We have built large scale data and AI solutions for media, education & publishing, retail and industrial businesses. Our analytics capabilities have been recognized by Forrester (*Source: Frost & Sullivan Report*). We offer prebuilt solution accelerators for, among others, image, video and NLP analytics, bot frameworks, streaming analytics and anomaly detection.

Analytics CoE provides end-to-end expertise and services focusing on the following streams:

- AI / Cognitive – Image & video analytics, deep learning

- Data Science – Customer analytics, operations analytics, asset analytics
- Streaming Analytics Data Platform – Data lakes, real time streaming frameworks, data governance and security
- Cloud Data Modernization – Analytics and visualization data management

Key Strategic Alliances

- **Microsoft:** We are a strategic partner with Microsoft leveraging Azure AI and analytics (*Source: Frost & Sullivan Report*).
- **AWS:** We are an “Advance Consulting Partner” to AWS globally focusing on data lakes (*Source: Frost & Sullivan Report*).

End-to-end projects led by Analytics include:

- Implemented a near real-time data pipeline for an entertainment streaming platform based out of the United States to provide ingest information in real-time and batch to provide personalized customer offers near-real time, enabling actions based on incoming data to help improve revenue or customer experience.
- Built an IT helpdesk chatbot for the internal users and customer service desk chatbot for the external customers for a technology enabled risk services provider/claims administrator to reduce the overall wait time and to resolve issues on time.
- Built an AI/machine learning driven data platform for a commerce company to help productivity and performance insights from analysing beacon data of store movement and employee behaviour.
- Data lake implementation for a to consolidate data silos, enable data as a service and provided a common analytics able to ingest data in real-time and batch to provide personalization and perform analytics to predict churn.
- Built an enterprise data warehouse to help control data consistency, data governance and access to various pieces of data for a electric vehicle charging solutions company to enable a full customer view and eliminate duplicate/manual report generation.

Case Study

Our customer, a global educational online course provider, wanted to improve student performance and prevent student churn. Only a fraction of the students who enrolled in our customer's courses completed them and the resulting attrition led to loss of business.

We used two types of data for modeling: static student data and student progression which includes the time spent on material and quizzes. We modelled the behavior of the students and probability of student churn against probability of completion, time to churn or time to complete and predicted performance of the student on a topic. The classification models used included survival analysis based models, hidden Markov models and recurrent neural networks. We believe that our analysis helped better student performance and provide predictive insights like segments of attrition for faculty intervention.

III. Digital Process Automation (DPA)

Our DPA offerings provide services on core areas of enterprise digital transformation including customer experience, customer engagement and operational efficiency. These services are:

- Digital automation consulting for applications /infrastructure
- Process automation implementations
- Infrastructure Automation services

To enable these services, DPA CoE offers domain centric process models, DPA/ RPA architect support and customer engagement through industry accepted implementation models

Our aim is to provide an optimal customer experience through NLP, personalization, omni-channel user experience and customer insights. Our DPA offerings provide “Sense and Respond” capabilities of automation using cognitive technologies. The DPA CoE uses interrelated technical capabilities in RPA, DPA, API management, iBPM, basic case management, enterprise service BUS (ESB) for integration and cloud native business processes implementations (BPaaS) to meet end to end automation needs of our customers.

Case Study 1

Our customer, global commercial fleet management, transportation and supply chain solutions company, wanted to implement a core process automation solution for their Return Merchandise Authorization (RMA) process to optimize and eliminate end to end manual interventions

We provided a solution with the following features:

- A web based RMA creation portal to manage the authorization and communication of RMAs for the Customers
- Auto-approve RMA requests where the retailer / SKU combination exists
- Approval functionality of an unapproved return.
- Real time notification of RMA approvals to retailers

We believe that the benefits include:

- Reduced turn-around time for RMA process
- Elimination of manual interventions on the entire process cycle
- Straight Through Processing of RMAs
- Dashboard to know the status of returned merchandise

Case Study 2

Our customer, a US based company wanted a knowledge engine powered Bot to address Service Desk Challenges. We provided an AI enabled, knowledge engine powered contact Centre Bot solution, that automates level 1 triaging, allocations to relevant teams and resolution of repeat requests. The solution helped users access relevant knowledge articles, automated ticket logging and execution of remedial actions by understanding queries through NLP.

We believe that the benefits included:

- Intelligent self service
- Intelligent and quicker resolution
- Automated ticket assignment
- Automated and intelligent creation and tracking of tickets
- Reduction in overall service desk tickets logged

Facilities and Capacity

As of March 31, 2020, we had the following facilities in India with the respective capacities as indicated:

Location	Seats
Bengaluru	2,502
NOIDA	204
Pune	104
Mumbai	25
Total	2,835

International Operations

In addition to our facilities in India, we are present in the United States, Canada, United Kingdom, Australia, Netherlands and Middle East.

Our revenues are primarily generated from three main geographic markets: USA, India and UK. We present our revenues by customer location based on the location of the specific customer site that we serve, irrespective of the location of the headquarters of the customer. The following table sets out the proportion of our revenue from operations on the basis of the geographic markets for the period indicated:

Location of external customer	Fiscal 2018	Fiscal 2019	Fiscal 2020
USA	73.5%	75.5%	77.5%
India	11.7%	11.9%	11.9%
UK	11.4%	9.5%	7.2%
Others	3.4%	3.1%	3.4%

Business Agility to response to Novel Coronavirus Pandemic

Since the onset of the Novel Coronavirus pandemic in India in March 2019, our Company has implemented an agile response across our business and processes. We already had an existing work-from-home (WFH) policy as well as remote working tools (including MS Teams and Webex) and laptops available to most of our workforce. We also had business continuity plans and security systems in place as part of our normal operational readiness.

With the progression of the pandemic in March 2019, we increased the intensity of our responses. We created a WFH security plan, triggered our existing business continuity plans across our business units, stopped domestic and international travel and repatriated personnel from overseas locations to India. We also obtained client acceptance to move to a full WFH model and resourced our teams appropriately. This meant that almost our entire team was able to work from home from March 23, 2019 when a national lockdown came into force in India.

As we have transitioned to WFH we have maintained client delivery without interruption. We have enabled connectivity through VPN, broadband and dongle connections. We have conducted internal processes as usual including payroll and hiring as well as revenue closure and invoicing. We have also deployed security systems to safeguard assets and client data as well as issued detailed WFH protocols to enable secure usage.

We consider that our agile response and proactive steps taken have mitigated the impact of the Novel Coronavirus pandemic on our business and personnel thus far. A large part of our business comes from clients in sector that have not been immediately affected including Edutech, HiTech, retail, BFSI and manufacturing/industrials and we have limited exposure in affected sector such as travel and tourism. For more information, please see *“Our Business – Our Strengths - Strong brand in Digital IT services”* on page 139. We also had a smaller proportion of our teams working onsite at client locations outside India. For more information, please see *“Our Business – Our Strengths - Scalable business model with multiple drivers of steady growth”* on page 141. A substantial majority of our contracts are time and material based rather than fixed price which helps mitigate cost and completion risks. For more information, please see *“Our Business – Our Strengths - Scalable business model with multiple drivers of steady growth”* on page 141.

To manage our costs we have placed discretionary spends on hold, have reduced travel costs (including for visas) and utility costs. We have renegotiated terms with our lenders. We are negotiating some rate reductions with clients and also monitoring USD exchange rates, where INR depreciation has been favorable to us thus far.

For more details, please see *“Risk Factors – The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could materially adversely affect our business, financial condition and results of operations.”* on page 50.

Our Customers

We have a diversified customer base and have served more than 350 customers globally over the years. As of March 31, 2020, we had 157 active customers. We have helped customers operating in diverse industries including Edutech, HiTech, retail, BFSI, and manufacturing/ industrials.

Sales and Marketing

Our sales and marketing strategy seeks to increase our revenues from new and existing customers through our account managers, sales managers and vertical specialists. Given our focus on customised application development and the needs of our customers, we believe our IT professionals play an integral role in engaging with customers on potential business opportunities. We believe that this sales model has been effective in promoting repeat business and growth from within our existing customer base.

In addition to effective customer management, we believe that our reputation as a premium provider of software product development services drives additional business from inbound requests, referrals and RFPs. To further market our expertise, we engage with industry analysts, such as Gartner, Forrester, IDC and Frost & Sullivan, and we enjoy published recognition from other third-party industry observers. For example:

- Among Top 25 India's Best Workplaces in IT & IT-BPM by Great Places to Work
- Among Top 25 India's Best Workplaces for Women by Great Places to Work
- Ranked 42nd across all industries in India's Best Companies To Work For 2019 by Great Places to Work
- Vendor for IAM Managed Security Services –Now Tech: Managed IAM Services, Q4 in the small vendors category, published by Forrester Research on December 2, 2019
- Ranked as leaders in the Zinnov Zones ER&D Services amongst Small and Medium Service Providers for 2019
- Ranked in Leaders in Education for 2017 Zinnov Zones Media & Tech

We also maintain a dedicated sales force as well as a marketing team, which coordinates corporate-level branding efforts that range from organising of programming competitions to participation in and hosting of industry conferences and events.

Our marketing program includes various activities to increase market outreach, press releases and media mentions (both print and online), engagement with analyst firms and consulting engagement to secure technology partners, conducting

regular e-mail and social media campaigns, participating and organising industry events and publishing thought leadership content like videos, blogs, white papers and articles.

Acquisitions

Our acquisitions include:

OSS Cube LLC and a division of OSS Cube Solutions Limited

In 2018, we acquired the management interest in OSS Cube LLC, a Texas-based company and a division of OSS Cube Solutions Limited to expand our DBS BU. Pimcore (a client acquired through this acquisition) is an award-winning software, which delivers significant business value by breaking up data silos that exist in many enterprises. We offer:

- a single digital platform for product information, digital assets, web content, and digital commerce.
- unified APIs for exchanging data and integration with existing IT system landscapes.
- fully open-source and available at zero license cost for developers, agencies, and enterprises.

Cupola Technology Private Limited

In 2018, we acquired Cupola Technology Private Limited to expand our IoT CoE. Our IoT CoE was conceptualised and created in Fiscal 2017, and with the acquisition of Cupola tech, a Bengaluru based IoT solutions and services firm, we were able to expand our IoT CoE. For further details, please see “*History and Certain Corporate Matters - Details regarding material acquisition/divestments of business/undertakings, mergers and amalgamation*” on page 171.

Competition

We are an experienced global IT services provider focused on complex software product development services and software engineering. We compete with a variety of software product development and IT companies, as well as service providers.

We believe that the key competitive factors in our industry include changing technologies, customer preferences and needs and the ability to rapidly deliver solutions supporting such evolving needs. Other competitive factors include breadth and depth of service offerings, domain expertise, reputation and track record and the ability to tailor our service offerings to specific customer needs. For more information, please see “*Risk Factors – We face strong competition from onshore and offshore IT services companies, and increased competition, our inability to compete successfully against competitors, pricing pressures or loss of market share could materially adversely affect our business, financial condition and results of operations*” on page 34.

Global competitors such as Globant, EPAM and Endava derive all their revenues from digital services. Among Indian IT firms, Happiest Minds' digital IT revenues as a proportion of overall revenues was 97% as of March 31, 2020. Other Indian IT firms like Infosys, Wipro, TCS and Tech Mahindra, are also diversifying and showcasing their digital service offerings (Source: Frost & Sullivan Report).

Intellectual Property

Our intellectual property rights are important to our business. We have registered our domain name, “http://www.happiestminds.com”. As of the date of this Draft Red Herring Prospectus, we have a total of 22 trademarks under various classes including six granted by the Registrar of Trademarks under the Trademarks Act, in India, four granted by the European Union Intellectual Property Office, five granted by the Registrar of Trade Marks, Singapore, one granted by the Trademarks Registry, Great Britain and Northern Ireland and four granted by the United States Patent and Trademark Office. Further, our Company has also made applications with the trademarks offices of Singapore, Great Britain and Ireland and United States. For further details, please see “*Government and other Approvals – Intellectual Property Rights*” on page 323.

Awards

With the deployment of our products, our customers have received various industry awards and recognition over the years. For further details, please see “*History and Certain Corporate Matters - Key awards, recognitions and accreditations received by our Company*” on page 169.

Human Resources

As of March 31, 2020, we had 2,666 personnel comprising 2,455 full-time employees and 211 contract workers. The following tables set out the distribution of our employees by function and Onsite (Outside India) or Offshore and Domestic (India) location:

Department	Number of personnel
Delivery	2,439
Sales	32
Support	195

Description	Fiscal 2018	Fiscal 2019	Fiscal 2020
Onsite	105	132	123
Offshore and Domestic	2,148	2,330	2,543
Total	2,253	2,462	2,666

Description	Fiscal 2018	Fiscal 2019	Fiscal 2020
Onsite	4.7%	5.4%	4.6%
Offshore and Domestic	95.3%	94.6%	95.4%
Total	100%	100%	100%

We consider our employees as a key factor to our success. We have designed a strategic career development program to encourage our employees to enhance their skills. We believe we have created a culture that attracts people with multidimensional skills and experiences. Our senior management team combines extensive experience in the IT industry.

We invest in our employees through training and development programs under our performance-oriented development plan that includes induction programs, technical training, leadership development, management development, and soft skills development.

Insurance

We maintain standard insurance policies for our assets and our employees. As of March 31, 2020, our material policies included: (i) machinery breakdown insurance, (ii) electronic equipment insurance, (iii) cyber liability insurance, (iv) directors and officers liability insurance and (v) employee dishonesty insurance. The insurance policies are reviewed periodically to ensure that the coverage is adequate. However, notwithstanding our insurance coverage, disruptions to our operations could nevertheless have a material adverse effect on our business, results of operations and financial condition to the extent our insurance policies do not cover our economic loss resulting from such damage. For more information, please see “*Risk Factors - If we incur serious uninsured loss that significantly exceeds the limit of our insurance policies, it would have an adverse effect on our financial conditions, results of operation and cash flows*” on page 36.

Properties

We do not own any property.

We have entered into a long-term lease arrangement for our Offshore Development and Delivery Centers in Bangalore, Mumbai, NOIDA and Pune.

Our Registered and Corporate Office is located in Bengaluru, Karnataka, India and in addition, we have branch offices in three locations, namely, Mumbai, NOIDA and Pune. Further, we have eight offices outside India (including the United States, the United Kingdom, Canada, Australia and the Middle East), all of which are also on leased premises.

Corporate Social Responsibility

We believe in corporate responsibility and contributing to the communities in which we operate. The CSR Committee is entrusted with the primary responsibility of formulating the CSR initiatives of our Company. For further details in relation to the constitution of the CSR Committee and their terms of reference, see “*Our Management – Corporate Social Responsibility Committee*” on page 184.

Social Responsibility is one of our core value and is also a part of our vision called the Circle of Happiness. In Fiscals 2018, 2019 and 2020, our Corporate Social Responsibility (“**CSR**”) expenditure was ₹1.5 million, ₹0.5 million and ₹2.1 million, respectively in accordance with our CSR policy. Key highlights of our CSR initiatives in recent Fiscals include participation in Daan Utsav Programme and contribution of mid-day meals. We have also contributed to various organisations and funds for COVID-19 relief and flood relief efforts in various states in India in the past.

KEY REGULATIONS AND POLICIES IN INDIA

Given below is an indicative summary of certain sector specific and relevant laws and regulations in India, which are applicable to our Company. Taxation statutes such as the Income Tax Act, 1961 and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999, apply to us as they do to any Indian company.

The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended by subsequent legislative, regulatory, administrative or judicial decisions.

Industry-specific legislations applicable to our Company

The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder

The IT Act was enacted with the purpose of providing legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information. The IT Act also seeks to facilitate electronic filing of documents and create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act has extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act also empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The Information Technology (Amendment) Act, 2008, which amends the IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

In April 2011, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India (“DoIT”), in exercise of its power to formulate rules with respect to reasonable security practices and procedures and sensitive personal data, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“**IT Security Rules**”) in respect of Section 43A of the IT Act, which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines) Rules, 2011 (“**IT Intermediary Rules**”) in respect of Section 79(2) of the IT Act requiring intermediaries receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under these IT Intermediaries Rules and to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it.

In April, 2011 the DoIT notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (the “**SPDI Rules**”) in respect of Section 43A of the IT Act which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a company or any person acting on behalf of a company. Further, the SPDI Rules require every such company to provide a stipulated privacy policy, which is to be published on its website, for dealing with personal information, including sensitive personal data and ensuring security of all personal data collected by it.

Software Technology Parks Scheme ("STP Scheme")

To implement the STP Scheme, a 100% export oriented scheme for the development and export of computer software, Software Technology Parks of India ("STPI") was established and registered as an autonomous society under the Societies Registration Act, 1860, under the Ministry of Electronics and Information Technology, Government of India on June 5, 1991. The STP Scheme covers export of professional services using communication links or physical media and any entity desiring to export its entire production of goods and services (except permissible sales in the domestic tariff area) is eligible to register with the relevant STPI. The STP Scheme is governed by the Foreign Trade Policy, 2015-2020 read with the Handbook of Procedures, 2015- 2020.

New Telecom Policy, 1999, modified by the Department of Telecommunications, GoI on August 5, 2016 ("New Telecom Policy")

The New Telecom Policy was introduced in 1999 and has undergone various amendments, including the latest amendment which was passed on August 5, 2016. Under the New Telecom Policy, for applications such as tele-banking, tele-education, tele-trading, and e-commerce, other service providers will be allowed to operate using infrastructure provided by various access providers. No license fee is charged but registration for specific services being offered is required. These service providers do not infringe on the jurisdiction of other access providers and do not provide switched telephony.

The Telecom Regulatory Authority of India has the power to issue directions to service providers and to adjudicate all disputes between the GoI (in its role as service provider) and any other service provider.

Revised "Terms and Conditions - Other Service Provider (OSP) Category by DoIT dated August 5, 2008

To liberalise the existing terms and conditions in relation to registration for other service provider ("OSP") category, the terms and conditions were revised. As per the revised terms a registration shall be provided to a company to provide services like tele-banking, tele-medicine, tele-education, tele-trading, e-commerce, call centre, network operation centre and other IT enabled services, by using telecom resources provided by authorised telecom service providers. The OSP shall not, without the prior written consent, of the authority, either directly or indirectly, assign or transfer the OSP registration in any manner whatsoever to a third party or enter into any agreement for sub-leasing and/or partnership relating to any subject matter of the registration. The authority reserves the right to suspend the operation of the OSP registration at any time, if, in the opinion of the authority, it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the Telegraphs.

General laws pertaining to compliance to be followed by our Company

The Companies Act 1956 and the Companies Act, 2013 ("Acts")

The Companies Act 1956 is still applicable to the extent it is not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The Acts along with the relevant rules, clarifications and modifications made thereunder deals with the incorporation of companies, the procedure for incorporation and governance and regulation of companies post incorporation. The provisions of the Acts shall apply to all the companies incorporated either under it or under any other previous law.

Labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

Employees' Compensation Act, 1923

The Employees Compensation Act, 1923 ("EC Act") (and the amendments thereof) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/ obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (**"the EPF Act"**) is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act frames Employees Provident Scheme, 1952

Employees' State Insurance Act, 1948

The Employees' State Insurance Act, 1948 (the **"ESI Act"**) an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013.

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Tax laws

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

1. Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
2. Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder;
3. The Integrated Goods and Service Tax Act, 2017;
4. Professional Tax state-wise legislations; and
5. Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

Other labour law legislations

In addition to the aforementioned material legislations which are applicable to our Company, some of the other labour legislations that may be applicable to the operations of our Company include:

1. State-wise Labour Welfare Fund Acts and rules made thereunder;
2. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the rules made thereunder;
3. The Industrial Employment (Standing Orders) Act, 1946;
4. Workmen Compensation Act, 1923;
5. Industrial Disputes Act, 1947;
6. Rights of Persons with Disabilities Act, 2016;
7. Child and Adolescent Labour (Prohibition and Regulation) Act, 1986;
8. Contract Labour (Regulation and Abolition) Act, 1970; and
9. Code on Wages Act, 2019.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

Intellectual Property Laws

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is party to several international intellectual property related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights.

The Trademarks Act, 1999 (“Trademarks Act”)

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the

law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, “**Copyright Laws**”) serve to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an ‘original work’ by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography and sound recordings. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes *prima facie* evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

The Patents Act, 1970

While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes *prima facie* evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years from the beginning of the calendar year next following the year in which the author dies. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

The Patents Act, 1970 (“**Patents Act**”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee.

Foreign Investment Laws

The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder (“FTA”)

As per notice dated June 28, 2017 by the Ministry of Finance, with effect from July 1, 2017, Goods and Services Tax legislations (including Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, States Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax Act, 2017) are applicable to us. In addition to the above, we are required to comply with the provisions of the Companies Act, the Competition Act, 2002, different state laws and other applicable statutes for our day-to-day operations. Additionally, the GST Council on their 34th meeting on March 19, 2019 deliberated upon and decided new GST rate structure for the real estate sector, which has become effective from April 1, 2019.

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import (“**EXIM**”) Policy. Under the EXIM Policy, export of defence equipment falls under the restrictive Special Chemicals, Organisms, Materials, Equipment and Technologies list and requires a license.

The FTA prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number (“**IEC**”) granted by the Director General of Foreign Trade pursuant to section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority.

The Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEM Rules and the FDI Policy. In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEM Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

The total holding by each FPI or an investor group, shall be less than 10 percent of the total paid-up equity capital on a fully diluted basis or less than 10 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24 per cent of paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent shall be called the individual and aggregate limit, respectively.

With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian company as laid out in paragraph 3(b) of Schedule I of FEM Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

Overseas Direct Investment (“ODI”)

In terms of the Master Direction No. 15/2015-16 on "Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad" issued by the RBI, dated January 1, 2016, an Indian entity is allowed to make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require prior approval of the RBI.

Competition Act, 2002 (“Competition Act”)

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act.

The *prima facie* duty of the Competition Commission of India (“**Commission**”) is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition

Act) he shall be punishable with a fine which may exceed to ₹0.1 million for each day during such failure subject to maximum of ₹10.0 million, as the Commission may determine.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Happiestminds Technologies Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 30, 2011 issued by the RoC and commenced its business on March 30, 2011. The name of our Company was subsequently changed to 'Happiest Minds Technologies Private Limited' to give a better meaning to our Company's name and a fresh certificate of incorporation dated July 21, 2011 was issued by the RoC. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders of our Company held on May 13, 2020 and the name of our Company was changed to its present name 'Happiest Minds Technologies Limited', and a fresh certificate of incorporation was issued by the RoC on May 20, 2020.

Changes in registered office of our Company

The details of change in the registered office of our Company since incorporation are given below:

Effective date	Details of change	Reasons for change
July 26, 2011	The registered office of our Company was shifted from #747, 18th Main, 6th Block, Koramangala, Bengaluru – 560 095, Karnataka, India to Block II, Velankani Tech Park, 43, Electronics City, Hosur Road, Bengaluru – 560 100, Karnataka, India	Operational convenience
July 21, 2016	The registered office of our Company was shifted from Block II, Velankani Tech Park, 43, Electronics City, Hosur Road, Bengaluru – 560 100, Karnataka, India to 3rd & 4th Floor, SJR Equinox, Sy.No.47/8, Doddathogur Village, Begur Hobli, Electronics City Phase 1, Hosur Road, Bengaluru – 560 100, Karnataka, India	Operational convenience
June 4, 2018	The registered office of our Company was shifted from 3rd & 4th Floor, SJR Equinox, Sy.No.47/8, Doddathogur Village, Begur Hobli, Electronics City Phase 1, Hosur Road, Bengaluru – 560 100, Karnataka, India to #53/1-4, Hosur Main Road, Madivala (Next to Madivala Police Station) Bengaluru – 560 068, Karnataka, India	Operational convenience

Main objects as set out in the Memorandum of Association of our Company

The main objects contained in the Memorandum of Association of our Company are:

1. To carry on the businesses of business and technology consulting of all types, providing information management, installation & implementation, maintenance and supply of solutions, software, services and technologies.
2. To carry on business of developing, manufacture, selling and marketing, deployment, management and support of software, solutions, services and technologies.
3. To carry on the business of data processing, training, research and development activities in the areas of software, computer graphics, computer aided designing and analysis, designing, developing, improving, modifying, customizing, contracting, marketing, selling, distributing, representing, import and export of all and every kind of hardware product, software program, software data and software solutions.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to the Memorandum of Association in the last 10 years:

Date of change/shareholders' resolution	Nature of amendment
May 13, 2020	Clause V of the Memorandum of Association was amended to reflect the reclassification of the authorised share capital from ₹589.0 million divided into 50,000,000 Equity Shares, and 750,000 Preference Shares of ₹652.0 each to ₹589.0 million divided into 229,300,000 Equity Shares and 200,000 Preference Shares of ₹652.0 each Clause I of the Memorandum of Association was amended to reflect the new name of our Company, 'Happiest Minds Technologies Limited', pursuant to the conversion of our Company from a private limited company to a public limited company
July 31, 2017	Clause V of the Memorandum of Association was amended to reflect the reclassification of the

Date of change/shareholders' resolution	Nature of amendment
	authorised share capital from ₹589.0 million divided into 32,500,000 Equity Shares, 17,500,000 Class B Non-voting Equity Shares, and 750,000 Preference Shares of ₹652.0 each to ₹589.0 million divided into 50,000,000 Equity Shares, and 750,000 Preference Shares of ₹652.0 each
January 22, 2015	Clause V of the Memorandum of Association was amended to reflect the reclassification of authorised share capital from ₹589.0 million divided into 15,000,000 Equity Shares, 35,000,000 Class B Non-voting Equity Shares, and 750,000 Preference Shares of ₹652.0 each to ₹589.0 million divided into 32,500,000 Equity Shares, 17,500,000 Class B Non-voting Equity Shares, and 750,000 Preference Shares of ₹652.0 each
July 17, 2014	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹426.0 million divided into 15,000,000 Equity Shares, 35,000,000 Class B Non-voting Equity Shares, and 500,000 Preference Shares of ₹652.0 each to ₹589.0 million divided into 15,000,000 Equity Shares, 35,000,000 Class B Non-voting Equity Shares, and 750,000 Preference Shares of ₹652.0 each
October 19, 2011	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹0.1 million divided into 50,000 Equity Shares to ₹426.0 million divided into 15,000,000 Equity Shares, 35,000,000 Class B Non-voting Equity Shares, and 500,000 Preference Shares of ₹652.0 each
July 7, 2011	Clause I of the Memorandum of Association was amended to reflect the new name of our Company, 'Happiest Minds Technologies Private Limited'
	Clause V of the Memorandum of Association was amended to reflect the sub-division of Equity Shares from share capital from ₹0.1 million divided into 10,000 equity shares of ₹10.0 each to 50,000 Equity Shares

Major events and milestones of our Company

The table below sets forth some of the major events and milestones in the history of our Company:

Calendar Year	Particulars
2019	We provided digital offerings such as artificial intelligence, remote process automation & blockchain Brand expansion as 'Born Digital. Born Agile'
2017	Acquisition of 100% of the membership interests in our Erstwhile Subsidiary
	Set up a center of excellence in IoT and Analytics
	Acquired the business of Cupola through a business transfer agreement
2016	Established presence in Dubai
2015	Investment by CMDDB II
	Brand extension as 'The Mindful IT Company'
2013	Established presence in Australia
2011	Our Company was incorporated as a private limited company
	Investment by our Promoter, Ashok Soota
	Established presence in U.S., UK and India

Key awards, recognitions and accreditations received by our Company

The table below sets forth some of the awards and accreditations received by our Company:

Calendar year	Award and accreditation	Conferred by
2020	Certified as a great place to work	Great Place to Work Institute India
	Recognised among the 20 most innovative Practices for women leadership development	JobsForHer
2019	Ranked 42 in India's best company to work for 2019	Great Place to Work Institute India
	2019 Red Herring Top 100 Asia Winner	Red Herring
	Recognized as India's top 25 Best Workplaces in IT & IT-BPM	Great Place to Work Institute India
	Recognized as India's top 25 Best Workplaces for Women	Great Place to Work Institute India

Calendar year	Award and accreditation	Conferred by
	Recognition in the following categories: (i) top customer references and (ii) top innovation	International Association of Outsourcing Professionals
2017	Digital Transformation Services Provider of the Year – SMB Segment	Frost & Sullivan
	Recognition as a top company for the following categories: (i) customer references. (ii) awards and certifications and (iii) programs for innovation	International Association of Outsourcing Professionals
2016	Ranked 97 in India's best companies to work for in 2016	Great Place to Work Institute India
	Recognition as top company in the following categories: (i) overall revenue as rising star size group, (ii) revenue growth rising star size group, (iii) number of employees rising star size group, (iv) employee growth rising star size group, (v) number of countries worldwide and (vi) programs for innovation	International Association of Outsourcing Professionals
	Certificate of recognition for human resources best practices 2016 – Employer branding	Nasscom Randstad
2015	Cloud Solutions Award 2015 at the Express I.T. Awards	The Financial Express
	Recognized in the Top 5 Best Companies to Work in India among Emerging Organisations in IT- BPM	Great Place to Work Institute of India
	Ranked 17 Deloitte Technology Fast 50 India 2015	Deloitte Touche Tohamatsu India Private Limited
2014	Ranked as the Second Leading Technology Company in Deloitte Technology Fast 50 India 2014 programme	Deloitte Touche Tohamatsu India LLP
	Ranked 13 in Deloitte Technology Fast 500 Asia Pacific Ranking 2014	Deloitte Touche Tohamatsu India Private Limited

Other details regarding our Company

Time and cost overruns

There have been no major instances of time and cost overruns in the development of any of our projects in respect of our business operations.

Strategic or financial partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any strategic and financial partners.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see “Our Business” on page 138.

Defaults or rescheduling or restructuring of borrowings with financial institutions/banks

- (i) Our Company has not defaulted on repayment of any loans availed from any bank or financial institution; and
- (ii) The tenure of repayment of any loans availed by our Company from banks or financial institutions have not been rescheduled or restructured.

Details regarding material acquisition/divestments of business/undertakings, mergers and amalgamation

Except as disclosed below, Company has not acquired any material business or undertaking and has not undertaken any merger and/or amalgamation in the ten years preceding the date of this Draft Red Herring Prospectus.

Acquisition of membership interest and software business OSS Cube Solutions Limited

In May 2017, our Company acquired 100% of the membership interests in our Erstwhile Subsidiary with effect from April 1, 2017, pursuant to a purchase agreement, from the former owners of the Erstwhile Subsidiary. Simultaneously, our Company also acquired the business of, *inter alia*, providing software services together with the assets and employees pertaining to the business and an offshore development centre, pursuant to a business transfer agreement and certain other transaction documents, from OSS Cube Solutions Limited which formed part of the group owned by the former owners of the Erstwhile Subsidiary

Acquisition of IoT business

Pursuant to a business transfer agreement dated May 9, 2017 entered into between Cupola Technology Private Limited (“**Cupola**”), our Company, Ajay Agrawal and Huzefa Saifce (“**Cupola BTA**”) our Company acquired Cupola Technology Private Limited’s (“**Cupola**”) business comprising of developing, creating, testing, marketing and selling software in relation to ‘Internet of Things’ (“**Business Undertaking**”) as a going concern by way of a slump sale for a lump sum purchase consideration of ₹69.5 million (“**Purchase Consideration**”), which included a holdback amount of ₹10.0 million (“**Holdback Amount**”). The Holdback Amount which was retained by our Company for period of six months from the closing date in order to set off against any payment or expenses incurred by our Company with the respect to the business of Cupola prior to the closing date, was paid by our Company in November 2017.

Joint Venture

As of the date of this Draft Red Herring Prospectus, our Company has no joint ventures.

Our Holding Company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiary

Our Company has no subsidiary as on the date of this Draft Red Herring Prospectus.

Our Company had one wholly owned subsidiary, Happiest Minds Technologies LLC, as on March 31, 2020 (“**Erstwhile Subsidiary**”). Our Company acquired the Erstwhile Subsidiary with effect from April 1, 2017. For details please see “*History and Certain Corporate Matters - Details regarding material acquisition/divestments of business/undertakings, mergers and amalgamation*” on page 171. However, the Erstwhile Subsidiary was wound-up pursuant to a certification of termination dated June 1, 2020.

Shareholders’ agreements and other agreements

Key terms of subsisting shareholders’ agreements

- (a) ***Share subscription agreement dated October 20, 2011 executed by and amongst our Company, Canaan VIII Mauritius (“Canaan”), Intel Capital (Mauritius) Limited (“Intel” and together with Canaan, (“Investors”), Ashok Soota and Vikram Gulati (together “Individuals”), and other subscribers represented by K. Venkatesan (“Other Subscribers”, and such share subscription agreement, the “SSA I”)***

The SSA I was executed on October 20, 2011, by and among our Company, Canaan, Intel, Individuals, and the Other Subscribers to record the subscription of the below mentioned Preference Shares and Equity Shares issued by the Company. In terms of the SSA I, our Company has issued (i) one Equity Share and 122,199 Preference Shares to Canaan for a consideration of USD 7.6 million for the first two tranches and a consideration of ₹284.1 million for the third tranche, (ii) one Equity Share and 89,999 Preference Shares to Intel for a consideration of USD 7.6 million for the first two tranches and a consideration of ₹86.1 million for the third tranche, (iii) 6,140 Preference Shares to the Other Subscribers for a consideration of USD 614,000, (iv) three Equity Shares and 143,857 Preference Shares to the Individuals for a consideration of USD 14.38 million, and (v) 87,800 Preference Shares to Ashok Soota for a consideration of USD 7.8 million for the second tranche and a consideration of ₹60.2 million for the third tranche. The parties to the SSA I have entered into a termination agreement dated March 25, 2020 to terminate SSA I with effect from March 25, 2020. However, the indemnity obligations of the parties shall survive post the termination.

- (b) **Shareholders agreement dated October 20, 2011 executed by and amongst our Company, Canaan VIII Mauritius (“Canaan”), Intel Capital (Mauritius) Limited (“Intel” and together with Canaan, (“Investors”), Ashok Soota and Vikram Gulati (together “Individuals”), and other subscribers represented by K. Venkatesan (“Other Subscribers” and such shareholders agreement, the “SHA I”) read along with the (i) deed of adherence dated December 24, 2014 executed by and amongst Intel, Intel Capital Corporation (“Intel Corporation”), Canaan, Individuals, Other Subscribers and our Company (“Intel DOA”) and (ii) deed of adherence dated March 17, 2015 executed by and amongst Canaan, CMDB II, our Company, Intel Cooperation, Individuals and Other Subscribers (“Canaan DOA” together with Intel DOA, the “Deed of Adherence”) as amended by the waiver cum amendment agreement dated March 25, 2020 (“WCA”)**

The SHA I was executed on October 20, 2011, by and among our Company, the Investors, Individuals and Other Subscribers to, *inter alia*, record the *inter-se* rights and obligations of our Company, the Investors, Individuals and Other Subscribers, and to set out the terms and conditions that would govern the management of our Company. In accordance with the terms of the SHA I, the number of directors on the Board shall not exceed five, they shall be appointed in the following manner: (i) Canaan reserves the right to nominate two Directors on our Board (“**Canaan Investor Directors**”), (ii) Ashok Soota reserves the right to nominate a non-executive director on the Board, who has been approved by the Investors, and (iii) Intel reserves the right to nominate one director (“**Intel Investor Director**”), however, Intel Investor Director shall be appointed only upon (i) a written request from Intel at any time and (ii) upon one of the Canaan Investor Director stepping down from the Board. Further, the SHA I requires Ashok Soota to be a director on our Board, and also permits Intel to appoint an observer to our Board if an Intel Investor Director has not been appointed. The SHA I also identifies certain matters as reserved, each of which may be ratified at a Board or Shareholders’ meeting only if the consent of both the Investors has been obtained in writing. These matters, *inter alia*, include (i) the appointment, termination, or change of the auditors of the Company, (ii) any related party transaction, (iii) any appointment or dismissal of any officer or members of the of the key management team or change in the compensation or terms of service of the key management team, (iv) decisions in relation to the initial public offer of the Company and (v) any amendments, modification or waiver of any provision of the Memorandum of Association or Articles of Association.

Apart from the above, in accordance with the terms of the SHA I, *inter alia*, (i) the Preference Shareholders have anti-dilution rights in relation to any new securities (excluding the securities proposed to be issued vis-à-vis the SSA I) issued by our Company, (ii) the Investors and Individuals have a pre-emptive right of subscription to any securities issued by our Company (iii) the Investors and other Preference Shareholders have information rights such as delivery of annual audited financial statements within 60 calendar days from the end of each business quarter and notice of any litigation disputes, in which the Company is involved, as long as the Investors hold any securities in our Company and the Preference Shareholders hold Preference Shares in our Company, as applicable, and (iv) the Investors have a right of first refusal, right of co-sale and exit rights such as the right to require the Company to initiate an initial public offering, qualified initial public offering, a buy back and a default drag along right in the event the Company is unable to complete a buy-back.

Subsequent to the execution of the SHA I, the Intel DOA was executed to transfer all the shares held by Intel in our Company to Intel Corporation, and the Canaan DOA was executed to transfer all the shares held by Canaan in our Company to CMDB II. Subsequent to the execution of the Deed of Adherence all the rights and obligations of Canaan under SHA I have been transferred to CMDB II. Pursuant to a share purchase agreement dated July 1, 2019, Intel Corporation has transferred all the shares held by it in our Company to Ashok Soota.

Further, pursuant to the WCA, the parties have agreed to amend and waive certain special rights available to CMDB II for the purpose of the Offer. If the listing of the Equity Shares on the Stock Exchanges is not completed on or prior to the long stop date (i.e. within 12 months of our Company receiving final observation from SEBI on the DRHP), the WCA shall stand immediately and automatically terminated with effect from the long stop date without any further action by any Party. In case of termination of the WCA, the provisions of the SHA I and the Supplementary Agreement shall (i) be automatically re-instated to the position prior to the execution of the WCA (with the exception of the amendments made under the WCA in relation to *inter alia* the exit mechanism for CMDB in case of failure of the Offer and the default drag along right); and (ii) be deemed to have been in force during the period between March 25, 2020 and the date of termination of the WCA, without any break or interruption whatsoever.

- (c) **Supplementary share subscription cum shareholders agreement dated July 30, 2014 by and amongst our Company, Canaan VIII Mauritius (“Canaan”), Intel Capital (Mauritius) Limited (“Intel” and together with Canaan, (“Investors”), Ashok Soota and Vikram Gulati (together “Individuals”), and other subscribers represented by K. Venkatesan (“Other Subscribers”, and such supplementary share subscription cum shareholders agreement, the “Supplementary Agreement”)**

The Supplementary Agreement was executed by and among our Company, Canaan, Intel, Individuals, and the Other Subscribers to supplement the SSA I and the SHA I and to record the subscription of the below mentioned Preference

Shares issued by our Company. Pursuant to the Supplementary Agreement, our Company has issued (i) 20,800 Preference Shares to Canaan for a consideration of ₹123.3 million, (ii) 15,300 Preference Shares to Intel for a consideration of ₹90.7 million, and (iii) 38,900 Preference Shares to Ashok Soota for a consideration of ₹230.6 million.

Key terms of other subsisting material agreements

Our Company has not entered into any other subsisting material agreements, including with strategic partners, joint venture partners, and/or financial partners, other than in the ordinary course of business.

Agreements with Key Managerial Personnel, Director, Promoter or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Guarantees given by Promoter offering his shares in the Offer for Sale

As on the date of this Draft Red Herring Prospectus, the Promoter Selling Shareholder has not given any guarantees to third parties. However, the Promoter Selling Shareholder has pledged 24,122,331 Equity Shares in dematerialised form in favour of Vistra ITCL (India) Limited. For further details see “*Capital Structure*” on page 73.

For details in relation to business agreements of our Company, see “*Our Business*” on page 138.

OUR MANAGEMENT

BOARD OF DIRECTORS

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of six Directors, comprising two executive Directors, and four non-executive Directors including three independent Directors and one Non-Executive Director who is a representative of CMDDB II. Our Board comprises of two women Directors. The composition of the Board of Directors is in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors:

Sr. No.	Name, designation, address, occupation, date of birth, nationality, period and term of directorship, and DIN	Age (Years)	Other directorships
1.	Ashok Soota Designation: Executive Chairman and Director Date of birth: November 12, 1942 Address: #747, 18th Main Road 6th Block, Koramangala Bengaluru – 560 095 Karnataka, India Occupation: Business Nationality: Indian Period and term: For a period of five years, with effect from April 1, 2019 and liable to retire by rotation DIN: 00145962	77	Nil
2.	Venkatraman Narayanan Designation: Executive Director and Chief Financial Officer Date of birth: April 29, 1971 Address: D – 902, Laburnum Block, Brigade Millennium Putenahalli, J P Nagar, 7th Phase Bengaluru – 560 078 Karnataka, India Occupation: Service Nationality: Indian Period and term: For a period of five years, with effect from January 16, 2018 and liable to retire by rotation DIN: 01856347	49	Govardhan Trading Company Private Limited
3.	Avneet Singh Kochar Designation: Non-Executive Director Date of birth: December 16, 1975 Address: G – 157, Vikasपुरी	44	▪ MXC Solutions India Private Limited; ▪ Heritage Inn Private Limited; ▪ Channi Hotels Private Limited; ▪ Naaptol Online Shopping Private Limited; and ▪ Surewaves Mediatech Private Limited Foreign directorship:

Sr. No.	Name, designation, address, occupation, date of birth, nationality, period and term of directorship, and DIN	Age (Years)	Other directorships
	Tilak Nagar, Rajouri Garden West Delhi – 110 018 New Delhi, India Occupation: Service Nationality: Indian Period and Term: Director since April 23, 2015 and liable to retire by rotation DIN: 02415196		▪ Near Pte Limited
4.	Anita Ramachandran Designation: Additional Director (Independent) Date of birth: April 28, 1955 Address: 2401/2402, Raheja Atlantis G.K Marg, Lower Parel Delisle Road Mumbai – 400 013 Maharashtra, India Occupation: Management Consultant Nationality: Indian Period and Term: For a period of five consecutive years, with effect from June 4, 2020 and not liable to retire by rotation DIN: 00118188	65	▪ Grasim Industries Ltd; ▪ Rane (Madras) Limited; ▪ Godrej and Boyce Manufacturing Company Limited; ▪ FSN E-Commerce Ventures Private Limited; ▪ Samhi Hotels Limited; ▪ Wheelsemi Private Limited; ▪ Aditya Birla Housing Finance Limited; ▪ Utkarsh Small Finance Bank Limited; ▪ IDFC Asset Management Company Limited; ▪ Kotak Mahindra Life Insurance Company Limited; ▪ Metropolis Healthcare Limited; ▪ Cerebrus Consultants Private Limited; and ▪ Oxfam India
5.	Rajendra Kumar Srivastava Designation: Additional Director (Independent) Date of birth: June 17, 1951 Address: PF 101, ISB Campus Indian School of Business Gachibowli, K.V., Rangareddy Hyderabad – 500 032 Telangana, India Occupation: Service Nationality: American Period and Term: For a period of five consecutive years, with effect from June 4, 2020 and not liable to retire by rotation DIN: 07500741	68	▪ T-Hub Foundation; ▪ DLABS Incubator Association; and ▪ AIC ISB Association
6.	Shubha Rao Mayya Designation: Additional Director (Independent) Date of birth: June 12, 1963 Address: No. 60/45, 6th Cross Cambridge Layout, Halasuru	56	▪ Stove Kraft Limited; and ▪ Ace Manufacturing Systems Limited

Sr. No.	Name, designation, address, occupation, date of birth, nationality, period and term of directorship, and DIN	Age (Years)	Other directorships
	Bengaluru – 560 008 Karnataka, India Occupation: Professional Nationality: Indian Period and Term: For a period of five consecutive years, with effect from June 4, 2020 and not liable to retire by rotation DIN: 08193276		

Relationship between our Directors

None of our Directors are related to each other or to any Key Managerial Personnel.

Brief biographies of Directors

Ashok Soota is the Executive Chairman and Director of our Company. He holds a bachelors’ degree in electrical engineering from the University of Roorkee (now called Indian Institute of Technology, Roorkee), and a masters’ degree in business management from the Asian Institute of Management, Philippines. He is the promoter of our Company and has been associated with our Company since its incorporation. Prior to founding our Company, Ashok was the Founding Chairman and Managing Director of MindTree Limited, a company that completed a successful IPO during his tenure. He was the vice chairman of Wipro Limited and senior vice president of Shriram Refrigeration Industries Limited prior to co-founding MindTree Limited.

He is on the board of governors of Asian Institute of Management, Philippines and is a fellow member of the Indian National Academy of Engineering. In the past, he was on the industry advisory commission for the World Intellectual Property Organization, Geneva, the president of the Confederation of Indian Industry (2002-2003) and a member of the Prime Minister’s Task Force for Information Technology.

Ashok is the co-author of the national bestseller – “Entrepreneurship Simplified”. He has been conferred various awards including, the ‘Golden Peacock’ award for technology leadership, ‘Electronics Man of the Year’ award from Electronics Industries Association of India, ‘Dataquest Lifetime Achievement’ award for outstanding contribution in organizing and building the Indian software industry and lifetime achievement awards from Financial Express and Chiratae Ventures (formerly known as IDG Ventures).

Ashok has several decades of experience in the information technology industry.

Venkatraman Narayanan is the Executive Director and Chief Financial Officer of our Company. He holds a bachelors’ degree in commerce from Mahatma Gandhi University and a bachelors’ degree in law from Karnataka State Law University, Hubballi. He is a fellow of the Institute of Chartered Accountants of India, New Delhi. He has been associated with our Company since April 23, 2015 and has over 25 years of experience in the area of finance and accounts. Prior to joining the Company, he was associated with Sonata Software Limited, TeamLease Services Limited, SAP India Private Limited, Oracle India Private Limited, Arthur Anderson and Associates, Petrot Systems TSI (India) Limited, Transwork Information Services Limited and MindTree Consulting Private Limited.

Avneet Singh Kochar is a Non-Executive Director of our Company. He holds a bachelors’ degree in commerce from Shri Ram College of Commerce and a masters’ degree in business administration from the College of William and Mary in Virginia. He is a chartered financial analyst with the CFA Institute, Charlottesville, Virginia, USA. He has been associated with our Company since April 23, 2015 and has 18 years of experience in investment management. Prior to joining the Company, he was associated with AT&T Corp. and AT&T Investment Management Corporation. He currently holds the position of regional adviser to JP Morgan Asset Management Private Equity Group.

Anita Ramachandran is an Additional Director (Independent) of our Company. She holds a bachelors degree in commerce and a master’s degree in management studies from University of Bombay. She has been associated with our Company since June 4, 2020 and has over 35 years of experience as a management consultant. She has previously worked with A.F. Ferguson & Co (a former KPMG network company in India). She is also the founder and director of Cerebrus Consultants Private Limited, a human resources firm.

Rajendra Kumar Srivastava is an Additional Director (Independent) of our Company. He holds a bachelors degree in mechanical engineering from Indian Institute of Technology, Kanpur, a master's degree in industrial engineering from University of Rhode Island, a masters degree in business administration and a doctorate in philosophy from the University of Pittsburgh. He has been associated with our Company since June 4, 2020 and many years of experience in marketing. He is currently the dean and novartis professor of marketing strategy and innovation at Indian School of Business. He has previously worked with Singapore Management University as the provost, University of Texas as an associate dean and Emory University in Georgia as the Roberto Goizueta Chair in Marketing. He has received the 'AMA/MSI H. Paul Root Award' and the 'Shelby D. Hunt/ Harold H. Maynard Award' in 1998 for his work on market-based assets and shareholder value. He was also selected as the American Marketing Association (AMA) Fellow in the year 2020.

Shubha Rao Mayya is an Additional Director (Independent) of our Company. She holds a bachelor's degree in commerce from University of Mumbai and is an associate of the Institute of Chartered Accountants of India, New Delhi. She has been associated with our Company since June 4, 2020 and has 30 years of experience in the banking and insurance sector. Previously, she served as the vice president at ICICI Limited, senior vice president and head - CSO branch operations at ICICI Prudential Life Insurance Company Limited and a general manager at Tata Consultancy Services Limited (formerly known as TCS eServe Limited).

Confirmations

None of our Directors are, or were directors of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors are, or were a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him / her or by the firm or company in which he / she is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Ashok Soota

Ashok Soota was appointed as the Director of our Company pursuant to a resolution passed by our Board of Directors at their meeting held on April 1, 2011, and he was designated as the Executive Chairman pursuant to a resolution passed by our Board of Directors and Shareholders' at their extra-ordinary general meeting held on October 31, 2011. He was reappointed for a term of 5 years with effect from April 1, 2019 pursuant to a resolution passed by our Board of Directors at their meeting held on January 24, 2019 and the shareholders' in their meeting dated August 1, 2019. Ashok Soota has entered into an employment agreement dated September 1, 2011 with our Company ("**Ashok Employment Agreement**"). The following are the terms governing Ashok Soota's appointment which were approved by the Board of Directors in their meeting held on November 13, 2019 and by the shareholders in the annual general meeting held on July 20, 2016:

Particulars	Remuneration
Fixed pay	₹8.0 million per annum*
Variable pay	₹2.6 million per annum
Perquisites	Company provided car and driver

*This, inter alia includes medical insurance, life insurance, accident insurance and car lease which he is entitled to as per the Ashok Employment Agreement

Venkatraman Narayanan

Venkatraman Narayanan was appointed as the Chief Financial Officer of our Company pursuant to a resolution passed by the Board of Directors at their meeting held on April 23, 2015 and he was appointed as the Wholetime Director of our Company pursuant to a resolution passed by our Board at their meeting held on January 16, 2018, and a resolution passed by our Shareholders at their annual general meeting held on August 7, 2018 for period of 5 years. Pursuant to resolution passed by the Board of Directors at their meeting held on May 27, 2020, he was re-designated as the Executive Director. Venkatraman Narayanan has entered into an employment agreement dated January 8, 2015 with our Company ("**Venkatraman Employment Agreement**"). The following are the terms governing Venkatraman Narayanan's appointment which were approved by the Board of Directors in their meeting held on November 13, 2019:

Particulars	Remuneration
Fixed pay and other benefits	₹7.5 million per annum*
Variable pay	₹2.5 million per annum

* This, inter alia includes medical insurance, life insurance, accident insurance and car lease which he is entitled to as per the Venkatraman Employment Agreement

Compensation of the Executive Directors

The managerial remuneration paid to the Executive Directors of our Company (comprising of salary, wages, bonus and employee stock compensation expense) for Fiscal 2020 is as follows:

(₹ in million)	
Name of Director	Fiscal 2020
Ashok Soota	12.8
Venkatraman Narayanan	11.7
TOTAL	24.5[#]

[#] As the liability for gratuity and compensated leave absences is provided on an actuarial basis for our Company and Erstwhile Subsidiary as a whole, the amount pertaining to the directors are not included above.

Payment or benefit to Non-Executive Directors of our Company

No sitting fees / other remuneration was paid to the Non-Executive Directors in Fiscal 2020.

Payment or benefit to Independent Directors of our Company

Board of Directors at their meeting held on June 4, 2020, approved the payment of ₹0.1 million each for every board/ committee meeting attended by the Independent Directors. The Independent Directors were appointed on June 4, 2020 therefore, no sitting fees / other remuneration was paid to the Independent Directors in Fiscal 2020.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except Avneet Singh Kochar, who is a representative of CMDB II, there are no arrangements or understandings with any major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board or as a member of the senior management.

Shareholding of Directors in our Company

The Articles of Association do not require our Directors to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus, on a fully diluted basis, is set forth below:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer capital (%)	Percentage of the post- Offer capital (%)
1.	Ashok Soota	68,475,924 ⁽¹⁾	48.83	[●]
2.	Venkatraman Narayanan	842,137 ⁽²⁾	0.60	[●]

(1) Assuming conversion of all Preference Shares held by Ashok Soota. Includes 68,291,897 Equity Shares held as on the date of this Draft Red Herring Prospectus and 184,027 Equity Shares to be issued upon conversion of 1,129 Preference Shares prior to the filing of the Red Herring Prospectus. For further details see "Capital Structure" on page 73

(2) Assuming conversion of all Preference Shares. Includes 342,137 Equity Shares to be issued upon conversion of 2,099 Preference Shares jointly held with Jayalakshmi Venkatraman, prior to the filing of the Red Herring Prospectus.

Borrowing Powers

In accordance with our Articles of Association, subject to applicable laws and pursuant to a resolution of the Shareholders of our Company passed in their extraordinary general meeting held on May 13, 2020, in accordance with Section 180 of the Companies Act, 2013, our Board is authorised to borrow any sum or sums of money, from time to time from banks, firms, bodies corporate, foreign lender/s financial institutions or from any other source in India or outside India whomsoever on such terms and conditions and with or without security as the Board of Directors may think fit notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from Company's bankers in the ordinary course of business) shall not at any time exceed the aggregate of the paid up share capital, free reserves and securities premium of our Company by more than ₹2,000.0 million or the fixed limit of ₹3,000.0 million, whichever is higher.

Interests of Directors

All our Directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them, in our Company if any, or that may be subscribed by and allotted to their relatives, or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

None of our Directors may be deemed to be interested in the contracts transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

(i) Interest in property

Our Directors have no interest in any property acquired by our Company, or proposed to be acquired by our Company.

(ii) Promotion and formation

Other than Ashok Soota who is our Promoter, Executive Chairman and Director, none of our Directors have any interest in the promotion or formation of our Company.

(iii) Business interest

Except as stated in “*Other Financial Information - Related Party Transactions*” on page 291, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business

(iv) Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

(v) Loans to Directors

No loans have been availed by the Directors from our Company.

(vi) Bonus or profit-sharing plan for the Directors

Except as disclosed below, none of the Directors are a party to any bonus or profit-sharing plan of our Company:

The Directors are granted ESOPs under the various ESOP Schemes of the Company. For details on the ESOP Scheme please see “*Capital Structure – Employee Stock Option Schemes*” on page 83.

(vii) Service contracts with Directors

There are no service contracts executed by our Company with the Directors providing for benefits upon termination of employment

Changes in the Board in the last three years

Name	Date of appointment / change / cessation	Reason
Anita Ramachandran	June 4, 2020	Appointment as Additional Director (Independent)
Rajendra Kumar Srivastava	June 4, 2020	Appointment as Additional Director (Independent)
Shubha Rao Mayya	June 4, 2020	Appointment as Additional Director (Independent)
Venkatraman Narayanan	May 27, 2020	Re-designation as Executive Director
Girish Shrikrishna Paranjpe	March 10, 2020	Resignation as Non-Executive Director
Ashok Soota	August 1, 2019	Re appointment as Executive Chairman and Director

Name	Date of appointment / change / cessation	Reason
Venkatraman Narayanan	August 7, 2018	Change in designation to Wholetime Director
Venkatraman Narayanan	January 16, 2018	Appointment as additional Wholetime Director
Sashikumar Sreedharan	Janaury 9, 2018	Resignation as Chief Executive Officer and Managing Director
Girish Shrikrishna Paranjape	July 31, 2017	Change in designation to Non-Executive Director
Girish Shrikrishna Paranjape	June 27, 2017	Appointment as Additional Director

CORPORATE GOVERNANCE

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof and formulation and adoption of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the SEBI Listing Regulations and in accordance with best practices in corporate governance. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board of Directors detailed reports on its performance periodically.

Currently, our Board has six Directors comprising of two Executive Directors, one Non-Executive Director and three Non-Executive, Independent Directors. Our Board has two women Director(s). Further, all the non-Independent Directors, are liable to retire by rotation.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

(i) Audit Committee

The members of the Audit Committee are:

1. Shubha Rao Mayya, *Chairperson*;
2. Anita Ramachandran; and
3. Venkatraman Narayanan.

The Audit Committee was first constituted by a resolution of our Board of Directors passed at their meeting held on July 18, 2012, and last reconstituted by a resolution of our Board of Directors passed at their meeting held on June 4, 2020. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, and its terms of reference are as following:

- a. The Audit Committee shall have powers, which should include the following:
 - 1) To investigate any activity within its terms of reference;
 - 2) To seek information from any employee of the Company;
 - 3) To obtain outside legal or other professional advice;
 - 4) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
 - 5) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
- b. The role of the Audit Committee shall include the following:
 - 1) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - 2) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

- 3) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications / modified opinion(s) in the draft audit report.
- 5) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 6) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- 9) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- 10) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- 11) Scrutiny of inter-corporate loans and investments;
- 12) Valuation of undertakings or assets of the company, wherever it is necessary;
- 13) Evaluation of internal financial controls and risk management systems;
- 14) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 15) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 16) Discussion with internal auditors of any significant findings and follow up there on;
- 17) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 18) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 19) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 20) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- 21) Reviewing the functioning of the whistle blower mechanism;
- 22) Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- 23) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;
- 24) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
- 25) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances; and
- 26) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 27) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- 28) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

c. The Audit Committee shall mandatorily review the following information:

- 1) Management discussion and analysis of financial condition and results of operations;

- 2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
- 3) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
- 4) Internal audit reports relating to internal control weaknesses;
- 5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- 6) Statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
 - c) review the financial statements, in particular, the investments made by any unlisted subsidiary.

(ii) *Nomination and Remuneration and Board Governance Committee*

The members of the Nomination and Remuneration and Board Governance Committee are:

1. Rajendra Kumar Srivastava, *Chairperson*;
2. Anita Ramachandran;
3. Ashok Soota; and
4. Shubha Rao Mayya.

The Nomination and Remuneration and Board Governance Committee was first constituted as the compensation committee by a meeting of the Board of Directors held on July 18, 2012 and was renamed and last reconstituted by a resolution of our Board of Directors passed at their meeting held on June 4, 2020. The scope and functions of the Nomination and Remuneration and Board Governance Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration and Board Governance Committee are as follows:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination, Remuneration and Board Governance Committee, while formulating the above policy, should ensure that

- 1) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - 2) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - 3) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- b. Formulation of criteria for evaluation of performance of independent directors and the Board;
 - c. Devising a policy on Board diversity;
 - d. Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
 - e. Analysing, monitoring and reviewing various human resource and compensation matters;
 - f. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
 - g. Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
 - h. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
 - i. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - j. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - k. Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
 - 1) Determining the eligibility of employees to participate under the ESOP Scheme;

- 2) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
- 3) Date of grant;
- 4) Determining the exercise price of the option under the ESOP Scheme;
- 5) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
- 6) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- 7) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
- 8) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- 9) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
- 10) The grant, vest and exercise of option in case of employees who are on long leave;
- 11) Allow exercise of unvested options on such terms and conditions as it may deem fit;
- 12) The procedure for cashless exercise of options;
- 13) Forfeiture/ cancellation of options granted;
- 14) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
 - a) the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
 - b) for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
 - c) the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- l. Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- m. Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - 1) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
 - 2) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable.
- n. Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination, Remuneration and Board Governance Committee.
- o. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

(iii) Administrative and Stakeholders' Relationship Committee

The members of the Administrative and Stakeholders' Relationship Committee are:

1. Anita Ramachandran, *Chairperson*;
2. Shubha Rao Mayya; and
3. Venkatraman Narayanan.

The Administrative and Stakeholders' Relationship Committee was first constituted by our Board of Directors as the grievance committee at their meeting held on July 18, 2012 and was renamed and last reconstituted by a resolution of our Board of Directors passed at their meeting held on June 4, 2020. The scope and function of the Administrative and Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Administrative and Stakeholders' Relationship Committee are as follows:

- a. Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;
- b. Reviewing of measures taken for effective exercise of voting rights by shareholders;
- c. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

- d. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- e. Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- f. Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services; and
- g. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

(iv) *Corporate Social Responsibility Committee*

The members of the Corporate Social Responsibility Committee are:

1. Avneet Kochar, *Chairperson*;
2. Ashok Soota; and
3. Shubha Rao Mayya.

The Corporate Social Responsibility Committee was first constituted by our Board of Directors at their meeting held on July 20, 2016 and was last reconstituted by our Board of Directors at their meeting held on June 4, 2020. The terms of reference of the Corporate Social Responsibility Committee of our Company are as follows:

- a. To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- b. To Identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- c. To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- d. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- e. To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- f. To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act.

(v) *Fund Raising Committee*

1. Ashok Soota;
2. Venkatraman Narayanan; and
3. Avneet Kochar.

The Fund Raising Committee was constituted by a meeting of the Board of Directors held on February 6, 2020. The terms of reference of the Fund Raising Committee are as follows:

- a. To make applications to seek clarifications and obtain approvals from, where necessary, the Securities and Exchange Board of India, the Reserve Bank of India and any other governmental or statutory/regulatory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;
- b. To invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;
- c. all actions as may be necessary in connection with the Offer, including extending the bid/ Offer period, revision of the price band, allowing revision of the offer for sale portion in case any selling shareholder decides to revise it, in accordance with the applicable laws;

- d. To take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;
- e. To appoint and enter into arrangements with the book running lead managers to the Offer (“BRLMs”), underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, advisors to the Offer, escrow collection bank(s) to the Offer, registrars to the Offer, sponsor bank, refund bank(s) to the Offer, public offer account bank(s) to the Offer, advertising agencies, legal counsel and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise and amend the terms of their appointment, including but not limited to execution of the BRLMs’ mandate letter, negotiation, finalisation, execution and, if required, amendment of the Offer agreement with the BRLMs and the underwriting agreement with the underwriters;
- f. To negotiate, finalise, settle, execute and deliver or arrange the delivery of Offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement, monitoring agency agreement and all other documents, deeds, agreements, memorandum of understanding, and any notices, supplements and corrigenda thereto, as may be required or desirable and other instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchanges, BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the company to negotiate, execute and deliver all or any of the aforesaid documents;
- g. To settle any question, doubt or difficulty that may arise with regard to or in relation to raising of funds in the fresh issue of Equity Shares by the Company in the IPO (“**Fresh Issue**”);
- h. To decide with the selling shareholders and in consultation with the BRLMs on the size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band, bid period, Offer price, and to accept any amendments, modifications, variations or alterations thereto;
- i. to finalise, approve, adopt, deliver and arrange for, in consultation with the BRLMs, submission of the draft red herring prospectus (“**DRHP**”), the red herring prospectus (“**RHP**”) and the prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient), the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto for the offer of Equity Shares including incorporating such alterations/corrections/modifications as may be required by SEBI, the jurisdictional registrar of companies (“**RoC**”), or any other relevant governmental and statutory authorities or in accordance with all applicable law;
- j. To approve the relevant restated financial statements to be issued in connection with the Offer;
- k. To seek, if required, the consent of the lenders of the Company, industry data providers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;
- l. To make applications to seek clarifications and obtain approvals from, if necessary, the SEBI, the stock exchanges, RBI, the RoC or any other statutory or governmental authorities in connection with the Offer and, wherever necessary, incorporate such modifications / amendments / alterations / corrections as may be required in the DRHP, the RHP and the prospectus;
- m. To open and operate bank account(s) of the Company in terms of the cash escrow agreement, sponsor bank agreement, as applicable and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- n. To authorise and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- o. To approve code of conduct as may be considered necessary or as required under applicable laws for the Board, officers of the Company and other employees of the Company;
- p. To authorise any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer;
- q. To approve suitable policies in relation to the Offer as may be required under applicable laws;

- r. To approve any corporate governance requirement that may be considered necessary by the Board or the Fund Raising Committee or as may be required under applicable laws in connection with the Offer;
- s. To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- t. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act or as may be required by the regulations issued by SEBI and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- u. To determine and finalise the bid opening and bid closing dates (including bid opening and closing dates for anchor investors), floor price/price band for the Offer, the Offer price for anchor investors, approve the basis for allocation/allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the prospectus, in consultation with the BRLMs;
- v. To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the stock exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
- w. To withdraw the DRHP or the RHP or not to proceed with the Offer at any stage, if considered necessary and expedient, in accordance with applicable laws;
- x. To make applications for listing of Equity Shares on the stock exchanges and to execute and to deliver or arrange the delivery of necessary documentation to the stock exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- y. To do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;
- z. To do all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in its absolute discretion, deem necessary or desirable for the Offer, in consultation with the selling shareholders and BRLMs, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws;
- aa. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under applicable laws to the officials of the Company;
- bb. To take such action, give such directions, as may be necessary or desirable as regards the Offer and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the Offer, as are in the best interests of the Company;
- cc. To approve the expenditure in relation to the Offer;
- dd. To approve suitable policies on insider trading, whistle blowing, risk management, and any other policies as may be required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ee. To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the Fund Raising Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Fund Raising Committee shall be conclusive evidence of the authority of the Fund Raising Committee in so doing;
- ff. To submit undertaking/certificates or provide clarifications to SEBI and the stock exchanges where the Equity Shares of the Company are proposed to be listed;

- gg. doing any other act and/or deed, negotiating and executing any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations and certificates, and/or giving such direction, including any direction to settle all questions, removing any difficulties or doubts that may arise from time to time in relation to the Offer or allotment of the Equity Shares in the Offer and utilizing the Offer proceeds, in such manner as the Board may deem fit, and giving such directions and/or instructions as it may from time to time decide and accepting and giving effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, and taking such actions or giving such directions as may be necessary or desirable and as it deems fit or as may be necessary or desirable with regard to the Offer.

(vi) Risk Management Committee

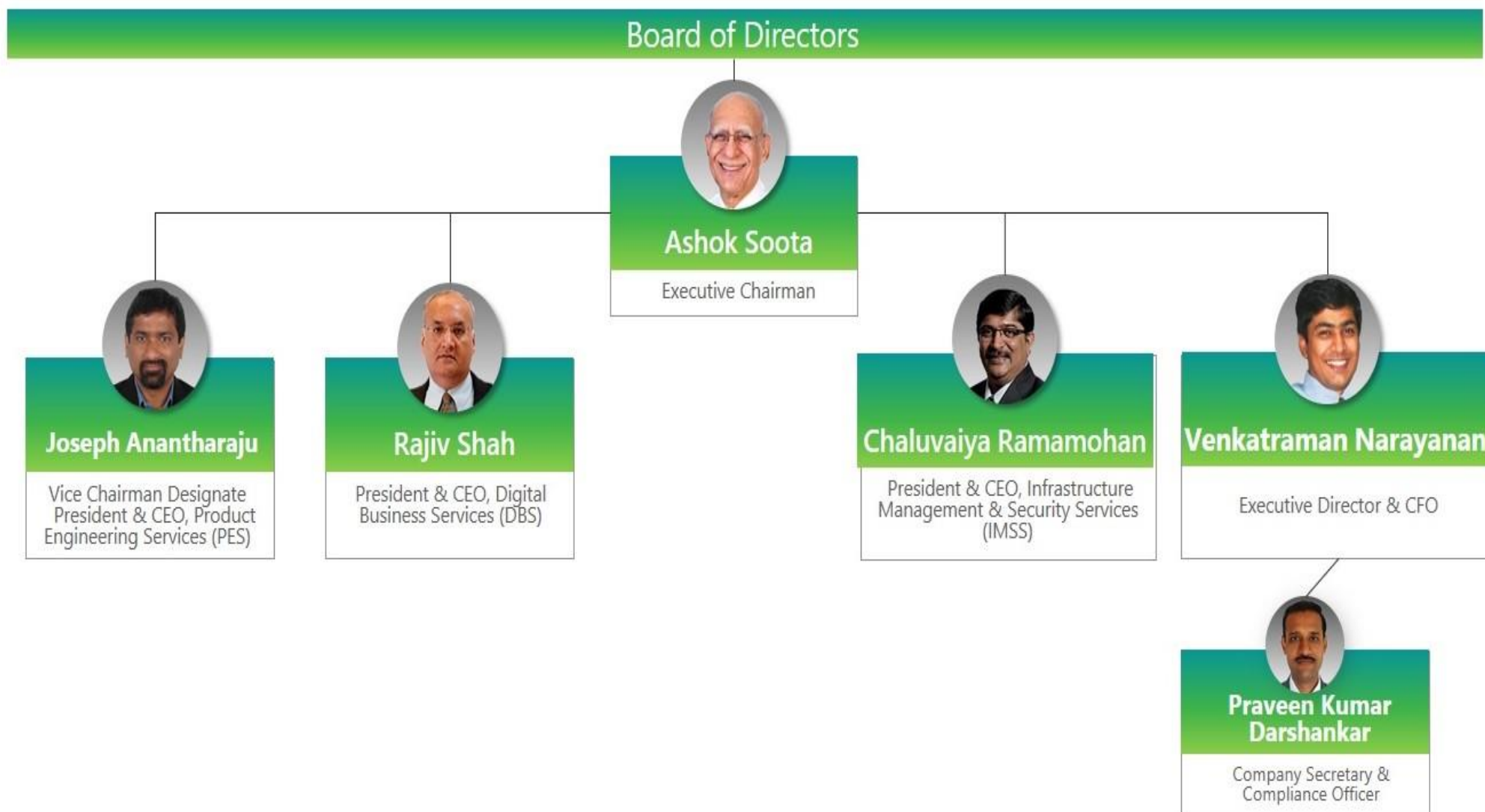
The members of the Risk Management Committee are:

1. Avneet Kochar, *Chairperson*;
2. Venkatraman Narayanan;
3. Anita Ramachandran; and
4. Shubha Rao Mayya.

The Risk Management Committee was constituted by a meeting of the Board of Directors held on June 4, 2020. The scope and functions of the Risk Management Committee is in accordance with and Regulation 21 of the SEBI Listing Regulations. The terms of reference of the Risk Management Committee are as follows:

- a. to assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks;
- b. Formulating, monitoring and overseeing the risk management plan and policy of the company;
- c. Review the Cyber Security Functions of the Company on regular intervals;
- d. Approve / recommend to the Board for its approval / review the policies, risk assessment models, strategies and associated frameworks for the management of risk; and
- e. to perform such other duties and functions as the Board may require or as may be prescribed by applicable law, from time to time.

MANAGEMENT ORGANISATION CHART



KEY MANAGEMENT PERSONNEL

The details of the Key Management Personnel of our Company as follows

Ashok Soota is the Executive Chairman and Director of our Company. For details see, “Our Management – Brief Biographies of Directors” on page 176.

Venkatraman Narayanan is the Executive Director and Chief Financial Officer of our Company. For details see, “Our Management – Brief Biographies of Directors” on page 176.

Praveen Kumar Darshankar is the head of the legal department, Company Secretary and Compliance Officer of our Company. He joined the Company on July 1, 2015 and he was appointed as the Company Secretary on July 23, 2015. He holds a bachelors’ degree in commerce from Gulbarga University and a bachelors’ degree in law from Bangalore University. He is as fellow member of the Institute of Company Secretaries of India. He has 21 years of experience in the secretarial and legal functions. Prior to joining the Company, he was associated with Sonata Software Limited as a company secretary and compliance officer. His gross remuneration for Fiscal 2020 was ₹3.9 million.

Chaluvaiya Ramamohan is the president of the Infrastructure Management and Security Services business of our Company. He joined our Company on December 11, 2017. He holds a bachelors’ degree in engineering from the Bangalore University. He has many years of experience in the information technology industry. Prior to joining the Company, he was associated with MindTree Limited as an executive vice president, Vincinti Networks Private Limited as executive vice president – operations, Wipro Infotech Limited, MPACT Immedia Syatems, Inc., and Complete Business Solutions Inc. His gross remuneration for Fiscal 2020 was ₹10.5 million.

Rajiv Shah is the president and chief executive officer of the Digital Business Services of our Company. He joined our Company on June 28, 2019. He holds a masters’ degree in mechanical engineering from University of Missouri, USA. He has many years of experience in the software industry. Prior to joining our Company, he was associated with Mu Sigma Limited as the executive vice president, and IBS Software Services Private Limited as the wholtime director and chief executive officer. He is a member of RShah Advisory LLC. His gross remuneration for Fiscal 2020 was USD 0.2 million (amounting to ₹15.3 million).

Joseph Anantharaju is the vice chairman designate, president and chief executive officer, Product Engineering Services. He joined our Company on August 8, 2011. He holds a bachelor’s degree in engineering from Birla Institute of Technology and Science and a masters’ degree in management from the Indian Institute of Management. He has 20 years of experience in the software industry. Prior to joining our Company, he was associated with MindTree Limited. His gross remuneration for Fiscal 2020 was USD 0.3 million (amounting to ₹23.3 million).

None of our Key Managerial Personnel are related to each other or to our Director.

All the Key Managerial Personnel are permanent employees of our Company.

(a) Shareholding of Key Managerial Personnel

The shareholding of our Key Managerial Personnel as of the date of filing this Draft Red Herring Prospectus, on a fully diluted basis, is set forth below:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
1.	Ashok Soota	68,475,924 ⁽¹⁾	48.83	[●]
2.	Venkatraman Narayanan	842,137 ⁽²⁾	0.60	[●]
3.	Chaluvaiya Ramamohan	510,677 ⁽³⁾	0.29	[●]
4.	Rajiv Shah	327,547 ⁽⁴⁾	0.23	[●]
5.	Joseph Anantharaju	1,189,976 ⁽⁵⁾	0.85	[●]
6.	Praveen Kumar Darshankar	55,000	0.04	[●]

(1) Assuming conversion of all Preference Shares held by Ashok Soota. Includes 68,291,897 Equity Shares held as on the date of this Draft Red Herring Prospectus and 184,027 Equity Shares to be issued upon conversion of 1,129 Preference Shares prior to the filing of the Red Herring Prospectus. For further details see “Capital Structure” on page 73

(2) Assuming conversion of all Preference Shares. Includes 342,137 Equity Shares to be issued upon conversion of 2,099 Preference Shares jointly held with Jayalakshmi Venkatraman, prior to the filing of the Red Herring Prospectus

(3) Assuming conversion of Preference Shares. Includes 110,677 Equity Shares to be issued upon conversion of 679 Preference Shares,

- prior to the filing of the Red Herring Prospectus
- (4) Assuming conversion of Preference Shares. Includes 27,547 Equity Shares to be issued upon conversion of 169 Preference Shares jointly held with Neha Shah, prior to the filing of the Red Herring Prospectus
- (5) Assuming conversion of Preference Shares, Includes 89,976 Equity Shares to be issued upon conversion of 552 Preference Shares, prior to the filing of the Red Herring Prospectus

(b) Arrangements and understanding with major Shareholders

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

(c) Bonus or profit-sharing plans

None of the Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to Key Managerial Personnel.

(d) Interests of Key Managerial Personnel

The Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in the Company.

Some of our KMPs are entitled to employee stock options under the ESOP Scheme. For details, please see “Capital Structure – Employee Stock Option Scheme” on page 83.

None of the Key Managerial Personnel have been paid any consideration of any nature from our Company on whose rolls they are employed, other than their remuneration.

(e) Changes in the Key Managerial Personnel

The changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Venkatraman Narayanan	Executive Director and Chief Financial Officer	May 27, 2020	Re-designation as Executive Director
Ashok Soota	Executive Chairman and Director	August 1, 2019	Re appointment as Executive Chairman and Director
Salil Godika	President and chief executive officer of the digital business services	July 15, 2019*	Resignation as president and chief executive officer of the digital business services
Rajiv Shah	President and chief executive officer of the digital business services	June 28, 2019*	Appointment as president and chief executive officer of the digital business services
Lavanya Rastogi	President and chief executive officer of the digital business services	March 31, 2018	Resignation as president and chief executive officer of the digital business services
Venkatraman Narayanan	Wholetime Director	January 16, 2018	Appointment as Wholetime Director
Salil Godika	President and chief executive officer of the digital business services	January 16, 2018	Appointment as president and chief executive officer of the digital business services
Sashikumar Sreedharan	Chief Executive Officer and Managing Director	January 9, 2018	Resignation as Chief Executive Officer and Managing Director
Chaluvaiya Ramamohan	President of the IMSS business	December 11, 2017	Appointment as the president of the IMSS business
Prasenjit Saha	President of the IMSS business	July 7, 2017	Resignation as president of the IMSS business

* There is an overlap in the tenure of Rajiv Shah and Salil Godika as Salil Godika was on notice period during the appointment of Rajiv Shah

(f) Service Contracts

Our Key Managerial Personnel are governed by the terms of their appointment letters/ employment contracts and have not entered into any other service contracts with our Company. No Key Managerial Personnel of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory

benefits.

(g) Payment or Benefit to officers of our Company

No non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Managerial Personnel within the two preceding years.

EMPLOYEE STOCK OPTION

For details of our Company's employee stock option plan, see "*Capital Structure – Employee Stock Option Schemes*" on page 83.

OUR PROMOTER AND PROMOTER GROUP

The Promoter of our Company is Ashok Soota. As on the date of this Draft Red Herring Prospectus, our Promoter holds 68,291,897 Equity Shares and 1,129 Preference Shares, together representing 48.83% of the pre-Offer issued, subscribed, and paid-up capital of our Company, on a fully diluted basis.

For details, please see the section titled “*Capital Structure – Equity Shareholding of our Promoter and Promoter Group*” on page 81.

INDIVIDUAL PROMOTER

Ashok Soota

	Ashok Soota, aged 77 years, is the Executive Chairman and Director of our Company. Date of birth: November 12, 1942 Address: #747, 18th Main Road, 6th Block, Koramangala, Bengaluru – 560 095, Karnataka, India Permanent Account Number: ASRPS2966A Aadhar Card Number: [REDACTED] Driving License Number: KA03 19890001537 Ashok Soota, the Executive Chairman and Director of our Company, is widely recognised for his contributions to the IT industry in India. He is the promoter of our Company and has been associated with our Company since its incorporation. Prior to founding our Company, Ashok was the Founding Chairman and Managing Director of MindTree Limited, a company that completed a successful IPO during his tenure. MindTree Limited was the recipient of the ICSI Best Corporate Governance award for 2008, during his Chairmanship, just a year after its IPO. He was the vice chairman of Wipro Limited and senior vice president of Shriram Refrigeration Industries Limited prior to co-founding MindTree Limited. He holds a bachelors’ degree in electrical engineering from the University of Roorkee (now called Indian Institute of Technology, Roorkee), and a Masters’ degree in Business Management from the Asian Institute of Management, Philippines. He is on the board of governors of Asian Institute of Management, Philippines and is a fellow member of the Indian National Academy of Engineering. In the past, he was on the advisory council for the World Intellectual Property Organization, Geneva, the president of the Confederation of Indian Industry and a member of the Prime Minister’s Task Force for Information Technology. Ashok is the co-author of the national bestseller – “Entrepreneurship Simplified”. He has been conferred various awards including, the ‘Golden Peacock’ award for technology leadership, ‘Electronics Man of the Year’ award from Electronics Industries Association of India, ‘Dataquest Lifetime Achievement’ award for outstanding contribution in organizing and building the Indian software industry and lifetime achievement awards from Financial Express and Chiratae Ventures (formerly known as IDG Ventures). Ashok has several decades of experience in the information technology industry. Ashok’s philanthropic contributions are channelled through Ashirvadam, a public charitable Trust that he has created for environmental protection and help for the needy including vocational training, education and medical assistance.

Our Company confirms that the permanent account number, bank account number, and passport number of our Promoter shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

INTERESTS OF PROMOTER

Our Promoter is interested in our Company to the extent that he has promoted our Company, to the extent of his shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by him. For details of Equity Shares held by our Promoter, see “*Capital Structure - Notes to Capital Structure*” on page 74. Further, our Promoter is also interested in our Company as the Executive Chairman and Director and the remuneration payable to him in this regard. For further details, see “*Our Management*” on page 174.

Except as mentioned in this section and sections titled “*Our Business*”, “*History and Certain Corporate Matters*”, and “*Our Management*” on pages 138, 168 and 174, respectively, our Promoter does not have any other interest in our Company.

Our Company has not entered into any contract, agreements or arrangements in which our Promoter or members of our Promoter Group are directly or indirectly interested, and no amount or benefit has been paid or given to our Promoter or members of our Promoter Group in respect of the contracts, agreements or arrangements which are proposed to be made with it.

Our Promoter is not interested in any property acquired by our Company in the preceding three years from the date of filing this Draft Red Herring Prospectus with SEBI, or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoter is not interested as a member of a firm or company, and no sum has been paid, or agreed to be paid to him or to such firm or company, in cash or shares or otherwise by any person for services rendered by them or by such firm or company, in connection with the promotion or formation of our Company.

PAYMENT OR BENEFITS TO PROMOTER OR PROMOTER GROUP

Except as stated above, and otherwise as disclosed in the section “*Other Financial Information – Related Party Transactions*” on page 291 and “*Our Management*” on page 174, there has been no payment or benefit given or paid to our Promoter or Promoter Group during the two years prior to the filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Red Herring Prospectus.

COMPANIES WITH WHICH OUR PROMOTER HAS DISASSOCIATED IN THE LAST THREE YEARS

Our Promoter has not disassociated himself from any company during the last three years preceding the date of this Draft Red Herring Prospectus.

CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

There has been no change in the management or control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

GUARANTEES

Except as disclosed in “*History and Certain Corporate Matters – Guarantees given by Promoter offering his shares in the Offer for Sale*” on page 173, our Promoter has not given any guarantee to a third party as of the date of this Draft Red Herring Prospectus.

PROMOTER GROUP

In addition to the Promoter named above, the following individuals and entities form a part of the Promoter Group:

(a) Natural persons who are part of the Promoter Group

Sr. No	Name of the relative	Relationship with the Promoter
1.	Deepak Soota	Brother
2.	Kunku Soota	Sister
3.	Suresh Soota	Brother
4.	Usha Samuel	Sister

(b) Bodies corporates forming part of the Promoter Group

1. Ashok Soota Medical Research LLP

OUR GROUP COMPANIES

Pursuant to a resolution dated May 13, 2020, our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, group companies of our Company shall include (i) the companies with which there were related party transactions as disclosed in the Restated Consolidated Financial Statements during any of the last three Fiscals; or (ii) such other company as deemed material by our Board.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company does not have any group company.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013.

The dividend policy of our Company was adopted and approved by our Board in their meeting held on August 1, 2019 (“**Dividend Policy**”). In terms of the Dividend Policy, the dividend, if any, will depend on a number of internal factors and external factors, which, *inter alia*, include (i) our Company’s profits for the current year, existing reserves and future projections of profitability, (ii) funds required for working capital, servicing of outstanding loans and capital expenditure, (iii) funds required for mergers and acquisitions and for execution of our Company’s strategy; (iv) competition; and (v) macroeconomic factors such as the state of the domestic and global economy, capital market conditions and dividend policy of competitors.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of, or may enter into, to finance our fund requirements for our business activities. For further details, see “*Financial Indebtedness*” on page 316.

Our Company has not declared any dividend on the Equity Shares or the Preference Shares for Fiscal 2020, Fiscal 2019, or Fiscal 2018. Further, our Company has not declared any dividend on the Equity Shares or Preference Shares from April 1, 2020 till the date of this Draft Red Herring Prospectus.

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Articles of Association and provisions of the SEBI Listing Regulations and other applicable laws. Our Company may pay dividend by cheque, electronic clearance service, as will be approved by our Board in the future. Our Company may also, from time to time, pay interim dividends.

The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, if any, in the future, and there is no guarantee that any dividends will be declared or paid in the future.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Financial Statements	Page No.
1.	Examination report on the Restated Consolidated Financial Statements	198
2.	Restated Consolidated Financial Statements	202

Independent Auditors' Examination Report on the restated consolidated summary statements of assets and liabilities as at March 31, 2020, 2019 and 2018, restated consolidated summary statement of profits and losses (including other comprehensive income), restated consolidated summary statement of cash flows and changes in equity for each of the years ended March 31, 2020, 2019 and 2018, of Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited) (collectively, the "Restated Ind-AS Consolidated Summary Statements")

To
The Board of Directors
Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)
53/1-4, Madivala (Next to Madivala Police Station),
Bengaluru – 560 068

Dear Sirs:

1. We have examined the attached Restated Ind-AS Consolidated Summary Statements of Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited) (the "Company") and its subsidiary (the Company and its subsidiary together referred as "the Group") annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") in connection with its proposed initial public offering of equity shares of face value of ₹2 each of the Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (the "Offer"). The Restated Ind-AS Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
 - b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

Management's Responsibility for the Restated Ind-AS Consolidated Summary Statements

2. The preparation of the Restated Ind-AS Consolidated Summary Statements, which are to be included in the DRHP is the responsibility of the Management of the Company. The Restated Ind-AS Consolidated Summary Statements have been prepared by the Management of the Company on the basis of preparation stated in paragraph 1a of Annexure V to the Restated Ind-AS Consolidated Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind-AS Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the ICDR Regulations.

Auditors' Responsibilities

3. We have examined such Restated Ind-AS Consolidated Summary Statements taking into consideration:
 - a) The terms of reference of our engagement agreed with you vide our engagement letter dated March 03, 2020, requesting us to carry out the assignment, in connection with the proposed Offer of the Company;
 - b) The Guidance Note;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Ind-AS Consolidated Summary Statements; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the Offer.

4. The Company proposes to make an initial public offer which comprises of offer for sale by certain existing shareholders' and fresh issue of its equity shares of Rs. 2 each at such premium arrived at by the book building process (referred to as the 'Issue'), as may be decided by the Company's Board of Directors.

Restated Ind-AS Consolidated Summary Statements as per audited Financial Statements

5. These Restated Ind-AS Consolidated Summary Statements have been compiled by the Management of the Company from:
 - a) Audited consolidated financial statements of the Group as at and for the year ended March 31, 2020, which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 13, 2020.
 - b) Audited consolidated financial statements of the Company as at and for the year ended March 31, 2019, which were prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") at the relevant time which have been approved by the Board of Directors at their meeting held on June 21, 2019. The Management of the Company has adjusted financial information for the year ended March 31, 2019 included in such Indian GAAP consolidated financial statements using recognition and measurement principles of Ind AS and has included such adjusted financial information as comparative financial information in the consolidated financial statements for the year ended March 31, 2020 as referred to in para 5(a) above; and
 - c) Audited consolidated financial statements of the Company as at and for the year ended March 31, 2018, which were prepared in accordance with Indian GAAP at the relevant time which have been approved by the Board of Directors at their meeting held on June 04, 2018. The proforma consolidated summary statements for the year ended March 31, 2018 have been prepared by the Management from the audited consolidated financial statements for the year ended March 31, 2018 prepared under Indian GAAP and have been adjusted as described in Note 45 of Annexure VII to the Restated Ind-AS Consolidated Summary Statements to make them compliant with recognition and measurement under Ind AS.
6. For the purpose of our examination, we have relied on the Auditors' reports issued by us, dated May 13, 2020, June 21, 2019 and June 04, 2018 on the consolidated financial statements of the Company as at and for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018 as referred in Paragraph 5 (a), (b) and (c) above.
7. As indicated in our audit reports referred in paragraph 6, we did not audit the financial statements of Happiest Minds Technologies Share Ownership Plans Trust ('ESOP Trust') whose share of total assets, total net assets, total revenues, net cash inflows and share of loss as included in the consolidated financial statements, for the relevant years is tabulated below, which has been audited by other auditor, R S T & Co. (the 'Other Auditor') and whose reports have been furnished to us by the Company's Management. Our opinion on the consolidated financial statements, in so far as it related to amounts and disclosures included in respect of the ESOP Trust was solely on the reports of the Other Auditor:

(Rs. in millions)

Particulars	As at/for the year ended March 31, 2020	As at/for the year ended March 31, 2019	As at/for the year ended March 31, 2018
Total Assets	106.8	51.7	56.6
Total Net Assets	105.1	36.3	11.5
Total Revenue	-	-	-
Net Cash inflows	25.0	3.5	2.5
Share of loss	(0.5)	(0.2)	(0.02)

The Other Auditor of the ESOP Trust as mentioned above, have examined the restated financial information of the ESOP Trust included in these Restated Consolidated Financial Information and have confirmed that the restated financial information of the ESOP Trust:

- (i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2019 and March 31, 2018 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed for the year ended March 31, 2020;
 - (ii) does not contain any qualifications requiring adjustments; and
 - (iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report of the ESOP Trust submitted by the Other Auditor for the respective years, we report that the following summarised financial information of the Group is contained in Restated Ind-AS Consolidated Summary Statements, which as stated in the Annexure V to this report, have been arrived after making adjustments and regrouping/reclassifications described in Annexure VI – Statement of Restatement Adjustments to consolidated audited financial statements, read with paragraph 8(e) below:
- a. The Restated Consolidated Summary Statement of Assets and Liabilities of the Group as at March 31, 2020, 2019 and 2018, as set out in Annexure I to this report;
 - b. The Restated Consolidated Summary Statement of Profit and Losses of the Group for each of the years ended March 31, 2020, 2019 and 2018, as set out in Annexure II to this report;
 - c. The Restated Consolidated Summary Statement of Cash Flows of the Group for each of the years ended March 31, 2020, 2019 and 2018, as set out in Annexure III to this report;
 - d. The Restated Consolidated Statement of Changes in Equity of the Group for each of the years ended March 31, 2020, 2019 and 2018, as set out in Annexure IV to this report; and
 - e. Based on the above and according to the information and explanations given to us, we further report that the Restated Ind-AS Consolidated Summary Statements of the Group, as attached to this report and as mentioned in paragraphs 8(a) to 8(d) above, read with basis of preparation and respective significant accounting policies given in Annexure V as described in paragraph 1a have been prepared in accordance with the Act, ICDR Regulations, Guidance Note; and these Restated Ind-AS Consolidated Summary Statements:
 - i. have been prepared after incorporating adjustments for the changes in accounting policies, and regrouping/reclassifications retrospectively in the financial years ended March 31, 2019 and 2018 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2020;
 - ii. have been prepared after incorporating proforma adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2018 as described in Note 45 of Annexure VII to the Restated Ind-AS Consolidated Summary Statements;
 - iii. have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;
 - iv. there are no qualifications in the auditors' reports on the audited consolidated financial statements of the Company as at March 31, 2020, 2019 and 2018 and for each of the years ended March 31, 2020, 2019 and 2018 which require any adjustments to the Restated Ind-AS Consolidated Summary Statements.

- v. There are no material errors for the financial years ended March 31, 2019 and 2018, hence, no adjustments are required to be made with respect to the financial years ended March 2019 and March 2018.
9. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31, 2020. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to March 31, 2020.
10. The Restated Ind-AS Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the audited consolidated financial statements mentioned in paragraph 6 above.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the consolidated financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the proposed Offer. Our report should not be used, referred to, or distributed for any other purpose.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sumit Mehra
Partner
Membership No: 096547
UDIN: 20096547AAAAAO1744

Place: Bengaluru
Date: May 29, 2020

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)
(All amounts in INR Millions unless otherwise stated)

Annexure I

Restated Consolidated Summary Statement of Assets and Liabilities

	Notes	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 Proforma
Assets				
Non current assets				
Property, plant and equipment	3	9.3	21.4	26.4
Capital work in progress	3	-	-	1.4
Goodwill	4	61.0	173.6	296.1
Other intangible assets	4	7.2	19.6	79.3
Right-of-use assets	5	300.6	396.5	548.4
Intangibles assets under development	4	1.7	1.7	-
Financial assets				
i. Loans	6	76.7	61.8	58.5
ii. Other financial assets	7	36.8	23.9	18.5
Income tax assets (net)	8	133.5	92.0	58.4
Other assets	9	3.3	4.8	4.0
Total non-current assets		630.1	795.3	1,091.0
Current assets				
Financial assets				
i. Investments	11	833.7	981.5	1,386.2
ii. Trade receivables	12	1,148.7	1,292.7	943.7
iii. Cash and cash equivalents	13	435.3	262.7	165.2
iv. Loans	6	10.0	7.7	27.3
v. Other financial assets	7	1,917.7	709.1	114.1
Other assets	9	106.0	86.2	142.4
Total current assets		4,451.4	3,339.9	2,778.9
Total assets		5,081.5	4,135.2	3,869.9
Equity and liabilities				
Equity				
Equity share capital	14	87.9	59.7	37.5
Instruments entirely in the nature of equity	15	363.4	223.0	222.9
Other equity	16	2,201.8	(943.2)	(1,349.2)
Equity attributable to equity holders of the parent		2,653.1	(660.5)	(1,088.8)
Non-controlling interest		-	-	-
Total equity		2,653.1	(660.5)	(1,088.8)
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	17	13.2	85.0	148.3
ii. Lease liabilities	18	173.1	296.4	431.4
Provisions	19	125.5	94.0	81.2
Deferred tax liability	10	-	-	12.3
Total non-current liabilities		311.8	475.4	673.2
Current liabilities				
Contract liability	20	81.8	106.7	54.7
Financial liabilities				
i. Borrowings	17	691.6	601.2	685.5
ii. Lease Liabilities	18	181.6	158.2	145.6
iii. Trade payables	21			
(A) Total outstanding due to micro enterprises and small enterprises		1.2	4.0	3.8
(B) Total outstanding due to creditors other than micro enterprises and small enterprises.		343.0	283.8	246.0
iv. Other financial liabilities	22	639.7	2,993.0	3,000.8
Provisions	19	124.6	99.8	82.0
Other current liabilities	23	53.1	73.6	67.1
Total current liabilities		2,116.6	4,320.3	4,285.5
Total liabilities		2,428.4	4,795.7	4,958.7
Total equity and liabilities		5,081.5	4,135.2	3,869.9

The above Statement should be read with the Annexure V - Significant accounting policies to Restated Consolidated Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Consolidated Financial Statements and Annexure VII - Notes to Restated Consolidated Summary Statements.

As per our report of even date

for S.R. Batliboi & Associates LLP

ICAI Firm's Registration Number : 101049W/E300004
Chartered Accountants

for and on behalf of the Board of Directors:

Happiest Minds Technologies Limited
CIN : U72900KA2011PLC057931

per Sumit Mehra
Partner
Membership no.: 096547
Place: Bengaluru, India
Date: May 29, 2020

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 29, 2020
Venkatraman Narayanan
Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 29, 2020

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)
(All amounts in INR Millions unless otherwise stated)

Annexure II

Restated Consolidated Summary Statement of Profits and Loss

		For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018 Proforma
Income				
Revenue from contracts with customers	24	6,982.1	5,903.6	4,628.9
Other income	25	160.2	114.5	262.3
Total income		7,142.3	6,018.1	4,891.2
Expenses				
Employee benefits expense	26	4,412.3	3,850.5	3,568.7
Depreciation and amortisation	27	202.3	247.8	207.5
Finance cost	28	80.2	159.4	99.5
Other expenses	29	1,598.8	1,504.8	1,246.3
Total expenses		6,293.6	5,762.5	5,122.0
Restated profit/ (loss) before exceptional items and tax		848.7	255.6	(230.8)
Exceptional Items - Impairment of goodwill	30	112.6	125.8	-
Restated profit/ (loss) before tax		736.1	129.8	(230.8)
Current tax	31	17.2	-	-
Adjustment of tax relating to earlier period		1.8	-	-
Deferred tax charge/ (credit)		-	(12.3)	(6.1)
Restated profit/ (loss) for the year		717.1	142.1	(224.7)
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translating the financial statements of a foreign operation		(1.2)	10.8	1.4
Net movement on effective portion of cash flow hedges		(96.7)	25.2	(27.7)
Income tax effect	31	-	-	-
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		(97.9)	36.0	(26.3)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Re-measurement gains/ (losses) on defined benefit plans		(13.9)	(4.5)	(1.2)
Income tax effect	31	-	-	-
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		(13.9)	(4.5)	(1.2)
Other comprehensive income/(loss) for the year, net of tax		(111.8)	31.5	(27.5)
Total comprehensive income / (loss) for the year		605.3	173.6	(252.2)
Restated Profit/ (Loss) for the year		717.1	142.1	(224.7)
Attributable to:				
Owners of the Company		717.1	142.1	(224.7)
Non-controlling interests		-	-	-
Total comprehensive income /(loss) for the year		605.3	173.6	(252.2)
Attributable to:				
Owners of the Company		605.3	173.6	(252.2)
Non-controlling interests		-	-	-
Restated Earnings per equity share				
Basic, computed on the basis of profit for the year attributable to equity holders of the parent	32	7.04	1.89	(3.13)
Diluted, computed on the basis of profit for the year attributable to equity holders of the parent	32	5.36	1.16	(3.13)

The above Statement should be read with the Annexure V - Significant accounting policies to Restated Consolidated Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Consolidated Financial Statements and Annexure VII - Notes to Restated Consolidated Summary Statements.

As per our report of even date

for S.R. Batliboi & Associates LLP

ICAI Firm's Registration Number : 101049W/E300004
Chartered Accountants

for and on behalf of the Board of Directors:

Happiest Minds Technologies Limited
CIN : U72900KA2011PLC057931

per Sumit Mehra
Partner
Membership no.: 096547
Place: Bengaluru, India
Date: May 29, 2020

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 29, 2020

Venkatraman Narayanan
Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 29, 2020

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)
(All amounts in INR Millions unless otherwise stated)

Annexure III

Restated Consolidated Summary Statement of Cash Flows

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018 Proforma
Operating activities			
Restated Profit/ (Loss) before tax	736.1	129.8	(230.8)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	202.3	247.8	207.5
(Gain)/ loss on disposal of property, plant and equipment, net	-	0.5	(2.3)
Share-based payment expense	26.6	60.3	18.0
Gain on investment carried at fair value through profit and loss	(12.1)	(65.9)	(13.1)
Gain on sale of investment carried at fair value through profit and loss	(45.5)	(11.3)	(79.5)
Transaction cost on investment in subsidiary	-	-	11.8
Interest income	(46.6)	(29.6)	(11.6)
ESOP liability write back	-	-	(21.6)
Marked-to-Market gain on forward Contracts	-	-	0.3
Impairment of goodwill	112.6	125.8	-
Unrealised foreign exchange (gain)/ loss	(17.3)	84.0	12.6
Fair value loss/(gain) on Compulsary convertible preference shares	-	-	(73.1)
Gain on Sub-Leasing the premises	-	(4.3)	-
Impairment loss	76.2	56.1	85.5
Acquisition related receivables written off	-	16.6	-
Finance costs	80.2	159.4	99.5
Operating cash flow before working capital changes	1,112.5	769.2	3.2
Movements in working capital:			
(Increase)/ decrease in trade receivables	135.2	(434.3)	(204.5)
(Increase)/ decrease in loans	(10.5)	14.9	(61.6)
(Increase)/ decrease in non-financial assets	(18.9)	55.6	48.7
(Increase)/ decrease in financial assets	(277.6)	(81.9)	244.2
Increase/ (decrease) in trade payables	47.7	38.1	45.3
Increase/ (decrease) in financial liabilities	197.6	158.8	(11.8)
Increase/ (decrease) in provisions	42.4	26.2	21.1
Increase/ (decrease) in contract liabilities	(24.9)	52.0	34.9
Increase/ (decrease) in other non-financial liabilities	(20.8)	11.2	(18.1)
	1,182.7	609.8	101.4
Income tax paid	(60.5)	(33.6)	2.0
Net cash flows from operating activities	(A) 1,122.2	576.2	103.4
Investing activities			
Purchase of property, plant and equipment	(4.6)	(7.9)	(11.3)
Proceeds from subleasing the premises	7.5	2.5	-
Purchase of intangible assets	(6.7)	(2.4)	(13.5)
Proceeds from sale of property, plant and equipment	-	0.8	5.1
Investment in bank deposit	(976.9)	(495.7)	-
Purchase of investment in subsidiary	-	-	(270.0)
Payment for acquisition of business of Cupola technology private limited	-	-	(69.5)
Payment for acquisition of business of OSS cube solutions limited	-	-	(193.5)
Proceeds from sale of mutual funds (net)	205.4	481.9	277.5
Interest received	37.9	18.1	6.7
Net cash flows used in investing activities	(B) (737.4)	(2.7)	(268.5)
Financing activities			
Repayment of long-term borrowings	(75.5)	(74.7)	216.4
Proceeds/ (Repayment) of short-term borrowings (net)	143.0	(237.8)	229.6
Payment of principal portion of lease liabilities	(171.0)	(148.7)	(123.8)
Payment of interest portion of lease liabilities	(41.4)	(54.9)	(51.6)
Proceeds from exercise of share options	44.2	(17.7)	23.7
Proceeds from issue of Compulsory convertible preference share	-	2.1	16.8
Interest paid	(32.7)	(56.7)	(47.9)
Net cash flows from/ (used) in financing activities	(C) (133.4)	(588.4)	263.2
Net increase in cash and cash equivalents	251.4	(14.9)	98.1
Net foreign exchange difference	21.2	12.5	(2.6)
Cash and cash equivalents at the beginning of the year	162.7	165.1	69.6
Cash and cash equivalents at the end of the year	435.3	162.7	165.1
Components of cash and cash equivalents			
Balance with banks			
- on current account	143.1	245.2	129.2
- in EEFC accounts	192.2	17.5	36.0
Deposits with original maturity of less than three months	100.0	-	-
Less : Bank overdraft	-	(100.0)	(0.1)
Total cash and cash equivalents	435.3	162.7	165.1

The above Statement should be read with the Annexure V - Significant accounting policies to Restated Consolidated Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Consolidated Financial Statements and Annexure VII - Notes to Restated Consolidated Summary Statements.

As per our report of even date

for S.R. Batliboi & Associates LLP

ICAI Firm's Registration Number : 101049W/E300004

Chartered Accountants

for and on behalf of the Board of Directors:

Happiest Minds Technologies Limited

CIN : U72900KA2011PLC057931

per Sumit Mehra
Partner
Membership no.: 096547
Place: Bengaluru, India
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Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
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Venkatraman Narayanan
Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 29, 2020

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)
(All amounts in INR Millions unless otherwise stated)

Annexure IV
Restated Consolidated Summary Statement of Changes in Equity

a) (I) Equity share capital

	No of Shares	Amount
Class A Equity shares (with voting rights)		
Equity shares of INR 2 each issued, subscribed and fully paid		
At April 1, 2017 (Proforma)	302,090	0.6
Issued during the year - refer note (i) below	673,805	1.3
Issue of shares by trust - refer note (ii) below	4,392,257	8.8
Class B non-voting Equity Shares converted to Class A Equity Shares - refer note (iii) below	13,387,215	26.8
At March 31, 2018 (Proforma)	18,755,367	37.5
Issued during the year	-	-
Issue of shares by trust - refer note (iv) below	751,831	1.5
Change on account of modification of ESOP - refer note (v) below	10,326,054	20.7
At March 31, 2019	29,833,252	59.7
Increase during the year - refer note (vi) below	12,225,000	24.5
Issue of shares by trust - refer note (vii) below	1,840,925	3.7
At March 31, 2020	43,899,177	87.9

(i) During the year ended March 31, 2018, the Company had issued 667,625 no of shares of face value of INR. 2 each at a premium of INR. 24 each, 1,625 no of shares of face value of INR. 2 each at a premium of INR. 3 each, and 4,555 no of shares of face value of INR 2 each at a premium of INR.1 each for the year ended March 31, 2018 pursuant to board resolution dated October 25, 2017.

(ii) During the year ended March 31, 2018, Employee Benefit Trust (EBT) had issued 4,392,257 shares to the employees on exercise of employee option plan.

(iii) During the year ended March 31, 2018, the Company had converted 13,387,215 no. of Class B Equity shares (without voting rights) of face value of INR. 2 each to 13,387,215 no. of Class A equity shares (with voting rights) of face value of INR. 2 each.

(iv) During the year ended March 31, 2019 Employee Benefit Trust (EBT) has issued 751,831 equity shares to the employees on exercise of Employee Stock Option Plan.

(v) As per Employee share option plan (ESOP) in case of resignation of the employee, the employee is mandatorily required to surrender all the shares exercised pursuant to ESOP to the Company. The Company in its Board meeting held in January 2019, passed a resolution modifying the terms of ESOP with effect from March 31, 2019. Pursuant to modification in ESOP the employees who have completed vesting condition are allowed to retain the shares acquired pursuant to ESOP.

(vi) During the year ended March 31, 2020, Series A 14% Non Cumulative compulsorily convertible preference ('CCPS') shares holder has converted 75,000 CCPS into equity at an ratio of 1:163.

(vii) During the year ended March 31, 2020 Employee Benefit Trust (EBT) has issued 1,840,925 equity shares to the employee on exercise of employee stock option plan.

a) (II) Class B Equity shares (without voting rights)

Equity share capital of INR 2 each, fully paid up, with non voting rights		
As at April 01, 2017 (Proforma)	13,387,215	26.8
Increase during the year	-	-
Class B non-voting Equity Shares converted to Class A Equity Shares - refer note (i) below	(13,387,215)	(26.8)
As at March 31, 2018 (Proforma)	-	-

(i) During the year ended March 31, 2018, the Company has converted 1,33,87,215 no of Class B Equity shares (without voting rights) of face value of INR 2 each to 1,33,87,215 no of Class A equity shares (with voting rights) of face value of INR 2 each.

b) Instruments entirely in the nature of equity

	No of Shares	Amount
Series A 14% Non Cumulative compulsorily convertible preference shares of INR 652 each		
At April 1, 2017 (Proforma)	340,417	222.0
Issued during the year - refer note (i) below	1,468	0.9
At March 31, 2018 (Proforma)	341,885	222.9
Issued during the year - refer note (ii) below	188	0.1
At March 31, 2019	342,073	223.0
Increase on account of modification of CCPS - refer note (iii) and (iv) below	290,272	189.3
Conversion into equity shares during the year - refer note (a) (I) (vi) above	(75,000)	(48.9)
At March 31, 2020	557,345	363.4

(i) During the year ended March 31, 2018, the Company had allotted 1,468 CCPS of face value INR 652 each, at a premium of INR 10,758/- for cash pursuant to board resolution dated May 26, 2017.

(ii) During the year ended March 31, 2019, the Company had allotted 188 CCPS of face value INR 652 each, at a premium of INR 10,758/- for cash pursuant to board resolution dated April 25, 2018.

(iii) On March 25, 2020, CMDDB II has waived its right for exit option including the buyback for 167,173 CCPS. Upon waiver of rights, the existing CCPS classified as liability is treated as instrument entirely in nature of equity. These CCPS on date of modification is accounted at fair value. There is no gain/loss on derecognition of liability.

(iv) On July 1, 2019, Intel Capital Corporation ('Intel') has entered into a share purchase agreement with Mr. Ashok soota, pursuant to which Intel has sold 123,099 CCPS to Mr. Ashok soota, Upon such transfer, the existing Cumulative compulsorily convertible preference shares ('CCPS') classified as liability is now treated as instruments entirely in the nature of equity.

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Annexure IV
Restated Consolidated Summary Statement of Changes in Equity

c) Other equity

	Attributable to the equity holders of the parent					Total	Non-controlling interest	Total equity
	Reserves and Surplus		Other equity					
	Securities premium (Note 16)	Retained earnings (Note 16)	Share options outstanding reserve (Note 16)	Foreign currency translation reserve (Note 16)	Cash flow hedge reserve (Note 16)			
As at April 01, 2017 (Proforma)	1,639.9	(2,853.5)	-	-	26.20	(1,187.4)	-	(1,187.4)
Restated loss for the year	-	(224.7)	-	-	-	(224.7)	-	(224.7)
Other comprehensive income recognised directly in retained earnings	-	(1.2)	-	-	-	(1.2)	-	(1.2)
Net movement on effective portion of cash flow hedges	-	-	-	-	(27.7)	(27.7)	-	(27.7)
Exchange difference on translation of foreign operations	-	-	-	1.4	-	1.4	-	1.4
Total comprehensive income	-	(225.9)	-	1.4	(27.7)	(252.2)	-	(252.2)
Increase during the year	82.8	-	-	-	-	82.8	-	82.8
Exercise of share option by employees	7.6	-	-	-	-	7.6	-	7.6
As at March 31, 2018 (Proforma)	1,730.3	(3,079.4)	-	1.4	(1.5)	(1,349.2)	-	(1,349.2)
Restated Adjustments - refer note (i) below	(78.5)	78.50	-	-	-	-	-	-
As at April 1, 2018	1,651.8	(3,000.9)	-	1.4	(1.5)	(1,349.2)	-	(1,349.2)
Restated profit for the year	-	142.1	-	-	-	142.1	-	142.1
Other comprehensive income recognised directly in retained earnings	-	(4.5)	-	-	-	(4.5)	-	(4.5)
Net movement on effective portion of cash flow hedges	-	-	-	-	25.2	25.2	-	25.2
Exchange difference on translation of foreign operations	-	-	-	10.8	-	10.8	-	10.8
Total comprehensive income	-	137.6	-	10.8	25.2	173.6	-	173.6
Increase during the year	2.0	-	-	-	-	2.0	-	2.0
Transfer from Employee Stock Option Plan (ESOP) liability on account of modification of ESOP - refer note (a) (I) (v) above	206.4	-	24.0	-	-	230.4	-	230.4
As at March 31, 2019	1,860.2	(2,863.3)	24.0	12.2	23.7	(943.2)	-	(943.2)

	Attributable to the equity holders of the parent					Non-controlling interests	Total equity	
	Reserves and Surplus		Other equity					Total
	Securities premium (Note 16)	Retained earnings (Note 16)	Share options outstanding reserve (Note 16)	Foreign currency translation reserve (Note 16)	Cash flow hedge reserve (Note 16)			
As at March 31, 2019	1,860.2	(2,863.3)	24.0	12.2	23.7	(943.2)	-	(943.2)
Restated profit for the year	-	717.1	-	-	-	717.1	-	717.1
Other comprehensive income recognised directly in retained earnings	-	(13.9)	-	-	-	(13.9)	-	(13.9)
Net movement on effective portion of cash flow hedges	-	-	-	-	(96.7)	(96.7)	-	(96.7)
Exchange difference on translation of foreign operations	-	-	-	(1.2)	-	(1.2)	-	(1.2)
Total comprehensive income	-	703.2	-	(1.2)	(96.7)	605.3	-	605.3
Increase during the year	24.5	-	-	-	-	24.5	-	24.5
Exercise of share option by employees	40.5	-	-	-	-	40.5	-	40.5
Transferred to retained earnings for vested options forfeited	-	5.2	(5.2)	-	-	-	-	-
Change on account of modification of preference shares - refer note (b) (iii) and (b) (iv) above	2,448.1	-	-	-	-	2,448.1	-	2,448.1
Reduction of capital - refer note (ii) below	(1,595.2)	1,595.2	-	-	-	-	-	-
Employee stock compensation expense	-	-	26.6	-	-	26.6	-	26.60
As at March 31, 2020	2,778.1	(559.7)	45.4	11.0	(73.0)	2,201.8	-	2,201.8

Note

(i) The Company has availed exemption for recording liabilities arising from share based payment transactions that were settled before the date of transition. For the purpose of Restated Consolidated Summary Statements transition date is April 1, 2017 and transition date for audited consolidated financial statement is April 1, 2018. The cost for the employees who exited during the financial year 2017-18 and settled by ESOP trust or are allowed to retain the shares has not been considered for the purpose of retained earning and security premium in audited consolidated financial statements as on April 1, 2018.

Impact of cumulative adjustment on application of Ind AS till March 31, 2018 from Proforma Ind AS transition date of April 1, 2017 are adjusted to align with the opening balance of each reserves on Ind AS on transition date of 01 April 2018 as per audited consolidated financial statements. This adjustment is as per Guidance Note on Report in Company Prospectuses (Revised 2019) issued by the ICAI.

(ii) The Parent Company had filed for capital reduction through National Company Law Tribunal ("NCLT") and received an order on November 5, 2019 for writing off the accumulated losses of the Parent Company being the debit balance of profit and loss Account as appearing in the Standalone Financial Statement of the Parent entity as at March 31, 2018 prepared under previous GAAP ("Indian GAAP") with securities premium. The accumulated losses of the Parent Company as at March 31, 2018 is INR 1,723.3 and during the year ended March 31, 2019 the Parent Company has earned a profit of INR 128.1 under Indian GAAP and the accumulated balance in profit and loss account as at March 31, 2019 was INR 1,595.2. This balance has been written off in the current year.

The above Statement should be read with the Annexure V - Significant accounting policies to Restated Consolidated Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Consolidated Financial Statements and Annexure VII - Notes to Restated Consolidated Summary Statements.

As per our report of even date

for S.R. Batliboi & Associates LLP
ICAI Firm's Registration Number : 101049W/E300004
Chartered Accountants

for and on behalf of the Board of Directors:
Happiest Minds Technologies Limited
CIN : U72900KA2011PLC057931

per Sumit Mehra
Partner
Membership no.: 096547
Place: Bengaluru, India
Date: May 29, 2020

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 29, 2020
Venkatraman Narayanan
Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 29, 2020

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

Corporate Information

Happiest Minds Technologies Limited (formerly Happiest Minds Technologies Private Limited) ("Happiest Minds" or "the Company" or "the Parent Company") together with its subsidiary (collectively "the Group") is engaged in a next generation IT solutions & services Company, enabling organizations to capture the business benefits of emerging technologies of cloud computing, social media, mobility solutions, business intelligence, analytics, unified communications and internet of things. The Group offers high degree of skills, IPs and domain expertise across a set of focused areas that include Digital Transformation & Enterprise Solutions, Product Engineering, Infrastructure Management, Security, Testing and Consulting. The Group focuses on industries in the Retail/CPG, BFSI, Travel & Transportation, Manufacturing and Media space. Happiest Minds Provide a Smart, Secure and Connected Experience to its Customers. In the Solution space, focus areas are Security, M2M and Mobility solutions.

The Company is incorporated and domiciled in India and has a branch office at United States of America, United Kingdom, Australia, Canada, Netherland, Singapore, Malaysia and Dubai. The registered office of the Company is situated at #53/1-4, Hosur Main Road, Madivala (next to Madivala Police Station) Bangalore 560068. On May 20, 2020, the Registrar of Companies, Bengaluru, has accorded their approval to change the name of the Company from Happiest Minds Technologies Private Limited to Happiest Minds Technologies Limited and granted it status of public company as per the Companies Act, 2013.

The Group's Restated Consolidated Summary Statements for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (Proforma) were authorised by Board of Directors for issue on May 29, 2020.

1 Basis of preparation of Restated Consolidated Summary Statements

a) Basis of preparation

The Restated Consolidated Summary Statements of the Company and its Subsidiary (together known as the "Group") comprise of the Restated Consolidated Statement of Assets and Liabilities as at March, 2020, March 31, 2019, March 31, 2018 (Proforma), the related Restated Consolidated Summary Statements of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Summary Statements of Changes in Equity and the Restated Consolidated Summary Statements of Cash Flows for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (Proforma), and the Summary of Significant Accounting Policies and explanatory notes (collectively, the 'Restated Consolidated Summary Statements' or 'Statements'). These Statements have been prepared by the Management for the purpose of preparation of the restated financial statements as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed initial public offering of equity shares of face value of ₹2 each of the Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (the "Offer"), prepared by the Group in terms of the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time; and
- (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

The Restated Consolidated Summary Statements have been compiled from :

- Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2020, which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 13, 2020;
- Audited Consolidated Financial Statements of the Company as at and for the year ended March 31, 2019, which were prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") at the relevant time which have been approved by the Board of Directors at their meeting held on June 21, 2019. The Management of the Company has adjusted financial information for the year ended March 31, 2019 included in such Indian GAAP consolidated financial statements using recognition and measurement principles of Ind AS and has included such adjusted financial information as comparative financial information in the consolidated financial statements for the year ended March 31, 2020 ; and
- Audited Consolidated Financial Statements of the Company as at and for the year ended March 31, 2018, which were prepared in accordance with Indian GAAP at the relevant time which have been approved by the Board of Directors at their meeting held on June 04, 2018. The proforma consolidated summary statements for the year ended March 31, 2018 have been prepared by the Management from the Audited Consolidated Financial Statements for the year ended March 31, 2018 prepared under Indian GAAP and have been adjusted as described in Note 45 of Annexure VII to the Restated Ind-AS Consolidated Summary Statements to make them compliant with recognition and measurement under Ind AS.

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

1 Basis of preparation of Restated Consolidated Summary Statements (continued)

a) Basis of preparation (continued)

The proforma consolidated summary statements of the Group as at and for the year ended 31 March 2018, is prepared in accordance with requirements of SEBI Circular and the Guidance Note. For the purpose of Proforma FS for the year ended 31 March 2018 (Proforma) the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1 April 2018. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the proforma consolidated summary statements for the year ended 31 March 2018 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. 1 April 2018). The basis of preparation for specific items where exemptions has applied are as follows:

Property Plant & Equipment, Intangible assets and Investment Property- As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP as 'deemed cost' at 1 April 2017 for all the items of property, plant & equipment. For the purpose of proforma consolidated summary statements for the year ended 31 March 2018, the Group has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back. Similar approach has been followed with respect to intangible assets and investment property.

The difference between equity balance computed under proforma consolidated summary statements for the year ending March 31, 2018 (i.e. equity under Indian GAAP adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2018, with adjusted impact due to Ind-AS principles applied on proforma basis) and equity balance computed in opening Ind AS balance sheet as at transition date (i.e. April 01, 2018), prepared for filing under Companies Act, 2013. has been adjusted as a part of restated adjustments and carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013.

The consolidated financial statements for the year ended March 31, 2020 are the first consolidated financial statements the Group has prepared in accordance with Ind AS. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which is considered as the previous GAAP, for purposes of Ind AS 101. Refer to Note 45 to of Restated Consolidated Summary Statements for detailed information on how the Group transitioned to Ind AS.

This note provides a list of the significant accounting policies adopted in the preparation of these Restated Consolidated Summary Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

These Restated Consolidated Summary Statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Group's annual reporting date, March 31, 2020

The Restated Consolidated Summary Statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

- a) Defined benefit plan - plan assets measured at fair value
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- c) Derivative financial instruments
- d) Employee share based payments - cash settled transactions - refer note 2 (m)

b) Functional currency and presentation currency

These Restated Consolidated Summary Statements are presented in India Rupee (INR), which is also functional currency of the Parent Company. All the values are rounded off to the nearest millions upto one decimal (INR 000,000.0) unless otherwise indicated.

c) Use of estimates and judgements

In preparing of these Restated Consolidated Summary Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and liabilities at the date of the Restated Consolidated Summary Statements and reported amounts of income and expenses during the period. Actual results may differ from these estimates.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding estimate. Changes in estimate are reflected in the Restated Consolidated Summary Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Restated Consolidated Summary Statements.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Restated Consolidated Summary Statements is included in the following notes :

- Note 2(c) and 2(d)- Useful life of property, plant and equipment and intangible assets;
- Note 2(g) - Lease classification;
- Note 2(h) - Financial instrument; and
- Note 2(l)- Measurement of defined benefit obligations: key actuarial assumptions.

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

1 Basis of preparation of Restated Consolidated Summary Statements (continued)

c) Use of estimates and judgements (continued)

Assumption and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March, 2020 is included in the following notes:

- Note 2(e) - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 2(n)- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 2(h) - Impairment of financial assets;
- Note 2(p) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and
- Note 2(i) - Fair value measurement.

d) Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

e) Basis of Consolidation

The Restated Consolidated Summary Statements comprise the financial statements of the Parent Company and its subsidiary as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Consolidated Summary Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Consolidated Summary Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Consolidated Summary Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Restated Consolidated Summary Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)*(All amounts in INR Millions unless otherwise stated)***Annexure V****Significant accounting policies to Restated Consolidated Summary Statements****1 Basis of preparation of Restated Consolidated Summary Statements (continued)****e) Basis of Consolidation (continued)**

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Consolidated Summary Statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Consolidated Summary Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in statement of profit and loss. Any investment retained is recognised at fair value.

The subsidiary companies which are included in the consolidation and the Company's holdings therein are as under:

Name of Company (Nature of business)	Country of incorporation	Ownership interest as at 31, March 2020	Ownership interest as at 31, March 2019	Ownership interest as at 31, March 2018
Happiest Minds Technologies LLC, (IT services)	United States of America	100%	100%	100%

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these Restated Consolidated Summary Statements.

a Revenue recognition

The Group derives revenue primarily from rendering engineering services and sale of licenses. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. The Group is a principal in rendering engineering services and agent in relation to sale of licences. Amounts disclosed as revenue are net of trade allowances, rebates and Goods and Services tax (GST), amounts collected on behalf of third parties and includes reimbursement of out-of-pocket expenses, with corresponding expenses included in cost of revenues.

Revenue from the rendering of services and sale of licence is recognised when the Group satisfies its performance obligations to its customers as below:

Rendering of engineering services

Revenues from engineering services comprise primarily income from time-and-material and fixed price contracts. Revenue with respect to time-and-material contracts is recognised over the period of time as the related services are performed. Revenue with respect to fixed price contracts where performance obligation is transferred over time and where there is no uncertainty as to measurability or collection of consideration is recognised in accordance with the proportionate performance method. The input (efforts expended) method has been used to measure progress towards completion, as there is a direct relationship between input and productivity. Provisions for estimated losses on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. In determining the transaction price for rendering of engineering services, the Group considers the effect of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customers if any. Revenue is recognised net of trade and cash discounts.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

a Revenue recognition (continued)

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of licences

The Group is a reseller for sale of right to use licences and acting as agent in the arrangement. The revenue for sale of right to use licence is recognised at point in time when control on use of licence is transferred to the customer.

Contract balances

Contract assets: The Group classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current asset. Trade receivables and unbilled revenue is presented net of impairment.

Contract liabilities: A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend. Dividend income is included under the head "Other income" in the statement of profit and loss account.

b Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other expenses.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure V**Significant accounting policies to Restated Consolidated Summary Statements****2 Significant accounting policies (continued)****b Business Combination (continued)**

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in statement of profit and loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

c Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet on the basis of historical cost. For the transition to Ind AS, the Group has elected to continue with the carrying value for all of its property, plant and equipment recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as at the date of transition.

Capital work in progress is stated at cost, net of accumulated impairment loss if any.

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalisation criteria's are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Subsequent costs related to an item of property, plant and equipment are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in statement of profit and loss during the reporting period when they are incurred.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Property, plant and equipment individually costing Rs.5,000 or less are depreciated at 100% in the year in which such assets are ready to use.

Depreciation is calculated using the straight-line method over their estimated useful lives as follows:

The estimates of useful lives of tangible assets are as follows:

Class of asset	Useful life as per Schedule II	Useful life as per Group
Furniture and fixtures	10 years	5 years
Office equipment	5 years	4 years
Computer systems	6 years for server 3 years for other than server	2.5-3 years

Leasehold improvements are amortised over the period of the lease or life of the asset whichever is less.

The useful lives have been determined based on technical evaluation done by the management's expert which in certain instances are different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure V**Significant accounting policies to Restated Consolidated Summary Statements****2 Significant accounting policies (continued)****d Intangible assets**

The Group has restated its business combination from April 01, 2017 resulting into restatements of Goodwill, customer relationships, trademark and non-compete (Refer note 43). For all other intangible assets, the Group has elected to continue with the carrying value for all of its Intangible assets recognised as of April 01, 2018 (date of transition to Ind AS) measured as per the previous GAAP and use that carrying value as its deemed cost as at the date of transition.

Goodwill

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Group of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Asset	Life in Years
Computer software	2.5-3 years
Non compete fees	3 years
Customer relations	3 years
Trade mark	3 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Subsequent costs related to Intangible assets are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

e Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

e Impairment of non-financial assets (continued)

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

f Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g Leases

The Group has lease contracts for various items of computers, vehicles and buildings used in its operations. Lease terms generally ranges between 3 and 10 years.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2 (e) for policy on impairment of non-financial assets.

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

g Leases (continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Sublease

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If the sublease is classified as a finance lease, the original lessee derecognises the right-of-use asset on the head lease at the sublease commencement date and continues to account for the original lease liability in accordance with the lessee accounting model.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Lease and non-lease component

As per Ind AS 116, "As a practical expedient, a lessee may elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component."

The Group have not opted for this practical expedient and have accounted for Lease component only.

Extension and termination option

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Management have not considered any future cash outflow for which they are potentially exposed arising due to extension and termination options.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease, otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

h Financial Instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Non-derivative financial instruments :

a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 12.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

h Financial Instruments (continued)

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Reclassification of financial assets

The Group determines classification of financial assets on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

h Financial Instruments (continued)

Impairment of financial assets (continued)

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.

b) Financial Liabilities :

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 17.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group current has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

h Financial Instruments (continued)

Derivative financial instruments :

Initial recognition and subsequent measurement :

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The Group designates certain foreign exchange forward and interest rate swaps as cash flow hedges with an intention to hedge its existing liabilities and highly probable transaction in foreign currency. When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the Statement of Profit and Loss.

Compulsory convertible preference shares

Compulsory convertible preference shares (CCPS) are classified as a liability or equity components based on the terms of the contract and in accordance with Ind AS 32 (Financial instruments: Presentation). CCPS issued by the Group classified as equity is carried at its transaction value and shown within "other equity". CCPS issued by the Company classified as liability is initially recognised at fair value (issue price). Subsequent to initial recognition, such CCPS is fair valued through the statement of profit or loss. On modification of CCPS from liability to equity, the CCPS is recorded at the fair value of CCPS classified as equity and the difference in fair value is recorded as a gain/ loss on modification in the statement of profit or loss.

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Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

i Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Summary Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Restated Consolidated Summary Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

j Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Restated Consolidated Summary Statements of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

k Foreign currency translation

Functional and presentation currency

Items included in the Restated Consolidated Summary Statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Restated Consolidated Summary Statements are presented in Indian rupee (Rs.), which is functional and presentation currency of the Parent Company

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

-Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

k Foreign currency translation (continued)

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 1 2018), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

l Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Other long-term employee benefit obligations

The liabilities for leave balance are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans - gratuity, and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

1 Employee Benefits (continued)

Defined contribution plan

Retirement benefit in the form of provident fund scheme, Social security, National Insurance, Superannuation, Medicare schemes are the defined contribution plans. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.

m Employee share based payments

Certain employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

As per Employee share option plan ("ESOP") in case of resignation of the employee, the employee is mandatory required to surrender all the shares exercised pursuant to ESOP plan to the Company. The Parent Company in its Board meeting held in January 2019, passed a resolution modifying the terms of ESOP with effect from March 31, 2019. Pursuant to modification in ESOP the employees is allowed to hold retain the shares acquired pursuant to ESOP plan.

Cash-settled transactions:

The Stock option plan of the Group, up to March 31, 2019 is classified as cash settled transaction based on the constructive obligation for settlement of option in cash.

The cost of cash-settled transactions is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

Modification of plan:

The right for cash settlement of option is removed with effect from April 1, 2019 resulting into modification in plan from Cash settled to Equity settled transaction. The modification is accounted as per below principals:

- The equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date i.e. April 1, 2019.
- The liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date.
- The difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in profit or loss.

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using a black Scholes model except for the option on date of modification of plan from cash settled to equity settled transaction (refer modification of plan).

That cost is recognised, together with a corresponding increase in employees stock option reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefit expenses.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

n Taxation

Income tax comprises of current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in the other comprehensive income.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

In the situations where one or more entities in the group are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in statement of profit and loss.

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

n Taxation (continued)

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

o Treasury shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Parent Company from the employees and Parent Company, for giving shares to employees. The Group treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity share capital. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in ESOP liability / securities premium. Share options exercised during the reporting period are satisfied with treasury shares.

p Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for warranty

As per the terms of the contracts, the Group provides post-contract services / warranty support to some of its customers. The Group accounts for the post-contract support / provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates. The estimate of such warranty-related costs is revised annually.

Contingent Liabilities: A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses it in the Restated Consolidated Summary Statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

q Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Group has identified three reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Refer note 41 for segment information.

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Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

r Earnings/(Loss) per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of Parent Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period (including treasury share).

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent Group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions and CCPS during the year.

Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

s Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations ,or
- Is a subsidiary acquired exclusively with a view to resale

Additional disclosure are provided in note 44.

t Critical estimates and judgements

The preparation of the Restated Consolidated Summary Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The areas involving significant estimates or critical judgements are:

Annexure V

Significant accounting policies to Restated Consolidated Summary Statements

2 Significant accounting policies (continued)

Significant estimates

(i) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligations are given in Note 33.

(ii) Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

(iii) Impact of pandemic

The outbreak of Coronavirus (COVID-19) has been declared as a pandemic by the World Health Organisation has significantly impacted life and businesses around the globe. Governments across the world including India have taken drastic measures to contain the outbreak and has implemented a nation-wide lockdown.

The Group is engaged in the business of providing IT services including digital solutions, around product engineering, cloud, analytics, automation, infrastructure management, security, automated testing, etc. to enterprises across the world. The Group's customers are spread across geographies including the US, Europe, Asia and India.

The Group has carried out an assessment of recoverability of its assets, by considering internal and external information up to the date of approval of these financial statements. Substantial portion of its revenues are earned from offshore business being delivered from India; there is adequate working capital, customer demand and cost control measures have been undertaken by the Group. Accordingly the impact of pandemic on the Group's business stands fairly mitigated.

The impact of this pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes future economic conditions and continually assesses its impact including taking appropriate steps to mitigate the same.

Critical judgements

(i) Deferred taxes

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all the deductible temporary differences, carry forward of unused tax credits and unused tax losses, however the same is restricted to the extent of the deferred tax liabilities unless it is probable that sufficient taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. In the absence of reasonable certainty over recoverability of deferred taxes on carry forward losses no deferred tax assets have been recognised up to March 31, 2020. Also refer Note 10.

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Annexure VI

Part A: Statement of Restatement Adjustments to Audited Consolidated Financial Statements

Reconciliation between audited profit and restated profit

	March 31, 2020	March 31, 2019	March 31, 2018
Audited total comprehensive income /(loss)	605.3	182.7	(197.6)
Adjustment for conversion from IGAAP to Ind AS / Proforma Ind AS	-	(9.1)	(54.6)
Restatement adjustments	-	-	-
Restated total comprehensive income / (loss)	605.3	173.6	(252.2)

Reconciliation between audited equity and restated equity

	March 31, 2020	March 31, 2019	March 31, 2018	April 01, 2017
A. Audited equity	2,653.1	2,067.8	1,853.6	2,039.5
B. Adjustment for conversion from IGAAP to Ind AS / Proforma Ind AS	-	(2,728.3)	(2,942.4)	(2,977.9)
C. Material restatement adjustments				
(i) Audit qualifications	-	-	-	-
(ii) Other material adjustments				
Change in accounting policies	-	-	-	-
Other adjustments	-	-	-	-
Total (C)	-	-	-	-
C. Total Equity as Restated Summary Statement of Assets and Liabilities (A+B+C)	2,653.1	(660.5)	(1,088.8)	(938.4)

Note :

The consolidated audited financial statements of the Company as at and for the year ended March 31, 2019 and March 31, 2018 were prepared in accordance with accounting principles generally accepted in India including the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP"). The same has been converted into Ind AS to conform with the accounting policies generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, Read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. For further details, refer Note 45 for Ind AS adjustments of total comprehensive income for year ending March 31, 2019 and March 31, 2018 (proforma) and for Equity as at March 31, 2019, March 31, 2018 (Proforma) and April 01, 2017 (proforma). Refer Annexure IV (c) (i) for change in equity balance as at March 31, 2018 and April 01, 2018 on account of proforma adjustments.

Part B: Non-adjusting events

Audit qualifications for the respective years, which do not require any adjustments in the restated summary statements are as follows:

1 Annexure to auditor's report for the financial year ended March 31, 2020

Clause (vii) (a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of exercise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

2 There are no audit qualification in auditor's report for the financial year ended March 31, 2019

3 There are no audit qualification in auditor's report for the financial year ended March 31, 2018

Part C: Material regrouping

Appropriate regroupings have been made in the Restated Consolidated Summary Statements of assets and liabilities, profit and loss and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Ind AS financial information of the Company for the year ended March 31, 2020 respectively prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Annexure VII

Notes to Restated Consolidated Summary Statements

3 Property, plant and equipment

	Computer Systems	Office equipment	Furniture and fixtures	Leasehold improvements	Total	Capital work-in-progress (CWIP)
Gross carrying amount						
Deemed cost						
As at April 01, 2017 (Proforma)	15.6	11.2	2.1	1.5	30.4	-
Additions	7.3	2.6	-	-	9.9	1.4
Pursuant to acquisition of business (Refer note 43)	1.6	0.7	1.0	-	3.3	-
Disposals	-	-	-	-	-	-
As at March 31, 2018 (Proforma)	24.5	14.5	3.1	1.5	43.6	1.4
Additions	4.9	0.4	0.1	2.5	7.9	-
Transfers from CWIP	-	-	-	1.4	1.4	(1.4)
Disposals	-	-	-	-	-	-
As at March 31, 2019	29.4	14.9	3.2	5.4	52.9	-
Additions	2.3	1.7	0.3	0.3	4.6	-
Disposals	(0.3)	-	-	-	(0.3)	-
As at March 31, 2020	31.4	16.6	3.5	5.7	57.2	-
Accumulated depreciation						
As at April 01, 2017 (Proforma)	-	-	-	-	-	-
Charge for the year	10.0	5.0	1.1	1.1	17.2	-
Disposals	-	-	-	-	-	-
As at March 31, 2018 (Proforma)	10.0	5.0	1.1	1.1	17.2	-
Charge for the year	8.0	4.1	0.9	1.3	14.3	-
Disposals	-	-	-	-	-	-
As at March 31, 2019	18.0	9.1	2.0	2.4	31.5	-
Charge for the year	10.8	3.7	0.7	1.5	16.7	-
Disposals	(0.3)	-	-	-	(0.3)	-
As at March 31, 2020	28.5	12.8	2.7	3.9	47.9	-
Net book value						
As at April 01, 2017 (Proforma)	15.6	11.2	2.1	1.5	30.4	-
As at March 31, 2018 (Proforma)	14.5	9.5	2.0	0.4	26.4	1.4
As at March 31, 2019	11.4	5.8	1.2	3.0	21.4	-
As at March 31, 2020	2.9	3.8	0.8	1.8	9.3	-

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Annexure VII

Notes to Restated Consolidated Summary Statements

4 Intangible Assets *

	Goodwill (Note 1)	Other intangible assets				Total	Intangibles assets under development
		Trademark	Customer relationships	Non-compete	Computer software		
Gross carrying amount							
Deemed cost							
As at April 01, 2017 (Proforma)	-	-	-	-	4.3	4.3	2.8
Additions	-	-	-	-	13.5	13.5	0
Transfers from intangible assets under development	-	-	-	-	2.8	2.8	(2.8)
Pursuant to acquisition of business (Refer note 43)	295.8	4.4	78.9	5.6	6.3	391.0	-
Exchange difference	0.3	0.0	0.4	0.0	0.0	0.8	-
As at March 31, 2018 (Proforma)	296.1	4.4	79.3	5.6	26.9	412.4	-
Additions	-	-	-	-	0.7	0.7	1.7
Exchange difference	2.9	0.3	3.2	0.3	-	6.7	-
As at March 31, 2019	299.0	4.7	82.5	5.9	27.6	419.8	1.7
Additions	-	-	-	-	6.7	6.7	-
As at March 31, 2020	299.0	4.7	82.5	5.9	34.3	426.5	1.7
Accumulated amortisation							
As at April 01, 2017 (Proforma)	-	-	-	-	-	-	-
Charge for the year	-	1.5	24.7	1.8	8.9	36.9	-
Exchange difference	-	0.0	0.1	0.0	-	0.1	-
As at March 31, 2018 (Proforma)	-	1.5	24.8	1.8	8.9	37.0	-
Charge for the year	-	3.1	46.0	3.5	10.6	63.2	-
Exchange difference	(0.4)	0.1	0.8	0.1	-	0.6	-
Impairment charge	125.8	-	-	-	-	125.8	-
As at March 31, 2019	125.4	4.7	71.6	5.4	19.5	226.6	-
Charge for the year	-	-	10.6	0.5	8.0	19.1	-
Impairment charge	112.6	-	-	-	-	112.6	-
As at March 31, 2020	238.0	4.7	82.2	5.9	27.5	358.3	-
Net book value							
As at April 01, 2017 (Proforma)	-	-	-	-	4.3	4.3	2.8
As at March 31, 2018 (Proforma)	296.1	2.9	54.5	3.8	18.0	375.4	-
As at March 31, 2019	173.6	-	10.9	0.5	8.1	193.2	1.7
As at March 31, 2020	61.0	-	0.3	-	6.8	68.2	1.7

*The Group has restated its business combination from April 01, 2017 resulting into restatements of goodwill, customer relationships and non-compete (refer note 43). For all other intangible assets, the Group has elected to continue with the carrying value for all of its intangible assets recognised as of April 01, 2018 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

Note 1:

The goodwill of INR 188.7 relates to Business acquisition from OSS Cube Solutions Limited, INR 46.3 relates to Business acquisition of OSS cube LLC and INR 61.1 relates to the business acquisition from Cupola Technology Private Limited. The Group have allocated the goodwill to these identified Cash Generating Units ("CGUs"). The Group tests whether goodwill has suffered any impairment on an annual basis. From the current and previous financial year, the recoverable amount of the CGU was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five year period.

The following table sets out the key assumption for these Cash Generating Units ("CGU") :

	OSS Cube			Cupola		
	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2020	March 31, 2019	March 31, 2018
Discount rate	16.64%	16.78%	16.79%	16.64%	17.66%	17.67%
Long term growth rate	2.00%	2.00%	2.00%	4.00%	4.00%	4.00%
Sales growth	5.00%	20.00%	20.00%	10.00%	15.00%	15.00%

The discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU.

The Group have recognised the goodwill impairment of INR 112.6 (FY 2018-19: INR 125.8, FY 2017-18: INR: Nil) relating to OSS Cube Solutions Limited and OSS Cube LLC. If the discount rate would have been higher by 1%, the Group would have had to recognise an additional impairment against the carrying amount of Goodwill of INR :Nil (FY 2018-19: INR :10.3 ; FY 2017-18: INR :Nil).

There is no impairment noted in the Cupola CGU based on the assessment performed by the management. Management has performed sensitivity analysis around the base assumption and have concluded that no reasonable possible change in key assumptions would cause the recoverable amount of the Cupola CGU lower than the carrying amount of CGU.

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Notes to Restated Consolidated Summary Statements

5 Right-of-use assets

	Computer systems	Buildings	Motor vehicles	Total
As at April 01, 2017 (Proforma)	52.1	284.5	20.5	357.1
Additions	16	270.7	6.7	293.4
Acquired on Business Transfer (refer note 43)	-	54.1	-	54.1
Deletions	-	-	(2.8)	(2.8)
Depreciation	(35.2)	(109.9)	(8.3)	(153.4)
As at March 31, 2018 (Proforma)	32.9	499.4	16.1	548.4
Additions	25.5	-	-	25.5
Deletions	-	(5.8)	(1.3)	(7.1)
Depreciation	(28.4)	(135.1)	(6.8)	(170.3)
As at March 31, 2019	30.0	358.5	8.0	396.5
Additions	66.3	4.3	-	70.6
Deletions	-	-	-	-
Depreciation	(29.1)	(132.4)	(5.0)	(166.5)
As at March 31, 2020	67.2	230.4	3.0	300.6

Non-cash investing and financing activities disclosed in other notes are :

- (i) Acquisition of right-of-use assets - Amounts recognised in the balance sheet - Right-of-use assets - refer note 5
- (ii) Acquisition of right-of-use assets - Amounts recognised in the balance sheet - Lease liabilities - refer note 18

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Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure VII
Notes to Restated Consolidated Summary Statements
6 Loans
Carried at amortised cost

(unsecured, considered good, unless otherwise stated)

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Non-current			
Loans considered good - Unsecured			
Security deposit	76.7	61.8	58.5
Loans - credit impaired			
Security deposit	-	0.2	-
	76.7	62.0	58.5
Less: Allowance for credit impaired loans	-	(0.2)	-
	76.7	61.8	58.5
Current			
Loans considered Good - Unsecured			
Loan to employees	6.4	4.1	3.4
Security deposit	3.6	3.6	23.9
Loans - credit impaired			
Security deposit	51.1	46.9	47.9
	61.1	54.6	75.2
Less: Allowance for credit impaired loans	(51.1)	(46.9)	(47.9)
	10.0	7.7	27.3

7 Other financial assets
(a) Other financial assets carried at amortised cost

(unsecured, considered good, unless otherwise stated)

Non-current

Fixed deposit with maturity of more than 12 months	18.3	1.7	3.3
Margin money deposits - refer note (i) below	18.5	21.6	15.2
Net Investment in Sublease of ROU Asset	-	0.6	-
	36.8	23.9	18.5

(i) Margin money deposit is used to secure:

Term loan - RBL bank	13.5	13.5	13.5
Guarantees given	5.0	8.1	1.7

Current

Fixed deposit with maturity of more than 12 months	1018.533	135.1	3.759
Margin money deposits - refer note (i) below	442.2	362.2	2.743
Acquisition related receivables	-	-	16.5
Interest accrued on fixed deposit	7.1	5.5	0.4
Unbilled revenue	447.1	173	82.4
Other receivables	0.2	2.3	1.6
Net Investment in Sublease of ROU Asset	0.7	7.1	-
	1,915.8	685.2	107.4
Unbilled revenue - Credit impaired	9.1	3.5	1.7
Less: Allowance for credit impaired loans	(9.1)	(3.5)	(1.7)
	1,915.8	685.2	107.4

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure VII
Notes to Restated Consolidated Summary Statements
(i) The above deposit is used to secure:

Working capital facility and bank overdrafts	360.0	360.0	-
MTM shortfall	4.0	-	-
Guarantees given	78.2	2.2	2.7

The table below provides details regarding the contractual maturities of lease receivables for the year ended March 31, 2019 and March 31, 2020 and reconciliation of undiscounted lease receivables to Net investment.

	For the year ended	
	March 31, 2020	March 31, 2019
Within one year	0.7	7.4
Within 1 to 2 year	-	0.6
Within 2 year and above	-	-
Total undiscounted payments receivables (A)	0.7	8.0
Unearned finance income (B)	0.0	0.3
Net investment (A-B)	0.7	7.7

(b) Derivative instruments carried at fair value through OCI

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Cash flow hedges			
Foreign currency forward contracts	0.5	22.4	6.7
Interest rate Swaps	1.4	1.5	-
	1.9	23.9	6.7
Total current financial assets	1,917.7	709.1	114.1

8 Income tax assets (net)

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Non - current			
Income tax assets (net)	133.5	92.0	58.4
	133.5	92.0	58.4

9 Other assets

Unsecured, considered good, unless otherwise stated

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Non - current			
Prepaid expenses	3.3	1.3	0.5
Balances with statutory / government authorities	-	3.5	3.5
	3.3	4.8	4.0
Current			
Prepaid expenses	57.4	50.0	50.5
Balances with statutory / government authorities	25.4	20.7	50.0
Advance to employees against expenses	4.3	10.6	6.7
Advance to suppliers	18.9	4.9	35.2
	106.0	86.2	142.4

Annexure VII

Notes to Restated Consolidated Summary Statements

10 Deferred tax assets (net)

The Group has a net deferred tax assets with respect to certain timing differences. These have not been recognised as the recognition criteria have not been met in accordance with the accounting policy followed by the Group.

The Group has not recognised the net deferred tax asset on the accumulated losses as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Deferred tax assets (net)	-	-	(12.3)
	-	-	(12.3)

Reconciliation of deferred tax liabilities (net):

	Amortisation of intangibles	Fair valuation of financial instrument	Fair valuation of financial instruments and others	Total
April 01, 2017 (Proforma)	(1.3)	(13.7)	15.0	-
On acquisition of business	(18.4)	-	-	(18.4)
Tax (income)/expense during the period recognised in statement of profit and loss	(17.2)	10.1	13.2	6.1
March 31, 2018 (Proforma)	(36.9)	(3.6)	28.2	(12.3)
Tax (income)/expense during the period recognised in statement of profit and loss	25.2	(27.6)	14.7	12.3
March 31, 2019	(11.7)	(31.2)	42.9	-
Charge/ credit				
Tax (income)/expense during the period recognised in profit or loss	9.5	26.8	(36.3)	-
March 31, 2020	(2.2)	(4.4)	6.6	-

Amounts on which Deferred tax asset has not been recorded as at year end:

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Depreciation on property, plant and equipment	10.6	-	-
Impairment of goodwill	56.8	-	-
Provision for compensated absence and gratuity	178.6	36.4	78.0
Provision for bonus	(2.5)	50.5	7.5
Impairment loss allowance on trade receivables	279.5	206.5	147.7
Impairment loss allowance on unbilled revenue	9.1	3.5	1.7
Impairment loss allowance on loans	51.1	47.1	47.9
Lease liabilities and Right-of-use assets	53.8	49.9	28.6
Fair valuation of security deposit	13.3	-	-
Fair valuation of derivative instrument	73.0	-	-
Carry forward business loss and unabsorbed depreciation*	530.9	1424.4	1631.9
	1,254.2	1,818.3	1,943.3

***Tax loss and unabsorbed depreciation carry-forward for which no deferred tax assets were recorded with expiry date**

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Expiry within 1 to 5 years	375.4	1186.7	1444.4
Expiry within 6 to 8 years	155.5	151.0	77.5
Unlimited	-	86.7	110.0
	530.9	1,424.4	1,631.9

Amounts on of Deferred tax asset has not been recorded as at year end:

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Tax rate	25.17%	30.90%	30.90%
Deferred tax asset has not been recorded as at year end	315.7	561.9	600.5

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)
(All amounts in INR Millions unless otherwise stated)

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Notes to Restated Consolidated Summary Statements

11 Investments - others

Carried at fair value through statement of profit and loss

	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2020	March 31, 2019	March 31, 2018
	Proforma			Proforma		
	Units in millions	Units in millions	Units in millions	Amount	Amount	Amount
Current						
Birla Sunlife - Short term fund - Growth	-	0.8	2.0	-	58.9	135.1
Birla Sunlife - Floating rate fund short term plan - Growth	-	0.4	0.4	-	108.7	100.2
DHFL Pramerica - Short maturity fund - Growth	-	-	2.1	-	-	66.1
Franklin Templeton - TMA Super IP - Growth	*	*	*	26.9	25.2	118.0
HDFC - Banking & PSU Debt fund - Growth	-	9.5	9.5	-	145.0	135.0
HDFC - Corporate debt opportunities fund - Growth	-	5.0	7.0	-	76.2	101.4
ICICI Prudential - Flexi Income plan - Growth	-	-	0.3	-	-	100.1
ICICI Prudential - short term - Growth #	0.9	0.9	0.9	37.2	34.1	32.0
ICICI Prudential - short term fund - Growth	2.0	-	-	91.3	-	-
ICICI Prudential - Regular Savings Fund - Growth	-	1.6	1.6	-	32.1	30.0
ICICI Prudential - Savings Fund - Growth	1.1	-	-	422.7	-	-
Kotak - Low Duration fund - Growth	-	*	*	-	108.6	100.0
Kotak - Medium term fund - Growth	-	4.1	4.1	-	66.4	62.2
Kotak - Banking & PSU Debt fund - Growth	1.9	-	-	91.5	-	-
L&T - Income opportunities fund - Growth##	-	10.2	10.2	-	216.0	203.8
L&T - Banking & PSU Debt fund - Growth	9.1	-	-	164.1	-	-
L&T - Short term income fund - Growth	-	5.4	5.4	-	110.3	102.3
Reliance - Medium term fund - Growth	-	-	2.7	-	-	100.0
				833.7	981.5	1,386.2

Note:

0.9 units of mutual funds of ICICI prudential mutual fund (March 31, 2019 -0.9 Million units, April 01, 2018 - 0.9 Million units) is pledged with RBL Bank as security towards credit facilities availed by the Group.

Nil units of mutual fund units of L&T - Income opportunities fund - Growth (March 31, 2019 - 1.6 Million units, April 01, 2018 - 1.6 Million units) pledged with Kotak Mahindra Bank as Security towards credit facilities availed by the Group.

* Units are not presented as they are below the rounding off norms adopted by the Group.

Aggregate book value of quoted investments	833.7	981.5	1,386.2
Aggregate market value of quoted investments	833.7	981.5	1,386.2
Aggregate value of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-

12 Trade receivables

Carried at amortised cost

	March 31, 2020	March 31, 2019	March 31, 2018
	Proforma		
Current			
Trade receivables - others	1,148.7	1,292.7	943.7
Total trade receivables	1,148.7	1,292.7	943.7
Break-up for security details			
Secured, considered good	-	-	-
Unsecured, considered good	1277.2	1383.7	1088.2
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	151.0	115.5	3.2
	1428.2	1499.2	1091.4
Impairment allowance			
Secured, considered good	-	-	-
Unsecured, considered good	(128.5)	(91.0)	(144.5)
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	(151.0)	(115.5)	(3.2)
Trade receivables net of impairment	1,148.7	1,292.7	943.7

(i) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Trade receivables are non-interest bearing and are generally on terms of 10 to 100 days.

13 Cash and cash equivalents

	March 31, 2020	March 31, 2019	March 31, 2018
	Proforma		
Balances with banks:			
- in current accounts	143.1	245.2	129.2
- in EEFC accounts	192.2	17.5	36.0
Deposits with original maturity of less than three months	100.0	-	-
	435.3	262.7	165.2

Annexure VII

Notes to Restated Consolidated Summary Statements

14 Share Capital

A) Equity share capital

i) Authorised share capital

Class A Equity shares (with voting rights)

Equity share capital of INR 2 each

As at April 01, 2017 (Proforma)

Increase during the year

As at March 31, 2018 (Proforma)

Increase during the year

As at March 31, 2019

Increase during the year

As at March 31, 2020

Numbers	Amount
32,500,000	65.0
17,500,000	35.0
50,000,000	100.0
-	-
50,000,000	100.0
-	-
50,000,000	100.0

On April 29, 2020, the Board of Directors of the Company increased the authorised share capital of the Company to Rs. 458.6 divided into 229,300,000 equity shares of INR.2 each.

Class B Equity shares (without voting rights)

Equity share capital of INR 2 each

As at April 01, 2017

Conversion of class B share into class A share

As at March 31, 2018

Numbers	Amount
17,500,000	35.0
(17,500,000)	(35.0)
-	-

ii) Issued, subscribed and fully paid up Equity share capital

Class A Equity shares (with voting rights)

Equity share capital of INR 2 each, fully paid up, with voting rights

As at April 01, 2017 (Proforma)

Issued during the year - refer note (a) below

Issue of shares by trust - refer note (b) below

Class B non-voting Equity Shares converted to Class A Equity Shares - refer note (c) below

As at March 31, 2018 (Proforma)

Issued during the year

Issue of shares by trust - refer note (d) below

Change on account of modification of ESOP - refer note (e) below

As at March 31, 2019

Issued during the year - refer note (f) below

Issue of shares by trust - refer note (g) below

As at March 31, 2020

Numbers	Amount
302,090	0.6
673,805	1.3
4,392,257	8.8
13,387,215	26.8
18,755,367	37.5
-	-
751,831	1.5
10,326,054	20.7
29,833,252	59.7
12,225,000	24.5
1,840,925	3.7
43,899,177	87.9

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Notes to Restated Consolidated Summary Statements

14 Share Capital (continued)

	Numbers	Amount
Class B Equity shares (without voting rights)		
Equity share capital of INR 2 each, fully paid up, with non voting rights		
As at April 01, 2017 (Proforma)	13,387,215	26.8
Increase during the year	-	-
Class B non-voting Equity Shares converted to Class A Equity Shares - refer note (c) below	(13,387,215)	(26.8)
As at March 31, 2018 (Proforma)	-	-

(a) During the year ended March 31, 2018, the Company had issued 667,625 equity shares of face value of INR 2 each at a premium of INR 24 each, 1,625 equity shares of face value of INR 2 each at a premium of INR 3 each, and 4,555 no of shares of face value of INR. 2 each at a premium of INR.1 each for the year ended March 31, 2018 pursuant to board resolution dated October 25, 2017.

(b) During the year ended March 31, 2018, Employee Benefit Trust (EBT) had issued 4,392,257 shares to the employees on exercise of employee option plan.

(c) During the year ended March 31, 2018, the Company had converted 13,387,215 Class B Equity shares (without voting rights) of face value of INR 2 each into 13,387,215 Class A equity shares (with voting rights) of face value of INR 2 each.

(d) During the year ended March 31, 2019 Employee Benefit Trust (EBT) had issued 751,831 equity shares to the employees on exercise of employee stock option plan.

(e) As per Employee Share Option Plan ("ESOP") in case of resignation of the employee, the employee is mandatorily required to surrender all the shares exercised pursuant to ESOP to the Company. The Company in its Board meeting held in January 2019, passed a resolution modifying the terms of ESOP with effect from March 31, 2019. Pursuant to modification in ESOP the employees who have completed vesting condition are allowed to retain the shares acquired pursuant to ESOP.

(f) During the year ended March 31, 2020, Series A 14% Non Cumulative compulsorily convertible preference ('CCPS') shares holder has converted 75,000 CCPS into equity at a ratio of 1:163.

(g) During the year ended March 31, 2020 Employee Benefit Trust (EBT) had issued 1,840,925 equity shares to the employee on exercise of employee stock option plan.

(iii) Terms/ rights attached to equity shares

The Company had two class of equity share i.e., Equity share of INR 2 each and Class B Non-voting equity shares of INR 2 each. During the year ended March 31, 2018, the Company had obtained approval of shareholders at the annual general meeting held on July 31, 2017 for conversion of Class B Non-Voting Equity shares into Equity Shares and to make it rank pari passu in all respects with the Equity Shares of the Company. The conversion was approved by Class B shareholders and the board of directors on March 22, 2017 and April 26, 2017, respectively. Accordingly, the Company had altered the Memorandum of association to have authorised share capital of 50,000,000 Equity shares of INR 2. each.

Each holder of the equity shares is entitled to one vote per share and carries a right to dividends as and when declared by the Company.

In the event of liquidation of the Company, the holders of equity shares, will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The preferential amount is the actual amount invested by shareholders who hold Series A 14% Non Cumulative compulsorily convertible preference shares.

(iv) Details of shareholders holding more than 5% shares in the Company: -

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Class A Equity shares (with voting rights)			
Equity shares of INR 2 each fully paid			
Mr. Ashok Soota (Promoter)			
No of shares	27,768,017	15,192,854	12,380,339
% of holding	63.25%	50.93%	66.01%
Mr. Vikram Gulati			
No of shares	-	-	2,812,515
% of holding	-	-	15.00%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

(v). The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the reporting date.

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Notes to Restated Consolidated Summary Statements

15 B) Instrument entirely in the nature of equity

i) Authorised share capital

Series A 14% Non Cumulative Compulsorily Convertible Preference Shares ("CCPS") of INR 652 each

	Numbers	Amount
As at April 01, 2017 (Proforma)	750,000	489.0
Increase during the year	-	-
As at March 31, 2018 (Proforma)	750,000	489.0
Increase during the year	-	-
As at March 31, 2019	750,000	489.0
Increase during the year	-	-
As at March 31, 2020	750,000	489.0

On April 29, 2020, the Board of Directors of the Company reduced the authorised share capital of the Company to Rs. 130.4 divided into 200,000 preference shares of INR.652 each.

ii) Issued, subscribed and fully paid up Non Cumulative Compulsorily Convertible Preference share capital

Series A 14% Non Cumulative Compulsorily Convertible Preference Shares ("CCPS") of INR 652 each

	Numbers	Amount
As at April 01, 2017 (Proforma)	340,417	222.0
Increase during the year - refer note (a) below	1,468	0.9
As at March 31, 2018 (Proforma)	341,885	222.9
Increase during the year - refer note (b) below	188	0.1
As at March 31, 2019	342,073	223.0
Increase during the year - refer note 15 (iii) (b) & 15 (iii) (c)	290,272	189.3
Conversion into equity shares during the year - refer note (14) (ii) (c)	(75,000)	(48.9)
As at March 31, 2020	557,345	363.4

(a) During the year ended March 31, 2018, the Company had allotted 1,468 Compulsorily Convertible Preference Shares ("CCPS") of face value INR 652 each, at a premium of INR 10,758 for cash pursuant to board resolution dated May 26, 2017.

(b) During the year ended March 31, 2019, the Company had allotted 188 Compulsorily Convertible Preference Shares ("CCPS") of face value INR 652 each, at a premium of INR 10,758 for cash pursuant to board resolution dated April 25, 2018.

(iii) Terms/ rights attached to convertible preference shares

(a) Each holder of Series A 14% Non Cumulative Compulsorily Convertible Preference Shares (CCPS) is entitled to receive a preferential non-cumulative dividend at 14% per annum on the par value of each share if declared by the board. Holders of preferential shares shall receive preferential dividend in preference to dividend payable on equity shares and shall not participate in any further dividends declared on Equity Shares. Preference shareholders are also entitled to vote in the shareholders meeting.

Holders of Series A 14% Non Cumulative Compulsorily Convertible Preference Shares (CCPS) are entitled to participate in the surplus proceeds (which is subject to a limit of two times the amount invested) from the Liquidation Event, if any, on a pro-rata basis along with all other holders of Equity Shares on a fully diluted basis.

The holders of the preference share at their option can require the Company to convert all or a part of Series A preference shares held by them into equity shares at any time during the conversion period in according to the conversion ratio defined in the agreement (i.e. 1:163).

All the preference shares shall be converted into equity shares in the ratio of 1:163 on occurrence of the following event:

- 1- On Expiry of the conversion period.
- 2- Later of (a) Date of filing Red herring prospectus with SEBI (b) Such other date as may be permitted by law in connection with Qualified IPO.
- 3- Upon the holders of a majority of the investors shares exercising the conversion right with respect to preference shares held by them.

The investors (other than promoters) have an exit option including the buyback by the Company, if the Company's securities are not listed on any stock exchange pursuant to successful Qualified IPO undertaken by the Company. Considering the investors have cash settlement alternatives which is not under the control of the Company, hence the Cumulative Compulsorily Convertible Preference Shares ("CCPS") held by the investors have been classified as liability (Refer Note 19). The Cumulative Compulsorily Convertible Preference Shares held by other than investors is classified as equity.

(b) On July 1, 2019, Intel Capital Corporation ('Intel') has entered into a share purchase agreement with Mr. Ashok soota, pursuant to which Intel has sold 123,099 Cumulative Compulsorily Convertible Preference Shares ("CCPS") to Mr. Ashok soota, Upon such transfer, the existing CCPS classified as liability is now treated as instruments entirely in the nature of equity.

(c) On March 25, 2020, CMDB II has waived its right for exit option including the buyback for 167,173 Compulsorily Convertible Preference Shares ("CCPS"). Upon waiver of rights, the existing CCPS classified as liability is treated as instrument entirely in nature of equity. These CCPS on date of modification is accounted at fair value. There is no gain/loss on derecognition of liability.

Annexure VII

Notes to Restated Consolidated Summary Statements

15 B) Instrument entirely in the nature of equity (continued)

(iv) Details of shareholders holding more than 5% shares in the Company: -*

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Series A 14% Non Cumulative Compulsorily Convertible Preference Shares			
Mr. Ashok Soota (Promoter)			
No of shares	359,601	325,761	325,761
% of holding	64.52%	95.23%	95.28%
CMDB II			
No of shares	167,173	-	-
% of holding	29.99%	-	-

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

* Excludes CCPS held by investors classified as liabilities

C) Treasury shares

	Number of shares
As at April 1, 2017 (Proforma)	7,649,880
As at March 31, 2018 (Proforma)	8,083,394
As at March 31, 2019	7,331,563
As at March 31, 2020	5,490,638

(i) For terms/ rights attached to treasury shares refer note 14 (iii) above

16 Other equity

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Securities premium account	2,778.1	1,860.2	1,651.8
Retained earnings	(559.7)	(2,863.3)	(3,000.9)
Cash flow hedge reserve	(73.0)	23.7	(1.5)
Foreign currency translation reserve	11.0	12.2	1.4
Share options outstanding reserve	45.4	24.0	-
	2,201.8	(943.2)	(1,349.2)

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
a) Securities premium account			
Opening balance	1,860.2	1,651.8	1,639.9
Increase during the year	24.5	2.0	82.8
Change on account of modification of preference shares - refer note 15 (iii) (b) & (c)	2,448.1	-	-
Exercise of share option by employees	40.5	-	7.6
Transfer from ESOP liability on account of modification of ESOP	-	206.4	-
Reduction of capital - refer note (ii) below	(1,595.2)	-	-
Restated Adjustments - refer note (i) below	-	-	(78.5)
Closing balance	2,778.1	1,860.2	1,651.8

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
b) Retained earnings			
Opening balance	(2,863.3)	(3,000.9)	(2,853.5)
Restated profit/ (loss) for the year	717.1	142.1	(224.7)
Other comprehensive income recognised directly in retained earnings	(13.9)	(4.5)	(1.2)
Reduction of capital - refer note (ii) below	1,595.2	-	-
Transferred from share option outstanding reserve for vested options forfeited	5.2	-	-
Restated Adjustments - refer note (i) below	-	-	78.5
Closing balance	(559.7)	(2,863.3)	(3,000.9)

Annexure VII

Notes to Restated Consolidated Summary Statements

16 Other equity (continued)

c) Cash flow hedge reserve

Opening balance

Net movement on effective portion of cash flow hedges - refer note 35

Closing balance

March 31, 2020	March 31, 2019	March 31, 2018 Proforma
23.7	(1.5)	26.2
(96.7)	25.2	(27.7)
(73.0)	23.7	(1.5)

d) Foreign currency translation reserve

Opening balance

Additions during the period

Closing balance

12.2	1.4	-
(1.2)	10.8	1.4
11.0	12.2	1.4

e) Share options outstanding reserve

Opening balance

Transfer from ESOP liability on account of modification of ESOP -Refer note 14 (A) (e)
Employee compensation expense for the year

Transferred to general reserve for vested options forfeited

Closing balance

24.0	-	-
-	24.0	-
26.6	-	-
(5.2)	-	-
45.4	24.0	-

Note

(i) Restated Adjustments

The Company has availed exemption for recording liabilities arising from share based payment transactions that were settled before the date of transition. For the purpose of Restated Consolidated Summary Statements transition date is April 1, 2017 and transition date for audited consolidated financial statement is April 1, 2018. The cost for the employees who exited during the financial year 2017-18 and settled by ESOP trust or are allowed to retain the shares has not been considered for the purpose of retained earning and security premium in audited consolidated financial statements as on April 1, 2018. Impact of cumulative adjustment on application of Ind AS till March 31, 2018 from Proforma Ind AS transition date of April 1, 2017 are adjusted to align with the opening balance of each reserves on Ind AS on transition date of 01 April 2018 as per Audited Consolidated Financial Statements. This adjustment is as per Guidance Note on Report in Company Prospectuses (Revised 2019) issued by the ICAI.

(i) Capital Reduction

The Parent Company had filed for capital reduction through National Company Law Tribunal ("NCLT") and received an order on November 5, 2019 for writing off the accumulated losses of the Parent Company being the debit balance of profit and loss Account as appearing in the Standalone Financial Statement of the Parent entity as at March 31, 2018 prepared under previous GAAP ("Indian GAAP") with securities premium. The accumulated losses of the Parent Company as at March 31, 2018 is INR 1,723.3 and during the year ended March 31, 2019 the Parent Company has earned a profit of INR 128.1 under Indian GAAP and the accumulated balance in profit and loss account as at March 31, 2019 was INR 1,595.2. This balance has been written off in the current year.

(ii) Nature and purpose of other reserves

a) Securities premium account

Securities premium account has been created consequent to issue of shares at premium. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

b) Retained earnings

Retained earnings comprises of prior and current year's undistributed earnings/accumulated losses after tax.

c) Cash flow hedge reserve

The Group uses foreign currency forward contracts to hedge the highly probable forecasted transaction and interest rate swaps to hedge the interest rate risk associated with foreign currency term loan. The effective portion of fair value gain/loss of the hedge instrument is recognised in the cash flow hedge reserve. Amounts recognised in the cash flow hedge reserve is reclassified to the statement of profit and loss when the hedged item affects profit or loss.

d) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to statement of profit and loss when the net investment is disposed-off.

e) Share options outstanding reserve

The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

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Notes to Restated Consolidated Summary Statements
17 Borrowings
Carried at amortised cost

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Non current			
Secured			
Foreign currency term loan from bank - refer note (i) below	92.7	157.9	216.8
	92.7	157.9	216.8
Less: Current maturity of term loans	(79.5)	(72.9)	(68.5)
	13.2	85.0	148.3
Current			
Secured			
Loans repayable on demand from banks			
Foreign currency loan (PCFC) - refer note (ii) below	691.6	501.2	685.4
Bank overdraft - refer note (iii) below	-	100.0	0.1
Total current borrowings	691.6	601.2	685.5

Notes

i) Foreign currency term loan carries a floating interest rate of 6m Libor + 3.1%. The loan is repayable in 45 equal monthly instalments from the date of its origination, viz., May 26, 2017, with a moratorium of 3 months. The loan is secured by charge on movable assets and also by lien on fixed deposit equivalent to two months instalments. Further, floating interest on loan has been hedged through USD interest rate swap resulting in a fixed interest rate of 6.5% p.a.

(ii) PCFC loan taken from Kotak Mahindra carries an interest rate ranging 4.20 % to 5.74 % p.a. (March 31, 2019 - 4.7% to 5.81% p.a ; March 31, 2018 - 3.1% to 5.3% p.a.) and is repayable on demand. PCFC loan taken from RBL carries an interest rate ranging 3.98% to 5.68% p.a. (March 31, 2019 - 4.58% to 5.68% p.a ; March 31, 2019 - 3.78 % to 5.20% p.a) and is repayable on demand.

iii) Bank overdraft is taken from Kotak Mahindra bank at 9.3% p.a and RBL at 8.85% and is repayable on demand.

iv) Short-term borrowings are fully secured by the way of mutual funds to the extent of INR30 (March 31, 2019 - INR 60.3, March 31, 2018 - INR 60.3) (refer note 11) and remaining by the way of current assets of the Group (also refer note 7).

The table below details change in the Group's liabilities arising from financing activities, including both cash and non-cash changes:

	Series A 14% Non Cumulative compulsorily convertible preference shares	Non-current borrowings	Current borrowings*
As at March 31, 2018 (Proforma)	2,585.2	216.8	685.5
Financing cash flows (net)	-	(74.7)	(137.9)
Non cash movements:			
Fair value changes	46.9	1.0	-
Foreign exchange difference	-	14.8	53.6
As at March 31, 2019	2,632.1	157.9	601.2
Financing cash flows (net)	-	(75.5)	43.0
Non cash movements:			
Fair value changes and others	5.2	1.0	-
Foreign exchange difference	-	9.4	47.4
Reclassified to equity on account of modification - refer note 15 (iii) (b) & (c)	(2,637.3)	-	-
As at March 31, 2020	-	92.8	691.6

* includes net inflow/ (outflow) pertaining to bank overdraft which is shown as a part of cash and cash equivalent for the purpose of cash flow statements.

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Notes to Restated Consolidated Summary Statements
18 Lease liabilities
Carried at amortised cost

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Non current			
Lease liabilities	354.7	454.6	577.0
	354.7	454.6	577.0
Less: Current maturity of lease liabilities	(181.6)	(158.2)	(145.6)
Total non-current lease liabilities	173.1	296.4	431.4
Current			
Lease liabilities	181.6	158.2	145.6
	181.6	158.2	145.6

The effect of adoption of Ind AS 116 is as follows;

A Impact on balance sheet (increase/(decrease))

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Assets			
Right to use assets - Also refer note 5	300.6	396.5	548.4
Net Investment in Sublease of ROU Asset	0.7	7.1	-
Equity			
Retained earnings - Also refer note 45	-	(39.3)	(32.6)
Liability			
Lease liabilities - refer note (i) below	354.7	454.6	577.0

B Impact on Statement of profit and loss (increase/(decrease))

Depreciation and amortisation	166.5	170.3	153.4
Finance cost	41.4	54.9	51.6
Other income - Finance income	(7.1)	(6.4)	(4.6)
Other income - Gain on sub-letting the premises	-	(4.3)	-
	200.8	214.5	200.4

C Impact on Statement of cash flow(increase/(decrease))

Operating lease payments	212.4	203.6	175.4
Net cashflow from operating activities	212.4	203.6	175.4
Payment of principal portion of lease liabilities	(171.0)	(148.7)	(123.8)
Payment of interest portion of lease liabilities	(41.4)	(54.9)	(51.6)
	(212.4)	(203.6)	(175.4)

(i) Movement in lease liabilities for year ended March 31, 2018, March 31, 2019 and March 31, 2020:

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Balance at beginning of the year	454.6	577	367.5
Additions	70.6	25.5	280.2
On acquisition of business	-	-	53.0
Finance cost incurred during the period - refer note 28	41.4	54.9	51.6
Payment of lease liabilities	(212.4)	(203.5)	(175.4)
Exchange difference	0.5	0.7	0.1
Balance at the end of the year	354.7	454.6	577.0

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)*(All amounts in INR Millions unless otherwise stated)***Annexure VII****Notes to Restated Consolidated Summary Statements****18 Lease liabilities (continued)**

(ii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018:

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Less than one year	209.7	198.9	195.5
One to five years	189.8	330.4	501.0
More than five years	-	-	-

(iii) The Group had total cash outflows for leases of INR 242.4 in 31 March 2020 (INR 236.6 in 31 March 2019, INR 252.2 in March 31, 2018). The Group has not made any non-cash additions to right-of-use assets and lease liabilities.

19 Provisions

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Non-current			
Provision for gratuity (Refer note 33)	125.5	94.0	81.2
	125.5	94	81.2
Current			
Provision for gratuity (Refer note 33)	24.0	22.0	12.0
Provision for compensated absence	94.1	77.1	69.3
Other provisions			
Provision for warranty	6.5	0.7	0.7
	124.6	99.8	82.0

Movement during the year - Provision for warranty

	Amount
Balance as at April 01, 2017 (Proforma)	0.6
Arising during the year	0.1
Utilised during the year	-
Balance as at March 31, 2018 (Proforma)	0.7
Arising during the year	-
Utilised during the year	-
Balance as at March 31, 2019	0.7
Arising during the year	6.0
Utilised during the year	(0.2)
Balance as at March 31, 2020	6.5

20 Contract liabilities

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Current			
Unearned revenue - refer note (i) below	81.8	106.7	54.7
	81.8	106.7	54.7

Note:

The Group have rendered the service and have recognised the revenue of INR 106.7 (March 31, 2019: INR 54.7, March 31, 2018 : INR 19.8) during the year from the unearned revenue balance at the beginning of the year. It expects similarly to recognise revenue in year 2020-21 from the closing balance of unearned revenue as at March 31, 2020.

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)*(All amounts in INR Millions unless otherwise stated)***Annexure VII****Notes to Restated Consolidated Summary Statements****21 Trade payables****Carried at amortised cost**

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Total outstanding dues of micro enterprises and small enterprises - refer note (iii) below	1.2	4.0	3.8
Total outstanding dues of creditors other than micro enterprises and small enterprises	343.0	283.8	246.0
	344.2	287.8	249.8

Terms and conditions of above trade payables:

(i) Trade payables are non-interest bearing and are normally settled on 15 to 30 days terms.

(ii) For explanation of Group's credit risk management - refer note 35.

(iii) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 refer below note.

Note:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:

Principal amount due to micro and small enterprises	1.2	3.9	3.7
Interest due on the above	-	0.1	0.1
(i) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
(ii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-	-
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	0.1	0.1
(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-	-

The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/ suppliers.

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Notes to Restated Consolidated Summary Statements
22 Other financial liabilities

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Current			
Carried at amortised cost			
Current maturity of term loan (Refer note 17)	79.5	72.9	68.5
Employee related liabilities	485.3	287.7	128.9
	564.8	360.6	197.4
Carried at fair value through Other Comprehensive Income			
Cash flow hedges			
Foreign currency forward contracts	74.9	0.2	5.0
Interest rate swaps	-	-	3.2
Total financial liabilities at fair value through Other Comprehensive Income	74.9	0.2	8.2
Carries at fair value through profit or loss			
Employee Stock Option Liability - refer note 42	-	-	210.0
Series A 14% Non Cumulative compulsorily convertible preference shares - Refer note (i) below	-	2632.2	2585.2
Total financial liabilities at fair value through profit or loss	-	2632.2	2795.2
Total other financial liabilities	639.7	2993.0	3000.8

Note

(i) As at April 1, 2018 and March 31, 2019, the Parent Company have issued 290,272 14% Non-Cumulative Preference Shares (CCPS) which are held by the investors (i.e. other than the promoters). If declared by the Board, each holder of the Series A Preference Share, shall be entitled to receive a preferential non-cumulative dividend at the rate of 14% per annum. Refer Note 14(iii)(a) for detail terms and conditions of CCPS. As per the agreement, the Parent Company is required to conduct the successful Qualified IPO within 7 years from the first closing date, the failure of which will provide the investor the right to require the Company to buy back the shares held by them at fair value. A successful Qualified IPO is not in the control of the Parent Company, hence it does not have a unconditional right to defer the settlement of preference shares beyond 7 year. The instrument is a hybrid instrument and have a embedded derivative in the form of settlement option and host non-derivative liability. The Parent Company has designated the entire instrument as fair value through profit and loss.

(ii) Pursuant to Shares Purchase Agreement dated July 1st, 2019, Mr. Ashok Soota purchased 123,099 14% Non Cumulative compulsorily convertible preference shares from Intel Capital Corporation, a delaware company. As a result of this, financial liability pertaining to 14% Non Cumulative compulsorily convertible preference shares of INR 1,116.2 have been classified as Preference share capital amounting to INR 80.2 and Security premium of INR 1,036.0.

(iii) Pursuant waiver cum amendment agreement dated March 25, 2020 to the shareholders agreement dated October 20, 2011, CMDDB II has waived off the Buy back right associated with 14% Non Cumulative compulsorily convertible preference shares of 167,133 held by them. As a result of this, financial liability pertaining to 14% Non Cumulative compulsorily convertible preference shares of INR 1,521.1, have been classified as preference share capital amounting to INR 109.0 and Security premium of INR 1,412.1, after adjusting for FY20 fair market value of INR 5.2.

23 Other liabilities

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Current			
Statutory dues payable	50.6	68.7	64.9
Other payables	2.5	4.9	2.2
	53.1	73.6	67.1

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Annexure VII

Notes to Restated Consolidated Summary Statements

24 Revenue from contracts with customers

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Sale of service	6976.0	5888.3	4602.5
Sale of licenses	6.1	15.3	26.4
	6982.1	5903.6	4628.9

24.1 Disaggregated revenue information

For the year ended March 31, 2020				
	Infrastructure Management & Security Services	Digital Business Solutions	Product Engineering Services	Total
Revenue from Infrastructure Management & Security Services	1,536.1	-	-	1,536.1
Revenue from Digital Business Solutions	-	1,916.7	-	1,916.7
Revenue from Product Engineering Services	-	-	3,529.3	3,529.3
Total revenue from contracts with customers	1,536.1	1,916.7	3,529.3	6,982.1
For the year ended March 31, 2019				
	Infrastructure Management & Security Services	Digital Business Solutions	Product Engineering Services	Total
Revenue from Infrastructure Management & Security Services	1,294.3	-	-	1,294.3
Revenue from Digital Business Solutions	-	1,809.0	-	1,809.0
Revenue from Product Engineering Services	-	-	2,800.3	2,800.3
Total revenue from contracts with customers	1,294.3	1,809.0	2,800.3	5,903.6
For the year ended March 31, 2018 (Proforma)				
	Infrastructure Management & Security Services	Digital Business Solutions	Product Engineering Services	Total
Revenue from Infrastructure Management & Security Services	986.2	-	-	986.2
Revenue from Digital Business Solutions	-	1,540.3	-	1,540.3
Revenue from Product Engineering Services	-	-	2,102.4	2,102.4
Total revenue from contracts with customers	986.2	1,540.3	2,102.4	4,628.9

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

For the year ended March 31, 2020				
	Infrastructure Management & Security Services	Digital Business Solutions	Product Engineering Services	Total
External Customer	1,536.2	1,919.6	3,535.2	6,991.0
Less : Cash Discount	(0.1)	(2.9)	(5.9)	(8.9)
Total revenue from contracts with customers	1,536.1	1,916.7	3,529.3	6,982.1
For the year ended March 31, 2019				
	Infrastructure Management & Security Services	Digital Business Solutions	Product Engineering Services	Total
External Customer	1,294.3	1,810.3	2,802.7	5,907.3
Less : Cash Discount	-	(1.3)	(2.4)	(3.7)
Total revenue from contracts with customers	1,294.3	1,809.0	2,800.3	5,903.6

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Notes to Restated Consolidated Summary Statements

	For the year ended March 31, 2018 (Proforma)			
	Infrastructure Management & Security Services	Digital Business Solutions	Product Engineering Services	Total
External Customer	990.2	1,544.5	2,107.8	4,642.5
Less : Cash Discount	(4.0)	(4.2)	(5.4)	(13.6)
Total revenue from contracts with customers	986.2	1,540.3	2,102.4	4,628.9

24.2 Contract balances as at :

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Trade receivables	1,148.7	1,292.7	943.7
Contract assets	447.1	173.0	82.4
Contract liability	81.8	106.7	54.7

24.3 Reconciling the amount of revenue recognised in the Restated Consolidated Summary Statement of Profits and Loss with the contracted price for the year ended :

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Revenue as per contract price	6,991.0	5,907.3	4642.5
Discount	(8.9)	(3.7)	(13.6)
Revenue from contract with customers	6,982.1	5,903.6	4,628.9

The Group has applied practical expedient as given in Ind AS 115 for not disclosing the remaining performance obligation for contracts that have original expected duration of one year or lesser. The Group have fixed price contracts for a period of more than one year, the remaining performance obligation for these contracts is Rs. 1,029.0 (March 31, 2019: Rs.396, March 31, 2018: Rs. 663). The revenue for remaining performance obligation is expected to be recognised over period of 1-4 years (March 31, 2019: 1-2 years, March 31, 2018: 1-2 years).

25 Other income

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Interest income on:			
Deposits with bank	36.9	22.5	1.7
Financial instrument measured at amortised cost	7.1	6.4	4.6
Income tax refund	2.6	-	5.4
Others	-	0.7	-
	46.6	29.6	11.7
Fair value gain on investment measured at FVTPL	12.1	65.9	13.1
Gain on sale of investments measured at FVTPL	45.5	11.3	79.5
Profit on sale of property, plant and equipment	-	-	2.3
Liability for ESOP written back	-	-	21.6
Fair valuation gain of compulsory convertible preference shares	-	-	73.1
Exchange gain	51.8	-	58.2
Gain on sub-letting the premises	-	4.3	-
Miscellaneous income	4.2	3.4	2.8
	113.6	84.9	250.6
	160.2	114.5	262.3

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure VII
Notes to Restated Consolidated Summary Statements
26 Employee benefits expense

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Salaries, wages and bonus	4,108.9	3,544.4	3,320.0
Contribution to provident fund	190.5	170.7	166.7
Employee stock compensation expense	26.6	60.3	18.0
Gratuity expense - refer note 32	31.7	30.3	25.1
Compensated absences	38.2	29.3	23.4
Staff welfare expenses	16.4	15.5	15.5
	4,412.3	3,850.5	3,568.7

27 Depreciation and amortisation expense

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Depreciation of property, plant and equipment - refer note 3	16.7	14.3	17.2
Amortisation of intangible assets - refer note 4	19.1	63.2	36.9
Depreciation of right-of-use assets - refer note 5	166.5	170.3	153.4
	202.3	247.8	207.5

28 Finance costs

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Interest expense on:			
Borrowings	33.6	57.6	47.9
Lease liabilities	41.4	54.9	51.6
Fair value loss on compulsory convertible preference shares	5.2	46.9	-
	80.2	159.4	99.5

29 Other expenses

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Power and fuel	44.9	39.1	43.3
Subcontractor charges	727.1	644.2	379.2
Repairs and maintenance			
- Buildings	19.3	17.0	22.4
- Equipments	2.5	4.1	4.4
- Others	40.4	22.7	21.9
Rent expenses - Refer note ii below	30.0	33.1	76.8
Advertising and business promotion expenses	26.3	30.8	35.4
Commission	18.6	24.0	29.0
Communication costs	28.9	26.9	35.4
Insurance	3.6	2.6	3.2
Legal and professional fees - Refer note i below	114.0	46.2	59.9
Loss on property, plant and equipment sold / scrapped, net	-	0.5	-
Software license cost	123.8	140.9	140.6
Rates and taxes	3.1	3.1	6.1
Warranty expense	6.0	-	-
Recruitment charges	23.0	26.3	20.9
Exchange loss	-	88.6	-
Impairment Loss allowance on trade receivables	70.6	58.0	45.2
Impairment loss allowance / (write back) on loans	-	(3.7)	46.1
Impairment loss allowance/ (write back) on unbilled revenue	5.6	1.8	(5.4)
Acquisition related receivables written off	-	16.5	-
Corporate Social Responsibility (CSR) expenditure - Refer note 37	2.1	0.5	1.5
Transaction cost on acquisition of business	-	-	11.8
Travelling and conveyance	291.0	255.4	244.4
Miscellaneous expenses	18.0	26.2	24.2
	1,598.8	1,504.8	1,246.3

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure VII
Notes to Restated Consolidated Summary Statements
i) Payment to auditors:

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
As auditor:			
Audit fee	3.0	2.0	1.8
Tax audit fee	0.3	0.1	0.1
In other capacity			
Certification fees	0.3	0.5	0.2
Reimbursement of expenses	0.2	0.2	0.2
	3.8	2.8	2.3

(ii) Rent expense recorded under other expenses are lease rental for short-term leases
30 Exceptional items

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Impairment of goodwill - refer note 4	112.6	125.8	-
	112.6	125.8	-

31 Income tax expense/(income)

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
a) Restated Consolidated Summary Statement of Profits and Loss			
Current tax	17.2	-	-
Adjustment of tax relating to earlier periods	1.8	-	-
Deferred tax credit	-	(12.3)	(6.1)
Income tax expense/(income)	19.0	(12.3)	(6.1)

b) Statement of other comprehensive income

On remeasurement of defined benefit obligation	-	-	-
	-	-	-

Reconciliation of tax expense and tax based on accounting profit:

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Profit/(loss) before income tax expense	736.1	129.8	(230.8)
Tax at the Indian tax rate of 25.17% (March 31, 2019 : 30.90% ; 2018: 30.90%)	185.3	40.1	(71.3)
Tax effect of:			
Items permanently disallowed under income tax act			
Utilisation of previous year losses for which no deferred tax was created	(226.0)	(63.9)	-
Deferred tax not recognised on current year losses	1.1	-	57.9
Deferred tax not recognised on current year temporary difference	32.4	(22.2)	30.9
Effect on change in rates	22.5	-	-
Others	3.7	33.7	(23.6)
Income tax expense/(income)	19.0	(12.3)	(6.1)

The Group elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised Provision for Income Tax for the year and re-measured its Deferred tax basis the rate prescribed in the said section.

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Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)
(All amounts in INR Millions unless otherwise stated)

Annexure VII

Notes to Restated Consolidated Summary Statements

32 Earnings per share ['EPS']

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
The following reflects the income and share data used in the basic and diluted EPS computations:			
Profit after tax attributable to equity holders of the Parent Company (a) (INR in million)	717.1	142.1	(224.7)
Weighted average number of shares outstanding during the year for basic EPS (b)	101,792,647	75,175,235	71,887,974
Weighted average number of shares outstanding during the year for diluted EPS (c)	133,688,639	122,969,980	119,539,456
Basic Earning per share (in INR.) (a/b)	7.04	1.89	(3.13)
Diluted Earnings per share (in INR.) (a/c)*	5.36	1.16	(3.13)
*Investor preference shares outstanding as at March 31, 2018 and Equity shares held by employees under ESOP scheme classified as liability are antidilutive in nature and accordingly, have not been considered for the purpose of dilutive EPS.			
Equity shares reconciliation for EPS			
Equity shares outstanding	30,971,750	19,419,435	16,177,108
CCPS convertible into Equity shares	70,820,897	55,755,800	55,710,866
Total considered for Basic EPS	101,792,647	75,175,235	71,887,974
Add: ESOP options / CCPS	31,895,992	47,794,745	47,651,482
Total considered for diluted shares	133,688,639	122,969,980	119,539,456

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Annexure VII

Notes to Restated Consolidated Summary Statements

33 Employee benefits plan

(i) Defined contribution plans - Provident Fund

The Group makes contributions for qualifying employees to provident fund and other defined contribution plans. During the year, the Group recognised INR 190.5 (March 31, 2019 : INR. 170.7, March 31, 2018 : INR 166.7) towards defined contribution plans.

(ii) Defined benefit plans (funded):

The Group provides for gratuity for employees in India as per the Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan of the Group is funded with Life Insurance Corporation of India ('LIC').

Gratuity is a defined benefit plan and Group is exposed to the Following Risks:

Interest risk	A decrease in the bond interest rate will increase the plan liability.
Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

	As at		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Current (refer note 19)	24.0	22.0	12.0
Non-current (refer note 19)	125.5	94.0	81.2
	149.5	116.0	93.2

The following table sets out movement in defined benefits liability and the amount recognised in the financial statements:

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2018:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 1, 2017 (Proforma)	66.5	3.4	63.1
Amount recognised in profit or loss			
Current Service cost	20.9	-	20.9
Net interest expense/(income)	4.4	0.2	4.2
Total amount recognised in profit or loss	25.3	0.2	25.1
Liability acquired on acquisition	14.4	-	14.4
Benefits paid	(10.4)	(10.4)	-
Remeasurement			
Return on plan assets	-	-	-
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(1.9)	-	(1.9)
Experience adjustments	3.0	-	3.0
Total amount recognised in other comprehensive income	1.1	-	1.1
Contributions by employer	-	10.5	(10.5)
As at March 31, 2018 (Proforma)	96.9	3.7	93.2

Annexure VII

Notes to Restated Consolidated Summary Statements

33 Employee benefits plan - continued
(ii) Defined benefit plans (funded) - continued

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2019:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 1, 2018	96.9	3.7	93.2
Amount recognised in profit or loss			
Current Service cost	23.6	-	23.6
Net interest expense/(income)	7.0	0.3	6.7
Total amount recognised in profit or loss	30.6	0.3	30.3
Benefits paid	(11.9)	(11.9)	-
Remeasurement			
Return on plan assets	-	(0.1)	0.1
Actuarial changes arising from changes in demographic assumptions	(5.0)	-	(5.0)
Actuarial changes arising from changes in financial assumptions	4.8	-	4.8
Experience adjustments	4.6	-	4.6
Total amount recognised in other comprehensive income	4.4	(0.1)	4.5
Contributions by employer	-	12.0	(12.0)
As at March 31, 2019	120.0	4.0	116.0

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2020:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 1, 2019	120.0	4.0	116.0
Amount recognised in profit or loss			
Current Service cost	23.9	-	23.9
Net interest expense/(income)	8.1	0.3	7.8
Total amount recognised in profit or loss	32.0	0.3	31.7
Benefits paid	(11.9)	(11.9)	-
Remeasurement			
Return on plan assets	-	(0.1)	0.1
Actuarial changes arising from changes in demographic assumptions	12.7	-	12.7
Actuarial changes arising from changes in financial assumptions	(11.8)	-	(11.8)
Experience adjustments	12.9	-	12.9
Total amount recognised in other comprehensive income	13.8	(0.1)	13.9
Contributions by employer	-	12.0	(12.0)
As at March 31, 2020	153.9	4.3	149.6

The major categories of plan assets of the fair value of the total plan assets are as follows:

	As at		
	March 31, 2020	March 31, 2019	March 31, 2018
			Proforma
Insurance fund	4.4	4.1	3.7
Total	4.4	4.1	3.7

Annexure VII

Notes to Restated Consolidated Summary Statements

33 Employee benefits plan - continued
(ii) Defined benefit plans (funded) - continued

The principal assumptions used in determining defined benefit obligations (gratuity) for the Group's plans are shown below:

	As at		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Discount rate	5.76%	6.76%	7.18%
Expected return on plan assets	5.76%	6.76%	7.18%
Future salary increases	3.00% p.a. for the next 2 years, 6.00% p.a. for the next 2 years, starting from the 3rd year 9.00 p.a. thereafter, starting from the 5th year	9.00%	8.00%
Employee turnover	19.70%	28.00%	23.00%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumptions are as shown below:

	Sensitivity Level	As at		
		March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Discount rate	1% increase	(6.5)	(3.4)	(3.5)
	1% decrease	7.1	3.7	3.8
Future salary increase	1% increase	7.0	1.8	3.8
	1% decrease	(6.5)	(3.4)	(3.5)
Attrition rate	1% increase	(1.7)	(1.2)	(1.1)
	1% decrease	1.8	1.2	1.1

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The following payments are expected cash flows to the defined benefit plan in future years:

Expected contributions to defined benefits plan for the year ended March 31, 2020 is INR 89.9 (March 31, 2019 : INR 79.2, March 31, 2018 : INR 73). The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2019: 4 years, March 31, 2018: 4 years). The expected maturity analysis of undiscounted gratuity is as follows:

	As at		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Within the next 12 months	25.0	25.2	15.1
Between 2 and 5 years	77.4	74.7	56.8
Between 6 and 10 years	57.1	37.3	39.2
Beyond 10 years	48.1	14.2	22.9

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Notes to Restated Consolidated Summary Statements

34 Fair value measurement

i) The carrying value of financial assets by categories is as follows:

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Measured at fair value through other comprehensive income (FVOCI)			
Foreign currency forward contracts	0.5	22.4	6.7
Interest rate swaps	1.4	1.5	-
Total financial assets measured at FVOCI	1.9	23.9	6.7
Measured at fair value through statement of profit and loss (FVTPL)			
Investment in mutual funds	833.7	981.5	1,386.2
Total financial assets measured at FVTPL	833.7	981.5	1,386.2
Measured at amortised cost			
Security deposits	80.3	65.4	82.4
Loans to employees	6.4	4.1	3.4
Other financial assets - others	1,952.6	709.1	125.93
Trade receivables	1,148.7	1,292.7	943.7
Cash and cash equivalents	435.3	262.7	165.2
Total financial assets measured at amortised cost	3,623.3	2,334.0	1,320.6
Total financial assets	4,458.9	3,339.4	2,713.5

ii) The carrying value of financial liabilities by categories is as follows:

Measured at fair value through statement of profit and loss (FVTPL)			
Series A 14% Non Cumulative Compulsorily Convertible Preference Shares ("CCPS")	-	2,632.2	2,585.2
Employees stock option liability	-	-	210.0
Total financial assets measured at FVTPL	-	2,632.2	2,795.2
Measured at fair value through statement of Other comprehensive income (FVOCI)			
Foreign currency forward contracts	74.9	0.2	5.0
Interest rate swaps	-	-	3.2
Total financial assets measured at FVOCI	74.9	0.2	8.2
Total financial liabilities measured at fair value	74.9	2,632.4	2,803.4
Measured at amortised cost			
Foreign currency term loan	92.7	157.9	216.8
Lease liabilities	354.7	454.6	577.0
Bank overdraft and cash credit	691.6	601.2	685.5
Trade payables	344.2	287.8	249.8
Other financial liabilities	485.3	287.7	128.9
Total financial liabilities measured at amortised cost	1,968.5	1,789.2	1,858.0
Total financial liabilities	2,043.4	4,421.6	4,661.4

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Notes to Restated Consolidated Summary Statements

34 Fair value measurement (continued)

iii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Quoted prices in active market	Significant observable inputs	Significant Un- observable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
As at March 31, 2020				
Financial assets and liabilities measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	0.5	-	0.5
Interest rate swaps	-	1.4	-	1.4
Measured at fair value through statement of profit and loss (FVTPL)				
Investment in mutual funds	833.7	-	-	833.7
Total financial asset measured at fair value	833.7	1.9	-	835.6
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	74.9	-	74.9
Interest rate swaps	-	-	-	-
Total financial liabilities measured at fair value	-	74.9	-	74.9
	Quoted prices in active market	Significant observable inputs	Significant Un- observable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
As at March 31, 2019				
Financial assets and liabilities measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	22.4	-	22.4
Interest rate Swaps	-	1.5	-	1.5
Measured at fair value through statement of profit and loss (FVTPL)				
Investment in mutual funds	981.5	-	-	981.5
Total financial asset measured at fair value	981.5	23.9	-	1,005.4
Measured at fair value through statement of profit and loss (FVTPL)				
Series A 14% Non Cumulative Compulsorily Convertible Preference Shares ("CCPS")	-	-	2,632.2	2,632.2
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	0.2	-	0.2
Total financial liabilities measured at fair value	-	0.2	2,632.2	2,632.4

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Notes to Restated Consolidated Summary Statements

34 Fair value measurement (continued)

iii) Fair value hierarchy (continued)

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Un- observable inputs (Level 3)	Total
As at March 31, 2018 (Proforma)				
Financial assets and liabilities measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	6.7	-	6.7
Interest rate Swaps	-	-	-	-
Measured at fair value through statement of profit and loss (FVTPL)				
Investment in mutual funds	1,386.2	-	-	1,386.2
Total financial asset measured at fair value	1,386.2	6.7	-	1,392.9
Measured at fair value through statement of profit and loss (FVTPL)				
Series A 14% Non Cumulative Compulsorily Convertible Preference Shares ("CCPS")	-	-	2,585.2	2,585.2
Employee Stock Option Liability	-	-	210.0	210.0
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	5.0	-	5.0
Interest rate Swaps	-	3.2	-	3.2
Total financial liability measured at fair value	-	8.2	2,795.2	2,803.4

Notes :

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- In respect of investments in mutual funds, the fair value represents net assets value (NAV) as stated by the fund house in their published statements.
- The Group has entered into foreign currency forward contract to hedge the highly probable forecast transaction and interest rate swap to hedge the foreign currency term loan. The derivative financial instrument is entered with the financial institutions with investment grade ratings. Interest rate swaps and foreign exchange forward contracts are valued based on valuation models which include use of market observable inputs, the mark to market valuation is provided by the financial institution as at reporting date. The valuation of derivative contracts are categorised as level 2 in fair value hierarchy disclosure.
- The management assessed that cash and cash equivalent, trade receivables, trade payables, other financial assets-others (current), other financial liability (current), bank overdraft and cash credit, lease liabilities (current) and loans to employees approximates their fair value largely due to short-term maturities of these instruments. Further the management also estimates that the carrying amount of foreign currency term loan at floating interest rates are the reasonable approximation of their fair value and the difference between carrying amount and their fair value is not significant.
- The Series A 14% Non Cumulative Compulsorily Convertible Preference Shares ("CCPS") held by investors is classified as liability and carried at fair value through profit and loss. The Group has valued the instrument by using the discounted cash flow approach.
- The fair value of remaining financial instruments are determined on transaction date based on discounted cash flows calculated using lending/ borrowing rate. Subsequently, these are carried at amortized cost. There is no significant change in fair value of such liabilities and assets.

For financial assets carried at fair value, their carrying amount are equal to their fair value.

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Notes to Restated Consolidated Summary Statements

34 Fair value measurement (continued)

Sensitivity of unobservable inputs used in Level 3 Fair value measurements

	Level 3 inputs	Weighted range	Sensitivity
			As at March 31, 2019
Series A 14% Non Cumulative Compulsorily Convertible Preference Shares ("CCPS")*	Revenue	USD 105.7 Mn - USD 206.46 Mn	Increase in revenue by 1% and decrease in revenue by 1% would increase CCPS value by INR 50.3 and decrease CCPS value by INR 50.3 .
	EBIDTA	12%-15%	Increase in EBIDTA by 1% and decrease in EBIDTA by 1% would increase CCPS value by INR 529.7 and decrease CCPS value by INR 532.9.
	Discount rate	23.40%	Increase in discount rate by 1% and decrease in discount rate by 1% would decrease CCPS value by INR 340.8 and increase CCPS value by INR 380.4.
			As at March 31, 2018 (Proforma)
Series A 14% Non Cumulative Compulsorily Convertible Preference Shares ("CCPS")*	Revenue	USD 98.5 Mn - USD 231.89 Mn	Increase in revenue by 1% and decrease in revenue by 1% would increase CCPS value by INR 111.8 and decrease CCPS value by INR 119.8.
	EBIDTA	10.5%-25.2%	Increase in EBIDTA by 1% and decrease in EBIDTA by 1% would increase CCPS value by INR 269.8 and decrease CCPS value by INR 270.8.
	Discount rate	24.35%	Increase in discount rate by 1% and decrease in discount rate by 1% would decrease CCPS value by INR 317.2 and increase CCPS value by INR 352.6.

* Group has used discounted cash flow method for valuation of Series A 14% Non Cumulative compulsorily convertible preference shares

35 Financial risk management

The Group's principal financial liabilities comprise of borrowings, lease obligation, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include security deposits, investments, trade and other receivables and cash and cash equivalents that is derived directly from its operations. The Group also enters into derivative transactions for hedging purpose.

The Group's activities exposes it to market risk, liquidity risk and credit risk. The Group's risk management is carried out by the management under the policies approved of the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Group. These risks are identified on a continuous basis and assessed for the impact on the financial performance. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

i. Foreign currency risk

The Group's operates in various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

The Group uses various derivative financial instruments governed by its board approved policy, such as foreign exchange forward to mitigate the said risk. The counterparty for these contracts is generally a reputed scheduled bank. The Group reports quarterly to a committee of the board, which monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable that is denominated in the foreign currency.

Hedge effectiveness is determined at inception and periodic prospective effectiveness testing is done to ensure the relationship exist between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedge items.

Annexure VII

Notes to Restated Consolidated Summary Statements

35 Financial risk management (continued)

1) Market risk (continued)

i. Foreign currency risk (continued)

a) The Group's exposure in foreign currency at the end of reporting period :

	As at March 31, 2020					
	USD		EURO		GBP	
	FC	INR	FC	INR	FC	INR
Financial assets						
Trade receivables	10.6	797.5	0.6	53.6	0.5	48.1
Loans	0.1	5.8	-	-	-	1.0
Other financial assets	4.4	332.2	0.3	25.6	0.1	11.2
Bank accounts	2.4	181.1	0.3	29.0	0.4	38.0
Derivative assets						
Foreign exchange forward contracts*	(25.9)	(1,948.2)	(2.3)	(186.9)	-	-
Net exposure on foreign currency risk (assets)	-	-	-	-	1.0	98.3
Financial liability						
Borrowings	10.4	785.4	-	-	-	-
Trade payables	2.7	206.9	-	(1.4)	0.1	12.4
Other financial liabilities	1.8	138.4	-	-	0.3	26.0
Other liabilities	0.4	32.5	-	1.4	0	3.4
Net exposure on foreign currency risk (liabilities)	15.3	1,163.2	-	-	0.4	41.8
Net exposure on foreign currency risk (Assets-liabilities)	(15.3)	(1,163.2)	-	-	0.6	56.5
	As at March 31, 2019					
	USD		EURO		GBP	
	FC	INR	FC	INR	FC	INR
Financial assets						
Trade receivables	14.2	980.5	0.5	41.5	1.3	113.9
Loans	-	-	-	0.9	-	1.4
Other financial assets	1.8	124.1	-	0.2	0.1	5.5
Bank accounts	1.5	105.2	-	0.2	0.1	11.0
Derivative assets						
Foreign exchange forward contracts*	(7.5)	(515.3)	(0.5)	(35.0)	-	-
Net exposure on foreign currency risk (assets)	10.0	694.5	-	7.8	1.5	131.8
Financial liability						
Borrowings	9.6	661.0	-	-	-	-
Trade payables	2.1	147.7	-	0.5	0.1	9.9
Other financial liabilities	0.7	45.1	-	(0.3)	0.1	13.0
Other liabilities	0.4	26.3	0.1	5.9	0.2	13.9
Net exposure on foreign currency risk (liabilities)	12.8	880.1	0.1	6.1	0.4	36.8
Net exposure on foreign currency risk (Assets-liabilities)	(2.8)	(185.6)	(0.1)	1.7	1.1	95.0
	As at March 31, 2018 (Proforma)					
	USD		EURO		GBP	
	FC	INR	FC	INR	FC	INR
Financial assets						
Trade receivables	11.3	737.1	1.0	78.6	0.5	47.6
Loans	-	1.3	-	0.9	-	0.7
Other financial assets	0.8	54.0	0.1	9.2	0.1	6.4
Bank accounts	1.6	104.0	-	0.1	0.1	5.9
Derivative assets						
Foreign exchange forward contracts*	(16.7)	(1,084.6)	(0.7)	(52.4)	-	-
Net exposure on foreign currency risk (assets)	-	-	0.4	36.4	0.7	60.6
Financial liability						
Borrowings	13.9	905.1	-	-	-	-
Trade payables	1.1	72.7	-	(0.4)	0.1	10.2
Other financial liabilities	0.2	14.3	-	-	0.1	6.7
Other liabilities	0.3	21.4	-	-	0.2	14.9
Net exposure on foreign currency risk (liabilities)	15.5	1,013.5	-	(0.4)	0.4	31.8
Net exposure on foreign currency risk (Assets-liabilities)	(15.5)	(1,013.5)	0.4	36.8	0.3	28.8

* Represents outstanding foreign currency forward contracts. The outstanding forward contracts as at March 31, 2018, March 31, 2019 and March 31, 2020 are within the maturity period of 12 months.

Annexure VII

Notes to Restated Consolidated Summary Statements

35 Financial risk management (continued)

1) Market risk (continued)

i. Foreign currency risk (continued)

b) The sensitivity of profit or loss to changes in foreign exchange rates arising mainly from foreign currency denominated financial instrument:

	Impact on profit before tax		
	For the year ended		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
USD sensitivity#			
INR/ USD increases by 5%	(58.2)	(9.3)	(50.7)
INR/ USD decreases by 5%	58.2	9.3	50.7
EURO sensitivity#			
INR/ EURO increases by 5%	-	0.1	1.8
INR/ EURO decreases by 5%	-	(0.1)	(1.8)
GBP sensitivity#			
INR/ GBP increases by 5%	2.8	4.8	1.4
INR/ GBP decreases by 5%	(2.8)	(4.8)	(1.4)

Sensitivity is calculated holding all other variables constant

ii. Interest rate risk

The Group exposure to the risk of changes in market interest rates relates primarily to the Group's foreign currency term loan obtained from RBL at floating interest of 6m Libor + 3.1%. To manage the risk the Group has entered into a interest rate swap, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts as per contractual arrangement.

There is an economic relationship between the hedged item and the hedging instrument as the critical terms of the interest rate swap match with the terms of the designated hedge item i.e. foreign currency loan from RBL Bank. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. Considering the critical terms are identical and have economic relationship between hedge instrument and hedge item, the hedge is considered as effective.

Apart from the above borrowings, all its financial assets or liabilities are either non-interest bearing or are at a fixed interest rate and carried at amortised cost. Thus, the Group doesn't foresee any interest rate risk on these items.

iii. Price risk

The Group exposure to price risk arises for investment in mutual funds held by the Group. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio.

Sensitivity:

The sensitivity of profit or loss to change in Net assets value (NAV) as at year end for investment in mutual funds.

	Impact on profit before tax		
	For the year ended		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
NAV increases by 5%	41.7	49.1	69.3
NAV decreases by 5%	(41.7)	(49.1)	(69.3)

Impact of Hedge activities

(a) The following provides the details of hedging instrument and its impact on balance sheet

As at March 31, 2020				
Currency	Nominal value (Foreign Currency)	Amount in INR	Lime item in the balance sheet	Fair value*
Cash flow hedge				
Foreign currency risk				
<i>(for highly probable forecast transactions)</i>				
- Foreign currency forward contracts	INR/USD	25.9	1,912.8	Other financial assets/liability (72.8)
- Foreign currency forward contracts	INR/EURO	2.3	188.4	Other financial assets/liability (1.6)
As at March 31, 2020				
Currency	Nominal value (Foreign Currency)		Lime item in the balance sheet	Fair value*
Interest rate risk				
- Interest rate swaps	USD	1.2	Other financial assets	1.4
<i>(for variable interest rate risk on RBL Loan)</i>				

* represents the impact of mark to market value at year end.

Annexure VII

Notes to Restated Consolidated Summary Statements

35 Financial risk management (continued)
iii. Price risk (continued)

Impact of Hedge activities (continued)

Cash flow hedge

Foreign currency risk

(for highly probable forecast transactions)

Currency	Nominal value (Foreign Currency)	As at March 31, 2019		Fair value*
		Amount in INR	Lime item in the balance sheet	
- Foreign currency forward contracts	INR/USD	7.5	540.0 Other financial assets/liability	19.9
- Foreign currency forward contracts	INR/EURO	0.5	38.0 Other financial assets/liability	2.3

Interest rate risk

- Interest rate swaps

As at March 31, 2019			
Currency	Nominal value (Foreign Currency)	Lime item in the balance sheet	Fair value*
USD		2.3 Other financial assets	1.5

(for variable interest rate risk on RBL Loan)

* represents the impact of mark to market value at year end.

Cash flow hedge

Foreign currency risk

(for highly probable forecast transactions)

Currency	Nominal value (Foreign Currency)	As at March 31, 2018 (Proforma)		Fair value*
		Amount in Rs.	Lime item in the balance sheet	
- Foreign currency forward contracts	INR/USD	16.7	1,107.0 Other financial assets/liability	2.6
- Foreign currency forward contracts	INR/EURO	0.7	52.7 Other financial assets/liability	(0.9)

Interest rate risk

- Interest rate swaps

As at March 31, 2018 (Proforma)			
Currency	Nominal value (Foreign Currency)	Lime item in the balance sheet	Fair value*
USD		3.4 Other financial liability	(3.2)

(for variable interest rate risk on RBL Loan)

* represents the impact of mark to market value at year end.

(b) The effect of cash flow hedge in hedge reserve and statement of profit and loss:

Balance as at April 1, 2017 (Proforma)

Hedge gain/(loss) recognised in OCI
Amount reclassified to from OCI to statement of profit and loss

Balance as at March 31, 2018 (Proforma)

Hedge gain/(loss) recognised in OCI
Amount reclassified to from OCI to statement of profit and loss

Balance as at March 31, 2019

Hedge gain/(loss) recognised in OCI
Amount reclassified to from OCI to statement of profit and loss

Balance as at March 31, 2020

Highly probable forecast sales	Interest rate swaps	Total
26.2	-	26.2
(78.2)	0.7	(77.5)
53.7	(3.9)	49.8
1.7	(3.2)	(1.5)
84.1	6.7	90.8
(63.7)	(2.0)	(65.7)
22.1	1.5	23.6
(119.0)	(1.4)	(120.4)
22.5	1.2	23.7
(74.4)	1.3	(73.1)

Reclassification for foreign currency forward contracts is recognised in foreign exchange gain or loss in statement of profit and loss.

Reclassification for interest rate swaps is recognised in interest expense in statement of profit and loss.

Annexure VII

Notes to Restated Consolidated Summary Statements

35 Financial risk management (continued)

2) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities and from investing activities (primarily deposits with banks and investments in mutual funds)

i) Trade receivables

Trade receivables are typically unsecured and derived from revenue from contracts with customers. Customer credit risks is managed by each business units subject to Group's policy and procedures which involves credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credits in the normal course of business. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience with customers. Ageing of trade receivables and the provision in books for trade receivables:

	Current	1-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
As at March 31, 2020							
Trade receivables	820.2	333.2	47.4	32.5	10.4	184.5	1,428.2
Allowance for expected loss	(33.2)	(10.1)	(13.4)	(28.1)	(10.2)	(184.5)	(279.5)
Net Trade receivables	787.0	323.1	34.0	4.4	0.2	-	1,148.7
As at March 31, 2019							
Trade receivables	898.4	385.7	46.0	41.1	9.8	118.2	1,499.2
Allowance for expected loss	(18.0)	(12.0)	(12.0)	(37.0)	(9.3)	(118.2)	(206.5)
Net Trade receivables	880.4	373.7	34.0	4.1	0.5	-	1,292.7
As at March 31, 2018 (Proforma)							
Trade receivables	796.5	137.9	30.0	20.7	23.0	83.3	1,091.4
Allowance for expected loss	(15.9)	(4.2)	(7.8)	(15.1)	(21.4)	(83.3)	(147.7)
Net Trade receivables	780.6	133.7	22.2	5.6	1.6	-	943.7

Reconciliation of loss allowance

	As at		
	March 31, 2020	March 31, 2019	March 31, 2018 (Proforma)
Opening balance as at April, 1	206.5	147.7	96.5
Acquisition of business	-	-	6.0
Allowance made during the year (net)	70.6	58.0	45.2
Exchange difference	2.4	0.8	-
Closing balance as at March, 31	279.5	206.5	147.7

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Annexure VII

Notes to Restated Consolidated Summary Statements

35 Financial risk management (continued)

2) Credit risk (continued)

(ii) Other financial assets and cash deposit

Credit risk from balances with the banks, loans, investments in mutual funds and other financial assets are managed by the Group based on the Group policy and is managed by the Group's Treasury Team. Investment of surplus fund is made only with approved counterparties. The Group's maximum exposure to credit risk is the carrying amount of such assets as disclosed in note 34 above.

Reconciliation of loss allowance	As at		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Opening balance as at April, 1	50.6	49.6	1.8
Allowance made during the year	5.6	2.0	47.8
Allowance reversed/ written back during the year	(0.1)	(3.8)	-
Exchange difference	4.1	2.8	-
Closing balance as at March, 31	60.2	50.6	49.6

3. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its position and maintains adequate source of financing.

The Group has access to the following undrawn borrowing facilities at the end of the reporting period:

	As at		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
RBL Bank Limited	14.0	163.7	24.4
Kotak Mahindra Bank	193.7	235.1	40.2
	207.7	398.8	64.6

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

	On demand	Less than 1 year	More than 1 year	Total
As at March 31, 2020				
Borrowings (including current maturities)	691.6	80.4	13.4	785.4
Lease liabilities	-	209.7	189.8	399.5
Trade payables	-	344.2	-	344.2
Foreign currency forward contracts	-	74.9	-	74.9
Other current financial liabilities #	-	488.9	0.1	489.0
	691.6	1,198.1	203.3	2,093.0
As at March 31, 2019				
Borrowings (including current maturities)	601.2	73.8	86.1	761.1
Lease liabilities	-	198.9	330.4	529.3
Trade payables	-	287.8	-	287.8
Series A 14% Non Cumulative compulsorily convertible preference shares	2,632.2	-	-	2,632.2
Foreign currency forward contracts	-	0.2	-	0.2
Other current financial liabilities #	-	295.5	3.3	298.8
	3,233.4	856.2	419.8	4,509.4
As at March 31, 2018 (Proforma)				
Borrowings (including current maturities)	685.5	69.4	150.3	905.2
Lease liabilities	-	195.5	501.0	696.5
Trade payables	-	249.8	-	249.8
Series A 14% Non Cumulative compulsorily convertible preference shares	-	2,585.2	-	2,585.2
Foreign currency forward contracts	-	5.0	-	5.0
Interest rate Swaps	-	3.2	-	3.2
Employee Stock Option Liability	210.0	-	-	210.0
Other current financial liabilities #	-	141.1	10.9	152.0
	895.5	3,249.2	662.2	4,806.9

Includes future interest payable on outstanding borrowings

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)*(All amounts in INR Millions unless otherwise stated)***Annexure VII****Notes to Restated Consolidated Summary Statements****36 Capital management**

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves. The primary objective of the Group's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders value. The capital management focuses to maintain an optimal structure that balances growth and maximizes shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. The Group's gearing ratio, which is net debt divided by total capital plus net debt is as below :

Particulars	As at		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Borrowings (including current maturities)	784.3	759.1	902.3
Less: cash and cash equivalent	(435.3)	(262.7)	(165.2)
Net (cash and cash equivalents)/debt (A)	349.0	496.4	737.1
Equity	2,653.1	(660.5)	(1,088.8)
Series A 14% Non-cumulative CCPS	-	2,632.2	2,585.2
Total equity capital (B)	2,653.1	1,971.7	1,496.4
Total debt and equity (C)=(A)+(B)	3,002.1	2,468.1	2,233.5
Gearing ratio (A)/(C)	12%	20%	33%

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 , March 31, 2019 and March 31, 2018.

During the year the group has not defaulted in any loan covenants.

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Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure VII
Notes to Restated Consolidated Summary Statements
37 Related Party Disclosure
(i) List of related parties and relationship
Key management personnel (KMP)

1. Mr. Ashok Soota (Executive Chairman)
2. Mr. Venkatraman N (Director) (w.e.f January 16, 2018)
3. Mr. Girish Paranjpe (Director) (w.e.f June 27 2017 till 10th March 2020)
4. Mr. Avneet Singh Kochar (Director)
5. Mr. Sashi Kumar (Managing Director) (until w.e.f February 01, 2018)

Subsidiary

Happiest Minds Technology LLC

Post employee benefit plan

Happiest Minds Technologies Private Limited. Employees Group Gratuity trust

a) The following table is the summary of significant transactions with related parties by the Group:

	For the year ended		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
(i) <u>Contribution made to post employee benefit plan:</u>			
Happiest Minds Technologies Private Limited. Employees Group Gratuity trust	12.0	12.0	10.5
(ii) <u>Director's sitting fees:</u>			
Mr. Girish Paranjape	0.9	1.2	0.7
(iii) <u>Guarantees received during the year:</u>			
Mr. Ashok Soota	-	-	150.0
(iv) <u>Managerial remuneration* :</u>			
(a) Mr. Sashi Kumar			
Salary, wages and bonus	-	-	24.3
Employee stock compensation expense	-	-	0.4
(b) Mr. Venkatraman N			
Salary, wages and bonus	10.7	7.9	7.6
Employee stock compensation expense	1.0	3.4	1.8
(c) Mr. Ashok Soota			
Salary, wages and bonus	12.8	8.8	8.5
Conversion of 75,000 (PY: Nil) preference shares into equity shares - refer note (i) below	-	-	-

*As the liability for gratuity and compensated leave absences is provided on an actuarial basis for the Group as a whole, the amount pertaining to the directors are not included above.

(i) Pursuant to resolution dated March 16, 2020, 75,000 14% Series A fully convertible non-cumulative preference shares held by Mr. Ashok Soota were converted into equity shares in the ratio of 1:163 equity shares for every preference shares held. Total amount of such transaction was INR 48.9 at a face value of INR 652 per share.

(b) Following transactions were eliminated on consolidation :
(i) Transaction during the year
Sale of Services:

Happiest Minds Technologies LLC - - 120.9

(ii) Balances receivables and payable as at year end
Trade receivable

Happiest Minds Technology LLC. - 19.3 14.6

Unbilled revenue

Happiest Minds Technology LLC. - - 10.7

Loan

Happiest Minds Technology LLC. 5.3 11.0 -

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)*(All amounts in INR Millions unless otherwise stated)***Annexure VII****Notes to Restated Consolidated Summary Statements****38 Corporate Social Responsibility ('CSR') expenditure**

Consequent to the requirements of Section 135 and Schedule VII of the Companies Act, 2013, companies are required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility Policy.

Details of CSR expenditure are as follows:

	For the year ended		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
(a) Gross amount required to be spent by the Group during the year	0.5	-	-
(b) Amount spent during the year	2.1	0.5	1.5
	In cash	Yet to be paid in cash	Total
Construction/ Acquisition of any asset			
March 31, 2020	-	-	-
March 31, 2019	-	-	-
March 31, 2018 (Proforma)	-	-	-
On purpose other than above			
March 31, 2020	2.1	-	2.1
March 31, 2019	0.5	-	0.5
March 31, 2018 (Proforma)	1.5	-	1.5
Total			
March 31, 2020	2.1	-	2.1
March 31, 2019	0.5	-	0.5
March 31, 2018 (Proforma)	1.5	-	1.5

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Annexure VII

Notes to Restated Consolidated Summary Statements

39 Interest in other entity

a) Subsidiary

The Group's subsidiary is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business:

Name of entity	Principle activity	Country of Incorporation	Ownership interest held by the group March 31, 2020	Ownership interest held by the group March 31, 2019	Ownership interest held by the group March 31, 2018 Proforma
Happiest Minds Technologies LLC*	IT Services	USA	100%	100%	100%

* The Group has filed for liquidation of subsidiary in the month of March 2020, refer Note 44 for detail.

b) Additional information, as required under schedule III of the Companies Act, 2013

For the year ended March 31, 2020								
Particular	Net assets		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As a % of Consolidated net assets	Amount	As a % of Consolidated profit or loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
Parent company Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)	100.1%	2656.1	102.4%	734.3	98.9%	(110.6)	103.0%	623.7
Subsidiary Happiest Minds Technologies LLC	-0.3%	(8.3)	-0.6%	(4.0)	0.0%	-	-0.7%	(4.0)
Other adjustments:	0.2%	5.3	-1.8%	(13.2)	1.1%	(1.2)	-2.4%	(14.4)
Total	100%	2,653.1	100%	717.1	100%	(111.8)	100%	605.3

For the year ended March 31, 2019								
Particular	Net assets		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As a % of Consolidated net assets	Amount	As a % of Consolidated profit or loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
Parent company Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)	102.3%	(675.9)	28.9%	41.1	65.7%	20.7	35.6%	61.8
Subsidiary Happiest Minds Technologies LLC	-4.1%	27.4	-42.0%	(59.7)	0.0%	-	-34.4%	-59.7
Other adjustments:	1.8%	(12.0)	113.1%	160.7	34.3%	10.8	98.8%	171.5
Total	100%	(660.5)	100%	142.1	100%	31.5	100%	173.6

For the year ended March 31, 2018								
Particular	Net assets		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As a % of Consolidated net assets	Amount	As a % of Consolidated profit or loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
Parent company Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)	91.1%	(992.4)	56.4%	(126.7)	105.1%	(28.9)	61.7%	(155.6)
Subsidiary Happiest Minds Technologies LLC	-4.8%	52.0	37.7%	(84.6)	0.0%	-	33.5%	(84.6)
Other adjustments:	13.6%	(148.4)	6.0%	(13.4)	-5.1%	1.4	4.8%	(12.0)
Total	100%	(1,088.8)	100%	(224.7)	100%	(27.5)	100%	(252.2)

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)*(All amounts in INR Millions unless otherwise stated)***Annexure VII****Notes to Restated Consolidated Summary Statements****40 Commitments and Contingent Liabilities**

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
i) Capital Commitments			
Capital commitments towards purchase of capital assets	7.2	18.6	-
ii) Contingent liabilities			
Guarantees given by banks on behalf of the Group for contractual obligations of the Group	100.7	46.0	39.6

iii) Other claims against Group not provided for in books

The Group had entered into Membership Interest Purchase Agreement on 29th May 2017 to acquire interest in OSS Cube LLC. As per terms of Membership Interest Purchase Agreement, the sellers of OSS Cube LLC had to pay INR 100.1 towards shortfall in working capital and accounts receivable for which the Group made a claim with the Sellers through US attorneys in May 2018. The Counsel representing Sellers responded in June 2018, admitting the claim to the extent of INR 63.1 and have made a counterclaim of INR 558.4 for breach of earn-out/contingent payment. The Group's counsel believes that the counter claim is weak, vague and cannot be substantiated as the conditions set forth in the Membership Interest Purchase and Sale Agreement for payment of earn out/contingent payments were not met. Accordingly no provision is created against the counter claim made by sellers in the financial statement. Subsequent to the end of the year on 15th April 2020, a settlement was reached and settlement agreement has been entered by both the parties wherein the Sellers have agreed to pay USD 0.28 over an agreed period of time and all claims by the Seller have been relinquished. No adjustments were required to be made in the financial statements for the year ended March 31, 2020, as the settlement was agreed subsequent to the end of the year.

The Group is also subject to certain other claims and suits that arise from time to time in the ordinary conduct of its business. While the Group currently believes that such claims, individually or in aggregate, will not have a material adverse impact on its financial position, cash flows, or results of operations, the litigation and other claims are subject to inherent uncertainties, and management's view of these matters may change in the future. Were an unfavourable final outcome to occur in any one or more of these matters, there exists the possibility of a material adverse impact on the Group's business, reputation, financial condition, cash flows, and results of operations for the period in which the effect becomes reasonably estimable.

iv) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Group has taken cognizance of the matter on a prospective basis from the date of the SC order. The Group will update its provision, if any, required, on receiving further clarity on the subject.

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Annexure VII

Notes to Restated Consolidated Summary Statements

41 Segment Information

A. Description of segments and principal activities

The Group executive management committee examines the Group's performance on the basis of its business units and has identified three reportable segments:

i) Infrastructure Management & Security Services (IMSS):

Infrastructure Management and Security Solutions (IMSS) group delivers integrated end-to-end infrastructure and security solutions with specialization in cloud, virtualization and mobility across a multitude of industry verticals and geographies. The group provides advisory, transformation, managed & hosted services and secure intelligence solutions to clients. This group has unique productized solution platforms for smart infrastructure and security solutions provides quick to deploy, mature service delivery over Global SOC/NOC.

ii) Digital Business Solutions (DBS):

Digital Business Solutions group delivers enterprise applications and customised solutions that enable organizations to be smarter and accelerate business transformations. The group provides advisory, design & architecture, custom-app development, package implementation, testing and on-going support services to IT initiatives. The business drivers for these applications are: increasing market share, enhancing customer engagement, improving agility and efficiency of internal operations, reducing cost, driving differentiation and standardizing business processes.

iii) Product Engineering Services (PES):

Product Engineering Services group assists software product companies in building robust products and services that integrate mobile, cloud and social technologies. The group helps clients understand the impact of new technologies and incorporate these technologies into their product roadmap. This group focuses on technology depth, innovation and solution accelerators allows us to deliver time-to-market, growth and cost benefits to clients.

B. Segment revenue, segment results other information as at / for the year:

For the Year ended March 31, 2020

	IMSS	DBS	PES	Total
Revenue from contracts with customers				
External customers	1,536.1	1,916.7	3,529.3	6,982.1
Inter-segment	-	-	-	-
Segment revenue	1,536.1	1,916.7	3,529.3	6,982.1
Segment results	296.1	372.4	1,186.0	1,854.5

Reconciliation to profit after tax:

Interest income	46.5
Net gain on investments carried at Fair value through profit or loss	57.6
Other unallocable income	56.0
Unallocable finance cost	(80.2)
Unallocable depreciation and amortisation expenses	(202.3)
Impairment of goodwill	(112.6)
Other unallocable expenses	(897.3)
Re-measurement gains/ (losses) on defined benefit plans (Moved to OCI)	13.9
Tax expense	(19.0)
Profit/ (loss for the year)	717.1

As at March 31, 2020

	IMSS	DBS	PES	Total
Segment assets	420.7	421.6	784.1	1,626.4

Reconciliation to total assets:

Investments	833.7
Derivative instruments	1.9
Other unallocable assets	2,619.5
Total	5,081.5

	IMSS	DBS	PES	Total
Segment liability	59.4	102.9	67.5	229.8

Reconciliation to total liabilities:

Borrowings	784.3
Other unallocable liabilities	1,414.3
Total	2,428.4

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Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)
(All amounts in INR Millions unless otherwise stated)

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Notes to Restated Consolidated Summary Statements

For the Year ended March 31, 2019

	IMSS	DBS	PES	Total
Revenue from contracts with customers				
External customers	1,294.3	1,809.0	2,800.3	5,903.6
Inter-segment	-	-	-	-
Segment revenue	1,294.3	1,809.0	2,800.3	5,903.6
Segment results	236.3	377.4	1,163.8	1,777.5

Reconciliation to profit after tax:

Interest income	29.6
Net gain on investments carried at Fair value through profit or loss	77.2
Other unallocable income	7.7
Unallocable finance cost	(159.4)
Unallocable depreciation and amortisation cost	(247.8)
Impairment of goodwill	(125.8)
Other unallocable expenses	(1,233.7)
Re-measurement gains/ (losses) on defined benefit plans (Moved to OCI)	4.5
Tax expense	12.3
Profit/ (loss for the year)	142.1

	IMSS	DBS	PES	Total
Segment assets	394.9	395.6	706.9	1,497.4

Reconciliation to total assets:

Investments	981.5
Derivative instruments	22.4
Other unallocable assets	1,633.9
Total	4,135.2

	IMSS	DBS	PES	Total
Segment liability	38.5	138.6	43.9	221.0

Reconciliation to total liabilities:

Borrowings	759.1
Series A 14% Non Cumulative compulsorily convertible preference shares	2,632.2
Other unallocable liabilities	1,183.4
Total	4,795.7

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Annexure VII

Notes to Restated Consolidated Summary Statements

For the Year ended March 31, 2018 (Proforma)

Revenue from contracts with customers

External customers

Inter-segment

Segment revenue

Segment results

IMSS	DBS	PES	Total
986.2	1540.3	2102.4	4,628.9
-	-	-	-
986.2	1,540.3	2,102.4	4,628.9
69.6	14.9	655.4	739.9

Reconciliation to profit after tax:

Interest income

Net gain on investments carried at Fair value through profit or loss

Foreign exchange gain

Other unallocable income

Unallocable finance cost

Unallocable depreciation and amortisation cost

Other unallocable expenses

Re-measurement gains/ (losses) on defined benefit plans (Moved to OCI)

Tax expense

Profit/ (loss for the year)

11.7
92.6
58.2
99.5
(99.5)
(207.5)
(926.9)
1.2
6.1
(224.7)

Segment assets

Reconciliation to total assets:

Investments

Derivative instruments

Other unallocable assets

Total

IMSS	DBS	PES	Total
187.0	372.8	502.0	1,061.9

1,386.2
6.7
1,415.1
3,869.9

Segment liability

Reconciliation to total

liabilities:

Borrowings

Series A 14% Non Cumulative compulsorily convertible preference shares

Other unallocable liabilities

Total

IMSS	DBS	PES	Total
11.7	66.4	20.6	98.7

902.3
2,585.2
1,372.5
4,958.7

Note

i) Assets (other than accounts receivable and unbilled Revenue) and liabilities (other than unearned revenue) of the Company are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to these assets and liabilities since a meaningful segregation is not possible.

(ii) The expense / income that are not directly attributable and that cannot be allocated to a business segment on a reasonable basis are shown as unallocable expenses.

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Annexure VII

Notes to Restated Consolidated Summary Statements

C. Entity-wide disclosures

i) The amount of revenue from external customers broken down by location of customers is shown below:

	For the year ended		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
India	833.4	700.5	541.1
USA	5,412.8	4,457.8	3,400.9
UK	500.2	560.3	525.6
Others	235.7	185.0	161.3
	6,982.1	5,903.6	4,628.9

ii) The break-up of non-current assets by location of assets is shown

	As at		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
India	378.8	610.4	908.5
USA	0.9	2.3	43.1
UK	-	-	-
Others	-	-	-
	379.7	612.7	951.6

Non-current assets for this purpose consists of Property, plant and equipment, Rou assets and intangible assets.

iii) Revenue from customers of the Group which is individually more than 10 percent of the Group's total revenue

	For the year ended		
	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
One customer	12.16%	13.92%	11.68%

Note : Assets (other than accounts receivable and unbilled Revenue) and liabilities (other than unearned revenue) of the Company are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to these assets and liabilities since a meaningful segregation is not possible.

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Annexure VII

Notes to Restated Consolidated Summary Statements

42 Share based payments

Employee Share Option Scheme (ESOP Plan)

The Parent Company instituted the Employee Share Option Plan 2011 ('ESOP 2011') and Equity Incentive Plan 2011 ('EIP 2011') for eligible employees during the year ended March 2012 which was approved by the Board of Directors (Board) on October 18, 2011 and January 19, 2012 duly amended by the Board of Directors on January 22, 2015.

Besides the above Plan, the Parent Company has also instituted Employee Share Option Plan 2014 ('ESOP 2014') duly approved by the Board of Directors on October 20, 2014 and by the shareholders on January 22, 2015. The Parent Company has also instituted Employee Share Option Plan 2015 ('ESOP 2015') duly approved by the Board of Directors on June 30, 2015 and by the shareholders on July 22, 2015. During year ended 2018 the Parent Company has amended ESOP 2014 and all options granted under ESOP 2014 be deemed to be granted under ESOP 2011 duly approved by the board on October 25, 2017. The plans are separate for USA employees (working out of the United States America - "USA") and employees working outside USA. The Parent Company administers these plans.

Under all of the plans, the Parent Company provides the option to the employees, either to exercise all the options into Equity Shares immediately or exercise the options as and when they vest.

The Stock option plan of the Parent Company, up to March 31, 2019 is classified as cash settled transaction based on the constructive obligation for settlement of option in cash.

Modification of plan:

As per the original terms of Employee share option plan (ESOP), in the event of termination of the employment with the Parent Company for any reason other than death, the employee may be called upon by the Board, within 30 days after the date of termination, to mandatorily surrender all or any of the Shares to the Trust.

As per the modified terms of ESOP, in the event of termination of the employment with the Parent Company for any reason other than death, the employees are allowed to retain the vested and exercised shares.

As per ESOP in case of resignation of the employee, the employee is mandatorily required to surrender all the shares exercised pursuant to ESOP to the Parent Company. The Parent Company in its Board meeting held in January 2019, passed a resolution modifying the terms of ESOP with effect from March 31, 2019. Pursuant to modification in ESOP the employees are allowed to retain the vested and exercised shares.

The right for cash settlement of option is removed with effect from March 31, 2019 resulting into modification in plan from Cash settled to Equity settled transaction. The modification is accounted as per below principles:

- The equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date i.e. March 31, 2019.
- The liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date.
- The difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in the statement of profit and loss.

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Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

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Notes to Restated Consolidated Summary Statements
42 Share based payments (continued)

Key features of these plans are provided in the below table:

Key Terms	ESOP 2011	ESOP 2014 / EIP 2011 for US Employees***	ESOP 2015 / EIP 2011 for US Employees ##
Class of Share	Equity Shares (as amended vide board meeting held on April 26, 2017 and Annual general meeting held on July 31, 2017).	Pursuant to conversion of Class B Non-voting Equity Shares (entitled under ESOP 2014) to Equity shares (as amended vide board meeting held on April 26, 2017 and Annual general meeting held on July 31, 2017), the Board of Directors at its meeting held on October 25, 2017 approved the administration of options granted and shares allotted under erstwhile ESOP 2014 to ESOP 2011.	Equity Shares (as amended vide board meeting held on April 26, 2017 and Annual general meeting held on July 31, 2017).
Ownership	Legal Ownership		Legal Ownership
Vesting Pattern	Four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1,2,3 and 4 years respectively from the date of grant and become fully exercisable, subject to employee being in the employment of the Parent Company.		
Exercise Price	Exercisable at an exercise price of INR 2, INR 3, INR 5 and INR 6 per option.	Exercisable at an exercise price of INR 2 and INR 6 per option.	Exercisable at an exercise price of INR 2, INR 6.25, INR 9.50, INR 11.50 and INR 26 per option.
Economic Benefits / Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Parent Company as duly approved by the shareholders at the meeting held on July 31, 2017.		

*** As amended vide Board meeting held in October 20, 2014. Under the said Plan, for employees (working out of the United States America - "USA") who have been granted options the legal ownership vests with the Employees only.

As amended vide Board meeting held in June 30, 2015.

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Employee stock compensation expense for the year ended	26.6	60.3	18.0
Employee stock option liability as at	-	-	210.0

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Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

Annexure VII
Notes to Restated Consolidated Summary Statements
42 Share based payments (continued)
Reconciliation of outstanding share options

The following table illustrates the number and weighted average exercise price of share options during the year :

As at March 31, 2020

Options - India/UK Plan	Employee Stock Ownership Plan 2011		Employee Stock Ownership Plan 2015	
	No. of options	Weighted Average Exercise Price	No. of options	Weighted Average Exercise Price
Outstanding at the beginning of the year	344,636	5.57	3,467,500	23.23
Granted during the year	-	-	4,068,591	26.00
Exercised during the year	(59,708)	4.05	(1,633,012)	25.41
Forfeited during the year	(43,140)	6.05	(875,013)	24.23
Outstanding options as at the end of the year	241,788	5.86	5,028,066	24.59
Weighted Average Remaining Contractual Life	1.35 years		5.91 years	

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	No. of options	Weighted Average Exercise Price	No. of options	Weighted Average Exercise Price
Outstanding at the beginning of the year	49,500	5.24	332,500	25.73
Granted during the year	-	-	400,000	26.00
Exercised during the year	(29,500)	4.73	(621,950)	26.00
Forfeited during the year	-	-	(54,175)	26.00
Outstanding options as at the end of the year	20,000	6.00	56,375	24.41
Weighted Average Remaining Contractual Life	1.80 years		4.91 years	

As at March 31, 2019

Options - India/UK Plan	Employee Stock Ownership Plan 2011		Employee Stock Ownership Plan 2015	
	No. of options	Weighted Average Exercise Price	No. of options	Weighted Average Exercise Price
Outstanding at the beginning of the year	429,835	5.59	1,663,875	16.82
Granted during the year	-	-	4,157,881	26.00
Exercised during the year	(14,675)	5.76	(1,545,431)	25.93
Forfeited during the year	(70,524)	5.64	(808,825)	19.13
Outstanding options as at the end of the year	344,636	5.57	3,467,500	23.23
Weighted Average Remaining Contractual Life	2.43 Years		5.70 Years	

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	No. of options	Weighted Average Exercise Price	No. of options	Weighted Average Exercise Price
Outstanding at the beginning of the year	49,500	5.24	197,000	23.83
Granted during the year	-	-	485,450	26.00
Exercised during the year	-	-	(172,950)	25.72
Forfeited during the year	-	-	(177,000)	24.36
Outstanding options as at the end of the year	49,500	5.24	332,500	25.73
Weighted Average Remaining Contractual Life	2.39 Years		6.20 Years	

Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)

(All amounts in INR Millions unless otherwise stated)

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Notes to Restated Consolidated Summary Statements
42 Share based payments (continued)
As at March 31, 2018 (Proforma)

Options - India/UK Plan	Employee Stock Ownership Plan 2011		Employee Stock Ownership Plan 2015	
	No. of options	Weighted Average Exercise Price	No. of options	Weighted Average Exercise Price
Outstanding at the beginning of the year	250,700	4.62	1,325,225	8.00
Granted during the year	-	-	2,098,000	24.00
Exercised during the year	(41,354)	4.33	(1,229,900)	23.00
Forfeited during the year	(193,084)	5.48	(529,450)	10.37
Reclass *	413,573	6.00	-	-
Outstanding options as at the end of the year	429,835	6.00	1,663,875	16.82
Weighted Average Remaining Contractual Life	3.43 Years		5.55 Years	

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	No. of options	Weighted Average Exercise Price	No. of options	Weighted Average Exercise Price
Outstanding at the beginning of the year	181,000	3.50	147,000	11.25
Granted during the year	-	-	872,500	26.00
Exercised during the year	(38,500)	2.09	(337,500)	20.84
Forfeited during the year	(130,000)	3.96	(485,000)	26.00
Reclassification	37,000	6.00	-	-
Outstanding options as at the end of the year	49,500	5.24	197,000	23.83
Weighted Average Remaining Contractual Life	3.39 years		6.35 years	

The weighted average fair value of options granted during the year is INR 12.64.

The weighted average share price during the year is INR 20.98 (March 31, 2019 : INR 25.75 ; March 31, 2018 : INR 22.10).

Exercisable options as at March 31, 2020 - 493,423 options (March 31, 2019 - 688,092 options, March 31, 2018 - 531,177 options) and weighted average exercise price - INR 13.28/- (March 31, 2019 - INR 9.22, March 31, 2018 - INR 6.33).

* the Reclass of share options between ESOP 2011 to ESOP 2015 is shown at net moment.

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Expected dividend yield	0.00%	0.00%	0.00%
Expected Annual Volatility of Shares	50.00%	50.00%	20.00%
Risk-free interest rate (%)	7.43%-6.86%	7.42%-7.34%	6.61%-7.69%
Attrition rate	20.00%	20.00%	23.00%
Exercise price (INR)	26.00	26.00	26.00
Expected life of the options granted (in years)	3-6 years	3-6 years	3-6 years

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

On April 29, 2020 the Board of Director's of the Company approved Happiest Minds Employee Stock Option Scheme 2020 ("ESOP 2020") consisting of 7,000,000 equity shares.

Annexure VII

Notes to Restated Consolidated Summary Statements

43 Business acquisitions

Following are business combinations occurred before transition date, which are restated the by the Group: The transition date for the purpose of statutory consolidation was April 1, 2018 and for the purpose of Restated Consolidated Summary Statement is April 1, 2017.

- A.** The Group had entered into Business Transfer Agreement with OSS Cube Solutions Limited on May 29, 2017 to acquire its assets and liabilities which constitutes a business for a consideration of INR 213.

The following table presents the purchase consideration, fair value of assets acquired and goodwill recognised on the date of control (i.e. May 29, 2017).

Details of Fair value recognised on acquisition as on May 29, 2017:

	Amount
Property, plant and equipment	3.1
Intangible assets (including Non-compete and customer relationships)	27.7
Loans	2.6
ROU assets	41.3
Lease liabilities	(40.4)
Trade receivables	8.5
Provisions	(18.5)
Total fair value of net assets acquired (A)	24.3
Fair value of purchase consideration (B)	213.0
Goodwill arising on acquisition (C)- (A-B)	188.7

The goodwill of INR 188.7 comprises the value of expected synergies arising from the acquisition which is not separately recognised. Refer note - 4

	Amount
Purchase consideration	
Cash consideration	213.0
Total purchase consideration	213.0

- B.** The Group had entered into business transfer agreement with Cupola technologies Private Limited on May 9, 2017 to acquire its business (internet of things) on a slump sale basis for a consideration of INR 69.5.

The following table presents the purchase consideration, fair value of asset acquired and goodwill recognised on the date of control (i.e. May 17, 2017).

Details of Fair value recognised on acquisition as on May 17, 2017:

	Amount
Intangible assets (Non-compete and customer relationships)	8.4
Total fair value of assets acquired (A)	8.4
Fair value of purchase consideration (B)	69.5
Goodwill arising on acquisition (C)	61.1

The goodwill of Rs.61.1 comprises the value of expected synergies arising from the acquisition which is not separately recognised. Refer note 4

	Amount
Purchase consideration	
Cash consideration	69.5
Total purchase consideration	69.5

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Annexure VII

Notes to Restated Consolidated Summary Statements

43 Business acquisitions (continued)

- C. The Group had entered into Membership Interest Purchase Agreement ("MIPA") with OSS Cube LLC on May 29, 2017 to acquire its business for a consideration of INR 222.2 effective from April 1, 2017.

The following table presents the purchase consideration, fair value of asset acquired and goodwill recognised on the date of control (i.e. April 1,

Details of fair value recognised on acquisition April 01, 2017:

	Amount
Property, plant and equipment	0.2
Intangible assets (including Non-compete, trademark customer relationships)	59.1
Loans	0.3
Trade receivables	150.2
ROU assets	12.7
Lease liabilities	(12.7)
Cash	99.6
Other assets	43.7
Trade payables	(1.5)
Borrowings	(73.2)
Other financial liabilities	(62.0)
Other liabilities	(21.9)
Deferred tax liability on intangibles	(18.3)
Total fair value of net assets acquired (A)	176.2
Fair value of purchase consideration (B)	222.2
Goodwill arising on acquisition (C)- (A-B)	46.0

The goodwill of INR 46 comprises the value of expected synergies arising from the acquisition which is not separately recognised.

Purchase consideration	Amount
Cash consideration	222.2
Total purchase consideration	222.2

- D. During the year, the Group has carried annual impairment testing for OSS Cube Solutions Limited and Cupola technologies Private Limited. Each of these acquisitions was considered as a separate cash-generating unit's (CGU) for the purpose of impairment assessment. The Group based on detailed valuation by an independent external valuer has identified recoverable value of each of the CGU. Accordingly an impairment amounting to INR 112.6 (March 31, 2019: INR 125.8) was accounted in the statement of profit and loss during the year against goodwill accounted pursuant to acquisition of OSS Cube Solutions Limited.

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Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)
(All amounts in INR Millions unless otherwise stated)

Annexure VII

Notes to Restated Consolidated Summary Statements

44 Discontinued operations

The Group via its board meeting passed a resolutions on March 16, 2020 to voluntary dissolve and wind up the operation of its subsidiary i.e. Happiest Minds Technologies LLC, USA. Pursuant to such resolutions, the Group has filed a request for certificate of account status to terminate a taxable entity's existence in Texas and other winding up process. However, the Group has not received any clearance with respect to such application till date. However the Group envisages such closure to happen within the next 12 months. The Group has classified the operations of its subsidiary as a discontinued operation as at March 31, 2020. However, since the operation of such subsidiary is not material, the Group has disclosed the results and financial position of such subsidiary via this note. All other notes and disclosure given in this financial statements includes the financial effect of subsidiary operations and financial positions. The carrying amount of assets and liabilities approximates the fair value.

The results of Happiest Minds Technologies LLC, USA for the year are presented below:

	March 31, 2020	March 31, 2019	March 31, 2018 Proforma
Revenue from contracts with customers	-	-	338.20
Other income	0.3	2.0	1.9
	0.3	2.0	340.1
Employee benefit expenses	-	36.2	77.0
Depreciation and amortisation	-	2.8	4.2
Other expense	4.0	22.1	341.3
Finance cost	0.3	0.6	2.2
	4.3	61.7	424.7
Profit /(loss) before tax	(4.0)	(59.7)	(84.6)
Tax expense	-	-	-
Profit /(loss) after tax from discontinued operations	(4.0)	(59.7)	(84.6)

The major class of assets and liabilities of Happiest Minds Technologies LLC, USA as at March 31, 2020 are as follows:

	As at March 31, 2020
Assets	
Property, plant and equipment	0.0
Cash and cash equivalent	0.3
	0.3
Liabilities	
Lease liabilities	0.4
Financial liabilities	5.2
Current liabilities	5.1
Trade payables	(2.1)
	8.6

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ANNEXURE VII

Notes to Restated Consolidated Summary Statements

45 First time adoption of Ind AS

A. First time adoption

The financial statements, for the year ended March 31, 2020, are the first time the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP" or "India GAAP"), as amended.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2018, the Company's date of transition to Ind AS.

The restated consolidated Summary statements for the year ended March 31, 2018 have been prepared on Proforma basis in accordance with requirements of SEBI Circular dated March 31, 2016 and Guidance Note On Reports in Company Prospectuses issued by ICAI. For the purpose of Proforma restated consolidated Summary statements for the year ended March 31, 2018, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date i.e. April 1, 2018

This note explains exemptions availed by the Company in restating its Previous GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018 and March 31, 2019

B. Exemptions applied

Ind AS - 101 allows first-time adopters certain exemptions and certain optional exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions and optional exemptions :

Deemed cost for Property, plant and equipment

Ind AS - 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognised in the standalone financial statements as at the date of the transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS - 38 'Intangible assets'.

Accordingly the Group has elected to measure all its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Share based payment

Ind AS - 101 allows a first-time adopter in respect of share-based payment transactions that give rise to liabilities to not apply Ind AS - 102 to transactions that were settled before the date of transition of Ind AS. Accordingly the Group has availed this exemption and has not applied Ind AS - 102 to such transactions.

Leases

Ind AS - 116 is applied with Full retrospective approach, the Group has identified leases since the inception of all lease contracts that are presented in the financial statements, and has restated the comparative years presented.

The Group also applied the available practical expedients wherein it:

- has used a single discount rate for leases in India and a single discount rate for leases in the United States of America to a portfolio of leases with reasonably similar characteristics
- has elected to apply short term lease exemption to leases for which the lease term ends within 12 months of the date of initial application.
- has excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

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ANNEXURE VII

Notes to Restated Consolidated Summary Statements

45 First time adoption of Ind AS (continued)

C. Mandatory Exceptions

Derecognition of financial assets and financial liabilities

Ind AS - 101 requires a first time adopter to apply the de-recognition provisions of Ind AS - 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS - 101 allows a first time adopter to apply the de-recognition requirements in Ind AS - 109 retrospectively from a date of the Group's choice, provided that the information needed to apply Ind AS - 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS - 109 prospectively from the date of transition to Ind AS.

Hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. The Group has applied Guidance Note On Accounting For Derivative Contract and designated the derivative contracts as hedging instrument. All the hedges designated under Indian GAAP are of types which qualify for hedge accounting in accordance with Ind AS - 109 also. Moreover, the Group, before the date of transition to Ind AS, has designated a transaction as hedge and also meets all the conditions for hedge accounting in Ind AS - 109. Consequently, the Group continues to apply hedge accounting after the date of transition to Ind AS.

Classification and measurement of financial assets and financial liabilities

Ind AS - 101 requires an Group to assess classification and measurement of financial assets and financial liabilities on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Group has assessed the same accordingly.

Estimates

Estimates made by the Group, in accordance with Ind AS, at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any change in accounting policies), unless there is an objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2018, are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transitions as these were not required under previous GAAP :

- Investment in mutual funds carried at Fair value through profit or loss.
- Impairment of financial assets based on expected credit loss method

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ANNEXURE VII

Notes to Restated Consolidated Summary Statements

45 First time adoption of Ind AS (continued)

D. Statement of reconciliation of assets, liabilities, equity and profit and loss as per previous GAAP and Ind AS

1. Reconciliation of balance sheet as at March 31, 2019

	Notes	Amount as per IGAAP	Ind AS adjustments	Amount as per Ind AS
Assets				
Non- current assets				
Property, plant and equipment		21.4	-	21.4
Capital work-in-progress		-	-	-
Goodwill	f	276.9	(103.3)	173.6
Other intangible assets	f	8.1	11.5	19.6
Intangibles assets under development		1.7	-	1.7
Right-of-use assets	c,e	34.1	362.5	396.5
Financial assets				
i. Loans	c,e	84.9	(23.1)	61.8
ii. Other financial assets	e	23.3	0.6	23.9
Income tax assets (net)		92.0	-	92.0
Other assets	k	5.9	(1.1)	4.8
Total non-current assets		548.3	247.1	795.3
Current assets				
Financial assets				
i. Investments	a	904.1	77.5	981.5
ii. Trade receivables	d	1,334.5	(41.8)	1,292.7
iii. Cash and cash equivalents	g	256.3	6.4	262.7
iv. Loans	c,e	4.6	3.1	7.7
v. Other financial assets	d,e,g,i	729.9	(20.8)	709.1
Other assets		86.2	(0.2)	86.2
Total current assets		3,315.6	24.2	3,339.9
Total assets		3,863.9	271.3	4,135.2
Equity and liabilities				
Equity				
Equity share capital	g	74.3	(14.6)	59.7
Instruments entirely in the nature of equity	b	412.3	(189.3)	223.0
Other equity	b,g,h,l	1,581.2	(2,524.4)	(943.2)
Equity attributable to equity holders of the parent		2,067.8	(2,728.3)	(660.5)
Non-controlling interests		-	-	-
Total equity		2,067.8	(2,728.3)	(660.5)
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	k	86.1	(1.1)	85.0
ii. Lease liability	e	29.4	267.0	296.4
iii. Other financial liabilities	f	26.5	(26.5)	-
Provisions		94.0	-	94.0
Other non- current liabilities	e	6.2	(6.2)	-
Total non-current liabilities		242.2	233.2	475.4
Current liabilities				
Contract liability		106.7	-	106.7
Financial liabilities				
i. Borrowings		601.1	-	601.2
ii. Lease liability	e	24.6	133.6	158.2
iii. Trade payables				
(A) Total outstanding due to micro enterprises and small enterprises		4.0	-	4.0
(B) Total outstanding due to creditors other than micro enterprises and small enterprises.	g	282.4	1.4	283.8
iv. Other financial liabilities	b,f,h,k	361.7	2,631.3	2,993.0
Provisions		99.8	-	99.8
Other current liabilities		73.6	-	73.6
Total current liabilities		1,553.9	2,766.3	4,320.3
Total liabilities		1,796.1	2,999.5	4,795.7
Total equity and liabilities		3,863.9	271.3	4,135.2

ANNEXURE VII

Notes to Restated Consolidated Summary Statements

45 First time adoption of Ind AS (continued)

2. Reconciliation of profit for the year ended March 31, 2019

	Notes	Amount as per IGAAP	Ind AS adjustments	Amount as per Ind AS
Income				
Revenue from contracts with customers	j	5,955.8	(52.2)	5,903.6
Other income	a,c,e	42.2	72.3	114.5
Total income		5,998.0	20.1	6,018.1
Expenses				
Purchase of licenses for resale	j	48.5	(48.5)	-
Employee benefits expense	e,h,i	3,767.4	83.1	3,850.5
Depreciation and amortisation	c,e,f	58.2	189.6	247.8
Finance cost	b,e,f,k	68.9	90.5	159.4
Other expenses	d,e,g,j	1,697.6	(192.8)	1,504.8
Total expenses		5,640.6	121.9	5,762.5
Profit before exceptional items and tax		357.4	(101.8)	255.6
Exceptional Items - Impairment of goodwill (refer note 4)	f	174.7	(48.9)	125.8
Profit before tax		182.7	(52.9)	129.8
Current tax				
Tax expense of prior periods		-		
Deferred tax charge/ (credit)	f	-	(12.3)	(12.3)
Profit for the year		182.7	(40.6)	142.1
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translating the financial statements of a foreign operation	m	-	10.8	10.8
Net movement on effective portion of cash flow hedges	m	-	25.2	25.2
Income tax effect		-	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	36.0	36.0
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Re-measurement gains/ (losses) on defined benefit plans	i	-	(4.5)	(4.5)
Income tax effect		-		
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	(4.5)	(4.5)
Other comprehensive income for the year, net of tax		-	31.5	31.5
Total comprehensive income for the year		182.7	(9.1)	173.6

ANNEXURE VII

Notes to Restated Consolidated Summary Statements

45 First time adoption of Ind AS (continued)

3. Reconciliation of total equity between previous GAAP and Ind AS for year ended March 31, 2019

(i) Equity reconciliation

Particulars	Notes	March 31, 2019
Equity as reported under previous GAAP		2,067.8
Ind AS adjustments		
Fair value adjustments:		
Investment in mutual funds	a	77.3
Compulsorily convertible preference share	b	(2,632.2)
Security deposits	c	(2.0)
Allowance of expected credit losses on trade receivables and Unbilled revenue	d	(45.4)
Leases	e	(39.3)
Impact of restatement of past business combination	f	(65.2)
Consolidation of ESOP trust	g	(9.4)
Employees stock option expense	h	(12.5)
Others	j	0.4
Equity as per Ind AS		(660.5)

(ii) Total comprehensive income reconciliation for the year ended March 31, 2019

	Notes	March 31, 2019
Profit after tax as per previous GAAP		182.7
Ind AS adjustments		
Fair value adjustments:		
Investment in mutual funds	a	64.1
Compulsorily convertible preference share	b,c	(47.0)
Security deposits	c	(0.5)
Allowance of expected credit losses on trade receivables	d	27.7
Leases	e	(13.9)
Impact of restatement of past business combination	f	(15.6)
Consolidation of ESOP trust	g	(0.2)
Employees stock option expense	h	(59.7)
Remeasurement of employee benefit obligation	i	4.5
Net profit after tax as per Ind AS		142.1
Other comprehensive income (net of tax)	j	31.5
Total comprehensive income as per Ind AS		173.6

4. Cash flow reconciliation for the year ended March 31, 2019

	Notes	As per previous GAAP	Ind AS adjustments	As per Ind AS
Net cash flows from operating activities	E	364.3	211.9	576.2
Net cash flows used in investing activities	E	(33.2)	30.5	(2.7)
Net cash flows used in financing activities	E	(249.6)	(338.8)	(588.4)
Net increase in cash and cash equivalents	E	81.5	(96.4)	(14.9)
Effect of exchange differences on cash and cash equivalents held in	E	12.5	-	12.5
Cash and cash equivalents at the beginning of the year	E	162.3	2.8	165.1
Cash and cash equivalents at the end of the year		256.3	(93.6)	162.7

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Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited)
(All amounts in INR Millions unless otherwise stated)
ANNEXURE VII
Notes to Restated Consolidated Summary Statements
45 First time adoption of Ind AS (continued)
5. Reconciliation of balance sheet as at March 31, 2018

	Notes	Amount as per IGAAP	Ind AS adjustments	Amount as per Ind AS
Assets				
Non- current assets				
Property, plant and equipment		26.4	-	26.4
Capital work-in-progress		1.4	-	1.4
Goodwill	f	452.2	(156.1)	296.1
Other intangible assets	f	18.0	61.3	79.3
Intangibles assets under development		-		
Right-of-use assets	c,e	43.2	505.2	548.4
Financial assets		-		
i. Loans	c,e	74.7	(16.2)	58.5
ii. Other financial assets		18.5	-	18.5
Income tax assets (net)		58.4	-	58.4
Other assets	k	6.0	(2.0)	4.0
Total non-current assets		698.8	392.2	1,091.0
Current assets				
Financial assets				
i. Investments	a	1,373.0	13.2	1,386.2
ii. Trade receivables	d	1,015.1	(71.4)	943.7
iii. Cash and cash equivalents	g	162.3	2.9	165.2
iv. Loans	c,e	37.3	(10.0)	27.3
v. Other financial assets	d,e,g,i	115.8	(1.7)	114.1
Other assets	g,k	113.9	28.1	142.4
Total current assets		2,817.4	(38.9)	2,778.8
Total assets		3,516.2	353.3	3,869.9
Equity and liabilities				
Equity				
Equity share capital	g,h	74.3	(36.8)	37.5
Instruments entirely in the nature of equity	b	412.2	(189.3)	222.9
Other equity	b,g,h,l	1,367.1	(2,716.7)	(1,349.2)
Equity attributable to equity holders of the parent		1,853.6	(2,942.8)	(1,088.8)
Non-controlling interests		-	-	-
Total equity		1,853.6	(2,942.8)	(1,088.8)
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	k	150.3	(2.0)	148.3
ii. Lease liability	e	31.1	400.3	431.4
iii. Other financial liabilities	f	50.8	(50.8)	-
Provisions		81.2	-	81.2
Deferred tax liability	f	-	12.3	12.3
Other non- current liabilities	e	7.6	(7.6)	-
Total non-current liabilities		321.0	352.2	673.2
Current liabilities				
Contract liability		54.7	-	54.7
Financial liabilities				
i. Borrowings		685.5	-	685.5
ii. Lease liability	e	32.5	113.1	145.6
iii. Trade payables				
(A) Total outstanding due to micro enterprises and small enterprises		3.8		3.8
(B) Total outstanding due to creditors other than micro enterprises and small enterprises.	g	245.9	0.1	246.0
iv. Other financial liabilities	b,f,g,h,k	171.8	2,829.0	3,000.8
Provisions		82.0	-	82.0
Other current liabilities	e,g	65.4	1.7	67.1
Total current liabilities		1,341.6	2,943.9	4,285.5
Total liabilities		1,662.6	3,296.1	4,958.7
Total equity and liabilities		3,516.2	353.3	3,869.9

ANNEXURE VII

Notes to Restated Consolidated Summary Statements

45 First time adoption of Ind AS (continued)

6. Reconciliation of profit for the year ended March 31, 2018

	Notes	Amount as per IGAAP	Ind AS adjustments	Amount as per Ind AS
Income				
Revenue from contracts with customers	j	4,676.1	(47.2)	4,628.9
Other income	a,b,c,e,h	167.6	94.7	262.3
Total income		4,843.7	47.5	4,891.2
Expenses				
Purchase of licenses for resale	j	33.5	(33.5)	-
Employee benefits expense	e,h,i	3,525.4	43.3	3,568.7
Depreciation and amortisation	c,e,f	68.7	138.8	207.5
Finance cost	b,e,f,k	60.6	38.9	99.5
Other expenses	d,e,g,j	1,353.1	(107.0)	1,246.3
Total expenses		5,041.3	80.5	5,122.0
Profit before exceptional items and tax		(197.6)	(33.0)	(230.8)
Exceptional Items - Impairment of goodwill (refer note 4)		-		
Profit before tax		(197.6)	(33.0)	(230.8)
Current tax				
Tax expense of prior periods				
Deferred tax charge/ (credit)	f		(6.1)	(6.1)
Profit for the year		(197.6)	(26.9)	(224.7)
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in				
Exchange differences on translating the financial statements of a foreign	m	-	1.4	1.4
Net movement on effective portion of cash flow hedges	m	-	(27.7)	(27.7)
Income tax effect		-		
Net other comprehensive income to be reclassified to profit or loss in		-	(26.3)	(26.3)
Other comprehensive income not to be reclassified to profit or loss in				
Re-measurement gains/ (losses) on defined benefit plans	i	-	(1.2)	(1.2)
Income tax effect		-		
Net other comprehensive income not to be reclassified to profit or loss in		-	(1.2)	(1.2)
Other comprehensive income for the year, net of tax		-	(27.5)	(27.5)
Total comprehensive income for the year		(197.6)	(54.4)	(252.2)

7. Reconciliation of total equity between previous GAAP and Ind AS for year ended March 31, 2018

(i) Equity reconciliation

Particulars	Notes	March 31, 2018 (Proforma)
Equity as reported under previous GAAP		1,853.6
Ind AS adjustments		
Fair value adjustments:		
Investment in mutual funds	a	13.2
Compulsorily convertible preference share issued by the Group	b	(2,585.2)
Security deposits	c	6.9
Allowance of expected credit losses on trade receivables and Unbilled revenue	d	(73.1)
Leases	e	(32.6)
Impact of restatement of past business combination	f	(56.4)
Consolidation of ESOP trust	g	(48.5)
Employees stock option expense	h	(166.7)
Equity as per Ind AS		(1,088.8)

ANNEXURE VII

Notes to Restated Consolidated Summary Statements

45 First time adoption of Ind AS (continued)

7. Reconciliation of total equity between previous GAAP and Ind AS for year ended March 31, 2018 (continued)

(ii) Total comprehensive income reconciliation for the year ended March 31, 2018

	Notes	March 31, 2018 Proforma
Profit after tax as per previous GAAP		(197.6)
Ind AS adjustments		
Fair value adjustments:		
Investment in mutual funds	a	(4.5)
Compulsorily convertible preference share issued by the Group	b,c	73.1
Security deposits	c	4.5
Allowance of expected credit losses on trade receivables	d	(21.4)
Leases	e	(29.2)
Impact of restatement of past business combination	f	(56.4)
Consolidation of ESOP trust	g	-
Employees stock option expense	h	5.6
Remeasurement of employee benefit obligation	i	1.2
Net loss after tax as per Ind AS		(224.7)
Other comprehensive income (net of tax)	j	(27.5)
Total comprehensive income as per Ind AS		(252.2)

8. Cash flow reconciliation for the year ended March 31, 2018

	Notes	As per previous GAAP	Ind AS adjustments	As per Ind AS
Net cash flows from operating activities	E	29.4	74.0	103.4
Net cash flows used in investing activities	E	(274.1)	5.6	(268.5)
Net cash flows used in financing activities	E	326.0	(62.8)	263.2
Net increase in cash and cash equivalents	E	81.3	16.8	98.1
Effect of exchange differences on cash and cash equivalents held in foreign currency		(2.6)		(2.6)
	E		-	
Cash and cash equivalents at the beginning of the year	E	83.6	(14.0)	69.6
Cash and cash equivalents at the end of the year		162.3	2.8	165.1

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ANNEXURE VII

Notes to Restated Consolidated Summary Statements

45 First time adoption of Ind AS (continued)

9. Reconciliation of balance sheet as at March 31, 2017

	Notes	Amount as per IGAAP	Ind AS adjustments	Amount as per Ind AS
Assets				
Non- current assets				
Property, plant and equipment		30.4	-	30.4
Other intangible assets		4.3	-	4.3
Intangibles assets under development		2.8		2.8
Right-of-use assets	c,e	72.6	284.5	357.1
Financial assets				
i. Loans	c,e	51.7	(21.1)	30.6
ii. Other financial assets		1.4	-	1.4
Income tax assets (net)		60.4	-	60.4
Other assets		32.1	-	32.1
Total non-current assets		255.70	263.40	519.10
Current assets				
Financial assets				
i. Investments	a	1,553.3	17.8	1,571.1
ii. Trade receivables	d	670.3	(44.6)	625.7
iii. Cash and cash equivalents	g	71.7	0.4	72.1
iv. Loans	c,e	47.1	4.8	51.9
v. Other financial assets	d,e,g,i	399.8	(16.3)	383.5
Other assets		115.2	-	115.2
Total current assets		2,857.4	(37.9)	2,819.5
Total assets		3,113.1	225.5	3,338.6
Equity and liabilities				
Equity				
Equity share capital	g	72.7	(45.3)	27.4
Instruments entirely in the nature of equity	b	411.2	(189.2)	222.0
Other equity	b,g,h,l	1,555.6	(2,743.4)	(1,187.8)
Equity attributable to equity holders of the parent		2,039.5	(2,977.9)	(938.4)
Non-controlling interests		-	-	-
Total equity		2,039.5	(2,977.9)	(938.4)
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	k	-	2,658.3	2,658.3
ii. Lease liability	e	50.7	226.9	277.6
Provisions		57.1		57.1
Other non- current liabilities	e	4.5	(4.5)	-
Total non-current liabilities		112.3	2,880.7	2,993.0
Current liabilities				
Contract liability		19.8	-	19.8
Financial liabilities				
i. Borrowings		464.4		464.4
ii. Lease liability	e	35.6	54.3	89.9
iii. Trade payables				
(A) Total outstanding due to micro enterprises and small enterprises		4.4	-	4.4
(B) Total outstanding due to creditors other than micro enterprises and small enterprises.		151.0	-	151.0
iv. Other financial liabilities	b,f,h,k	141.7	274.7	416.4
Provisions		64.5	-	64.5
Other current liabilities	e,g	79.9	(6.3)	73.6
Total current liabilities		961.3	322.7	1,284.0
Total liabilities		1,073.6	3,203.4	4,277.0
Total equity and liabilities		3,113.1	225.5	3,338.6

ANNEXURE VII

Notes to Restated Consolidated Summary Statements

45 First time adoption of Ind AS (continued)

10. Reconciliation of total equity between previous GAAP and Ind AS for year ended March 31, 2017

1. Equity reconciliation

Particulars	Notes	April 1, 2017 Proforma
Equity as reported under previous GAAP		2,039.5
Ind AS adjustments		
Fair value adjustments:		
Investment in mutual funds	a	17.7
Compulsorily convertible preference share issued by the Group	b	(2,658.3)
Security deposits	c	2.4
Allowance of expected credit losses on trade receivables and Unbilled revenue	d	(51.7)
Leases	e	(3.8)
Impact of restatement of past business combination	f	-
Consolidation of ESOP trust	g	(63.0)
Employees stock option expense	h	(221.2)
Equity as per Ind AS		(938.4)

E. Notes to reconciliations between previous GAAP and Ind AS

a) Fair value of investment

Under previous GAAP, the Group was carrying their current investment at the lower of carrying amount and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting change in fair value is recognised in retained earnings at the date of transition for proforma Consolidated Summary Statements i.e. April 01, 2017 and subsequently in the statement of profit and loss account under other income.

b) Non Cumulative Compulsorily Convertible Preference Shares

Under the previous GAAP, Non Cumulative Compulsorily Convertible Preference Shares (CCPS) issued to the investors were classified as equity and carried at transaction value.

The Company had issued compulsorily convertible preference shares to the investors. The terms of the instrument provided the holder an option to convert the instrument and also a right to put back the instrument to the Group in the event the Group is not able to conduct a successful Qualified IPO within 7 years from the date of issue. On such occurrence, the Group will be obliged to buyback CCPS at a price equal the fair value of equity shares. Since the conduct of successful Qualified IPO is not within the control the Group, the Group doesn't have an unconditional right to avoid settlement. Thus, these instruments are in the nature of hybrid instrument with embedded derivative in the form of settlement option and host non-derivative liability. On transition, this instrument is recorded at its fair value and difference between its fair value and the carrying amount as per previous GAAP is recognised in the retained earning.

c) Security deposits

Under previous GAAP, interest free security deposits are recognised at their transaction value. Under Ind AS - 109, these deposits are initially recognised at fair value and subsequently measured at amortised cost at the end of each reporting period. Accordingly, the difference between the transaction value and fair value of these deposits is recognised as right-of-use assets and is amortised over the period of the lease term. Further, interest is accrued on the present value of these security deposits.

d) Allowance of expected credit losses on trade receivables and unbilled revenue

Under previous GAAP, the Group has created provision for impairment of receivables and unbilled revenue based on the incurred loss model. Under Ind AS, impairment loss has been determined as per Expected credit loss (ECL) model. The difference between the provision amount as per previous GAAP and Ind AS - ECL is recognised in retained earnings on date of transition for proforma Consolidated Summary Statements i.e. April 01, 2017 and subsequently in the statement of profit and loss account.

ANNEXURE VII

Notes to Restated Consolidated Summary Statements

45 First time adoption of Ind AS (continued)

E. Notes to reconciliations between previous GAAP and Ind AS (continued)

e) Lease

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incidental to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Pursuant to application of Ind AS - 116, for operating leases other than those for which the Group has opted for short-term or low value exemption, the Group has recorded a right-of-use assets and lease liability. Right-of-use (ROU) asset is amortised over the lease term or useful life of the leased assets whichever is lower and lease liability is subsequently measured at amortised cost and interest expense is recognised. The lease equalisation reserve appearing in the books pursuant to straight-lining of rent was reversed through retained earnings on transition to Ind AS.

Under previous GAAP, subletting of premises was treated as an operating lease and sub-lease income was recorded over the sub-lease period. Under Ind AS, such sublease is in the nature of finance lease. Net investment is recorded as the present value of future lease payments to be received and ROU assets recorded on head lease is derecognised. The difference in value of ROU assets and net investment is recorded as a gain/loss in the statement of profit and loss. Subsequently, the net investment is measured at amortised cost and interest income is recognised over the sub-lease period.

The Company has measured the right-of-use asset at the date of transition at its carrying amount as if Ind AS - 116 had been applied since the commencement date of the lease and the lease liability is measured at present value of the remaining lease payments as at the date of transition .

f) Restatement of past business combination

Under previous GAAP, the Group had treated the acquisition of business of Cupola Technology Private Limited, OSS Cube Solutions Limited and OSS Cube LLC as an acquisition and accounted the difference between the consideration paid and book value of assets acquired as goodwill. Under Ind AS 103, Group restated its past business combination and has accounted the acquisition, using acquisition method and accounted difference between the acquisition date fair value of consideration paid and acquisition date fair value of identifiable assets (including intangible assets) and liabilities acquired as goodwill. The fair value of contingent consideration treated as a part of purchase consideration under previous GAAP is treated as a post combination expense under Ind AS and expensed out in the statement of profit and loss.

g) Consolidation of ESOP trust

Under the previous GAAP, the employee stock option trust was not included in the standalone financial of the Group. Under Ind AS, ESOP trust is treated as an extended Group and included in the standalone financial of the Group. The investment in Group held by the ESOP trust is adjusted against share capital and security premium on consolidation of trust and shown as treasury shares in the Group's financial statement. On transition date equity share capital and security premium held by the ESOP trust has been adjusted with opening equity. Further, on consolidation of the ESOP trust the assets and liabilities, including cash and cash bank balances, has been added on a line by line basis and any intragroup transactions and balances have been eliminated.

h) Employee stock option expense

Under the previous GAAP, the Group had treated the employee stock option plan (ESOP) as an equity settled option. On transition to Ind AS, such ESOP plan is treated as a cash settled plan on account of constructive obligation created by the ESOP trust's practice of repurchasing the shares on termination of employment. The outstanding options are fair valued at each reporting date till the options are settled and recorded as an expense in the statement of profit and loss. In respect of shares held by the live employees, the exercise price paid by the employees lying in the equity is reclassified to employee stock option liability.

i) Remeasurement of defined benefit obligation

Under previous GAAP, actuarial gains and losses were recognized in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability which is recognized in other comprehensive income in the respective periods.

j) Revenue from operation

Under previous GAAP, cash discount given to customers for early payment of dues was separately recorded as an expense. Under Ind AS, such cash discounts are treated as a variable consideration and is netted off with the revenue.

Under previous GAAP, the Group had considered itself a principal for the sale of license. Under Ind AS 115, the Group assessed itself as an agent and hence disclosed the revenue from sale of license net of purchase cost of license.

ANNEXURE VII

Notes to Restated Consolidated Summary Statements

45 First time adoption of Ind AS (continued)

E. Notes to reconciliations between previous GAAP and Ind AS (continued)

k) Transaction costs on borrowings

Under previous GAAP, borrowings were recorded at a face value and transaction cost pertaining to borrowings were recognised as prepaid expense and amortised over the tenure of such borrowings. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the borrowings on initial recognition. These transaction costs are recorded over the tenure of the borrowings as a part of interest expense by applying effective interest method.

l) Retained earnings

Retained earnings as at April 01, 2017 has been adjusted consequent to above Ind AS adjustments.

m) Other comprehensive income

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit and loss to profit and loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

n) Material regrouping

Appropriate adjustments have been made in the Restated Consolidated Summary Statement of Assets and Liabilities, Restated Consolidated Summary Statement of Profits and Loss and Restated Consolidated Summary Statement of Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Consolidated Ind AS financial statements of the Group as at March 31, 2020 prepared in accordance with Schedule III of Companies Act 2013, in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

46 The comparatives given in the Restated Consolidated Summary Statement have been compiled after making necessary Ind AS adjustments to the respective audited financial statements under Previous GAAP to give a true and fair view in accordance with Ind AS.

47 Reconciliation between audited equity and restated equity and Reconciliation between audited profit/ (loss) and restated profit/ (loss):
The above disclosure for all periods covered by Restated Consolidated Summary Statement are included in first time adaption note 45 Therefore, same is not presented again

48 There were no qualifications, EOM, Disclaimers for all the period covered by Restated Consolidated Summary Statement, hence disclosure of qualification is not applicable to Group

49 There were no subsequent events after the reporting date which requires disclosure or adjustment to the reported amounts.

As per our report of even date

for S.R. Batliboi & Associates LLP

ICAI Firm's Registration Number : 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors of

Happiest Minds Technologies Limited

CIN : U72900KA2011PLC057931

per Sumit Mehra
Partner
Membership no.: 096547
Place: Bengaluru, India
Date: May 29, 2020

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 29, 2020

Venkatraman Narayanan
Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 29, 2020

OTHER FINANCIAL INFORMATION

1. In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company as at and for the Fiscals 2020, 2019 and 2018, respectively (“**Company Financial Statements**”) are available at
 - (i) <https://www.happiestminds.com/investors/Financial%20Results/2019-2020-Q4/Audited-IndAS-Standalone-Financial-statements-FY19-20.pdf>;
 - (ii) <https://www.happiestminds.com/investors/Financial%20Results/2018-2019-Q4/Audited-Standalone-Financial-statements-FY18-19.pdf>; and
 - (iii) <https://www.happiestminds.com/investors/Financial%20Results/2017-2018-Q4/Audited-Standalone-Financial-statements-FY17-18.pdf>, respectively.

Our Company is providing these links to its website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Company Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Company Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company, or any entity in which its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor the BRLMs or the Promoter, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Company Financial Statements, or the opinions expressed therein.

2. The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	Year ended	Year ended	Year ended
	March 31, 2020	March 31, 2019	March 31, 2018
Restated profit/(loss) after tax attributable to equity holders of the Group (A) (₹ in million)	717.1	142.1	(224.7)
Weighted average number of shares outstanding during the year for basic EPS (B)	101,792,647	75,175,235	71,887,974
Weighted average number of shares outstanding during the year for diluted EPS (C)	133,688,639	122,969,980	119,539,456
Basic Earnings per share (in Rs.) (D = A/B)	7.04	1.89	(3.13)
Diluted Earnings per share (in Rs.) (E = A/C)	5.36	1.16	(3.13)
Restated net worth for equity shareholders of the Group (A) (₹ in million)	2,642.1	(672.7)	(1,090.2)
Restated net profit/(loss) after tax attributable to equity holders of the Group (B) (₹ in million)	717.1	142.1	(224.7)
Return on net worth (C = B/A)	27.1%	(21.1%)	(20.6%)
Restated net worth for equity shareholders of the Group (A) (₹ in million)	2,642.1	(672.7)	(1,090.2)
Number of equity shares outstanding as at March 31, 2020 (B)	101,792,647	75,175,235	71,887,974
Restated net asset value per equity share (C = A/B)	26.0	(8.9)	(15.2)
Restated profit/ (loss) for the year (A) (₹ in million)	717.1	142.1	(224.7)
Tax expense (B) (₹ in million)	19.0	(12.3)	(6.1)
Exceptional Items - Impairment of goodwill (C) (₹ in million)	112.6	125.8	-
Finance cost (D) (₹ in million)	80.2	159.4	99.5
Depreciation and amortisation (E) (₹ in million)	202.3	247.8	207.5
EBITDA (A+B+C+D+E) (₹ in million)	1,131.2	662.8	76.2
Total income (₹ in million)	7,142.3	6,018.1	4,891.2

EBITDA / Total Income	15.8%	11.0%	1.6%

The ratios have been computed as under:

1. *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
2. *Return on Net Worth Ratio: Profit/ (loss) for the period attributable to equity shareholders of the parent divided by Net Worth as attributable to equity shareholders of the parent at the end of the year/period.*
3. *Net assets value per equity share (₹): Net assets at the end of the year/period divided by Total number of weighted average equity share outstanding at the end of the year/period*

Net asset means total assets minus total liabilities excluding revaluation reserves.

4. *EBITDA = Earnings before interest, taxes, depreciation and amortization (Restated profit/ (loss) for the year + tax expense + exceptional items: Impairment of goodwill + Finance costs + depreciation and amortization).*
5. *Net Worth is derived as below:*

(₹ in million)

Particulars	Year ended	Year ended	Year ended
	March 31, 2020	March 31, 2019	March 31, 2018
Equity share capital	87.9	59.7	37.5
Instruments entirely in the nature of equity	363.4	223.0	222.9
Securities premium account	2,778.1	1,860.2	1,651.8
Retained earnings	(559.7)	(2,863.3)	(3,000.9)
Cash flow hedge reserve	(73.0)	23.7	(1.5)
Share options outstanding reserve	45.4	24.0	-
Restated Net worth (Total)	2,642.1	(672.7)	(1,090.2)

6. *Accounting and other ratios are based on or derived from the Restated Consolidated Financial Statements.*

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, for Fiscal 2020, Fiscal 2019, and Fiscal 2018, see “Financial Statements – Annexure VII – Note 37 – Related Party Disclosure” on page 263.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at March 31, 2020, derived from our Restated Consolidated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Statements*” and “*Risk Factors*” beginning on pages 293, 197, and 27, respectively.

(in ₹ million)		
Particulars	As at March 31, 2020	As adjusted for the Offer*
Total borrowings		
Current borrowings	691.6	[●]
Non- current borrowings	13.2	[●]
Current maturities of borrowings	79.5	[●]
Total borrowings (A)	784.3	[●]
Total equity		
Equity share Capital	87.9	[●]
Instruments entirely in the nature of equity	363.4	
Other equity	2,201.8	[●]
Total equity (B)	2,653.1	[●]
Ratio: Total Borrowings (A) / Total Equity (B)	29.6%	[●]

These terms shall carry the meaning as per Schedule III of the Companies Act, 2013.

*Post-Offer Capitalisation will be determined after finalisation of Offer Price.

Note :

- i) The above has been derived from our Restated Consolidated Financial Statements.
- ii) The corresponding post-Offer capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.
- iii) Ind AS 116 lease liability disclosed as a separate line item on the face of the restated consolidated summary statement of assets and liabilities have not been considered as a part of borrowings

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Statements which is included in this Draft Red Herring Prospectus. Unless the context otherwise requires, the following discussion and analysis of our financial condition and results of operations is based on or derived from our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus, which is derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations. Our Restated Consolidated Financial Statements differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries, and our assessment of the factors that may affect our prospects and performance in future periods. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. These regulations may also vary with ICDS, which may be material to an investor's assessment of our results of operations and financial condition.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" on pages 27 and 20, respectively.

Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 months ended March 31 of that year.

Overview

Positioned as "Born Digital. Born Agile", we focus on delivering a seamless digital experience to our customers. Our offerings include, among others, digital business, product engineering, infrastructure management and security services. Our capabilities provide end-to-end solution in the digital space. We believe that we have developed a customer-centric focus that aims to fulfil their immediate business requirements and to provide them strategically viable, futuristic and transformative digital solutions.

We help our customers in finding new ways to interact with their users and clients enabling them to become more engaging, responsive and efficient. We also offer solutions across the spectrum of various digital technologies such as Robotic Process Automation (RPA), Software-Defined Networking/Network Function Virtualization (SDN/NFV), Big Data and advanced analytics, Internet of Things (IoT), cloud, Business Process Management (BPM) and security.

The Frost & Sullivan Report estimates the global digital services market of USD 691 billion in 2019 to grow at a CAGR of 20.2% to USD 2,083 billion by 2025. In Fiscal 2020, 96.9% of our revenues came from digital services. This is one of the highest among Indian IT companies (*Source: Frost & Sullivan Report*). The Frost & Sullivan Report notes that the legacy IT market as a percentage of total technology spend is estimated to decline from 85.7% share in 2019 to 65% share by 2025, with digital spend making up the remaining 35% share by then.

As of March 31, 2020, we had 157 active customers. Our repeat business (revenue from existing customers) has steadily grown and contributed a significant portion of our revenue from contracts with customers over the years indicating a high degree of customer stickiness.

We believe our agility and resilience has stood out in recent years. In Fiscal 2020, we delivered 87.9% of our projects through agile delivery methodology. Over the years and currently during the ongoing outbreak of Novel Coronavirus, we have successfully implemented our business continuity plans including to achieve efficient work-from-home practices to ensure connectivity across the enterprise.

Our mission statement is "Happiest People. Happiest Customers" and we seek to enable our customers' happiness through our people's happiness. Our culture rests on the foundation of our SMILES Values (Sharing, Mindful, Integrity, Learning, Excellence, Social Responsibility). We believe that the recognitions and awards received by our Company are an outcome of our mindful approach. In the Great Place to Work® 2019 survey, we were ranked among India's Top 25 Best Workplaces for Women. We have also received the Great Place to Work® Certification. As of March 31, 2020, we had a Glassdoor rating of 4.1 on a scale of '1- 5', among the highest for Indian IT services companies (*Source: Frost & Sullivan Report*).

Our business is divided into the following three Business Units (BUs):

- **Digital Business Services (DBS):** Our DBS offerings are aimed at (i) driving digital modernisation and transformation for our customers through digital application development and application modernisation for an improved customer experience, enhanced productivity and better business outcomes; (ii) implementation of solutions, development and implementation of solution, capabilities for improving data quality of the customer's platform, assistance in designing and testing of operations and management of platform and modernisation of digital practices; and (iii) consulting and domain led offerings such as digital roadmap, mindful design thinking, and migration of on-premise applications to cloud.
- **Product Engineering Services (PES):** Our PES BU aims to help our customers capitalise on the transformative potential of 'digital' by building products and platforms that are smart, secure and connected. We provide our customers a blend of hardware and embedded software knowledge which combines with our software platform engineering skills to help create high quality, scalable and secure solutions. Our offerings extend across the development lifecycle from strategy to final roll out while ensuring quality. We get our clients started on this journey with our digital foundry that allows us to build rapid prototypes for our customers and provide a scalable Minimum Viable Product (MVP). We embrace a cloud and a mobile friendly approach along with an agile model that is supported by test automation to help our clients accelerate their time to market and build a competitive advantage.
- **Infrastructure Management & Security Services (IMSS):** Our IMSS offerings provide an end to end monitoring and management capability with secure ring fencing of our customers' applications and infrastructure. We provide continuous support and managed security services for mid-sized enterprises and technology companies. Specialized in automation of business and IT operations with DevSecOps model and with NOC/SOC, we strive to ensure that the data center, cloud infrastructure and applications are safe, secure, efficient and productive. Our security offerings include cyber and infrastructure security, governance, risk & compliance, data privacy and security, identity and access management and threat and vulnerability management. Our infrastructure offerings include DC and hybrid cloud services, workspace services, service automation (RPA, ITSM & ITOM), database and middleware services and software defined infrastructure services.

Our business units are supported by the following three Centres of Excellence (CoEs):

- **Internet of Things (IoT):** Our IoT offering includes consulting led digital strategy creation, device/edge/platform engineering, end-to-end system integration on industry standard IoT platforms, IoT security, and IoT enabled managed services, implementing IoT roadmap, deriving insights from connecting assets, connecting manufacturing, supply chain, products and services to deliver IoT led business transformation and new business models aimed at enhancing our customers' operations and customer experience. In Fiscals 2019 and 2020, revenues from IoT offerings were 8.4% and 9.8% respectively.
- **Analytics / Artificial Intelligence (AI):** Our analytics/AI offering includes implementation of advanced analytics using artificial intelligence, machine learning and statistical models, engineering big data platforms to deal with large volume of data, creating actionable insights with data warehousing, modernization of data infrastructure and process automation through AI. In Fiscals 2019 and 2020, revenues from analytics/AI were 9.1% and 11.6% respectively.
- **Digital Process Automation (DPA):** Our DPA offering includes consulting led digital transformation through process automation of core business applications, products and infrastructure landscape of our customers, leveraging various intelligent process automation tools and technologies including Robotic Process Automation (RPA), intelligent business process management (iBPMS) and cognitive automation using AI & machine learning based models. In Fiscal 2020, revenue from DPA was 20.7%.

Ashok Soota, our Promoter, Executive Chairman and Director has several years of experience in the IT industry. Prior to founding our Company, Mr. Soota was associated with Wipro Limited as its Vice Chairman and Mindtree Limited as its Chairman and Chief Executive Officer. He has been conferred with a Dataquest IT Man of the Year, 2017, a Dataquest Lifetime Achievement Award for outstanding contribution in organizing and building the Indian software industry, an IT Lifetime Achievement Award from the Financial Express, and a Lifetime Achievement Award from Chiratae Ventures (formerly known as IDG Ventures). We are led by a professional management team with extensive experience in the IT Services industry, in-depth understanding of managing complex projects

and a proven performance track record. For more information, see “*Our Management – Brief Biographies of our Directors*” on page 176.

In Fiscals 2018, 2019 and 2020, our total income was ₹4,891.2 million, ₹6,018.1 million and ₹7,142.3 million, respectively, our EBITDA was ₹76.2 million, ₹662.8 million and ₹1,131.2 million, respectively and our restated profit / (loss) for the year was ₹(224.7) million, ₹142.1 million and ₹717.1 million, respectively. This represents a CAGR for total income of 20.8% and a CAGR for EBITDA of 285.3% between Fiscal 2018 and Fiscal 2020. For EBITDA reconciliation, please see “*Our Business – Our Strengths – Scalable business model with multiple drivers of steady growth*” on page 141.

Significant Factors Affecting our Results of Operations

The following is a discussion of certain factors that have had, and will continue to have, a significant effect on our financial condition and results of operations:

Expansion of customer base and new sales to existing customers

Customer relationships are the core of our business. We had an average count of active customers 173, 163 and 157 as of March 31, 2018, 2019 and 2020, respectively. Our ability to grow our customer base and drive market adoption of our software is affected by the pace at which organisations digitally transform. We expect that our revenue growth will be primarily driven by the pace of adoption of our offerings. We believe the degree to which prospective customers recognise the need for our offerings to maximise their business process, would lead to a higher budget allocation by such prospective customers for engaging our services. This will drive our ability to acquire new customers and increase sales to existing customers, which in turn, will affect our future financial performance.

We believe that we have benefited from growth in the global software development services industry. Growth in the industry is driven by the needs of major corporations to maintain and upgrade the technology and services required to operate in a cost-efficient manner. Software companies are also increasingly outsourcing work to IT services providers in order to streamline and reduce the cost of the software development process. The Indian software development services market is growing rapidly due to its large pool of skilled IT professionals, highly-developed infrastructure and strong government support and incentives.

We believe we have a substantial opportunity to grow our customer base. We have invested, and intend to continue to invest, in order to drive sales to new customers. In particular, we have made, and plan to continue to make, investments to enhance the expertise of our sales and marketing organisation within our key focus industries of Edutech, HiTech, BFSI, Industrial/Manufacturing, and Retail.

Many of our existing customers typically expand their usage of our services products through our cross-selling across our BUs. Our ability to increase sales to existing customers will depend on a number of factors, including the size of our sales force and professional services teams, customers’ level of satisfaction with our services and professional services, pricing, economic conditions and our customers’ overall budget and spending levels. Our repeat business (revenue from existing customers) has steadily grown and contributed a significant portion of our revenue from contracts with customers over the years indicating a high degree of customer stickiness. We believe that our ability to establish and strengthen customer relationships and expand the scope of our products and services will be an important factor in our future growth and our ability to continue increasing our profitability.

Our ability to develop new products and enhance existing products in accordance with evolving customer needs

The requirements of our customers vary across a range of industries, geographies and service or technical requirements. To service and grow our relationships with our existing customers and to win new customers, we must be able to provide them with products that address their requirements, to anticipate and understand trends in their relevant markets and to continually address their requirements as those requirements change and evolve. In this regard, we believe that our strong culture of innovation, our workforce and our research and testing facilities have enabled us to expand the range of our offerings to customers and improve the delivery of our software platform and services.

If we are able to anticipate and respond to our customers’ requirements on a timely and cost-efficient basis, we would expect to receive repeat business from existing customers. Further, leveraging on our present portfolio of customers and expertise in the verticals of our existing customers we aim to develop new customer relationships

by identifying potential customers that operate within the same verticals as our existing customers. In addition, if we are able to generate healthy demand for our products and services, we may be able to increase our price, which would consequently lead to an increase in our revenues and profit margins. Conversely, if we are unable to provide innovative services to our customers, either at all or at an acceptable price, or if our customers are dissatisfied with our work for any other reason, it would have an adverse effect on our revenues and our profits.

Our continued growth in the United States market

The US market has historically been our single largest market. In Fiscals 2018, 2019 and 2020, our external customers located in the United States contributed 73.5%, 75.5% and 77.5% of our revenue from operations, respectively.

Our continued business growth and financial performance will depend on our ability to continue to grow our customer base in the United States market. The concentration of our revenues from operations from the United States heightens our exposure to adverse developments related to competition, as well as economic, political, regulatory and other changes. Any such adverse development affects the overall economy of the United States may have a material adverse effect on our business, financial condition and results of operations.

Pricing of and margin on our services and revenue mix

For time-and-materials contracts, the hourly rates we charge for our IT professionals are a key factor impacting our gross profit margins and profitability. Hourly rates vary by complexity of the project and the mix of staffing. The margin on our services is impacted by the increase in our costs in providing those services, which is influenced by wage inflation and other factors. As a client relationship matures and deepens, we seek to maximise our revenues and profitability by expanding the scope of services offered to that client and winning higher profit margin assignments.

Continued Relationships with ISVs

Over the years, we have developed strong relationships with several ISVs. We intend to deepen our relationships with our ISVs by offering customised, end-to-end payment transactions and automation solutions and procure repeat orders. Our ability to maintain and strengthen our relationships with such customers is expected to affect our revenues. Our ability to continue offer our products and services is dependent on our continued relationships with such ISVs. We believe that our long-standing relationship with such companies has led to effective knowledge sharing and the adoption of global best practices, thereby enabling us to improve and develop our in-house service capabilities. Further, we believe that such partnerships have also allowed us to develop credibility, as we are able to cater to our customers in a quick and effective manner. Consequently, the development and continued maintenance of relationships with ISVs is a key factor in the operation of our business.

Recruitment, retention and management of IT professionals

Our ability to recruit, retain and manage our IT professionals will have an effect on our gross profit margin and our results of operations. Our IT professional headcount was 2,439 as of March 31, 2020 and 2,027 at March 31, 2018. We manage employee headcount and utilisation based on ongoing assessments of our project pipeline and requirements for professional capabilities. An unanticipated termination of a significant project could cause us to experience lower employee utilisation resulting from a higher than expected number of idle IT professionals. Our ability to effectively utilise our employees is typically improved by longer-term client relationships due to increased predictability of client needs over the course of the relationships.

Our success depends in large part of our ability to attract, retain and train our employees, in particular highly skilled engineering professionals.

Our employee benefits consists of salaries, wages and bonus, contribution to provident fund and other funds, employee stock compensation expense, compensated absences, gratuity and staff welfare. Salaries and wages in India, including in the services industry, have historically been lower those in the United States, Europe and other developed economies. However, if these costs in India continue to increase at a rate faster than in the United States, Europe and other developed economies due to competitive pressures, we may experience a greater increase in our employee costs, thereby eroding one of our principal cost advantages over competitors in the United States, Europe and other developed economies. In addition, our ability to manage our employee costs will also be heavily impacted by our international and domestic resource mix. For example, any increases in visa fees or healthcare

insurance costs for employees located in developed countries such as USA and Canada, would increase our employee costs.

In addition, as we continue to invest in the recruitment and retention of sales staff in line with our growth strategies, we are likely to incur costs in relation to our market penetration, sales and marketing initiatives, and for the recruitment of sales employees located in India and overseas.

Significant Accounting Policies

Revenue recognition

The Group derives revenue primarily from rendering engineering services and sale of licenses. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. The Group is a principal in rendering engineering services and agent in relation to sale of licences. Amounts disclosed as revenue are net of trade allowances, rebates and Goods and Services tax (GST), amounts collected on behalf of third parties and includes reimbursement of out-of-pocket expenses, with corresponding expenses included in cost of revenues.

Revenue from the rendering of services and sale of licence is recognised when the Group satisfies its performance obligations to its customers as below:

Rendering of engineering services

Revenues from engineering services comprise primarily income from time-and-material and fixed price contracts. Revenue with respect to time and-material contracts is recognised over the period of time as the related services are performed. Revenue with respect to fixed price contracts where performance obligation is transferred over time and where there is no uncertainty as to measurability or collection of consideration is recognised in accordance with the proportionate performance method. The input (efforts expended) method has been used to measure progress towards completion, as there is a direct relationship between input and productivity. Provisions for estimated losses on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. In determining the transaction price for rendering of engineering services, the Group considers the effect of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customers if any. Revenue is recognised net of trade and cash discounts.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of licences

The Group is a reseller for sale of right to use licences and acting as agent in the arrangement. The revenue for sale of right to use licence is recognised at point in time when control on use of licence is transferred to the customer.

Contract balances

Contract assets: The Group classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current asset. Trade receivables and unbilled revenue is presented net of impairment.

Contract liabilities: A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is

due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend. Dividend income is included under the head "Other income" in the statement of profit and loss account.

Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other expenses.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in statement of profit and loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has

correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet on the basis of historical cost. For the transition to Ind AS, the Group has elected to continue with the carrying value for all of its property, plant and equipment recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as at the date of transition.

Capital work in progress is stated at cost, net of accumulated impairment loss if any.

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalisation criteria's are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Subsequent costs related to an item of property, plant and equipment are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in statement of profit and loss during the reporting period when they are incurred.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Property, plant and equipment individually costing Rs.5,000 or less are depreciated at 100% in the year in which such assets are ready to use.

Depreciation is calculated using the straight-line method over their estimated useful lives as follows:

The estimates of useful lives of tangible assets are as follows:

	Class of asset	Useful life as per Schedule II	Useful life as per Group
	Furniture and fixtures	10 years	5 years
	Office equipment	5 years	4 years
	Computer systems	6 years for server 3 years for other than server	2.5-3 years

Leasehold improvements are amortised over the period of the lease or life of the asset whichever is less.

The useful lives have been determined based on technical evaluation done by the management's expert which in certain instances are different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Intangible assets

The Group has restated its business combination from April 01, 2017 resulting into restatements of Goodwill, customer relationships, trademark and non-compete (Refer note 43). For all other intangible assets, the Group

has elected to continue with the carrying value for all of its Intangible assets recognised as of April 01, 2018 (date of transition to Ind AS) measured as per the previous GAAP and use that carrying value as its deemed cost as at the date of transition.

Goodwill

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Group of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Asset	Life in Years
Computer software	2.5-3 years
Non compete fees	3 years
Customer relations	3 years
Trade mark	3 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Subsequent costs related to Intangible assets are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Leases

The Group has lease contracts for various items of computers, vehicles and buildings used in its operations. Lease terms generally ranges between 3 and 10 years.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the

commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2 (e) for policy on impairment of non- financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Sublease

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If the sublease is classified as a finance lease, the original lessee derecognises the right-of-use asset on the head lease at the sublease commencement date and continues to account for the original lease liability in accordance with the lessee accounting model.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Lease and non-lease component

As per Ind AS 116, "As a practical expedient, a lessee may elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component."

The Group have not opted for this practical expedient and have accounted for Lease component only.

Extension and termination option

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Management have not considered any future cash outflow for which they are potentially exposed arising due to extension and termination options.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease, otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for warranty

As per the terms of the contracts, the Group provides post-contract services / warranty support to some of its customers. The Group accounts for the post-contract support / provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates. The estimate of such warranty-related costs is revised annually.

Contingent Liabilities: A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses it in the Restated Consolidated Summary Statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Principal Components of our Statement of Profit and Loss

Income

Our total income comprises of revenue from contract with customers and other income.

Revenue from contract with customers

Our revenue from contract with customers comprises of revenue from (i) sale of services and (ii) sale of licences.

The following table sets forth a breakdown of our revenue from contract with our customers for the periods indicated:

	(in ₹ million)		
	Fiscal 2020	Fiscal 2019	Fiscal 2018
Sale of services	6,976.0	5,888.3	4,602.5
Sale of licences	6.1	15.3	26.4
Revenue from contracts with customers	6,982.1	5,903.6	4,628.9

Our revenue from contract with our customers are generated from three business units, namely Infrastructure Management & Security Services, Digital Business Solution and Product Engineering Services.

Infrastructure Management and Security Solutions (IMSS) business unit delivers integrated end-to-end infrastructure and security solutions with specialisation in cloud, virtualisation and mobility across a multitude of industry verticals and geographies. This group provides advisory, transformation, managed and hosted services, and secure intelligence solutions to our customers. This group has unique productised solution platforms for smart

infrastructure and security solutions provides quick to deploy, mature service delivery over Global SOC/NOC. This improves efficiency and serviceability, reduces cost and drives innovation.

Digital Business Solutions business unit delivers high value, cost-effective enterprise applications and customised solutions that enable organisations to be smarter and accelerate business transformations. This group provides advisory, design and architecture, custom-app development, package implementation, testing and on-going support services to IT initiatives. The business drivers for these applications are increasing market share, enhancing customer engagement, improving agility and efficiency of internal operations, reducing cost, driving differentiation and standardising business processes.

Product Engineering Services business unit assists software product companies in building robust products and services that integrate mobile, cloud and social technologies. This group helps our customers understand the impact of new technologies and incorporate these technologies into their product roadmap. This group focuses on technology depth, innovation and solution accelerators which allow us to deliver time-to-market, growth and cost benefits to our customers.

The following table sets forth our revenue from contracts with customers on the basis of business unit for the period indicated.

(in ₹ million)			
Disaggregated Revenues Information	Fiscal 2020	Fiscal 2019	Fiscal 2018
Revenue from Infrastructure Management & Security Services	1,536.1	1,294.3	986.2
Revenue from Digital Business Solutions	1,916.7	1,809.0	1,540.3
Revenue from Product Engineering Services	3,529.3	2,800.3	2,102.4
Total revenue from contracts with customers	6,982.1	5,903.6	4,628.9

Other income

Our other income primarily consists of (i) interest income on deposit with banks, financial instrument measured at amortised cost and others, (ii) fair value gain on investment measured at FVTPL, (iii) gain on sale of investments measured at FVTPL and (iv) exchange gain.

Expenses

Our expenses comprise of (i) employee benefits expense, (ii) depreciation and amortisation, (iii) finance cost and (iv) other expenses.

Employee benefits expense

Our employee benefits expense comprises of (i) salaries, wages and bonus, (ii) contribution to provident fund, (iii) employee stock compensation expense, (iv) gratuity expense, (v) compensated absences and (vi) staff welfare expenses.

The following table sets forth a breakdown of our employee benefits expense for the periods indicated:

(in ₹ million)			
	Fiscal 2020	Fiscal 2019	Fiscal 2018
Salaries, wages and bonus	4,108.9	3,544.5	3,320.0
Contribution to provident fund	190.5	170.7	166.7
Employee stock compensation expense	26.6	60.3	18.0
Gratuity expense	31.7	30.3	25.1
Compensated absences	38.2	29.3	23.4
Staff welfare expenses	16.4	15.5	15.5
Total employee benefits expense	4,412.3	3,850.5	3,568.7

Depreciation and amortisation

Our tangible and intangible assets are depreciated and amortised over periods corresponding to their estimated useful lives. Please see “*Significant Accounting Policies*” above. Our depreciation and amortisation expense comprises of (i) depreciation of property, plant and equipment, (ii) amortisation of intangible assets and (iii) depreciation of right-of-use assets.

Finance cost

Our finance cost comprises of (i) interest expense on borrowings and lease liability and (ii) fair value loss on compulsory convertible preference shares.

Other expenses

Our other expenses primarily comprise of (i) subcontractor charges, (ii) legal and professional fees, (iii) software licence cost and (iv) travelling and conveyance.

The following table sets forth a breakdown of our other expenses for the periods indicated:

	(in ₹million)		
	Fiscal 2020	Fiscal 2019	Fiscal 2018
Power and fuel	44.9	39.1	43.3
Subcontractor charges	727.1	644.2	379.2
Repairs and maintenance			
Buildings	19.3	17.0	22.4
Equipment	2.5	4.1	4.4
Others	40.4	22.7	21.9
Rent expenses	30.0	33.1	76.8
Advertising and business promotion expenses	26.3	30.8	35.4
Commission	18.6	24.0	29.0
Communication costs	28.9	26.9	35.4
Insurance	3.6	2.6	3.2
Legal and professional fees	114.0	46.2	59.9
Loss on property, plant and equipment sold/scrapped, net	-	0.5	-
Software license cost	123.8	140.9	140.6
Rates and taxes	3.1	3.1	6.1
Warranty expense	6.0	-	-
Recruitment charges	23.0	26.3	20.9
Exchange loss	-	88.6	-
Impairment loss allowance on trade receivables	70.6	58.0	45.2
Impairment loss allowance/(write back) on loans	-	(3.7)	46.1
Impairment loss allowance/(write back) on unbilled revenue	5.6	1.8	(5.4)
Acquisition related receivables written off	-	16.5	-
Corporate Social Responsibility ("CSR") expenditure	2.1	0.5	1.5
Transaction cost on acquisition of business	-	-	11.8
Travelling and conveyance	291.0	255.4	244.4
Miscellaneous expenses	18.0	26.2	24.2
Total other expenses	1,598.8	1,504.8	1,246.3

Income tax expense

Our income tax expense comprises of current tax, adjustment of tax relating to earlier periods and deferred tax credit.

Exceptional items

Our exceptional items comprise of impairment of goodwill. We have recognised impairment of goodwill in Fiscal 2019 and Fiscal 2020 arising out of the acquisition of OSS Cube LLC and a business division acquired from OSS Cube Solutions Limited.

Results of Operations

The following table sets forth our consolidated statement of profit and loss for the periods indicated.

	Fiscal 2020		Fiscal 2019		Fiscal 2018	
	(₹million)	(%)*	(₹million)	(%)*	(₹million)	(%)*
Income						
Revenue from contract with customers	6,982.1	97.8	5,903.6	98.1	4,628.9	94.6
Other income	160.2	2.2	114.5	1.9	262.3	5.4

	Fiscal 2020		Fiscal 2019		Fiscal 2018	
	(₹million)	(%)*	(₹million)	(%)*	(₹million)	(%)*
Total income	7,142.3	100.0	6,018.1	100.0	4,891.2	100.0
Expenses						
Employee benefits expense	4,412.3	61.8	3,850.5	64.0	3,568.7	73.0
Depreciation and amortisation	202.3	2.8	247.8	4.1	207.5	4.2
Finance cost	80.2	1.1	159.4	2.6	99.5	2.0
Other expenses	1,598.8	22.4	1,504.8	25.0	1,246.3	25.5
Total expenses	6,293.6	88.1	5,762.5	95.8	5,122.0	104.7
Restated profit/(loss) before exceptional items and tax	848.7	11.9	255.6	4.2	(230.8)	(4.7)
Exceptional items – impairment of goodwill	112.6	1.6	125.8	2.1	-	-
Restated profit/(loss) before tax	736.1	10.3	129.8	2.2	(230.8)	(4.7)
Current tax	17.2	0.2	-	-	-	-
Adjustment of tax relating to earlier periods	1.8	0.0	-	-	-	-
Deferred tax change/(credit)	-	-	(12.3)	(0.2)	(6.1)	(0.1)
Restated profit/(loss) for the year	717.1	10.0	142.1	2.4	(224.7)	(4.6)
Other comprehensive income						
Other comprehensive income to be reclassified to profit or loss in subsequent period						
Exchange differences on translating the financial statements of a foreign operation	(1.2)	(0.0)	10.8	0.2	1.4	0.0
Net movement on effective portion of cash flow hedges	(96.7)	(1.4)	25.2	0.4	(27.7)	(0.6)
Income tax effect	-	-	-	-	-	-
Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	(97.9)	(1.4)	36.0	0.6	(26.3)	(0.5)
Other comprehensive income not to be reclassified to profit or loss in subsequent period						
Re-measurement gains/(losses) on defined benefit plans	(13.9)	(0.2)	(4.5)	(0.1)	(1.2)	(0.0)
Income tax effect	-	-	-	-	-	-
Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods	(13.9)	(0.2)	(4.5)	(0.1)	(1.2)	(0.0)
Other comprehensive income / (loss) for the year, net of tax	(111.8)	(1.6)	31.5	0.5	(27.5)	(0.6)
Total comprehensive income / (loss) for the year	605.3	8.5	173.6	2.9	(252.2)	(5.2)
Restated profit/(loss) for the year	717.1	10.0	142.1	2.4	(224.7)	(4.6)
Attributable to:						
Owners of the Company	717.1	10.0	142.1	2.4	(224.7)	(4.6)
Non-controlling interest	-	-	-	-	-	-
Total comprehensive income / (loss) for the year	605.3	8.5	173.6	2.9	(252.2)	(5.2)
Attributable to:						
Owners of the Company	605.3	8.5	173.6	2.9	(252.2)	(5.2)
Non-controlling interest	-	-	-	-	-	-
Earnings per equity share						
Basic, computed on the basis of profit for the year attributable to equity holders of the parent	7.04	NA	1.89	NA	(3.13)	NA
Diluted, computed on the basis of profit for the year attributable to equity holders of the parent	5.36	NA	1.16	NA	(3.13)	NA

* (%) column represents percentage of total income.

Fiscal 2020 compared to Fiscal 2019

Income

Our total income increased by 18.7% to ₹7,142.3 million in Fiscal 2020 from ₹6,018.1 million in Fiscal 2019, due to increases in both revenue from contracts with customers and other income.

Revenue from contracts with customers

Our revenue from contracts with customers increased by 18.3% to ₹6,982.1 million in Fiscal 2020 from ₹5,903.6 million in Fiscal 2019, primarily due to an increase in the volume of projects executed by us on account of higher utilisation of our increased workforce.

Infrastructure Management & Security Services: Our revenue from Infrastructure Management & Security Services increased by 18.7% to ₹1,536.1 million in Fiscal 2020 from ₹1,294.3 million in Fiscal 2019, primarily due to an increase in the number of projects executed by us on account of higher utilisation of our increased workforce.

Digital Business Solution: Our revenue from Digital Business Solution increased by 6.0% to ₹1,916.7 million in Fiscal 2020 from ₹1,809.0 million in Fiscal 2019. Our relatively small growth in Digital Business Solution business unit was due to conclusion of some of our existing projects in this BU.

Product Engineering Services: Our revenue from Product Engineering Services increased by 26.0% to ₹3,529.3 million in Fiscal 2020 from ₹2,800.3 million in Fiscal 2019, primarily due to an increase in the number of projects executed by us on account of higher utilisation of our increased workforce.

Other income

Our other income increased by 39.9% to ₹160.2 million in Fiscal 2020 from ₹114.5 million in Fiscal 2019, primarily due to increases in (i) interest income on deposit with banks, income tax refund, financial instrument measured at amortised cost and others, (ii) gain on sale of investment measured at fair value through profit and loss and (iii) exchange gain, partially offset by a decrease in fair value gain on investment measured at.

Expenses

Our total expenses increased by 9.2% to ₹6,293.6 million in Fiscal 2020 from ₹5,762.5 million in Fiscal 2019, primarily due to increases in employee benefits expense and other expenses, partially offset by decreases in depreciation and amortisation and finance cost.

Employee benefits expense

Our employee benefits expense increased by 14.6% to ₹4,412.3 million in Fiscal 2020 from ₹3,850.5 million in Fiscal 2019, primarily due to an increase in both our employees and salaries, wages and bonus.

Depreciation and amortisation

Our depreciation and amortisation decreased by 18.4% to ₹202.3 million in Fiscal 2020 from ₹247.8 million in Fiscal 2019, primarily due to a decrease in amortisation expenses of intangible assets resulting from accelerated write off of intangible assets we obtained from the acquisition of OSS Cube LLC and the business division of OSS Cube Solutions Limited.

Finance cost

Our finance cost decreased by 49.7% to ₹80.2 million in Fiscal 2020 from ₹159.4 million in Fiscal 2019, primarily due to decreases in (i) loss on fair market value adjustment on compulsory convertible preference shares and (ii) interest expense on borrowings as a result of a decrease in interest rate of borrowings. In Fiscal 2020, financial liability in relation to compulsory convertible preference shares held by investors was classified as equity as our Promoter purchased compulsory convertible preference shares from one investor while the other investor waived off its rights to the buy-back of compulsory convertible preference shares.

Other expenses

Our other expenses increased by 6.2% to ₹1,598.8 million in Fiscal 2020 from ₹1,504.8 million in Fiscal 2019, primarily due to increases in (i) subcontractor charges, (ii) legal and professional fees as a result of expenses on restructuring or litigation for collection of overdue and claims submitted by our former employees, and (iii) travelling and conveyance as a result of increased number of employees travelling onsite, partially offset by a favourable movement in exchange rates.

Restated profit before exceptional items and tax

As a result of the foregoing, our restated profit before exceptional items and tax increased by 232.0% to ₹848.7 million in Fiscal 2020 from ₹255.6 million in Fiscal 2019.

Exceptional Item – Impairment of Goodwill

Our exceptional item, impairment of goodwill decreased by 10.5% to ₹112.6 million in Fiscal 2020 from ₹125.8 million in Fiscal 2019.

Restated profit before tax

As a result of the foregoing, our restated profit before tax increased 467.1% to ₹736.1 million in Fiscal 2020 from ₹129.8 million in Fiscal 2019.

Tax expenses

Our total tax expense increased by 254.5% to ₹19.0 million in Fiscal 2020. In Fiscal 2019, we recorded deferred tax credit of ₹12.3 million, while our deferred tax credit in Fiscal 2020 was nil. We recorded current tax and adjustment of tax relation to earlier periods of ₹17.2 million and ₹1.8 million, respectively, in Fiscal 2020.

Restated profit for the year

Due to the factors discussed above, our restated profit / (loss) for the year increased by 404.6% to ₹717.1 million in Fiscal 2020 from ₹142.1 million in Fiscal 2019.

Fiscal 2019 compared to Fiscal 2018

Income

Our total income increased by 23.0% to ₹6,018.1 million in Fiscal 2019 from ₹4,891.2 million in Fiscal 2018, due to an increase in revenue from contracts with customers, partially offset by a decrease in other income.

Revenue from contracts with customers

Our revenue from contracts with customers increased by 27.5% to ₹5,903.6 million in Fiscal 2019 from ₹4,628.9 million in Fiscal 2018 in the volume of projects executed by us on account of higher utilisation of our increased workforce.

Infrastructure Management & Security Services: Our revenue from Infrastructure Management & Security Services increased by 31.2% to ₹1,294.3 million in Fiscal 2019 from ₹986.2 million in Fiscal 2018, primarily due to an increase in the number of projects executed by us on account of higher utilisation of our increased workforce.

Digital Business Solution: Our revenue from Digital Business Solution increased by 17.4% to ₹1,809.0 million in Fiscal 2019 from ₹1,540.3 million in Fiscal 2018, primarily due to an increase in the number of projects executed by us on account of higher utilisation of our increased workforce.

Product Engineering Services: Our revenue from Product Engineering Services increased by 33.2% to ₹2,800.3 million in Fiscal 2019 from ₹2,102.4 million in Fiscal 2018, primarily due to an increase in the number of projects executed by us on account of higher utilisation of our increased workforce.

Other income

Or other income decreased by 56.3% to ₹114.5 million in Fiscal 2019 from ₹262.3 million in Fiscal 2018, due to decreases in (i) gain on sale of investments measured at fair value through profit and loss, (ii) Gain on fair market value adjustment of compulsory convertible preference shares, and (iii) exchange gain, partially offset by increases in (i) interest income on deposit with bank, and (ii) fair value gain on investment measured at FVTPL.

Expenses

Our total expenses increased by 12.5% to ₹5,762.5 million in Fiscal 2019 from ₹5,122.0 million in Fiscal 2018, due to increases in employee benefits expense, depreciation and amortisation, finance cost and other expenses.

Employee benefits expense

Our employee benefits expense increased by 7.9% to ₹3,850.5 million in Fiscal 2019 from ₹3,568.7 million in Fiscal 2018, primarily due to an increase in salaries, wages and bonus. In Fiscal 2019, we hired additional 209 personnel and increased salaries by 4-6% from Fiscal 2018.

Depreciation and amortisation

Our depreciation and amortisation increased by 19.4% to ₹247.8 million in Fiscal 2019 from ₹207.5 million in Fiscal 2018, primarily due to increases in (i) amortisation expenses of intangible assets as a result of accelerated amortisation of write off of intangible assets held through acquisition of OSS Cube LLC and (ii) depreciation of right-of-use assets as a result of classification of lease of facility as right-of-use assets pursuant to IND AS.

Finance cost

Our finance cost increased by 60.2% to ₹159.4 million in Fiscal 2019 from ₹99.5 million in Fiscal 2018, primarily due to an increase in loss on fair market value adjustment on compulsory convertible preference shares as a result of classification of compulsory convertible preference shares held by the investors which were classified as a liability pursuant to IND AS.

Other expenses

Our other expenses increased by 20.7% to ₹1,504.8 million in Fiscal 2019 from ₹1,246.3 million in Fiscal 2018, primarily due to increases in subcontractor charges and exchange loss, partially offset by impairment write back on loans and a decrease in rent expenses.

Restated profit/Loss before exceptional items and tax

As a result of the foregoing, our restated profit before exceptional items and tax was ₹255.6 million in Fiscal 2019 as compared to restated loss before exceptional items and tax of ₹230.8 million in Fiscal 2018.

Exceptional Items

Our exceptional items – impairment of goodwill was ₹125.8 million in Fiscal 2019 in relation to the acquisition of OSS Cube LLC and the business division of OSS Cube Solutions Limited. We did not record any exceptional items in Fiscal 2018.

Restated profit/Loss before tax

As a result of the foregoing, our restated profit before tax was ₹129.8 million in Fiscal 2019 as compared to restated loss before tax of ₹230.8 million in Fiscal 2018.

Tax expenses

Our deferred tax credit increased by 101.6% to ₹12.3 million in Fiscal 2019 from ₹6.1 million Fiscal 2018. We did not record any current tax and adjustment of tax relation to earlier periods in Fiscal 2019 and Fiscal 2018.

Restated profit/loss for the year

Due to the factors discussed above, our restated profit for the year was ₹142.1 million in Fiscal 2019 as compared to restated loss for the year of ₹224.7 million in Fiscal 2018.

Liquidity and Capital Resources

Our primary sources of liquidity have historically been cash generated from operations and borrowings from banks. Other than the proceeds of the Offer, we expect that cash generated from operations and bank borrowings will continue to be our primary sources of liquidity. We believe that after taking into account the expected cash to be generated from proceeds of the offer and our business operations, we will have sufficient working capital for both our present and anticipated future requirements for capital expenditures and other cash requirements for 12 months following the date of this Draft Red Herring Prospectus.

Cash flows

The following table sets out a condensed summary of our cash flows for the periods indicated.

	<i>(in ₹million)</i>		
	Fiscal 2020	Fiscal 2019	Fiscal 2018
Net cash flows from operating activities	1,122.2	576.2	103.4
Net cash flows used in investing activities	(737.4)	(2.7)	(268.5)
Net cash flows from/(used) in financing activities	(133.4)	(588.4)	263.2
Cash and cash equivalents at the beginning of the year	162.7	165.1	69.6
Cash and cash equivalents at the end of the year	435.3	162.7	165.1

Operating activities

Fiscal 2020

Our net cash flows from operating activities was ₹1,122.2 million in Fiscal 2020. Our operating cash flow before working capital changes was ₹1,112.5 million in Fiscal 2020, which was primarily adjusted by depreciation and impairment of property, plant and equipment and right-of-use assets of ₹202.3 million, impairment of goodwill of ₹112.6 million and finance cost of ₹80.2 million, partially offset by gain on investment carried at fair value through profit and loss of ₹45.5 million and interest income of ₹46.6 million. Our movements in working capital primarily consisted of an increase in financial assets of ₹277.6 million, a decrease in trade receivables of ₹135.2 million and an increase in financial liabilities of ₹197.6 million.

Fiscal 2019

Our net cash flows from operating activities was ₹576.2 million in Fiscal 2019. Our operating cash flow before working capital changes was ₹769.2 million in Fiscal 2019, which was primarily adjusted by depreciation and impairment of property, plant and equipment and right-of-use assets of ₹247.8 million, impairment of goodwill of ₹125.8 million and finance cost of ₹159.4 million, partially offset by gain on investment carried at fair value through profit and loss of ₹65.9 million and interest income of ₹29.6 million. Our movements in working capital primarily consisted of an increase in trade receivables of ₹434.3 million, an increase in financial liabilities of ₹158.8 million and an increase in financial assets of ₹81.9 million.

Fiscal 2018

Our net cash flows from operating activities was ₹103.4 million in Fiscal 2018. Our operating cash flow before working capital changes was ₹3.2 million in Fiscal 2018, which was primarily adjusted by depreciation and impairment of property, plant and equipment and right-of-use assets of ₹207.5 million and finance cost of ₹99.5 million, partially offset by gain on sale of investment carried at fair value through profit and loss of ₹79.5 million and fair value loss / (gain) on compulsory convertible preference shares of ₹73.1 million. Our movements in working capital primarily consisted of an increase in trade receivables of ₹204.5 million and a decrease in financial assets of ₹244.2 million.

Investing activities

Fiscal 2020

Net cash flows used in investing activities was ₹737.4 million in Fiscal 2020. This was primarily due to investment in bank deposit of ₹976.9 million, partially offset by proceeds from sale of mutual funds (net) of ₹205.4 million.

Fiscal 2019

Net cash flows used in investing activities was ₹2.7 million in Fiscal 2019. This was primarily due to investment in bank deposit of ₹495.7 million, partially offset by proceeds from sale of mutual funds (net) of ₹481.9 million.

Fiscal 2018

Net cash flows used in investing activities was ₹268.5 million in Fiscal 2018. This was primarily due to purchase of investment in subsidiary of ₹270.0 million and payment for acquisition of business of OSS Cube Solution Limited of ₹193.5 million, partially offset by proceeds from sale of mutual funds (net) of ₹277.5 million.

Financing activities

Fiscal 2020

Net cash flows from / (used) in financing activities was ₹133.4 million in Fiscal 2020. This was primarily due to payment of principal portion of lease liabilities of ₹171.0 million, repayment of long-term borrowings of ₹75.5 million and payment of interest portion of lease liabilities of ₹41.4 million, partially offset by proceeds from short-term borrowings (net) of ₹143.0 million.

Fiscal 2019

Net cash flows from / (used) in financing activities was ₹588.4 million in Fiscal 2019. This was primarily due to payment of short-term borrowings (net) of ₹237.8 million, payment of principal portion of lease liabilities of ₹148.7 million and repayment of long-term borrowings of ₹74.7 million.

Fiscal 2018

Net cash flows from / (used) in financing activities in Fiscal 2018 was ₹263.2 million. This was primarily due to repayment of long-term borrowings of ₹216.4 million and proceeds of short-term borrowings (net) of ₹229.6 million, partially offset by payment of principal portion of lease liabilities of ₹123.8 million.

Borrowings

As of March 31, 2020, we had total outstanding borrowings (excluding current maturities of borrowings) of ₹704.8 million, which consisted of non-current and current borrowings. Our non-current borrowings consisted foreign currency term loan from bank and is secured by charge on moveable assets and lien on fixed deposits. Our current borrowings consisted of foreign currency loan (PCFC) and bank overdraft.

As of March 31, 2020, the average effective interest rates of our current borrowings and non-current borrowings were 5.3% and 6.5%, respectively.

The following table sets out borrowings as of March 31, 2020.

	March 31, 2020
Non-current	
Secured	
Foreign currency term loan from bank	92.7
Less: Current maturity of term loans	(79.5)
Total non-current borrowings	13.2
Current	
Secured	
Loans repayable on demand from banks	
Foreign currency loan (PCFC)	691.6
Bank overdraft	-

	March 31, 2020
Total current borrowings	691.6

The loan agreements that we have entered into with the lender banks contain certain restrictive covenants that limit our ability to undertake certain types of transactions. We are required to obtain an approval from the lender banks for, among other things, altering our capital structure, dilution in shareholding of our Promoter of our Company, effecting any change in the composition of the board of directors of our Company and its management and control, changing the name of the Company including pursuant to the conversion of the Company from a private limited company to a public limited company, and amending constitutional documents. See “*Risk Factors – We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule and suspension of further drawdowns, which may adversely affect our business, results of operations and financial conditions.*” on page 46.

Contractual Obligations and Commitments

The following table sets forth information regarding our contractual obligations and commitments as of March 31, 2020.

	Payment due by period			
	Total	Less than one year	Between one and five years	Later than five years
	(in ₹million)			
Lease liabilities (carried at amortised cost)	354.7	181.6	173.1	-
Trade Payables (carried at amortised cost)				
Total outstanding dues of micro enterprises and small enterprises	1.2	1.2	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	343.0	343.0	-	-
Capital commitments towards purchase of capital assets	7.2	7.2	-	-

Related Party Transactions

Related party transactions primarily relate to contribution made to post employee benefit plan, directors’ sitting fees and managerial remunerations. For further details of such related parties, see “*Other Financial Information – Related Party Transactions*” on page 291.

Off-balance Sheet Arrangements and Contingent Liabilities

As of March 31, 2020, we did not have any off-balance sheet arrangements.

As of March 31, 2020, our contingent liabilities, as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for are as set out in the table below:

	(in ₹million)
	March 31, 2020
Guarantees given by banks on behalf of the Group for contractual obligations of the Group	100.7

Other claims against the Group not provided for in books

The Group had entered into Membership Interest Purchase agreement on May 29, 2017 to acquire a management interest in OSS Cube LLC. According to the terms of this agreement, the sellers of OSS Cube LLC had to pay ₹100.1 million towards shortfall in working capital and accounts receivable. In May 2018, our Group made a claim against the sellers, to which the sellers responded in June 2018 by admitting the claim to the extent of ₹63.1 million and making a counterclaim of ₹558.4 million for breach of earn-out/contingent payment. On April 15, 2020, a settlement agreement was signed by our Company and the sellers. Therefore, there will be no claim from the sellers and the case is settled.

Capital Expenditures

Our capital expenditures include expenditures on property, plant and equipment, intangible assets and right-of-use assets. Property, plant and equipment include computer systems, office equipment, furniture and fixtures and leasehold improvements. Intangible assets include goodwill, trademark, customer relationships, non-compete and computer software. Right-of-use assets include computer systems, buildings and motor vehicles. The following table sets out the capital expenditures (addition to property, plant and equipment, intangible assets and right-of-use assets) for the periods indicated:

(in ₹million)

	Fiscal 2020	Fiscal 2019	Fiscal 2018
Property, plant and equipment			
Computer systems	2.3	4.9	7.3
Office equipment	1.7	0.4	2.6
Furniture and fixtures	0.3	0.1	-
Leasehold improvements	0.3	2.5	-
Intangible assets			
Goodwill	-	-	-
Trademark	-	-	-
Non-compete	-	-	-
Customer relationships	-	-	-
Computer software	6.7	0.7	13.5
Right-of-use assets			
Computer systems	66.3	25.5	16.0
Buildings	4.3	-	270.7
Motor vehicles	-	-	6.7

We expect to meet our working capital, capital expenditures and investment requirements for the next 12 months primarily from revenues from operating activities, bank borrowings, as well as the proceeds from this Offer.

Our actual capital expenditures may differ from the amount set out above due to various factors, including our future cash flows, results of operations and financial condition, changes in the local economy in India, defects or cost overrun, delays in obtaining or receipt of governmental approval, changes in the legislative and regulatory environment and other factors that are beyond our control.

Qualitative Disclosure about Market Risks

Market risk is attributable to all market-sensitive financial instruments, including foreign currency receivables and payables. The value of a financing instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity, prices, equity prices and other market changes that affect market risk sensitive instruments. Our exposure to market risk is a function of our revenue generating activities and any future borrowing activities in foreign currencies. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss.

Credit risk

We are exposed to credit risk related to monies owned to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for, or write-off, such amounts. As of March 31, 2020, 2019 and 2018, our net trade receivables (carried at amortised cost) were ₹1,148.7 million, ₹1,292.7 million and ₹943.7 million, respectively. Our average debtor cycle was 60 days, 80 days and 74 days in Fiscals 2020, 2019 and 2018, respectively.

Interest rate risk

We are exposed to market risk with respect to changes in interest rates related to our borrowings. Interest rate risk exists with respect to our indebtedness that bears interest at floating rates tied to certain benchmark rates. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase.

As of March 31, 2020, we had outstanding foreign currency term loan of ₹92.7 million that bear interest at floating rates. Interest rate risk exists with respect to our indebtedness that bears interest at floating rates tied to certain

benchmark rates, such as LIBOR. Moreover, our interest rate risk is affected primarily by the short-term interest rates set by Indian banks.

Exchange rate risk

Although our Company's reporting currency is in INR, we transact a significant portion of our business in other currencies, primarily USD. A significant portion of our revenue from contracts with customers in Fiscals 2020, 2019 and 2018, respectively, were derived from sales outside India. Substantially, all of our non-Indian sales income is denominated in foreign currencies, primarily in USD. Most of our foreign currency exposure is mitigated by maintaining balances in the EEFC account in USD / Euro/ GBP which is used for making foreign payments without currency conversion and by executing foreign exchange forward contracts.

Therefore, our exchange rate risk primarily arises from our foreign currency revenues, cost and other foreign currency assets and liabilities to the extent that there is no natural hedge.

Reservations, Qualifications and Adverse Remarks

There are no reservations, qualifications and adverse remarks by our statutory auditor for the previous three Fiscals.

Known Trends and Uncertainties

There are no known trends or uncertainties which are expected to have a material adverse impact on our revenues or income from continuing operations.

Unusual or Infrequent Events or Transactions

As of the date of this Draft Red Herring Prospectus, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are likely to Affect Revenue from Operations

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in the sections "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 27, 113 and 138, respectively.

Material Increase in Revenue from Contract with Customers or Other Income

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "*Significant Factors Affecting Our Results of Operations*" and the uncertainties described in the section "*Risk Factors*" on pages 295 and 27, respectively. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse impact on revenue from operations or other income.

Future Relationships between Costs and Income

Other than as described in this section and the sections "*Risk Factors*" and "*Our Business*" and on pages 27 and 138, respectively, there are no known factors which will have a material adverse impact on our business operations or financial condition.

New Products or Business Segments

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in "*Risk Factors – We face strong competition from onshore and*

offshore IT services companies, and increased competition, our inability to compete successfully against competitors, pricing pressures or loss of market share could materially adversely affect our business, financial condition and results of operations.” on page 34.

Suppliers or Customers Concentration

We are not dependent on any particular supplier or customer.

Seasonality of Business

Our business is not seasonal in nature.

Significant Developments after March 31, 2020

Except as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which have materially or adversely affected or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business, primarily for the purposes of meeting our working capital requirements.

Set forth below is a brief summary of our aggregate borrowings on a consolidated basis as on May 15, 2020:

(₹ in million)		
Nature of borrowing	Amount sanctioned	Amount outstanding as on May 15, 2020*
Term loan		
Secured borrowings	126.5	87.6
Unsecured borrowings	-	-
Total term loans	126.5	87.6
Fund Based		
Secured borrowings	1,250.0	442.3
Unsecured borrowings	-	-
Total Fund Based	1,250.0	442.3
Non – Fund Based		
Bank Guarantees**	206.7	100.7
Total Non – Fund Based	206.7	100.7
Total working capital	1,326.7	543.0
Total borrowings	1,453.2	630.6

*As certified by Manian & Rao, Chartered Accountants in their certificate dated June 9, 2020

** Bank guarantees to the tune of ₹80 million is the sub-limit under the export credit availed from RBL Bank Limited and ₹50 million as the sublimit of EPC/ PCFC facility availed from Kotak Mahindra Bank.

***Ind AS 116 lease liability disclosed as a separate line item on the face of the restated consolidated summary statement of assets and liabilities have not been considered as a part of borrowings

Principal terms of the borrowings availed by us:

- Interest:** The interest rate for the facilities availed by our Company is typically based on the MCLR / LIBOR plus spread of our lender. For certain borrowings, the rate of interest is determined at the time of disbursement.
- Tenor:** The tenor of the term loans availed by us is 48 months. The tenor of working capital loans are typically between 7 days and 12 months.
- Security:** In terms of our borrowings where security needs to be created, we are typically required to mark lien on fixed deposits / mutual funds. This is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us from time to time.
- Foreclosure:** Certain facilities availed by our Company have foreclosure provisions that allow for foreclosure by payment of such loan, interest due till the date of foreclosure and prepayment penalties as may be prescribed. These prepayment penalties typically are up to 4.00% of the amount being prepaid.
- Re-payment:** While our term loans are not repayable on demand and may be repaid on the relevant due dates, our working capital facilities are typically repayable on demand.
- Events of default:** Borrowing arrangements entered into by us contain certain standard events of default, including but not limited to the following:
 - The occurrence of any event or condition which, in the lender's opinion constitutes or could constitute a material adverse effect;
 - The entering into any arrangement or composition by our Company with its creditors or the committing any act of insolvency or any act of insolvency, or any act the consequence of which may lead to the insolvency or winding up of our Company;
 - Non-compliance of the terms and conditions of the sanction letters by our Company;
 - Occurrence of any act or circumstances which could materially jeopardize the security created in favour

of our lenders; and

(e) In the event of our Company's liabilities exceeding its assets.

7. **Consequences of occurrence of events of default:** In terms of the facility agreements and sanction letters, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:
- (a) Accelerate repayments of the loan/ recall of the entire loan or any portion thereof along with interest;
 - (b) Impose of penal interest over and above the contracted rate on the amount in default;
 - (c) Cancel the undrawn portion of the loan/facility; and
 - (d) Declare any or all amounts under the facility, either whole or in part, as immediately due and payable to the lender.
8. **Restrictive Covenants:** Certain borrowing arrangements entered into by us contain restrictive covenants, including the following:
- (a) Change in capital structure of our Company including increase, reduction, purchase, buy-back, reorganisation, without prior permission of the lender;
 - (b) Change in the shareholding of our Promoter beyond the existing levels or any levels as specified by the lenders to our Company;
 - (c) Change in the shareholding of certain investors of our Company;
 - (d) Change in the directorship resulting in the change in the management of our Company;
 - (e) Maintenance of certain financial ratios as specified by the lenders to our Company;
 - (e) Entering into any amalgamation, demerger, merger, reconstruction or any other corporate action of similar nature, without prior permission of the lender; and
 - (f) Amending or modifying our Company's constitutional documents which may have a material adverse effect on the borrowing without prior permission of the lender;

The aforesaid list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as disclosed in this section and in accordance with the materiality policy set out hereunder, there are no (i) outstanding criminal proceedings involving our Company, our Promoter and our Directors (“**Relevant Parties**”), (ii) outstanding actions taken by regulatory or statutory authorities involving the Relevant Parties, (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner, (iv) other pending litigations involving the Relevant Parties, which are identified as material in terms of the Materiality Policy. Further, except as disclosed in the section, there are no disciplinary actions including penalties imposed by SEBI or a recognized stock exchange against our Promoter in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus, including any outstanding action.

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation pursuant to Board resolution dated May 13, 2020:

All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, and tax matters (direct or indirect), will be considered material if: (i) the monetary amount of claim by or against the entity or person in any such proceedings is in excess of 1% of the restated profit after tax for the year of the Company as per the latest Restated Consolidated Financial Statements for the Fiscal 2020, being the latest Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus (i.e. ₹7.2 million), or (ii) where monetary liability is not quantifiable, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company.

Further, our Board has considered pursuant to the Materiality Policy, outstanding dues to any creditor of the Company having monetary value which exceeds 5% of the total consolidated trade payables of the Company as per the latest Restated Consolidated Financial Statements of the Company disclosed in this Draft Red Herring Prospectus, as material. For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with the Company regarding status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.

It is clarified that pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by our Company, our Directors, or our Promoter shall not be considered as a litigation until such time that any of our Company, our Directors, or our Promoter as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

LITIGATION INVOLVING OUR COMPANY

(a) Outstanding criminal proceedings involving our Company

- (i) Criminal proceedings against our Company

NIL

- (ii) Criminal proceedings by our Company

NIL

(b) Outstanding litigation involving our Company in accordance with the Materiality Policy

- (i) Civil proceedings against our Company

- (a) Tami Sulzberg (“**Complainant**”) has filed an operative class - action complaint on September 9, 2019 against our Company before the United States District Court, Northern District of California, San Jose Division, (the “**Court**”), alleging that our Company engaged in discriminatory

employment practices based upon race and national origin. The Complainant alleged that our Company had participated in a practice of discrimination against non – South Asian and non – Indian individuals in its hiring and retention practices. In response, our Company has filed a motion to dismiss the claim filed by the Complainant on November 12, 2019. The Court has by way of its order dated December 3, 2019, denied our Company’s motion to dismiss the claim. The case is currently pending.

(ii) *Civil proceedings by our Company*

- (a) Our Company has filed a writ petition on October 27, 2017 before the High Court of Karnataka (“**Court**”) against the Union of India, the state of Karnataka, the GST Council, and certain other parties, challenging certain provisions of the Central Goods and Service Tax Act, 2017, the Karnataka State Goods and Service Tax Act, 2017 and allied legislations (the “**GST Acts**”) as being violative of Article 366(29A), Article 14, and Article 19 of the Constitution. Our Company has claimed that provisions of the GST Acts (i) relating to levy of GST on leasing of vehicles where the right to use was transferred prior to the implementation of the GST Acts, and (ii) taxing the right to use a good at the same rate as the rate on the supply of such good were resulting in double taxation, and were violative of the Constitution. The case is currently pending.

(c) *Tax proceedings*

Nature of proceeding	Number of proceedings outstanding	Amount involved (in ₹million)
Direct tax	NIL	-
Indirect tax	NIL	-
Total	NIL	-

LITIGATION INVOLVING OUR DIRECTORS

(a) *Outstanding criminal proceedings involving our Directors*

(i) *Criminal proceedings against our Directors*

NIL

(ii) *Criminal proceedings by our Directors*

NIL

(b) *Outstanding litigation involving our Directors in accordance with the Materiality Policy*

(i) *Civil proceedings against our Directors*

- (a) B Ramaswamy (the “**Plaintiff**”) has filed a suit on October 1, 2012 before the Court of City Civil Judge, at Bangalore (“**Court**”) against Sonata Software Limited (“**Sonata**”), its directors, and Venkatraman Narayanan, who is one of our directors, in his capacity as the chief financial officer of Sonata. The Plaintiff has alleged that he was entitled to financial compensation of ₹231.9 million with interest at 18% per annum from Sonata upon his resignation from his position as its president and managing director, which was not paid to him. The Plaintiff has also prayed for issuance of 11,20,000 equity shares of Sonata. The case is currently pending.

(ii) *Civil proceedings by our Directors*

NIL

(c) *Tax proceedings*

Nature of proceeding	Number of proceedings outstanding	Amount involved (in ₹million)
Direct tax	NIL	-
Indirect tax	NIL	-
Total	NIL	-

LITIGATION INVOLVING OUR PROMOTER

(a) Outstanding criminal proceedings involving our Promoter

(i) Criminal proceedings against our Promoter

NIL

(ii) Criminal proceedings by our Promoter

NIL

(b) Outstanding litigation involving our Promoter in accordance with the Materiality Policy

(i) Civil proceedings against our Promoter

NIL

(ii) Civil proceedings by our Promoter

NIL

(c) Tax proceedings

Nature of proceeding	Number of proceedings outstanding	Amount involved (in ₹million)
Direct tax	NIL	-
Indirect tax	NIL	-
Total	NIL	-

DEFAULTS IN OR NON-PAYMENT OF ANY STATUTORY DUES BY OUR COMPANY

Our Company has no outstanding defaults in relation to statutory dues payable.

OUTSTANDING DUES TO CREDITORS

As per the Materiality Policy, a creditor of the Company shall be considered to be “material” for the purpose of disclosure in this Draft Red Herring Prospectus, if amounts due by our Company to such creditor exceeds 5% of the trade payables for the last completed financial year, as per the Restated Consolidated Financial Statements for the Fiscal 2020 (being the latest Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus), i.e. ₹17.2 million.

Based on the above, as on March 31, 2020, there are three material creditors to whom our Company owes an aggregate amount of ₹82.7 million.

Details in relation to the total outstanding dues (trade payables) owed to micro, small and medium enterprises, material creditors and other creditors as on March 31, 2020, are as set forth below:

Particulars	Number of creditors	Amount involved (₹ in million)
Dues to material creditors	3	82.7
Dues to micro, small and medium enterprises	11	1.2
Dues to other creditors	415	260.3
Total	429	344.2

The details pertaining to outstanding dues to material creditors are available on the website of our Company at the following link: <https://www.happiestminds.com/investors/Additional%20Disclosures/2019-2020-Q4/Material-Creditors-as-on-31-Mar-2020.pdf>. It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, www.happiestminds.com would be doing so at their own risk.

MATERIAL DEVELOPMENTS

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after March 31, 2020*” on page 315, no circumstances have arisen since March 31, 2020, the date of the last Restated Consolidated Financial Statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our operations or earnings taken as a whole, the value of our consolidated assets or our ability to pay our material liabilities within the next twelve months.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations, and approvals from the Government of India, various governmental agencies and other statutory and / or regulatory authorities required for carrying out our present business activities. Except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals, licenses and permissions required to operate our present business activities, including such material approvals, licenses, and permissions as may be necessary to undertake our business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus, and in case of licenses and approvals which have expired, we have either made an application for renewal, or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see “Risk Factors” and “Key Regulations and Policies” on pages 27 and 161, respectively.

The approvals required to be obtained by us include the following:

APPROVALS IN RELATION TO THE OFFER

For details, see “Other Regulatory and Statutory Disclosures - Authority for the Offer” on page 327.

INCORPORATION DETAILS OF OUR COMPANY

- (a) Certificate of incorporation dated March 30, 2011, issued by the RoC to our Company in our former name, being Happiestminds Technologies Private Limited.
- (b) Fresh certificate of incorporation consequent upon change of name dated July 21, 2011, issued by the RoC to our Company in our former name, being Happiest Minds Technologies Private Limited.
- (c) Fresh certificate of incorporation dated May 20, 2020 issued by the RoC to our Company, consequent upon change of name on conversion to a public company in the name of Happiest Minds Technologies Limited.
- (d) Our Company’s corporate identity number is U72900KA2011PLC057931.

APPROVALS IN RELATION TO OUR BUSINESS OPERATIONS

For information on our business operations, see “Our Business – Overview” on page 138. An indicative list of the material approvals required by us to undertake our businesses are set out below.

(a) *Approvals in relation to our business*

- (i) License from the Software Technology Parks of India
- (ii) Other Service Providers (“OSP”) license from the Department of Telecom, Ministry of Communications, Government of India for setting up an International OSP centre Tech Park, located at Block II Velankani, Electronic City, Hosur Road, Bengaluru, Karnataka, India.
- (iii) Membership of the Export Promotion Council for Export Oriented Units and SEZs.
- (iv) Certificate of qualification issued by the Secretary of State of the State of California, United States of America.
- (v) Service license issued by the Dubai Silicon Oasis Authority.
- (vi) Registration as a new employer with the HM Revenue & Customs, United Kingdom.
- (vii) Registration under the Australian Business Register.
- (viii) Extra – provincial license from the Ministry of Government Services, Ontario, Canada.

(b) *Registrations under employment laws*

The registrations and approvals obtained by our Company under applicable labour laws, include the following:

- (i) Certificate of registration issued under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- (ii) Registration under the Employees' State Insurance Act, 1948.
- (iii) Professional tax enrolment certificates, as issued under the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976.
- (iv) Registration certificate under the Contract Labour (Regulation and Abolition) Act, 1970.

(c) Foreign Trade Related Approvals

Our Company has been allotted an Importer – Exporter Code bearing #0711016186, issued by the Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

(d) Tax related Approvals

- (i) GST registration bearing #29AACCH6301G1ZT for Karnataka, India.
- (ii) GST registration bearing # 27AACCH6301G1ZX for Maharashtra, India.
- (iii) GST registration bearing # 09AACCH6301G1ZV for Uttar Pradesh, India.
- (iv) PAN bearing #AACCH6301G.
- (v) TAN bearing #BLRH05525C.
- (vi) GST registration bearing #91161820775 for Australia.
- (vii) Tax registration bearing # 853215716 for the Netherlands.
- (vii) VAT registration bearing #126576304 for the United Kingdom. and
- (ix) Taxpayer identification number bearing #98-1010109 for the United States of America.

PENDING APPROVALS

(a) Approvals for which applications have been made:

- (i) Application dated December 3, 2019 for amendment and renewal OSP license from the Department of Telecom, Ministry of Communications, Government of India to set up a network operating centre at our Company's delivery centre at Madivala.

INTELLECTUAL PROPERTY RIGHTS

Registered Trademarks

Our Company has made applications for, and has obtained registrations in respect of various trademarks in the following jurisdictions:

Trademarks registered in India

Sr. No.	Trademark	Class	Registration Number	Date of expiry
1.	 happiest minds	42	2224638	October 24, 2021
2.	HAPPIEST MINDS	42	3099595	November 17, 2025
3.	 happiest minds The Mindful IT Company	42	3098156	November 13, 2025
4.	The Mindful IT Company	42	3109453	November 26, 2025
5.	HAPPIEST MINDS, The Mindful IT Company	42	3118095	December 7, 2025
6.	 happiest minds The Mindful IT Company Born Digital . Born Agile	42	4288340	September 9, 2029

Trademarks registered in European Union

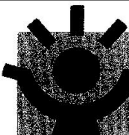
Sr. No.	Trademark	Class	Registration Number	Date of expiry
1.	THE MINDFUL IT COMPANY	42	015017262	January 19, 2026
2.	 happiest minds The Mindful IT Company	42	15017239	January 19, 2026
3.	HAPPIEST MINDS	42	015017247	January 19, 2026
4.	 happiest minds	42	015017271	January 19, 2026

Trademarks registered in Singapore

Sr. No.	Trademark	Class	Registration Number	Date of expiry
1.	 happiest minds	42	T1113219F	September 26, 2021
2.	The Mindful IT Company	42	40201523202X	December 29, 2025

Sr. No.	Trademark	Class	Registration Number	Date of expiry
3.	 happiest minds The Mindful IT Company	42	40201523201U	December 29, 2025
4.	HAPPIEST MINDS	42	40201523199S	December 29, 2025
5.	HAPPIEST MINDS, The Mindful IT Company	42	40201523203Q	December 29, 2025

Trademarks registered in the UK

Sr. No.	Trademark	Class	Registration Number	Date of expiry
1.	 happiest minds	35, 42	2596519	October 3, 2021

Trademarks registered in the USA

Sr. No.	Trademark	Class	Registration Number	Date of expiry
1.	 happiest minds	35, 42	4321704	September 21, 2021
2.	The Mindful IT Company	42	5352921	December 18, 2025
3.	 happiest minds The Mindful IT Company	42	5352923	December 21, 2025
4.	HAPPIEST MINDS	42	5352919	December 18, 2025
5.	HAPPIEST MINDS, The Mindful IT Company	42	5352920	December 18, 2025

Trademark applications

Our Company has made applications for the registration of various trademarks in the following jurisdictions:

Trademark applications made in Europe

Sr. No.	Trademark	Class	Application #	Date of application
1.	 happiest minds The Mindful IT Company Born Digital . Born Agile	42	018131738	October 1, 2019

Trademark applications made in Singapore

Sr. No.	Trademark	Class	Application #	Date of application
1.	 happiest minds The Mindful IT Company Born Digital . Born Agile	42	40201919689R	September 11, 2019

Trademark applications made in the USA

Sr. No.	Trademark	Class	Application #	Date of application
1.	 happiest minds The Mindful IT Company Born Digital . Born Agile	42	88609898	September 9, 2019

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board of Directors has authorised the Offer by a resolution passed in their meeting held on April 29, 2020.
- Our Shareholders have approved and authorised the Offer by way of a special resolution passed by at their extraordinary general meeting held on May 13, 2020.
- This Draft Red Herring Prospectus was approved by our Board *vide* its resolution in its meeting dated June 9, 2020, and by the Fund Raising Committee *vide* its resolution in its meeting dated June 10, 2020.

Approval from the Selling Shareholders

The Selling Shareholders have, severally and jointly, confirmed and approved their participation in the Offer for Sale in relation to their respective portion of the Offered Shares. For details on the authorisations of the Selling Shareholders in relation to the Offer, see “*The Offer*” on page 59.

Our Board took on record the approval for the Offer for Sale for the Offered Shares by the Selling Shareholders pursuant to a resolution dated June 4, 2020.

Prohibition by the SEBI or other Governmental Authorities

Our Company, the Selling Shareholders, our Promoter, our Directors, the members of the Promoter Group and the persons in control of our Company have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

None of the companies with which our Promoter, Directors or persons in control of our Company are promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Company, Promoter or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoter or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter, the Selling Shareholders and the members of the Promoter Group are in compliance with the are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

“An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-

five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.”

We are an unlisted company, not satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to allot at least 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor the Promoter, members of the Promoter Group, the Directors or the Selling Shareholders are debarred from accessing the capital markets by the SEBI.
- (b) None of the Promoter or the Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) None of our Company, the Promoter, the Selling Shareholders and the Directors have been categorized as a wilful defaulter.
- (d) None of the Promoter or the Directors has been declared a fugitive economic offender.
- (e) Except as disclosed in this Draft Red Herring Prospectus in the section “*Capital Structure*” on page 73, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

The Selling Shareholders confirm that the Equity Shares offered by each Selling Shareholder as part of the Offer for Sale have been held in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS BEING, ICICI SECURITIES LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 10, 2020 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.happiestminds.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and prospective investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate shall be liable for (i) any failure in uploading the Bids due to faults in any software/ hardware system or otherwise or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru only. This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with the SEBI, VCFs, AIFs, public financial institutions, scheduled commercial banks, state industrial development corporation, permitted national investment funds, NBFC-SIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, National Investment Fund, insurance funds set up and managed by the army, navy

or air force of Union of India and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to, offer to sell or purchase the Equity Shares in the Offer in any jurisdiction, including India. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus will be filed with the RoC. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and pursuant to the applicable laws of the jurisdictions where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

All Equity Shares offered and sold in the Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to the Offer, will be deemed to have acknowledged, represented to and agreed with our Company, the Selling Shareholders and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

- (3) the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;
- (7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;
- (8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

“THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR REALES OF THE EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.”

- (9) the purchaser is not acquiring the Equity Shares as a result of any “directed selling efforts” (within the meaning of Rule 902(c) of Regulation S);
- (10) the Company will not recognise any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
- (11) the purchaser acknowledges that the Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer

accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each EEA State that has implemented the Prospectus Directive (Directive 2003/71/EC) (each, a “**Relevant Member State**”), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the Managers; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares shall result in a requirement for the Company or any BRLMs to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to with the BRLMs and the Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public in a Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the BRLMs has been obtained to each such proposed offer or resale.

The Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with the applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Southern Regional Office, Overseas Towers, 7th Floor, 758 – L Anna Salai, Chennai – 600 002, Tamil Nadu, India, and electronically on the platform provided by SEBI.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for filing with the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered for filing with the RoC situated at the address mentioned below:

Registrar of Companies, Bangalore
Kendriya Sadan, 2nd Floor
E – Wing, Koramangala
Bengaluru – 560 034
Karnataka, India

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Consents

Consents in writing of (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the legal counsels appointed for the Offer, lenders to our Company, the bankers to our Company, the BRLMs and Registrar to the Offer, in their respective capacities, have been obtained; and (b) the Syndicate Member, Monitoring Agency, Bankers to the Offer/Escrow Bank, Public Offer Bank, Sponsor Bank and Refund Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act, 2013. Further, such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Expert opinions

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated June 10, 2020 from S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated May 29, 2020 on our Restated Consolidated Financial Statements; and (ii) their report dated June 10, 2020 on the Statement of Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issue during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

No sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the incorporation of our Company.

Capital issue during the previous three years by our Company and/or listed group companies and/or listed Subsidiaries and Associates of our Company

Except as disclosed in “*Capital Structure*” on page 73, our Bank has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Our Company does not have any associate entity or group company or subsidiary.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed Subsidiaries / listed Promoter of our Company

Our Promoter being an individual does not have securities listed on any stock exchange

Price Information of past issues handled by the BRLMs

A. ICICI Securities

1. Price information of past issues handled by ICICI Securities Limited.

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	Galaxy Surfactants Limited	9,370.90	1,480.00	February 8, 2018	1,525.00	+1.14%, [-3.31%]	-0.85%, [+1.33%]	-14.68%, [+7.66%]
2	Aster DM Healthcare Limited	9,801.40	190.00	February 26, 2018	183.00	-13.66%, [-3.77%]	-4.97%, [+0.21%]	-8.16%, [+9.21%]
3	Sandhar Technologies Limited	5,124.80	332.00	April 2, 2018	346.10	+18.09%, [+5.17%]	+15.95%, [+4.92%]	-4.20%, [+7.04%]
4	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+58.04%, [+1.17%]	+30.61%, [-7.32%]	+23.78%, [-4.33%]
5	Creditaccess Grameen Limited	11,311.88	422.00	August 23, 2018	390.00	-21.16%, [-3.80%]	-14.91%, [-8.00%]	-5.71%, [-8.13%]
6	Aavas Financiers Ltd	16,403.17	821.00	October 8, 2018	750.00	-19.32%, [+1.76%]	+2.42%, [+3.67%]	+38.82%, [+12.74%]
7	IndiaMart InterMesh Ltd	4,755.89	973.00 ⁽¹⁾	July 4, 2019	1,180.00	+26.36%, [-7.95%]	+83.82%, [-4.91%]	+65.57%, [+2.59%]
8	Affle (India) Limited	4,590.00	745.00	August 8, 2019	926.00	+12.56%, [-0.78%]	+86.32%, [+8.02%]	+135.49%, [+6.12%]
9	Spandana Sphoorty Financial Limited	12,009.36	856.00	August 19, 2019	824.00	-0.73%, [-2.14%]	+52.76%, [+7.61%]	+17.32%, [+9.59%]
10	Sterling and Wilson Solar Limited	28,496.38	780.00	August 20, 2019	706.00	-7.01%, [-1.60%]	-48.63%, [+7.97%]	-64.78%, [+9.95%]

*Data not available

(1) Discount of ₹97 per equity share offered to Eligible Employees. All calculations are based on Offer Price of ₹ 973.00 per equity share.

Notes:

- All data sourced from www.nseindia.com
- Benchmark index considered is NIFTY
- 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day

2. Summary statement of price information of past issues handled by ICICI Securities Limited.

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	1
2018-19	4	60,843.16	-	-	2	1	-	1	-	-	2	-	1	1

*This data covers issues upto Year till date

B. Nomura

1. Price information of past issues handled by Nomura Financial Advisory & Securities (India) Private Limited.

Sr. No.	Issue name	Issue size (millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Indostar Capital Finance Limited	18,440.00	572	May 21, 2018	600	-0.96%, [+1.84%]	-15.87%, [+9.84%]	-38.57%, [+2.35%]
2	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	+58.04%, [+1.17%]	+29.60%, [-7.58%]	+23.78%, [-4.33%]
3	Affle (India) Limited	4,590.00	745	August 8, 2019	926.00	+13.09%, [-0.78%]	+86.32%, [+8.02%]	+135.49%, [+6.12%]
4	SBI Cards & Payment Services Limited ¹	103,477.88	755	March 16, 2020	661	-33.16%, [-2.96%]	Not applicable	Not applicable

Source: www.nseindia.com

1. Price for Eligible Employees bidding in the Employee Reservation Portion was INR 680.00 per equity share

Notes:

a. The CNX NIFTY has been considered as the Benchmark Index.

b. Price on NSE is considered for all of the above calculations.

c. In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.

d. Not applicable – Period not completed

e. Not applicable – Period not completed

2. Summary statement of price information of past issues handled by Nomura Financial Advisory & Securities (India) Private Limited.

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2020-2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019-2020	2	108,067.88	-	1	-	-	-	1	-	-	-	1	-	-
2018-2019	2	46,443.31	-	-	1	1	-	-	-	1	-	-	-	1

Source: www.nseindia.com

Notes:

a) The information is as on the date of this document.

b) The information for each of the financial years is based on issues listed during such financial year.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see the websites of the BRLMs, as set forth in the table below.

BRLMs	Website
ICICI Securities Limited	www.icicisecurities.com
Nomura Financial Advisory and Securities (India) Private Limited	www.nomuraholdings.com/company/group/asia/india/index.html

Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges or such later period as may prescribed under law, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. All grievances relating to the Offer may be addressed to the Registrar, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

Bidders may contact the BRLMs for any complaint pertaining to the Offer. All grievances related to the ASBA process, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than RIIs bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIIs applying through the UPI Mechanism.

Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders DP' ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor. Bidders can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, BRLMs and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and there are no outstanding investor complaints against our Company as on the date of this Draft Red Herring Prospectus.

Our Company has appointed an Administrative and Stakeholders' Relationship Committee comprising Anita Ramachandran, Shubha Rao Mayya and Venkatraman Narayanan as members. For details, see "Our Management" on page 174.

Our Company has also appointed Praveen Kumar, as the Company Secretary and Compliance Officer of our Company for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Happiest Minds Technologies Limited

Praveen Kumar Darshankar

#53/1-4, Hosur Road

Madivala (Next to Madivala Police Station)

Bengaluru – 560 068

Karnataka, India

Telephone: +91 80 6196 0300, +91 80 6196 0400

E-mail: investors@happiestminds.com

Disposal of investor grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

SECTION VII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted in the Offer will be subject to the provisions of the Companies Act 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid-cum-Application Form, the Revision Form, the CAN, the abridged prospectus and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered and Allotted in the Offer will be subject to the provisions of the Companies Act 2013, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company. For more information, see “*Description of Equity Shares and Terms of Articles of Association*” on page 363.

Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to our equity shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale) in this Offer will be payable to the Allottees, for the entire year, in accordance with applicable law. For more information, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 196 and 363, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹2 and the Offer Price is ₹[●] per Equity Share. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price of the Equity Shares is ₹[●] and the Cap Price of the Equity Shares is ₹[●], being the Price Band. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and Selling Shareholders, in consultation with the BRLMs and shall be published at least two Working Days prior to the Bid/Offer Opening Date, in [●] editions of [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Kannada newspaper, Kannada being the regional language of Bengaluru, where our Registered Office is located), and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchanges.

Rights of the Equity Shareholders

Subject to applicable law and our Articles of Association, the equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws; and

- Such other rights as may be available to a shareholder of a listed public company under the Companies Act 2013, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “*Description of Equity Shares and Terms of Articles of Association*” on page 363.

Market Lot and Trading Lot and Allotment of securities in dematerialised form

In terms of Section 29 of the Companies Act 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, tripartite agreements had been signed among the Company, the respective Depositories and Karvy Fintech Private Limited:

- Agreement dated March 3, 2015 amongst NSDL, our Company and the Registrar to the Offer;
- Agreement dated November 14, 2019 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “*Offer Procedure*” on page 348.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest to the exclusion of the other persons, unless the nomination is varied or cancelled in the prescribed manner. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder’s death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, will, on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Offer Programme

BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSES ON	[●] ⁽²⁾

- (1) Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations
- (2) Our Company and the Selling Shareholders, in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

This above timetable is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders, severally and not jointly, confirm that they shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. (Indian Standard Time) for Bids by QIBs and Non-Institutional Investors; and
- (ii) until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None of our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks (“SCSBs”), other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue, prior to the Offered Shares in compliance with Rule 19(2)(b) of the SCRR. Allotment will be first made towards the Fresh Issue from the valid Bids followed by an Allotment of the Equity Shares by the Selling Shareholders on a proportionate basis.

Each of the Selling Shareholders shall, severally and not jointly, reimburse, in proportion to their respective Offered Shares, any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that no Selling Shareholders shall be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangement for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction, if any, on transfer and transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in in the Offer as detailed in "*Capital Structure*" on page 73, and except as provided in the Articles of Association as detailed in "*Description of Equity Shares and Terms of Articles Of Association*" on page 363, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/splitting. Further, there are no restrictions on transmission of any shares/debentures of our Company and on their consolidation or splitting, except as provided in the Articles of Association.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Fresh Issue, and each Selling Shareholder reserves the right to not proceed with the Offer for Sale, in whole or in part thereof, to the extent of its respective portion of the Offered Shares after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders (other than Anchor Investors) shall notify the Escrow Collection Banks to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

OFFER STRUCTURE

The Offer of [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹[●] million comprising of a Fresh Issue of [●] Equity Shares aggregating ₹1,100.0 million by our Company and an Offer of Sale of up to 35,663,585 Equity Shares, aggregating up to ₹[●] million by the Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up equity share capital of our Company.

The Offer is being made through Book Building Process.

Particulars	QIBs ⁽¹⁾	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment/ allocation ^{*(2)}	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Investors	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer Size available for Allotment/allocation	Not less than 75% of the Offer shall be available for allocation to QIB Bidders. However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs	Not more than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Investors will be available for allocation.	Not more than 10% of the Offer or Offer less allocation to QIBs and Non-Institutional Investors will be available for allocation.
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. Our Company and the Selling Shareholders in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the	Proportionate	Allotment to each Retail Individual Investor shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For details, see “Offer Procedure” on page 348.

	Anchor Investor Allocation Price		
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares and in multiples of [●] Equity Share thereafter
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form		
Mode of Bidding	Through ASBA process only (except Anchor Investors)		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share For Retail Individual Investors, [●] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Retail Portion		
Trading Lot	One Equity Share		
Who can apply ⁽³⁾⁽⁴⁾	Mutual Funds, VCFs, AIFs, FVCIs, FPIs (other than individuals, corporate bodies and family offices), public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and NBFC-SI.	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies, trusts, and FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs
Terms of Payment	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ⁽⁴⁾ In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form		

* Assuming full subscription in the Offer

⁽¹⁾ Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Offer Procedure" on page 348.

⁽²⁾ Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations.

⁽³⁾ In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, at its absolute discretion, all or any multiple Bids in any or all categories.

⁽⁴⁾ Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor

Investor Pay-In Date as indicated in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the circular CIR/CFD/DIL/1/2016 dated January 1, 2016, the circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, the circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, the circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, the circular SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, the circular SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and the circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company, the Selling Shareholder and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus.

Further, our Company, the Selling Shareholders and the Members of the Syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein at least 75% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category. 5% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange and subject to applicable law. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of other categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, and UPI ID (for Retail Individual Investors Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of UPI Mechanism

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

For further details, please refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office. The Bid cum Application Forms will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and Retail Individual Investors Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Retail Individual Investors submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Retail Individual Investors submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, RIIs and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions	[●]
Anchor Investors	[●]

* *Excluding electronic Bid cum Application Forms*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms (except Bid cum Application Forms submitted by Retail Individual Investors Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For Retail Individual Investors using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Investors for blocking of funds.

Stock Exchanges shall validate the electronic bids with the records of the depository for DP ID/Client ID and PAN, on a real time basis through API integration and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID (but not both), bank code and location code in the Bid details already uploaded

Participation by Promoter, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except

towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, or AIFs sponsored by the entities which are associates of the BRLMs or FPIs, or FPIs (other than individuals, corporate bodies and family offices), sponsored by entities which are associates of the BRLMs, no BRLM or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an “associate of the BRLM” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. However, a QIB who has rights under a shareholders’ agreement or voting agreement entered into with the Promoter or Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoter or Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (“**NRE Account**”), or Foreign Currency Non-Resident Accounts (“**FCNR Account**”), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 362.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control) must be below 10% of our post-Offer Equity Share capital on a fully diluted basis. Further, in terms of the applicable FEMA Rules the total holding by each FPI cannot exceed 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate holdings of all the FPIs, including any other direct and indirect foreign investments in our Company, shall not exceed 24 % of the total paid-up Equity Share capital on a fully diluted basis.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the GoI from time to time.

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the capital of an Indian company is subject to certain limits, i.e. the individual holding of an FPI (including its investor group) is restricted to below 10% of the capital of the company. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e. 100%). The aggregate limit may be decreased below the sectoral cap to a threshold limit of 24% or 49% or 74% as deemed fit by way of a resolution passed by our Board followed by a special resolution passed by the Shareholders of our Company. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Our Company has increased the aggregate limit of investment by non-resident Indians in the Company from default limit of 10% to 24% of the paid-up equity share capital by a board resolution dated April 29, 2020 and shareholders’ resolution May 13, 2020.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the ‘know your client’ norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); including the conditions to deal in overseas direct instruments and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. The holding in any company by any individual FVCI or VCF registered with SEBI should not exceed 25% of the corpus of the FVCI or VCF. An FVCI or VCF can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs shall not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves as per the last audited balance sheet or a subsequent balance sheet, whichever is less. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of

such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing no. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013, dated September 13, 2012 and January 2, 2013, respectively, issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority ("IRDAI"), a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDA Investment Regulations"). In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company (through the Fund Raising Committee) in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

- (a) Limit for the investee company: The lower of: (i) 10%* of the outstanding equity shares (face value); and (ii) 10% of such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 10% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including reinsurer or a health insurer), as the case may be;
- (b) Limit for the entire group of the investee company: Not more than: (i) 15% of such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including reinsurer or a health insurer); or (ii) 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) Limit for the industry sector to which the investee company belongs: Not more than: (i) 15% of the such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including a re-insurer or a health insurer); or (ii) 15% of the investment asset, whichever is lower.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) and such other approvals as may be required by the NBFC – SI, must be attached to the Bid-cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC – SI shall be prescribed by RBI from time to time.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, with minimum corpus of ₹250 million, subject to applicable laws, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason therefor.

Under-subscription, if any, in any category including the, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

The above information is given for the benefit of the Bidders. Our Company, the respective Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper), [●] editions of [●] (a widely circulated Kannada newspaper, Kannada being the regional language of Bengaluru, where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

Electronic Registration of Bid

For information, please see the General Information Document.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form (with maximum length of 45 characters. Further, Retail Individual Investors using the UPI Mechanism must mention their UPI ID;
4. Retail Individual Investors Bidding using UPI through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
5. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
6. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;
8. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;
9. If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be);
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;
13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
14. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid

was placed and obtain a revised acknowledgment;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated in the Bid cum Application Form;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;
20. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
21. Bidders (except Retail Individual Investors Bidding using the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank prior to 12:00 pm of the Working Day immediately after the Bid / Offer Closing Date;
22. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
23. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
25. Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
26. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to

making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner; and

27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the Bid cum Application Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;
8. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;
11. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
12. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
13. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Investors);
14. Do not submit the General Index Register (GIR) number instead of the PAN;
15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
17. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
18. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
19. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;

20. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
21. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
22. Do not submit more than one Bid cum Application Form per ASBA Account;
23. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;
24. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism)

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Offer except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and Selling Shareholders in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: “[●]”
- (ii) In case of non-resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collection of Bid Amounts from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

For more information, see “*Terms of the Offer*” on page 340.

Undertakings by our Company

Our Company undertakes the following:

- (i) The complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other timeline as may be prescribed by SEBI;
- (iii) That funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Company;
- (iv) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within six Working Days from the Bid/ Offer Closing Date, or such time period as specified by SEBI, giving details of the bank where the refunds shall be credited along with the amount and the expected date of electronic credit of refund;
- (v) The decisions with respect to the Price Band and the Minimum Bid lot as applicable, revision of Price Band, Offer Price, will be taken by our Company and the Selling Shareholders, in consultation with the BRLMs.
- (vi) Except for Equity Shares that may be allotted pursuant to the conversion of vested employee stock options, if any, under the Company’s Composite ESOP Scheme, ESOP Scheme 2020 or ESOP Scheme USA, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.; and
- (vii) That adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms from Anchor Investor.

Undertakings by the Selling Shareholders

Each Selling Shareholder undertakes the following severally and not jointly in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares offered by it in the Offer for Sale that:

- (i) the Equity Shares offered for sale by it in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- (ii) it is the legal and beneficial owner of and holds clear and marketable title to its respective portion of the Offered Shares, which are free and clear of any pre-emptive rights, liens, charges, pledges, or transfer restrictions, and shall be in dematerialized form, at the time of transfer;
- (iii) it shall provide all reasonable cooperation as requested by our Company in relation to completion of Allotment and dispatch of Allotment Advice and CAN, if required, and refund orders, to the extent of its offered Equity Shares offered pursuant to the Offer;
- (iv) it is not debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any authority or court;
- (v) it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- (vi) it shall not have recourse to the proceeds of the Offer until final approvals for listing and trading of the Equity Shares from the Stock Exchanges have been received; and

- (vii) it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer for Sale.

Only the statements and undertakings in relation to the Selling Shareholders and their portion of the Equity Shares offered in the Offer for Sale which are confirmed or undertaken by the Selling Shareholders in this Draft Red Herring Prospectus, shall be deemed to be “statements and undertakings made or confirmed” by the Selling Shareholders. No other statement in this Draft Red Herring Prospectus will be deemed to be “made or confirmed” by a Selling Shareholder, even if such statement relates to such Selling Shareholder.

The filing of this Draft Red Herring Prospectus also does not absolve the Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of themselves and of their respective Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

Utilisation of Offer Proceeds

Our Board certifies that:

- (i) all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act 2013;
- (ii) details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- (iii) details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The responsibility of granting approval for foreign investment under the FDI Policy and FEMA has been entrusted to the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India (“**DPIIT**”) issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, with effect from August 28, 2017 (the “**FDI Policy**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to August 28, 2017. The FDI Policy will be valid until the DPIIT issues an updated circular. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and the transfer does not attract the provisions of the Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the FDI policy, FDI in companies engaged in IT / software development, is permitted up to 100% of the paid- up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on pages 351 and 352.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in ‘offshore transactions’ in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated August 28, 2017. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

- (a) *The regulations contained in Table 'F' of Schedule I to the Companies Act, 2013 shall apply only in so far as the same are not inconsistent with these Articles*
- (b) *The regulations for the management of the Company and for the observance of the members thereof, and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act, 2013. The Articles of the Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. Notwithstanding anything contained herein, in the event of any conflict between the provisions of Part A and Part B of these Articles, the provisions of Parts B of these Articles shall prevail. Part B shall automatically terminate, be deleted and cease to have any force and effect upon the listing of shares of the Company proposed to be transferred/ issued pursuant to an initial public offering of the shares of the Company on a recognised stock exchange in India, without any further action by the Company, the Board of Directors or by the Shareholders.*

PART A

1. DEFINITIONS

In the interpretation of these Articles, the following words and expressions shall have the following meaning unless repugnant to the subject or context.

“**Act**” and any reference to any Section or provision thereof respectively means and includes the Companies Act, 2013, including any statutory amendments thereto, and the Rules made thereunder, and notified from time to time;

“**ADRs**” mean American Depository Receipts representing ADSs;

“**Annual General Meeting**” means an annual general meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act;

“**ADSs**” mean American Depository shares, each of which represents a certain number of Equity Shares;

“**Articles**” mean these Articles of Association as adopted or as from time to time by the Company, and altered in accordance with the provisions of these Articles and the Act;

“**Auditors**” mean and include those Persons appointed as such for the time being by the Company;

“**Board**” or “**Board of Directors**” means the board of directors of the Company, as constituted from time to time, in accordance with Law, and the provisions of these Articles;

“**Board Meeting**” means any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with Law and the provisions of these Articles;

“**Beneficial Owner**” means a beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act;

“**Business Day**” means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in Bangalore, Karnataka, India, and, in the context of a payment being made to, or from a scheduled commercial bank in a place other than India, in such other place;

“**Capital**” or “**Share Capital**” means the share capital for the time being, raised or authorised to be raised, for the purposes of the Company;

“**Chairman**” means such Person as is nominated or appointed in accordance with Article 30 herein below;

“Chief Executive Officer” or “CEO” means an officer of the Company, who has been designated as such by it;

“Chief Financial Officer” or “CFO” means an officer of the Company, who has been designated as such by it;

“Companies Act, 1956” means the Companies Act, 1956 (Act I of 1956), as may be in force for the time being;

“Chief Operating Officer” or “COO” means the chief operating officer of the Company providing timely operational information and assistance to the CEO, or any Person of whatsoever designation performing the functions of a chief operating officer;

“Company” or “this Company” means **HAPPIEST MINDS TECHNOLOGIES LIMITED**;

“Committees” means committees constituted by the Company, as laid out in Article 62 herein;

“Debenture” includes debenture stock, bonds and any other securities of the Company, whether constituting a charge on the assets of the Company or not;

“Depositories Act” means the Depositories Act, 1996, and shall include any statutory modification or re-enactment thereof;

“Depository” means a Depository as defined in Clause (e) of Sub-Section (1) of Section 2 of the Depositories Act;

“Director” means any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with Law and the provisions of these Articles;

“Dividend” includes interim dividends;

“Employees’ Stock Option” means the option given to the directors (except Independent Directors), officers or employees of a company, or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares at a future date at a pre-determined price;

“E-voting” means voting by electronic means as laid out in Article 36 herein;

“Equity Share Capital” means the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis;

“Equity Share” means fully paid -up equity shares having a par value of ₹10 (Rupees Ten) per equity share, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares;

“Executor” or “Administrator” means a Person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or Transfer the Equity Share or Equity Shares of the deceased Shareholder, and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963;

“Extraordinary General Meeting” means an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the Act;

“Financial Year” means any fiscal year of the Company, beginning on April 1 of each calendar year, and ending on March 31 of the following calendar year;

“Fully Diluted Basis” means, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into, or exercisable or

exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof;

“GDRs” mean the registered Global Depositary Receipts, representing GDSs;

“GDSs” mean the Global Depositary shares, each of which represents a certain number of Equity Shares;

“General Meeting” means an Annual General Meeting or Extraordinary General Meeting of holders of Equity Shares and any adjournment thereof;

“Independent Director” means an independent director as defined under the Act, and under Regulation 16(1)(b) of the Listing Regulations;

“India” means the Republic of India;

“Investor” shall mean CMDDB - II”

“KMP” means key managerial person as defined under the Companies Act, 2013;

“Law” means all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of, or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian Accounting Standards, Indian GAAP, or any other generally accepted accounting principles;

“Lien” means any kind of security interest of whatsoever nature including any (i) mortgage, charge (whether fixed or floating), pledge, Lien, hypothecation, assignment, deed of trust, title retention, security interest, or other encumbrance of any kind securing or conferring any priority of payment in respect of, any obligation of any Person;

“Listing Regulations” mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and shall include any statutory modification or re-enactment thereof;

“Managing Director” shall have the meaning assigned to it under the Act;

“MCA” means the Ministry of Corporate Affairs, Government of India;

“Members” mean the duly registered holders in the Register of Shareholders, from time to time, of the Equity Shares of this Company;

“Memorandum” means the memorandum of association of the Company, as amended from time to time;

“Office” means the Registered Office for the time being of the Company;

“Ordinary Resolution” shall have the meaning assigned thereto under Section 114 of the Act;

“Paid up” shall include the amount credited as paid up;

“Person” means any natural Person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association, or other entity (whether registered or not and whether or not having separate legal personality);

“Promoter” shall mean Ashok Soota;

“Register of Shareholders” means the Register of Shareholders to be kept pursuant to Section 88 of the Act;

“Registrar” means the Registrar of Companies, from time to time having jurisdiction over the Company;

“Rules” mean the rules made under the Act and notified from time to time;

“Seal” means the common seal(s) for the time being of the Company;

“SEBI” means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

“Secretary” means a company secretary within the meaning of clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980, and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under the Act, and any other administrative duties;

“Securities” mean any Equity Shares or any other securities, Debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares;

“Shareholder” means any shareholder of the Company, from time to time;

“Shareholders’ Meeting” means any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles;

“Special Resolution” shall have the meaning assigned to it under Section 114 of the Act;

“Stock Exchanges” mean the National Stock Exchange of India Limited, BSE Limited, or such other recognised stock exchange; and

“Transfer” means (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion, or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to, or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word

“Transferred” shall be construed accordingly.

2. CONSTRUCTION

2.1. In these Articles (unless the context requires otherwise):

- (i) References to a Person shall, where the context permits, include such Person’s respective successors, legal heirs and permitted assigns.
- (ii) The descriptive headings of Articles are inserted solely for convenience of reference, and are not intended as complete or accurate descriptions of the content thereof, and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (iii) References to articles and sub-articles are references to Articles and sub-Articles of, and to these Articles unless otherwise stated, and references to these Articles include references to the Articles and sub-Articles herein.
- (iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase

shall have the corresponding meanings.

- (v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- (vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- (vii) Unless otherwise specified, time periods within, or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences, and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made, or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business day following.
- (viii) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (ix) Reference to statutory provisions shall be construed as meaning, and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation, or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.
- (xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.
- (xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL AND VARIATION OF RIGHTS

- 4.1. Subject to the provisions of the Act and these Articles, the shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion, and on such terms and conditions and either at a premium, or at par and at such time as they may from time to time think fit and with the sanction of the Company in a General Meeting to give to any Person the option to call for, or be allotted shares of any class. The authorised, issued and paid up capital of the Company may be altered, subject to the provisions of the Act.
- 4.2. The authorised Share Capital of the Company shall be such amount, and be divided into such shares as may from time to time, be provided in Clause V of Memorandum with the power to reclassify, sub divide, consolidate and increase, and with the power from time to time, to issue any shares of the original capital or any new capital, and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

- 4.3. The Share Capital of the Company may be classified into shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act and Law, from time to time.
- 4.4. All Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- 4.5. The Company may issue shares with differential rights (as to voting, dividend or otherwise) attached to them in pursuance of the provisions of the Act and rules made thereunder. The Board of Directors may issue such shares subject to such limits, and upon such terms and conditions, and with such rights and privileges attached thereto, as thought fit and as may be permitted by law.
- 4.6. If at any time the Share Capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, as the case may be, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class.
- 4.7. To every such separate meeting, the provisions of these Articles relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least 2 (two) Persons holding at least one-third of the issued shares of the class in question.
- 4.8. The Share Capital shall not be of more than 2 (two) kinds, namely:
- a. Equity Share Capital:
 - i. with voting rights; or
 - ii. with differential rights as to dividend, voting or otherwise in accordance with applicable Law; and
 - b. preference Share Capital (as defined in Section 43 of the Act).

Creation or issue of further shares ranking pari passu

- 4.9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith. Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of a Special resolution, be issued on terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Issuance of preference shares

- 4.10. The Company may issue, from time to time, Redeemable Preference Shares as may be permissible to be issued as per the provisions of the Act and rules made thereunder, and for the time being in force and applicable to the Company.
- 4.11. Subject to the provisions of the Articles, the Company shall have power to issue Preference Shares and the Board may, subject to the provisions of the Act and Articles, exercise such powers as it thinks fit. Provided that the term “**Preference Shares**” in this Article has the same meaning as defined in explanation (ii) to section 43 of the Act.

Share warrants

- 4.12. The Company may issue share warrants subject to, and in accordance with, the relevant provisions of the Act and the rules and accordingly the Board may in its discretion, with respect to any Share which is fully paid up, on application in writing signed by the Person registered as holder of the Shares, and authenticated by such evidence (if any) of the Shares and payment of the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
- 4.13. The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a Shareholders Meeting, and of attending, and voting and exercising the other privileges of a Shareholder at any Shareholders Meeting held after the expiry of 2 (two) days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Shares included in the deposited warrant.
- 4.14. More than 1 (one) Person may be recognized as depositor of the share warrant.
- 4.15. The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.
- 4.16. Subject as herein otherwise expressly provided, no Person shall, as bearer of a share warrant, sign a requisition for calling a Shareholders Meeting, or attend or vote or exercise any other privilege of a Shareholder at a Shareholders Meeting, or be entitled to receive any notice from the Company.
- 4.17. The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Shares included in the warrant, and he shall be a Shareholder.
- 4.18. The Board may, from time to time, make rules as to the terms on which (if it thinks fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Share Equivalents

- 4.19. The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

5. COMMISSION

- 5.1. The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 of the Act, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder.
- 5.2. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules made under sub-Section (6) of Section 40 of the Act.
- 5.3. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. ADRS/GDRS

The Company shall, subject to applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms, and in such manner as the Board deems fit, including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

7. ALTERATION OF SHARE CAPITAL

7.1. The Company may from time to time in General Meetings, and subject to the provisions of these Articles and Section 61 of the Act, alter the conditions of its Memorandum as follows. In achieving this, it may:

- a. increase its Share Capital by such amount as it thinks expedient;
- b. consolidate and divide all, or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and sub-division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the manner prescribed under the Act.

- c. sub-divide its existing shares into shares of smaller amount that is fixed by the Memorandum. However, in the event the Company carries out a subdivision, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as was in the case of the share from which the reduced share is derived; and
- d. cancel any shares, which at the date of the passing of the resolution have not been taken or agreed to be taken by the Person and diminish the amount of its Share Capital by the amount of the shares so cancelled.

7.2. Subject to the provisions of Sections 66 of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

7.3. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

8. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act and the Companies Act, 1956, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law.

9. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Section 68, Section 69 and Section 70 of the Act and subject to compliance with applicable Law.

10. SHARE CERTIFICATES

10.1. The Company shall issue, reissue and issue duplicate share certificates in accordance with the provisions of the Act and in a form and manner as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

10.2. Every Person whose name is entered as a member in the register of members of the Company shall be entitled to receive within 2 (two) months after incorporation, in case of subscribers to the Memorandum, or after allotment, or within 1 (one) month after the application for the registration of Transfer or transmission, or within such other period as the conditions of issue shall be provided:

- a. 1 (one) certificate for all his shares without payment of any charges; or
- b. several certificates, each for 1 (one) or more of his shares, upon payment of ₹20 (Indian Rupees Twenty) for each certificate after the first.

Every certificate shall be under the Seal and shall specify the shares to which it relates to and the amount paid-up thereon.

In respect of any Equity Shares or other shares held jointly by several Persons, the Company shall not be bound to issue more than 1 (one) certificate, and delivery of a certificate for the Equity Shares or other shares (as the case may be) to 1 (one) of several joint holders shall be sufficient delivery to all such holders.

- 10.3. The Company shall permit the Shareholders for sub-division/consolidation of share certificates.
- 10.4. Issue of new certificate in place of one defaced, lost or destroyed –If any share certificate be worn out, defaced, mutilated or torn, or if there be no further space on the back for endorsement of Transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof. If any certificate is lost or destroyed, then, upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company may deem adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decided, or on payment of ₹20 (Indian Rupees Twenty) for each new certificate. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced, torn or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchanges or the rules made under the Companies Act, 2013 or rules made under the Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof in this behalf.

- 10.5. Except as required under Law, no Person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided), any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 10.6. The provisions of Articles 10.1 and 10.4 shall mutatis mutandis apply to debentures of the Company.

11. SHARES AT THE DISPOSAL OF THE DIRECTORS

- 11.1. Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same, or any of them to Persons in such proportion, and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 and 54 of the Act) at such time as they may, from time to time, think fit.
- 11.2. If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the Person who, for the time being, shall be the registered holder of the shares or by his Executor or Administrator.
- 11.3. Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- 11.4. In accordance with Section 46 and other applicable provisions of the Act and the Rules:
- a. Every Shareholder or allottee of shares shall be entitled without payment, to receive

1(one) or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates, and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or Persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other Person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other Person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a Person other than a Managing Director(s) or an executive Director(s). Particulars of every share certificate issued shall be entered in the Register of Shareholders against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rs. 2 (Rupees Two).

- b. Limitation of time for issue of certificates – Every Shareholder shall be entitled, without payment, to 1(one) or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for 1 (one) or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of Transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 10 above and in respect of a Share or shares held jointly by several Persons, the Company shall not be bound to issue more than 1 (one) certificate and delivery of a share certificate to the first named joint holders shall be sufficient delivery to all such holders.
- c. The Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision, or an order of a competent court of Law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.
- d. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

12. UNDERWRITING AND BROKERAGE

- 12.1. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any Person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- 12.2. The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

13. CALLS ON SHARES

- 13.1. Subject to the provisions of Section 49 of the Act, the Board may, from time to time, make such calls as it thinks fit upon the members in respect of all monies unpaid on the shares (whether on

account of the nominal value of the shares, or by way of premium) held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the Person and at the time and place appointed by the Board of Directors. Each member shall, subject to receiving 14 days' notice, pay to the company, at the time or times and place so specified, the amount called on his shares. A call may be revoked or postponed at the discretion of the Board.

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- 13.2. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. The Board making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board making such calls. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 13.3. Not less than 30 (thirty) days' notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.
- 13.4. If by the terms of issue of any Share or otherwise, any amount is made payable at any fixed times, or by instalments at fixed time, whether on account of the nominal value of the Share or by way of premium, every such amount or instalments shall be payable as if it were a call duly made by the Board, on which due notice had been given, and all the provisions contained herein, or in the terms of such issue, in respect of calls shall relate and apply to such amount or instalments accordingly.
- 13.5. If the sum called in respect of a Share is not paid on or before the day appointed for payment thereof, the holder for the time being of the Share in respect of which the call shall have been made or the instalments shall fall due, shall pay interest for the same at the rate of 10% (ten percent) per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board shall also be at liberty to waive payment of that interest wholly or in part.
- 13.6. The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a Share, become payable at a fixed time, whether on account of the amount of the Share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
- 13.7. Payment in anticipation of call may carry interest – The Board, may, if it thinks fit, receive from any member willing to advance all of or any part of the monies uncalled and unpaid upon any shares held by him, and upon all or any part of the monies so advanced, the Board may (until the same would, but for such advance become presently payable) pay interest at such rate not exceeding, unless the Company in its General Meeting shall otherwise direct, 12% (twelve percent) per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not in respect of such advances confer a right to the dividend or participate in profits. The Directors may at any time repay the amount so advanced.
- 13.8. The members shall not be entitled to any voting rights in respect of the monies so paid by them until the same would, but for such payment, become presently payable.
- 13.9. Neither a judgment nor a decree in favour of the Company for calls or other monies due in respect of any Share, nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any Share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.
- 13.10. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures.

14. COMPANY'S LIEN

Fully paid shares will be free from all Liens

- 14.1. The fully paid shares will be free from all Liens, while in the case of partly paid shares, the Company's Lien, if any, will be restricted to monies called or payable at a fixed time in respect of such shares.

First and paramount Lien

- 14.2. The Company shall have a first and paramount Lien—
- a. on every Share/ debentures (not being a fully paid-up Share/ debenture), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share/ debenture; and
 - b. on all shares/ debentures (not being fully paid shares/ debentures) standing registered in the name of a single Person (whether solely or jointly with others), for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any Share/ debentures to be wholly or in part exempt from the provisions of this Article.

- 14.3. The Company's Lien, if any, on a Share shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

Powers of the Company to sell the shares under Lien

- 14.4. The Company may sell, in such manner as the Board of Directors thinks fit, any shares on which the Company has a Lien:

Provided that no sale shall be made—

- a. unless a sum in respect of which the Lien exists is presently payable; or
 - b. until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the Lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the Person entitled thereto by reason of his death or insolvency.
- 14.5. To give effect to any such sale, the Board of Directors may authorise some Person to Transfer the shares sold to the purchaser thereof.
- a. The purchaser shall be registered as the holder of the shares comprised in any such Transfer.
 - b. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 14.6. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the Lien exists as is presently payable.
- 14.7. The residue, if any, shall, subject to a Lien for sums not presently payable as existed upon the shares before the sale, be paid to the Person entitled to the shares at the date of the sale.

15. FORFEITURE OF SHARES

- 15.1. If a member fails to pay any call or instalment of a call on the day appointed for the payment not paid thereof, the Board may during such time as any part of such call or instalment remains

unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any Share liable to forfeiture and so far as the Law permits of any other Share.

- 15.2. On the trial or hearing of any action or suit brought by the Company against any Shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his Share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of Shareholders of the Company as a holder, or 1(one) of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors were present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- 15.3. The notice shall name a further day (not earlier than the expiration of 14 (fourteen) days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.
- 15.4. If the requirements of any such notice as aforementioned are not complied with, any Share in respect of which the notice has been given, may at any time thereafter, but before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- 15.5. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- 15.6. A forfeited or surrendered Share may be sold or otherwise disposed of on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.
- 15.7. A Person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all monies, which at the date of forfeiture is payable by him to the Company in respect of the Share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such monies due in respect of the shares.
- 15.8. The forfeiture of a Share shall involve the extinction of all interest in, and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the Share, except only such of these rights as by these Articles are expressly saved.
- 15.9. A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary, of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Share; (ii) The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a Transfer of the Share in favour of the Person to whom the Share is sold or disposed of; (iii) The transferee shall thereupon be registered as the holder of the Share; and (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.
- 15.10. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a Share, becomes payable at a fixed time, whether, on account

of the amount of the Share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

- 15.11. Upon any sale after forfeiture or for enforcing a Lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any Person and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.

16. FURTHER ISSUE OF SHARE CAPITAL

- 16.1. Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

- a. to Persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:
 - .A. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - .B. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in Article 16.1.a.A above shall contain a statement of this right;
 - .C. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not dis-advantageous to the Shareholders and the Company;
- b. to employees under a scheme of Employees' Stock Option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or
- c. to any Persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in Article 16.1.a or Article 16.1.b above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.

- 16.2. The notice referred to in Article 16.1.a.AA shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

- 16.3. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company: Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act and the applicable Rules.

17. TRANSFER AND TRANSMISSION OF SHARES

- 17.1. The Company shall maintain a **“Register of Transfers”** and shall record therein fairly and distinctly particulars of every Transfer or transmission of any Share, Debenture or other security held in a material form.

- 17.2. Instrument of transfer – In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of Transfer of shares held in physical form shall be in writing. In case of Transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
- 17.3. The Company shall use a common form of transfer.
- 17.4. An application for the registration of a Transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.
- 17.5. Where the application is made by the transferor and relates to partly paid shares, the Transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the Transfer within 2 (two) weeks from the receipt of the notice.
- 17.6. Every such instrument of Transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Shareholders in respect thereof.
- 17.7. The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a newspaper circulating in the city, town or village in which the Office of the Company is situated to close the Transfer books, the Register of Shareholders and/or Register of Debenture-holders or any other security holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- 17.8. Directors may refuse to register transfer – Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the Transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of Transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the Person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a Transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a Lien on shares. Further, any contract or arrangement between 2 (two) or more Persons in respect of the Transfer shall be enforceable as a contract.
- 17.9. Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary Transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a Lien.
- 17.10. Subject to the provisions of these Articles, any Transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for Transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/Transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse Transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- 17.11. (i) On the death of a Shareholder, the survivor or survivors, where the Shareholder was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Persons recognised by the Company as having any title to his interest in the shares.

(ii) Nothing in sub-Article (i) shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.

- 17.12. The executors or administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being 1 (one) of 2 (two) or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such executors or administrators or holders of succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.
- 17.13. The Board shall not knowingly issue or register a Transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- 17.14. Subject to the provisions of Articles, any Person becoming entitled to a share in consequence of the death or insolvency of a Shareholder may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either: (a) to be registered himself as holder of the share; or (b) to make such Transfer of the share as the deceased or insolvent member could have made. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 17.15. If the Person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If the Person aforesaid shall elect to Transfer the share, he shall testify his election by executing a Transfer of the share. All the limitations, restrictions and provisions of these regulations relating to the right to Transfer and the registration of transfers of shares shall be applicable to any such notice or Transfer as aforesaid as if the death or insolvency of the Shareholder had not occurred and the notice or Transfer were a Transfer signed by that Shareholder.
- 17.16. A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company:
Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to Transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.
- 17.17. Every instrument of Transfer shall be presented to the Company duly stamped for registration accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may require to show the title of the transferor, his right to Transfer the shares. Every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board.
- a. Where any instrument of Transfer of shares has been received by the Company for registration and the Transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall Transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.
- b. In case of Transfer and transmission of shares or other marketable securities where the

Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- 17.18. Before the registration of a Transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of Transfer in accordance with the provisions of Section 56 of the Act.
- 17.19. No fee on transfer or transmission – No fee shall be payable to the Company, in respect of the registration of Transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and subdivisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine Transfer receipts into denomination corresponding to the market unit of trading.
- 17.20. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any Transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Shareholders), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such Transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- 17.21. The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the Transfer or transmission by operation of Law to other Securities of the Company.

18. CAPITALISATION OF PROFITS

- 18.1. The Company in general meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in sub-Article(ii) amongst the Shareholders who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to other applicable provisions, either in or towards: (A) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively; (B) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Shareholders in the proportions aforesaid; (C) partly in the way specified in sub-Article(A) and partly in that specified in sub-Article(B); (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares; (E) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
- 18.2. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall: (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto.(ii) The Board shall have power: (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and (b) to authorise any Person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits

resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares; (iii) Any agreement made under such authority shall be effective and binding on such Shareholders.

- 18.3. The Company, in a General Meeting, may subject to the provisions of the Act, resolve that any profits or surplus moneys arising from the realization, and when permitted by law any appreciation in value of the capital assets of the Company, be utilized wholly or in part by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of the Company or of any other Company or by paying up any amount for the time being unpaid on any shares of the Company or in any one or more of such ways. The Board of Directors shall give effect to such direction, and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular, may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such assets in trustees upon trust for the persons entitled thereto as may deem expedient to the Board of Directors. Where required, the Board of Directors shall comply with Section 39 of the Act and the Board of Directors may appoint any person to sign such contract on behalf of the persons entitled.

19. DEMATERIALIZATION OF SECURITIES

- 19.1. De-materialization: Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or re-materialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.
- 19.2. Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.
- 19.3. Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles.
- 19.4. Options for investors
- Subject to the provision of Section 29 of the Act, every Person subscribing to securities offered by the Company shall have the option to receive security certificates, hold, or deal in the securities with a depository. Such a Person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a Person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
- 19.5. Securities in depositories to be in fungible form
- All securities held by a depository shall be in electronic form and the certificates in respect thereof shall be dematerialised and be in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- 19.6. Rights of depositories and beneficial owners:
- a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting Transfer of ownership of security on behalf of the beneficial owner.

- b. Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.
- 19.7. Every Person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
- 19.8. Service of documents - Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
- 19.9. Transfer of securities - Nothing contained in Section 56 of the Act or these Articles shall apply to Transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- 19.10. Allotment of securities dealt with in a depository - Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- 19.11. Distinctive numbers of securities held in a depository - Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.
- 19.12. Register and Index of Beneficial owners - The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles with details of shares held in physical and dematerialized forms in any medium as may be permitted by law including in any form of electronic medium.
- 19.13. Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository.
- 19.14. Save as herein otherwise provided, the Company shall be entitled to treat the Person whose name appears on the register of members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any *benami* trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person, whether or not it shall have express or implied notice thereof.

20. NOMINATION BY SECURITIES HOLDERS

- 20.1. Subject to Section 72 of the Act, every holder of Securities or deposits of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- 20.2. Where the Securities of the Company are held by more than 1 (one) Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.
- 20.3. The Company shall not be bound to register more than three persons as the holders of any share. The joint holders of any share shall be liable severally as well as jointly for and in respect of all instalments, calls and other payments which ought to be made in respect of partly paid-up shares.

- 20.4. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- 20.5. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- 20.6. The transmission of Securities of the Company by the holders of such Securities and Transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

21. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any Person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a Transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of Transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

22. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

23. BORROWING POWERS

- 23.1. Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to Transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the monies to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which monies may be borrowed by the Board of Directors.

- 23.2. The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other Person permitted by applicable law, if any, within the limits prescribed.
- 23.3. To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.
- 23.4. Terms of issue of debentures – Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.
- 23.5. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

24. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- 24.1. The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.
- 24.2. The holders of stock may Transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- 24.3. The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- 24.4. Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

25. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of 1(one) Annual General Meeting and the date of the next or within a period of six months, from the date of closing of the financial year, whichever is earlier. All General Meetings other than Annual General Meetings shall be an Extraordinary General Meetings.

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

26. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

- 26.1. Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situate, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- 26.2. Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in Person or by proxy and pursuant to Section 146 of the Act, the Auditor of the Company is mandated, unless otherwise exempted by the Company, to attend either by himself or his authorised representative, who shall also be a qualified auditor, any General Meeting of the Company and shall have the right to be heard at such General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

27. NOTICE OF GENERAL MEETINGS

- 27.1. Number of days' notice of General Meeting to be given: Pursuant to Section 101 of the Act, a General Meeting of the Company may be called by giving not less than 21 (twenty-one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty-eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety-five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- a. every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
- b. Auditor or Auditors of the Company, and
- c. all Directors.

- 27.2. Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

- 27.3. Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either Personally or electronically or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder

- 27.4. Special business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial Personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other

company of every Director or manager (as defined under the provisions of the Act), if any or key managerial Personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

- 27.5. Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- 27.6. Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- 27.7. Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 27.8. The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

28. REQUISITION OF EXTRAORDINARY GENERAL MEETING

- 28.1. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- 28.2. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any 2(two) members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
- 28.3. Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by 1(one) or more requisitionists.
- 28.4. Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within 3 (three) months from the date of the delivery of the requisition as aforesaid.
- 28.5. Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- 28.6. The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- 28.7. No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

28.8. The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

29. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

30. CHAIRMAN OF THE GENERAL MEETING

The chairman of the Board shall be entitled to take the chair at every General Meeting ("Chairman"), whether Annual or Extraordinary. If there be no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect 1(one) of them as Chairman. If no Director be present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect 1 (one) of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

31. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

32. QUESTIONS AT GENERAL MEETING HOW DECIDED

32.1. At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, or voting is carried out electronically, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

32.2. In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

32.3. If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than 48(forty-eight) hours from the time when the demand was made), and place within the city, town or village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

32.4. Where a poll is to be taken, the Chairman of the meeting shall appoint 2(two)scrutinizers to

scrutinize the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

- 32.5. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- 32.6. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 32.7. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- 32.8. The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

33. PASSING RESOLUTIONS BY POSTAL BALLOT

- 33.1. Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- 33.2. Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time.

34. VOTES OF MEMBERS

- 34.1. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
 - a. on a show of hands, every member present in Person shall have 1(one) vote; and
 - b. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity Share Capital of the Company.
- 34.2. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.
- 34.3. In the case of joint holders, the vote of the senior who tenders a vote, whether in Person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 34.4. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- 34.5. Any business other than that upon which a poll has been demanded may be proceeded with,

pending the taking of the poll.

- 34.6. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of Lien.
- 34.7. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive and every vote not disallowed at such meeting shall be valid for all purposes.
- 34.8. Provided, however, if any Shareholder holding Preference Shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

35. PROXY

- 35.1. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power a authority, shall be deposited at the Office not less than 48 hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- 35.2. An instrument appointing a proxy shall be in the form as prescribed in the Companies (Management and Administration) Rules, 2014.
- 35.3. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the Transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or Transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

36. E-VOTING

The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014 or any other Law, if applicable to the Company.

- 36.1. Company will follow the following procedure namely:
- 36.2. The notices of the meeting shall be sent to all the members, auditors of the Company, or Directors either
 - a. by registered post or speed post; or
 - b. through electronic means like registered e-mail id; or
 - c. through courier service.
 - d. the notice shall also be placed on the website of the Company, if any and of the agency forthwith after it is sent to the members.
- 36.3. The notice of the meeting shall clearly mention that:

- a. the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means;
 - b. the facility of voting, either through electronic voting system of ballot or polling paper shall also be made available at the meeting and that the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting;
 - c. that the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 36.4. The notice shall clearly indicate the process and manner for voting by electronic means and indicate the time schedule including the time period during which the votes may be cast by remote e-voting and shall also provide the login ID and specify the process and manner for generating or receiving password and casting of vote in a secure manner.
- 36.5. The Company shall cause a public notice by way of an advertisement to be published, immediately on completion of dispatch of notices for the meeting but at least 21(twenty one) days before the date of the general meeting, at least once in a vernacular newspaper in the principal vernacular language of the district in which the Office is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having a wide circulation in that district, about having sent the notice of the meeting and specifying therein, *inter alia*, the following matters, namely:
- a. statement that the business may be transacted through voting by electronic means;
 - b. the date and time of commencement of remote e-voting;
 - c. the date and time of end of remote e-voting;
 - d. a cut-off date;
 - e. the manner in which Persons who have acquired shares and become members of the Company after the dispatch of notice may obtain login ID and password;
 - f. the statement that:
 - .A. remote e-voting shall not be allowed beyond the said date and time;
 - .B. the manner in which the Company shall provide for voting by members present at the meeting;
 - .C. a member may participate in the general meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the meeting; and
 - .D. a Person whose name is recorded in the register of members or the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.
 - g. website address of the Company and of the agency where notice of the meeting is displayed; and
 - h. name, designation, address, e-mail id and phone number of the Persons responsible to address the grievances connected with facility for voting by electronic means.
- 36.6. The facility for remote e-voting shall remain open for not less than 3 (three) days and shall close at 5:00 PM on the date preceding the date of the general meeting.

- 36.7. During the period when facility for remote e-voting is provided, the Shareholders of the Company, holding shares in either the physical form or the dematerialised form, as on the cut-off date, may opt for remote e-voting.

Provided that once the vote on a resolution is cast by a Shareholder, he shall not be allowed to change it subsequently or cast the vote again. Provided further that a shareholder may participate in a general meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.

- 36.8. At the end of the remote e-voting period, the facility shall forthwith be blocked.

Provided that the Company opts to provide the same electronic voting system as used during remote e-voting during the general meeting, the said facility shall be in operation till all the resolutions are considered and voted upon in the meeting and may be used for voting only by the Shareholders attending the meeting and who have not exercised their right to vote through remote e-voting.

- 36.9. The Board shall appoint 1 (one) scrutinizer, who may be Chartered Accountant in practice or Cost Accountant in practice, or Company Secretary in practice or an advocate, but not in employment of the Company and is a Person of repute who, in the opinion of the Board can scrutinize the remote e-voting process in a fair and transparent manner. The scrutinizer is required to be willing, to be appointed and should also be available for the purpose of ascertaining the requisite majority.
- 36.10. The Chairman shall at the general meeting, at the end of discussions on the resolutions on which voting is to be held, allow voting, as provided in this Article 36, with the assistance of the scrutinizer, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
- 36.11. The scrutinizer shall, immediately after the conclusion of remote e-voting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2(two) witnesses not in the employment of the Company and make, not later than 3(three) days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, forthwith to the Chairman or a Person authorised by the Chairman in writing who shall countersign the same.
- 36.12. The scrutinizers shall maintain a register either manually or electronically to record the assent or dissent received, mentioning the particulars of name, address, folio number or Client ID of the Shareholders, numbers of shares held by them, nominal value of such shares and whether the shares have differential voting rights.
- 36.13. The register and all other papers relating to voting by electronic means shall remain in the safe custody of the scrutinizers until the Chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall hand over the register and other related papers to the Company.
- 36.14. The result declared along with the report of the scrutiniser shall be placed on the website of the Company and on the website of the agency immediately after the result is declared by the Chairman.
- 36.15. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed on the date of the relevant general meeting of members.

37. BOARD OF DIRECTORS

Subject to the applicable provisions of the Act, the Board shall consist of not less than three and not more than 15 Directors.

38. ADDITIONAL DIRECTORS

Subject to provisions of Article 51, the Board may appoint any Person other than a Person who fails to get appointed as a director in a general meeting, as an additional director, who shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

39. ALTERNATE DIRECTORS

The Board may, appoint a Person, not being a Person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India.

40. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, such appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under Regulation 17 of the Listing Regulations.

41. NOMINEE DIRECTORS

41.1. Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company, 1(one) or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee Director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatever. The nominee Director shall hold office only so long as any monies remain owed by the Company to such lenders.

41.2. The nominee Director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee Director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee Director is an officer of any of the lenders, the sittings fees in relation to such nominee Director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

41.3. Any expenditure that may be incurred by the lenders or the nominee Director in connection with the appointment or Directorship shall be borne by the Company.

41.4. The nominee Director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

41.5. The nominee Director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

41.6. If at any time, the nominee Director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

42. CASUAL VACANCY

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the Articles, be filled by the Board at a meeting of the Board.

43. WOMAN DIRECTOR

The Company shall have such number of Woman Director (s) on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable.

44. REMUNERATION OF DIRECTORS

- 44.1. Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by 1 (one) way and partly by the other, subject to the limits prescribed under the Act. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- 44.2. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them: (a) in attending and returning from meetings of the Board or any committee thereof or General Meetings of the Company; or (b) in connection with the business of the Company.
- 44.3. Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- 44.4. The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- 44.5. All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of Employees' Stock Options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any Employees' Stock Options.

45. POWERS OF THE BOARD TO KEEP A FOREIGN REGISTER

The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register containing the names and particulars of the Shareholders, Debenture-holders, other security holders or Beneficial Owners residing outside India; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

46. SIGNING OF CHEQUES, HUNDIES, ETC.

- 46.1. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted,

endorsed, or otherwise executed, as the case may be, by such Person and in such manner as the Board of Directors shall from time to time by resolution determine.

- 46.2. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

47. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 51 hereof, the continuing Directors not being less than 3 (three) may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

48. VACATION OF OFFICE BY DIRECTOR

- 48.1. Subject to relevant provisions of Sections 167 of the Act, the office of a Director, shall ipso facto be vacated if:

- a. he incurs any of the disqualifications specified under Section 164 of the Act; or
- b. he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6(six) months, provided that the office shall not be vacated for 30(thirty) days from the date of conviction or order of disqualification; or where an appeal or petition is preferred within 30(thirty) days as aforesaid against the conviction resulting in sentence or order, until expiry of 7(seven) days from the date on which such appeal or petition is disposed of; or where any further appeal or petition is preferred against order or sentence within 7(seven) days, until such further appeal or petition is disposed of; or
- c. he absents himself from all the meetings of the Board of Directors held during a period of 12 (twelve) months with or without seeking leave of absence of the Board; or
- d. he, having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
- e. he acts in contravention of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested; or
- f. he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184; or
- g. he becomes disqualified by an order of the court, provided that the office shall not be vacated for 30(thirty) days from the date of conviction or order of disqualification; or where an appeal or petition is preferred within 30(thirty) days as aforesaid against the conviction resulting in sentence or order, until expiry of 7(seven) days from the date on which such appeal or petition is disposed of; or where any further appeal or petition is preferred against order or sentence within 7(seven) days, until such further appeal or petition is disposed of.; or
- h. he is removed pursuant to the provisions of the Act.

- 48.2. Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar in such manner, within such time and in such form as may be prescribed and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the Company.

49. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not 3 (three) or a multiple of 3 (three) then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or whole-time Director(s), appointed or the Directors appointed as a Debenture Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

50. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

- 50.1. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
- 50.2. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:
- a. at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - b. retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
 - c. he is not qualified or is disqualified for appointment; and
 - d. a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

51. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 49 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, subject to a minimum of 3 (three) directors and maximum of 15 (fifteen) directors, and by a Special Resolution increase the number to more than fifteen directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The Person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

52. REGISTER OF DIRECTORS ETC.

The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

53. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any Company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

54. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time Director or executive Director or manager of the Company. The Managing Director(s) or the whole time Director(s) manager or executive Director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time Director(s) or manager or executive Director(s), as the case may be, all the powers vested in the

Board generally. The remuneration of a Managing Director/ whole time Director or executive Director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act.

55. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s)/whole time Director(s)/executive Director(s)/manager shall be subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s)/whole time Director(s)/executive Director(s)/manager, and if he ceases to hold the office of a Managing Director(s)/whole time Director(s)/executive Director(s)/ manager he shall ipso facto and immediately cease to be a Director.

56. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s)/whole time Director(s)/executive Director(s)/manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

57. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time Director(s)/executive Director(s)/ managers in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time Director(s)/executive Director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

58. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

58.1. The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:

- a. to make calls on Shareholders in respect of money unpaid on their shares;
- b. to authorise buy-back of securities under Section 68 of the Act;
- c. to issue securities, including debentures, whether in or outside India;
- d. to borrow money(ies);
- e. to invest the funds of the Company;
- f. to grant loans or give guarantee or provide security in respect of loans;
- g. to approve financial statements and the Board's report;
- h. to diversify the business of the Company;
- i. to approve amalgamation, merger or reconstruction;
- j. to take over a company or acquire a controlling or substantial stake in another company;
- k. fees/ compensation payable to non-executive Directors including independent Directors of the Company; and
- l. any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations.

58.2. The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors,

the Managing Director, or to any Person permitted by Law the powers specified in sub-Articles (d) to (f) above.

- 58.3. The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of Section 180 of the Act.
- 58.4. In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:
- a. to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;
 - b. to borrow money; and
 - c. any such other matter as may be prescribed under the Act, the Listing Regulations and other applicable provisions of Law.

59. PROCEEDINGS OF THE BOARD OF DIRECTORS

- 59.1. Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between 2 (two) consecutive Board Meetings. Meetings shall be held in Bengaluru, Karnataka, India or such a place as may be decided by the Board.
- 59.2. The participation of Directors in a meeting of the Board may be either in Person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- 59.3. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
- 59.4. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the directors present may choose 1(one) of their number to be Chairperson of the meeting.
- 59.5. The Company Secretary shall, as and when directed by the Chairman convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- 59.6. The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.
- 59.7. At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by 1 (one) independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

- 59.8. At any Board Meeting, each Director may exercise 1 (one) vote. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.
- 59.9. Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company

60. QUORUM FOR BOARD MEETING

60.1. Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be at least 3(three) Directors the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

61. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- 61.1. The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.
- 61.2. The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- 61.3. The Board of Directors may, at any time and from time to time by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in and exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit. Such power of attorney maybe made in favour of the members, Directors, nominees, or managers of our Company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Directors. Such power of attorney may contain powers for the protection or convenience of persons dealing with such attorneys as the persons granting such attorneys may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all / or any of the powers, authorities and directions for the time being vested in them.

62. COMMITTEES AND DELEGATION BY THE BOARD

- 62.1. The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive Director(s) or manager or the Chief Executive Officer of the Company. The Managing Director(s), the executive Director(s) or the manager or the Chief

Executive Officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

- 62.2. Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to Persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- 62.3. The meetings and proceedings of any such Committee of the Board consisting of 2 (two) or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.
- 62.4. A committee may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose 1 (one) of their members to be Chairperson of the meeting.
- 62.5. A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 62.6. All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any 1(one) or more of such directors or of any Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such Person had been duly appointed and was qualified to be a director.
- 62.7. The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

63. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any Person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or Persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such Person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

64. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in

case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

65. OFFICERS

- 65.1. The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.
- 65.2. The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.
- 65.3. The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.
- 65.4. Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.
- 65.5. The Board shall appoint with the approval of the Chairman and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as Persons who will be appointed to the posts of senior executive management.

66. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any Person, shall become Personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other Persons so becoming liable as aforesaid from any loss in respect of such liability.

67. THE SECRETARY

- 67.1. The Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.
- 67.2. The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

68. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive Directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

- 68.1. on terms approved by the Board;

- 68.2. which includes each Director as a policyholder; and
- 68.3. is from an internationally recognised insurer approved by the Board.

69. SEAL

- 69.1. The Board shall provide for the safe custody of the seal.
- 69.2. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least 1 (one) Director or any one of the KMP, or such other Person as the Board may appoint for the purpose; and those 1 (one) director or KMP or other Person aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

BORROWING POWERS

70. The financing requirements of the Company shall be met through one or more of the following options, at the discretion of the Board :

- (i) By internal accruals;
- (ii) Subject to applicable law.

71. DIVIDENDS AND RESERVE

- 71.1 The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 71.2 Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of the Company.
- 71.3 (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 71.4 (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 71.5 The Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 71.6 (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that 1(one) of the joint holders who is first named on the register of Shareholders, or to such Person and to such address as the holder or

joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.

71.7 Any 1 (one) of 2 (two) or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

71.8 Notice of any dividend that may have been declared shall be given to the Persons entitled to share therein in the manner mentioned in the Act.

71.9 No dividend shall bear interest against the Company.

72. RELATED PARTY TRANSACTIONS

72.1 Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no Company shall enter into any contract or arrangement with a 'related party' with respect to:

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property;
- f. such Director's or its relative's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- g. underwriting the subscription of any securities or derivatives thereof, of the Company:

without the consent of the Shareholders by way of a resolution in accordance with Section 188 of the Act.

72.2 No Shareholder of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

72.3 nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis or to transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the Shareholders at a Shareholders Meeting for approval.

72.4 The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

72.5 The audit committee of the Board may provide for an omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed by applicable law.

72.6 The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.

72.7 The term 'related party' shall have the same meaning as ascribed to it under the Act.

72.8 The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

Subject to the Provision of Section 188 of Act, Non-executive Director of the Company will eligible for fees with respect to the Consultancy and Advisory services provided by the Non-Executive Directors to the Company.

73. ACCOUNTS

- 73.1. The Company shall keep at the office or at such other place in India as the Board thinks fit, proper books of Account in accordance with Section 128 the Act.
- 73.2. Where the Board decides to keep all or any of the Books of Accounts at any place other than the office of the Company the Company shall within 7 (seven) days of the decision file with the Register a notice in writing given the full address of that other place.
- 73.3. The Company shall preserve in good order the Book/s of Account relating or period of not less 8 (eight) years preceding the current year together with the vouchers relevant to any entry in such books of Account.
- 73.4. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorized by the Board.
- 73.5. The Directors shall from time to time, in accordance with Sections 129, 133 and 134 of the Act, cause to be laid before the Company in General Meeting, such Balance Sheets, profits and loss account and reports as are required by these Sections.
- 73.6. A Copy of every Balance Sheet and statement of profit and loss (including the Auditors Report and every other document required by law to be annexed or attached to the Balance Sheet) or a Statement containing salient features of such documents in the prescribed form, as laid down under Section 136 of the Act as the Company may deem fit, shall not less than 21 (twenty-one) days before the Meeting at which the Balance Sheet and the profit and loss Account are to be laid before the Members, be sent to every Person entitled thereto pursuant to the provisions of the Section 136 of the Act provided this Article shall not require a copy of the documents to be sent to any Person of whose address the Company is not aware of or to more than 1 (one) of the joint holders of any shares.

74. DOCUMENTS AND NOTICES

- 74.1. A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either Personally or by sending it by post to him to his registered address.
- 74.2. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of 48 (forty eight) hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- 74.3. A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Shareholders in respect of the Share.

- 74.4. Every Person, who by operation of Law, Transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- 74.5. Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.
- 74.6. All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- 74.7. Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfil all conditions required by Law, in this regard.

75. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

- 75.1. To the Shareholders of the Company as provided by these Articles.
- 75.2. To the Persons entitled to a share in consequence of the death or insolvency of a Shareholder.
- 75.3. To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

76. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

77. UNPAID OR UNCLAIMED DIVIDEND

- 77.1. If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, Transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the “Unpaid Dividend of Happiest Minds Technologies Limited”.
- 77.2. Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such Transfer, shall be transferred by the Company to the Fund established under sub-Section (1) of Section 125 of the Act, viz. “Unpaid Dividend of Happiest Minds Technologies Limited” and the Company shall send a statement in the prescribed form of the details of such Transfer to the authority which administers the said Fund and that authority shall issue a receipt to the Company as evidence of such Transfer.
- 77.3. All shares in respect of which unpaid or unclaimed dividend have been transferred under sub-section (5) of Section 124 of the Act shall also be transferred by the Company in the name of “Investor Education and Protection Fund” along with a statement containing such details as prescribed under the Act.

- 77.4. No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.
- 77.5. If any shares stands in the name of 2 (two) or more Persons, the Person first named in the register shall, as regards payment of dividend or bonus or service of notice and all or any other matters connected with the Company, except voting at meetings be treated as the holders of the shares but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments and call due in respect of such shares and for all the other incidence thereof according to the Company's Regulations.

78. CAPITALIZATION OF PROFITS

- 78.1. The Company may in a General Meeting, upon recommendation of the Board, resolve:
- a. That it is desirable to capitalise any part of the amounts for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss accounts or; and
 - b. That such sum be accordingly set free for distribution in the manner specified in sub-Article 78.2 amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- 78.2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in sub-Article 78.1 either in or towards:
- a. Paying up any amount for the time being unpaid on shares held by such members respectively; or
 - b. Paying up in full unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid; or
 - c. Partly in the way specified in sub-Article(i) and partly in that specified in sub-Article(ii).
- 78.3. A share premium account and a capital redemption fund may be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

Powers of Directors for declaration of Bonus

- 78.4. Whenever such a resolution as aforesaid shall have been passed by the Board shall:
- a. make all appropriations and applications of the undistributed profits to be capitalised thereby and issue of fully paid shares or debentures, if any ; and
 - b. generally do all acts and things required to give effect thereto.
- 78.5. The Board shall have full power:
- a. to make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fraction ; and also
 - b. to authorise any Person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares or debentures of which they may be entitled upon such capitalisation or as the case may require, for the payment of by the Company on their behalf, by the application thereto of their respective proportion of the profits resolved to be capitalised or the amounts or any part of the amounts remaining unpaid on the shares.
- 78.6. Any agreement made under such authority shall be effective and binding on all such members.

79. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

Subject to the provisions of Chapter XX of the Act and rules made thereunder:

- 79.1. If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- 79.2. For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.
- 79.3. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability

80. DIRECTORS' AND OTHERS' RIGHTS TO INDEMNITY

- 80.1. Subject to the provisions of Section 197 of the Act every Director, manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the assets of the Company to pay all costs, losses, and expenses (including travelling expenses) which any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.
- 80.2. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or which may incur by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.

81. DIRECTORS ETC., NOT LIABLE FOR CERTAIN ACTS

Subject to the provisions of Section 197 of the Act, no Director, Manager, Officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, officer or employee or for joining in any receipts or other act for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency, or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any Person with whom any money(ies), Securities or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through his own negligence, default, misfeasance, breach of duty or breach of trust.

Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

82. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of Shareholders, books of accounts and the minutes of the meetings of the Board and Shareholders shall be kept at the Office of the Company and shall be open, during Business hours, for such periods not being less in the aggregate than 2(two) hours in each day as the Board determines, for the inspection of any Shareholder without charge. In the event such Shareholder conducting inspection of the abovementioned documents requires extracts of the same,

the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

83. SECRECY

- 83.1. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.
- 83.2. Every Director, Managing Director, Manager, Secretary, Auditor, trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other Person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the Persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

84. DUTIES OF OFFICERS TO OBSERVE SECRECY

Every Director, Managing Directors, Manager, Secretary, Auditor, trustee, members of committee, Officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors or by a resolution of the Company in a General Meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the Government to require or to hold an investigation into the Company's affairs.

MISCELLANEOUS

Directors, Officers, etc. bound by "Secrecy Clause":

85. The Managing Director and every Director, Manager, Auditor, Member of a Committee, KMP, Officer, Servant, Accountant or other person employed in the business of the Company, shall pledge himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall always be bound not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by a Court of Law or by the person to whom such matters relate and except in so far as may be necessary in order to comply with any of the provisions in these Articles contained.

Directors and others right to indemnity:

86. Subject to the provisions of the Act, it shall be the duty of the Directors to indemnify, out of the funds of the Company, the Managing Director/Deputy Managing Director/Whole Time Director, every Director and Key Managerial Personnel of the Company, in relation to all costs, losses and expenses (including traveling expenses) which they may incur or become liable to incur by reason of any contract entered into or act or deed done by him as such Managing Director/Deputy Managing Director/Whole Time Director, Director and Key Managerial Personnel in any way in the discharge of his duties. The amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.

Directors and other Officers not responsible for acts of others:

87. Subject to the provisions of the Act, no Director, Managing Director, Deputy Managing Director, Key Managerial Personnel or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities, or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatsoever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

GENERAL AUTHORITY

88. Where the Act requires that a company cannot undertake any act or exercise any rights or powers unless expressly authorized by its articles, these Articles shall in relation to the Company, be deemed to confer such right, authority or power.

PART B

- B.1. Notwithstanding anything contained in these Articles of Association, the provisions of Part B i.e. Articles B.1 to Article B.15 (both inclusive) hereof shall apply and prevail over the provisions of Part A i.e. Articles 1 to 87 (both inclusive) of these Articles to the extent to which the provisions of Part A are inconsistent with or contrary to the provisions of Part B. In case of any inconsistency between the Part B and the Act, the provisions of the Act shall prevail. However, Articles contained in Part B shall automatically terminate, be deleted and cease to have any force and effect:

- 1) Upon the Investor 1, along with its Affiliates, ceasing to hold 2% of the paid up share capital of the Company on a Fully Diluted Basis. The Investor 1 shall be entitled to such rights as specified in this Part B, as long as the Investor 1 holds Shares in the Company ; or
- 2) Upon the completion by the Company of an QIPO/IPO and consequent listing of all the Investor Shares; or
- 3) Upon the voluntary or involuntary liquidation, dissolution or winding up of the Company or a Liquidation Event accompanied by distribution of proceeds in accordance with these Articles.

B.2.1. Interpretation of these Articles and definitions.

Notwithstanding the provisions of Part A, (a) capitalised terms and expression used In the Articles, shall have the meaning assigned to such terms In Part B; (b) capitalized terms and expressions used in the Articles, but not defined in Part B shall have the meaning assigned to such *terms* in Part A; and (c) any terms and expressions (whether capitalised or not), used but not defined specifically in these Articles shall have the same meaning as ascribed to them In the Companies Act or any statutory modification thereof.

In the interpretation of the Articles contained in Part B of these Articles, the following words or expressions shall have the following meaning respectively unless excluded by subject or context:-

1. “**Act**” means the Indian Companies Act, 1956, including any amendments thereto and any rules, regulations, notifications and clarifications made thereunder.
2. “**Affiliate**” in relation to a Person,
 - (i) being a corporate entity, shall mean any entity or Person, which Controls, is Controlled by, or is under the common Control of such Person;
 - (ii) being an individual, any entity or Person, which is Controlled by such Person or a Relative of such individual;
 - (iii) in any other case shall mean a Person which Controls or is Controlled by a Person or Persons;

- (iv) in the case of Canaan and Intel, without prejudice to the generality of the foregoing, shall include: (a) any fund, collective investment scheme, trust, partnership (including, any co-investment partnership), special purpose or other vehicle, in which Canaan or Intel is a general or limited partner, significant shareholder, investment manager or advisor, settlor, member of a management or investment committee or trustee; (b) any general or limited partner of Canaan or Intel; and (c) any fund, collective investment scheme, trust, partnership (including, any co-investment partnership), special purpose or other vehicle in which any general partner of Canaan or Intel is a general partner, significant shareholder, investment manager or advisor, settlor member of a management or investment committee or trustee.
- 3. “Articles” means Part A and Part B of the Articles of Association of the Company.
- 4. “Business Day” means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in Bangalore, India and Mauritius.
- 5. “Canaan Nominee Director” shall have the meaning ascribed to it under Article B 9.1.
- 6. “Consent” means any permit, permission, license, approval, authorization, clearance, waiver, no objection certificate or other authorization of whatever nature and by whatever name called which is required to be granted by any Governmental Authority, the creditors or any Person or other authority or under any applicable Law.
- 7. “Control” shall mean with respect to any Person: (a) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the legal or beneficial ownership of more than 50% (fifty percent) of the voting securities of that Person, by agreement or otherwise or the power to elect or remove all of the directors, partners or other individuals exercising similar authority with respect to such Person without the requirement of consent or concurrence of any other Person, and/or (b) the legal or beneficial ownership, directly or indirectly, of an equity interest of more than 50% (fifty percent) in that Person.
- 8. “Conversion Period” means a period of 20 (Twenty) years commencing from the date of issue of Series A Preference Shares.
- 9. “Conversion Shares” means the Equity Shares issued upon conversion of the Series A Preference Shares.
- 10. “Employees Stock Option Plan”/ “ESOP” means the employee stock option plan as formulated and approved by the Board of the Company and applicable, inter alia, to the employees of the Company.
- 11. “Encumbrance” means any form of legal or equitable security interest, including but not limited to any mortgage, assignment of receivables, debenture, lien, charge, pledge, title retention, right to acquire, lease, sub-lease, license, voting agreement, security interest, hypothecation, option, right of first refusal, restrictions or limitation, purchase agreement, any preference arrangement (including title transfers and retention arrangements or otherwise), and any other encumbrance or similar condition whatsoever or any other arrangements having similar effect..
- 12. “Equity Shares” means equity shares in the issued, subscribed and paid up share capital of the Company having a face value of INR 2 (Indian Rupees Two) each.
- 13. “Escrow Agreement” means the escrow agreement executed between the Company, the escrow agent, the Investor and Promoter¹.
- 14. “First Closing” shall mean the date on which First Closing has occurred.
- 15. “Fair Market Value”/“FMV” means the fair market value of any Security as determined by a Reputed Accounting Firm.
- 16. “Financial Year” means the financial year of the Company commencing on April 1 every year

and ending on March 31 of the following year.

17. “Fully Diluted Basis” “ means that the calculation is to be made assuming that all outstanding convertible securities (whether or not by their terms then currently convertible, exercisable or exchangeable), stock options, warrants, including but not limited to any outstanding commitments to issue shares at a future date whether or not due to the occurrence of an event or otherwise, have been so converted, exercised or exchanged.
18. “Governmental Authority” shall mean any government authority, Tax authority, statutory authority, government department, ministry, secretariat, agency, commission, board, tribunal or court or other law, rule or regulation making body/entity, having or purporting to have, jurisdiction over the relevant Party.
19. “Indian GAAP” shall mean generally accepted accounting principles in India.
20. “INR” means Indian Rupees, the lawful currency of the Republic of India.
21. “Intel Nominee Director” shall have the meaning ascribed to it under Article B9.2.
22. “Investor 1” means CMDDB II, a company incorporated under the laws of Mauritius and having its registered office at Trident Trust Company (Mauritius) Limited, 5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius and accordingly wherever the word “Canaan” is used elsewhere in these Articles it shall mean “CMDDB II”¹.
23. “Investor 2” means None and accordingly all rights and obligations of erstwhile Investor 2 viz., Intel Capital (Mauritius) Limited (“Intel”) mentioned elsewhere in these Articles shall be redundant and not applicable.²
24. “Investor Shares” shall mean the Series A Preference Shares and any other Securities of the Company as held by the Investor from time to time.
25. “IPO” shall mean an initial public offering of the Company’s Equity Shares on the Stock Exchanges at a price as determined by the book building process under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.³
26. “Law” includes all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, statutory authority, tribunal, board, court or recognised stock exchange whether in effect as of the date hereof or thereafter.
27. “Liquidation Event” shall mean any of the following:
 - (a) the winding up or dissolution of the Company, either through a members’ or creditors’ voluntary winding-up process or a court directed winding up process; or
 - (b) any (A) sale, lease, transfer, exclusive license or other disposition in a single transaction or a series of related transactions which results in acquisition by a third Person of all or substantially all the assets, Shares or Securities of the Company, or results in a change in Control of the Company or any (B) consolidation, merger, demerger, reorganization or other similar transaction (whether in one or a series of transactions) of the Company resulting in the Shareholders before such transaction legally and beneficially retaining less than 50% (Fifty percent) of the voting share capital of the Company or of the surviving entity immediately following such transaction (on a Fully Diluted Basis).

¹ **Note:** Above definitions in Article B.2.22 was replaced vide Special Resolution passed in the Extra-Ordinary General Meeting held on November 26, 2019.

² **Note:** Above definitions in Article B.2.23 was replaced vide Special Resolution passed in the Extra-Ordinary General Meeting held on November 26, 2019.

³ Clause B2.1.25 was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

- (c) consummation of transactions upon the exercise of the Default Drag Along Right.
28. “Offer for Sale” shall have the meaning assigned to it in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or substituted from time to time.
29. “Other Subscribers” means the Persons or entities who have executed the Deed of Adherence with respect to the subscribed Series A Preference Shares.⁴
30. “Other Subscribers Shares” means the Series A Preference Shares subscribed by Other Subscribers.⁵
31. “Person” means and includes an individual, proprietorship, partnership, corporation, company, unincorporated organization or association, trust or other entity, whether incorporated or not.
32. “Promoter 1” or “Promoter” shall mean Mr Ashok Soota.
33. “Promoter 2” shall mean None.⁶
34. “Promoter Shares” shall mean the Shares and any other Securities of the Company as held by the Promoter 1 and 2 from time to time.
35. “Qualified IPO” or “QIPO” shall mean IPO⁷.
36. “Related Party” shall mean:
- i. the Affiliates of the Company;
 - ii. Persons in which the Company, holds (directly or indirectly) more than 25% of the ownership interest or in which they have control over the management and policies of such Person;
 - iii. any employee, officer, Director or shareholder of the Company, its subsidiary(ies), and their respective Relatives; and
 - iv. any Person in, or any Person of which, any of the Persons referred above are directors, partners, shareholders or proprietors or in which any of the above have control over the management and policies of such Person.
37. “Relative” shall have the meaning ascribed to it under the Act.
38. “Reputed Accounting Firm” shall mean Ernst and Young, KPMG, Pricewaterhouse Coopers and Deloitte & Touche or any other accounting firm approved by the Investor.
39. “Return” shall mean an amount which is the higher of: (i) in the event of an IPO with aggregate offering proceeds of at least USD 50,000,000 (USD Fifty Million); and (ii) a price which is at least 5 (Five) times the aggregate price paid by the Investor, Promoter and Other Subscribers to subscribe to the Series A Preference Shares and the Equity Shares, subject to adjustments for dividends, stock splits, recapitalizations and the like;
40. “Series A Preference Shares” means all the non-cumulative compulsorily convertible preference shares having a face value of INR 652 (INR Six Hundred Fifty Two) each.⁸
41. “Securities” includes Equity Shares and any Shares, convertible preference shares, convertible

⁴ Clause B2.1.29 of Part B was amended vide Special Resolution passed in the Annual General Meeting held on July 31, 2017

⁵ Clause B2.1.30 of Part B was amended vide Special Resolution passed in the Annual General Meeting held on July 31, 2017

⁶ Clause 33 of Part B was amended vide Special Resolution passed in the Annual General Meeting held on July 20, 2016

⁷ Clause 35 of Part B was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

⁸ Clause 40 of Part B was amended vide Special Resolution passed in the Annual general Meeting held on July 31, 2017

debentures, appreciation rights or any rights, options, warrants, convertible bonds or other similar instruments which carry a right to subscribe for or purchase Equity Shares.

42. "Shares" means all classes of shares of the Company including the preference shares, Conversion Shares, Equity Shares and any further shares of the Company as may be subscribed by any Person.
43. "Shareholders" mean the duly registered holders from time to time of the Shares of the Company.
44. "Stock Exchanges" means and includes any recognized stock exchange in India.
45. "Subscription Shares" means collectively, the Canaan Subscription Shares, the Intel Subscription Shares, the Other Subscribers' Shares and the Promoter Subscription Shares.
46. "Transfer," "Transferring," "Transferred," or words of similar import, mean and include any sale, assignment, Encumbrance, conveyance in trust, gift, or other transfer or disposition of any kind, including but not limited to transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of Law, directly or indirectly.
47. "USD" means United States Dollars, the lawful currency of the United States of America.

B.2.2. Interpretation. Unless the context of these Articles otherwise requires:

- 1) words of any gender include each other gender;
- 2) words using the singular or plural number also include the plural or singular number, respectively;
- 3) the terms "hereof," "herein," "hereby" and derivative or similar words refer to the entire Articles and not to any particular article of these Articles;
- 4) the phrases "ordinary course of business" means the ordinary and usual course of day-to-day operations of the business of the Company through the date hereof consistent with past practice;
- 5) whenever these Articles refers to a number of days, such number shall refer to calendar days unless otherwise specified;
- 6) all accounting terms used herein and not expressly defined herein shall have the meanings given to them under the Indian generally accepted accounting principles;
- 7) headings and captions are used for convenience only and shall not affect the interpretation of these Articles;
- 8) references to schedules, annexures and appendices shall be deemed to be a reference to the Articles, schedules and appendices of these Articles.
- 9) any reference to any statute or statutory provision shall include:
 - (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and
 - (ii) such statute or provision as may be amended, modified, re-enacted or consolidated.
- 10) any reference to an agreement, instrument or other document herein shall be to such agreement, instrument or other document as amended, supplemented or novated pursuant to the terms thereof;
- 11) reference to any Investor shall include the respective legal heirs, successors or permitted assigns of such Investor, unless otherwise repugnant to the context;

- 12) the word “including” herein shall always mean “including, without limitation”; and
- 13) the Schedule, Annexures and Exhibits (if any) to these Articles form an integral part of these Articles.

B.3. DIVIDENDS

- B.3.1 Subject to applicable Law, as and if declared by the Board, each holder of the Series A Preference Shares, shall be entitled, to receive a preferential non-cumulative dividend at the rate of 14% per annum on the par value of each Series A Preference Share held by it. The holders of the Series A Preference Shares shall receive the preferential dividend with respect to the Series A Preference Shares held by them, in preference to the dividend payable on the Equity Shares of the Company and shall not participate in any further dividends declared on the Equity Shares.
- B.3.2 The Company shall not declare and pay any dividend unless dividend is paid on the Series A Preference Shares.

B.4. LIQUIDATION PREFERENCE

- B.4.1 On the occurrence of a Liquidation Event, the holders of Series A Preference Shares which have not been converted into Equity Shares will have liquidation rights senior to any other Securities of the Company. Such holders of Series A Preference Shares will be entitled to receive, in preference to any other holder of Securities of the Company, an amount equal to 100% (One Hundred percent) of the aggregate price paid per Series A Preference Share held by such holder of Series A Preference Share (“**Liquidation Preference Amount**”), plus any accrued or declared but unpaid dividends thereon.
- B.4.2 After the distribution as aforesaid to the holders of Series A Preference Shares which have not been converted into Equity Shares, the holders of Series A Preference Shares, shall be entitled to participate in the surplus proceeds of the Liquidation Event, if any, on a pro rata basis, along with the other holders of Equity Shares in the Company on a Fully Diluted Basis.⁹
- B.4.3 However, the aggregate of the proceeds receivable by the holders of Series A Preference Shares which have not been converted into Equity Shares under these Articles shall not exceed 2 (Two) times the Liquidation Preference Amount.
- B.4.4 Further, upon the occurrence of a Liquidation Event, the holders of Series A Preference Shares which have not been converted into Equity Shares shall at their option be entitled to (a) exercise their Conversion Right as provided under Article B.B5 or (b) receive distributions as set forth under this Article B.B4.

B.5. CONVERSION OF THE SERIES A PREFERENCE SHARES

- B.5.1 Optional Conversion: Subject to Article B.B.5.2 below, the holders of Series A Preference Shares shall, at their option be entitled to require the Company to convert all or a part of the Series A Preference Shares held by them into Equity Shares, at any time during the Conversion Period, in accordance with the Conversion Ratio (as defined below) and subject to the provisions of the Act (“**Conversion Right**”).
- B.5.2 All the Series A Preference Shares shall compulsorily convert into Equity Shares in accordance with the Conversion Ratio upon the occurrence of the following events (each an “**Compulsory Conversion**”):
 - (i) On the expiry of the Conversion Period;
 - (ii) Prior to the filing of the red herring prospectus by the Company with the Securities and Exchange Board of India in connection with the IPO¹⁰; or
 - (iii) Upon the holders of a majority of the Investor Shares exercising the Conversion Right with

⁹ Clause B.4.2 was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

¹⁰ Clause B.5.2 (ii) was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

respect to the Series A Preference Shares held by them.

- B.5.3 Conversion Ratio. Upon the holders of the Series A Preference Shares exercising their Conversion Right or upon the occurrence of a Compulsory Conversion, the holders of the Series A Preference Shares shall, subject to adjustments to Conversion Ratio under Article B.5.8 and anti dilution adjustments provided under Article B.B6, receive such number of Equity Shares in the ratio of 1:1 (the “**Conversion Ratio**”) for the Series A Preference Shares held by it.
- B.5.4 Conversion Price. The price at which each Equity Share shall be issued upon conversion of Series A Preference Shares, without the payment of any additional consideration by the holders of Series A Preference Shares exercising their Conversion Right under this Article B.5.5 or upon Compulsory Conversion shall initially be the price paid per Series A Preference Share by such holder of the Series A Preference Shares i.e INR 4,890 per Series A Preference Share (the “Conversion Price”). The Conversion Price will change based upon change in Conversion Ratio.
- B.5.5 Manner of Conversion.
- (i) Any holder of Series A Preference Shares may exercise its Conversion Right by (a) delivering a written notice (a “**Conversion Notice**”) to the Company of its intention to do so and (b) surrendering the relevant share certificates representing the Series A Preference Shares, held by it, at the office of the Company together with the Conversion Notice.
 - (ii) As soon as reasonably practicable, but in no event later than 7 (Seven) Business Days after the date of issue of the Conversion Notice, the Company shall issue the Equity Shares into which the Series A Preference Shares are convertible into. Upon conversion, all certificates evidencing the Series A Preference Shares, with respect to which the Conversion Notice has been issued, shall thereupon be deemed to have been retired and cancelled.
- B.5.6 The Company shall take all actions required under applicable Law to implement such conversion of the Series A Preference Shares, including without limitation making all necessary applications and obtaining all required approvals to effect the conversion of the Series A Preference Shares into Equity Shares and submitting the following documents to the holders of Series A Preference Shares, who have exercised it's/his Conversion Right under this Article B.5, evidencing its holding of Conversion Shares within 7 (Seven) Business Days from the Conversion Notice:
- (i) duly executed and stamped share certificates with respect to Conversion Shares issued by the Company upon conversion of the Series A Preference Shares to the holder of Series A Preference Shares exercising its Conversion Right ; and
 - (ii) a certified copy of e - Form No. 2 and other necessary forms duly filed with the Registrar of Companies, along with filing receipts for such forms.
- The Company shall pay all stamp duty and other costs and expenses that may be payable in respect of any issue or delivery of the Conversion Shares.
- B.5.7 No fractional Equity Shares shall be issued upon conversion of any Series A Preference Shares. No fractional Equity Shares shall be issued upon conversion of any Series A Preference Shares. In lieu of any fractional Equity Shares to which the holders of the Series A Preference Share, would otherwise be entitled subject to applicable Law, the Company shall pay cash equal to such fraction (first aggregating all such fractional shares, held by such holder) multiplied by the Conversion Price for the Series A Preference Shares.
- B.5.8 Adjustments to Conversion Ratio. The Conversion Ratio in effect from time to time for the Series A Preference Shares, shall be subject to adjustments as follows:
- (i) In the event the outstanding Equity Shares shall be subdivided by share split, share dividend, bonus or otherwise, into a greater number of Equity Shares, the Conversion Ratio of the Series A Preference Shares, then in effect shall, concurrently with the effectiveness of such subdivision, be proportionately increased (i.e. each Series A Preference Share shall be entitled to a greater number of Equity Shares). In the event the outstanding Equity Shares shall be

combined or consolidated into a lesser number of Equity Shares, the Conversion Ratio of Series A Preference Share then in effect shall, concurrently with the effectiveness of such combination or consolidation, be proportionately decreased (i.e. each Series A Preference Share shall be entitled to lesser number of Equity Shares).

- (ii) In the event the Company makes, or fixes a record date for the determination of holders of Equity Shares entitled to receive, any distribution payable in property or in Securities of the Company other than Equity Shares, and other than as otherwise adjusted for in Article B.B6 (Anti-dilution) or as in connection with the dividend under Article B.B.1.1.1, then and in each such event, the holders of Series A Preference Shares converting the Series A Preference Shares held by them shall receive, at the time of such distribution, the amount of property or the number of Securities of the Company that they would have received had the Series A Preference Shares been converted into Equity Shares on the date of such event.
- (iii) If the Equity Shares shall be changed into the same or a different number of Shares of any other class or classes of Shares or other Securities or property, whether by capital reorganization, reclassification or otherwise, then each Series A Preference Share shall thereafter be convertible into such number of Shares or other Securities or property to which a holder of Equity Shares of the Company, deliverable upon conversion of such Series A Preference Share, shall have been entitled, upon such reorganization, reclassification or other event.

B.6. ANTI-DILUTION PROTECTION AND FAVOURABLE TERMS

- B.6.1 Anti-Dilution Protection of holders of Series A Preference Shares: If at any time after First Closing Date, the Company issues to any Person any new Securities or undertakes any action, including effecting any changes in the capital structure of the Company (other than pursuant to the ESOP as approved by the Investor or any Shares/Securities issued to Investor 1 or Investor 2 or Promoter 1 as further investment as and when the Company achieves certain milestones as mutually agreed amongst the Investor 1, Investor 2 and Promoter 1), at a price per Share (“**New Issue Price**”) that is lower than the price per Subscription Share paid by the holders of Series A Preference Shares (as computed at the time of allotment of any of the Subscription Shares or any subsequent revisions thereto pursuant to the provisions hereof), then the holders of Series A Preference Shares shall be entitled to a full ratchet anti-dilution protection in accordance with Schedule 1 hereto. In such an event, the Company shall be bound to, and the Company, Investor and the Promoter shall cause the Company to cooperate such that, all necessary steps and permissions, subject to applicable Law, are taken and/or obtained by the Company to adjust the issue price to provide for such number of additional Equity Shares, or, at the option of the holders of Series A Preference Shares, issue additional Equity Shares to such holders of Series A Preference Shares or their nominee (whereby no or lower additional amounts are required to be paid for the issuance of additional Equity Shares) such that the price per Subscription Share equals the New Issue Price.
- B.6.2 The holders of 75% (Seventy Five percent) of the outstanding Investor Shares have the right to elect to waive the above-mentioned anti-dilution right, on behalf of all holders of Series A Preference Shares.

B.7. PRE-EMPTIVE RIGHT

- B.7.1 Each of the Investor and the Promoter (“**Pre-emptive Right Holder**”) shall have a pre-emptive right of subscription (“**Pre-emptive Right**”), equivalent to their pro-rata shareholding in the Company on a Fully Diluted Basis, in the event the Company proposes to undertake any future equity financing whether by making a preferential allotment and/or fresh issue of Equity Shares or instruments convertible into Shares or otherwise (a “**Preferential Allotment**”), provided that, nothing herein shall apply to the issuance of (i) the Subscription Shares and (ii) any Series A Preference Shares issued for investment of INR equivalent of USD 2,000,000 (USD Two million) to independent third-party investors elected by Investor 2 no later than 90 (Ninety) days from the First Closing.
- B.7.2 The Pre-emptive Right shall be offered by the Company by issuing a written notice to the Pre-emptive Right Holder (“**Issuance Notice**”) setting forth in detail the terms of the proposed issuance, including the proposed issuance price (“**Issuance Price**”), the date of closing of the proposed issuance (which shall not be less than thirty (30) days from the date of receipt of the Issuance Notice) and the number of Equity Shares or instruments or Securities convertible into Equity Shares proposed to be issued (“**Issuance Shares**”).

- B.7.3 If a Pre-emptive Right Holder wishes to exercise its Pre-emptive Right, then within thirty (30) days from the date of receipt of the Issuance Notice ("**Exercise Period**"), it shall pay for and subscribe to such number of the Issuance Shares as it wishes to subscribe to so as to maintain its pro rata shareholding in the Company, on a Fully Diluted Basis, as at the time immediately prior to the proposed Preferential Allotment at the Issuance Price and on the terms and conditions set out in the Issuance Notice. Subject to the receipt of the payment against exercise of the Pre-emptive Right by each Pre-emptive Right Holder, the Company shall issue and allot the Issuance Shares to the Pre-emptive Right Holder on the date of closing of the issuance as stated in the Issuance Notice.
- B.7.4 If a Pre-emptive Right Holder does not exercise the Pre-emptive Right and/or fails to make payment to the Company against such exercise within the time period specified in Article B.B.7.3 above, then the Company may issue and allot the Issuance Shares to any other Person ("**Third Party Subscriber**") at the Issuance Price and on the terms and conditions mentioned in the Issuance Notice, within a period of 60 (Sixty) days from the date of the expiry of the Exercise Period. If the Company does not complete the issuance and allotment of the Issuance Shares to the Third Party Subscriber within such period of 60 (Sixty) days, then the Pre-emptive Right provided in these Articles shall be deemed to be revived.

B.8. RESTRICTIONS ON TRANSFER OF SHARES

- B.8.1 Lock-in: Notwithstanding anything contained elsewhere in these Articles, until the earlier of (i) the (a) occurrence of an IPO, or (b) completion of liquidation, winding up or dissolution of the Company or (c) till the Investor holds in aggregate a minimum 5% of the paid up share capital of the Company on a Fully Diluted Basis:
- (i) the Promoter and/or any other holder of Shares (except the Investor and transferees of the Investor Shares and Other Subscribers) ("**Seller**"), shall not be permitted to Transfer directly or indirectly, any Securities of the Company, unless approved by all the Investor ("**Lock-In**"), provided, however, that nothing in Article B.8.1.(i) and B.8.2 shall restrict a Transfer by the Sellers as part of an offer for sale in an IPO by the Company, including Transfer by the Sellers into a share escrow account for the purpose of selling their Securities as a part of the offer for sale in the IPO. The Investor, may, at its sole discretion, sell all of its Securities in an IPO in priority to the Equity Shares held by the Promoter and the other shareholders, subject to the Equity Shares issued by the Company in the fresh issue component of the IPO being prioritized for allotment in the IPO. In connection with an IPO, the Promoter shall be obliged to lock-in such minimum number of Equity Shares as minimum promoter's contribution under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.¹¹
- B.8.2 The Sellers shall not Transfer any of the Securities held by them in the Company, unless such Transfer is in compliance with Article B.B.8.4 (Right of First Refusal) and Article B.B.8.5 (Right of Co-Sale) of these Articles. Any Transfer of Securities of the Company, by the Seller to a Proposed Transferee(s) (as defined below) shall be subject to Article B.B8, and any Transfer in violation with the terms of these Articles shall be void.
- B.8.3 Notice of Proposed Transfer. Prior to a Seller, Transferring any of the Securities held by them in the share capital of Company, the Seller shall deliver to the Investor a written notice, (the "**Transfer Notice**") stating:
- (i) the Seller's bona fide intention to sell or otherwise Transfer such Securities of the Company;
 - (ii) the name, address and phone number of each proposed purchaser or other transferee ("**Proposed Transferee**");
 - (iii) the aggregate number of Securities of the Company, proposed to be Transferred to each Proposed Transferee (the "**Offered Shares**"); and
 - (iv) the bona fide cash price or, in reasonable detail, other consideration for which Seller proposes to Transfer the Offered Shares and the terms thereof (the "**Offered Price**").

¹¹ Clause B.8.1 (i) was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

B.8.4 Right of First Refusal.

- (i) Exercise by the Investor. For a period of twenty five (25) days (the “**Exercise Period**”) from the date of issue of the Transfer Notice, the Investor shall, with respect to the Seller, have the right to purchase all or any part of such number of the Offered Shares (“**ROFR Shares**”) at their discretion at the Offered Price and on the terms and conditions set forth in this Article B.8 (“**Right of First Refusal**”). The entitlement of the Investor to purchase the Offered Shares shall be equivalent to their pro- rata inter se shareholding in the Company. In order to exercise their right hereunder, the Investor must deliver to the Seller within the Exercise Period, a written notice (“**Exercise Notice**”) setting out the number of ROFR Shares the Investor wishes to purchase at the Offered Price. Upon the earlier to occur of (a) the expiration of the Exercise Period or (b) the time when the Seller has received the Exercise Notice from the Investor, regarding its exercise of its Right of First Refusal, the Investor shall be deemed to have made its election to not exercise or exercise as the case may be, their Right of First Refusal with respect to the ROFR Shares.
- (ii) Within (1) day from the expiration of the Exercise Period, the Company and the Seller will deliver written notice to the Investor acknowledging the number of Offered Shares elected to be purchased by an Investor exercising their Right of First Refusal (the “**ROFR Confirmation Notice**”). The ROFR Confirmation Notice shall also specify the number of remaining Shares, if any, not elected to be purchased by the Investor, (the “**Unsubscribed Shares**”). The Investor will have the right to elect to purchase all or any part of such number of Unsubscribed Shares by issuing a written notice within (3) days of the receipt of the ROFR Confirmation Notice. If any Investor elects to purchase the Unsubscribed Shares, such Unsubscribed Shares shall also be referred to as ROFR Shares.
- (iii) Purchase Price. The purchase price for the ROFR Shares to be purchased by the Investor under these Articles will be the Offered Price and will be payable as set forth in Article B.8.4 (iv) hereof. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration will be determined by one of the Reputed Accounting Firm appointed by the Parties exercising the Right of First Refusal, which determination will be binding upon the Company, Investor and the Seller, absent fraud or error. The fees and costs of such Reputed Accounting Firm shall be borne by the Seller.
- (iv) Closing Payment. Subject to compliance with applicable Laws, within ten (10) days from the date of issue of the ROFR Confirmation Notice (the “**ROFR Closing Period**”), the Investor exercising their Right of First Refusal shall effect the purchase of all or any portion of the ROFR Shares and pay the Offered Price, to the Seller (the “**Right of First Refusal Closing**”). Provided however that the time lines contemplated herein shall stand extended by the time taken by a the Reputed Accounting Firm, not exceeding 30 (Thirty) Business Days from the issue of the ROFR Confirmation Notice, to determine the value of any non-cash consideration as per the provisions above as well as time taken for complying with requirements under applicable Law. Payment of the Offered Price will be made, at the option of the Investor, either, (i) in cash (by cheque), (ii) by wire transfer, as the case may be, or (iii) by any combination of the foregoing. At the Right of First Refusal Closing, the Seller shall deliver to the Investor exercising their Right of First Refusal, one or more share certificates, duly stamped and endorsed for Transfer, representing such ROFR Shares so purchased.
- (v) Upon the Right of First Refusal Closing, the Seller shall be entitled to sell the Unsubscribed Shares (in respect of which the Right of First Refusal has not been exercised) to the Proposed Transferee within ninety (90) days’ period following the date of issue of the Transfer Notice.
- (vi) Notwithstanding anything to the contrary herein Investor, may elect to exercise their Right of First Refusal, either directly and/or through an Affiliate, if such Affiliate agrees and undertakes to be bound to the terms and conditions of these Articles in the same capacity as Investor.

B.8.5 Right of Co-Sale.

- (i) Exercise by the Investor. Subject to the limitations of this Article B.8.5, to the extent that a

Investor does not exercise its respective Right of First Refusal with respect to the Offered Shares, pursuant to Article B.B.8.4 hereof, such Investor shall have the right to (“**Right of Co-Sale**”), Transfer the pro-rata inter se proportion of the Investor Shares, upto all the Investor Shares, (“**Co-Sale Shares**”) held by such Investor (“**Transferring Investor**”), on the same terms and conditions as specified in the Transfer Notice to the Proposed Transferee, simultaneously with any Transfer of the Offered Shares by the Seller to the Proposed Transferee. To exercise its rights hereunder, the Transferring Investor must deliver an exercise notice (“**Co-Sale Exercise Notice**”) to the Seller within the Exercise Period, setting out the number of Co-Sale Shares it wishes to sell to the Proposed Transferee.

- (ii) On receipt of the Co-Sale Exercise Notice from the Transferring Investor, the Seller shall ensure that the Proposed Transferee purchases the Co-Sale Shares prior to or at the same time and on the same terms and conditions (including the Offer Price), as the purchase of the Offered Shares, failing which the Seller shall not Transfer the Offered Shares.
- (iii) In the event that the Investor does not exercise their Right of Co-Sale, the Seller may sell the Offered Shares (in respect of which the Right of First Refusal has not been exercised) to the Proposed Transferee at the Offered Price and on the terms mentioned in the Transfer Notice. As a condition to the aforesaid Transfer of the Offered Shares, the Proposed Transferee shall be bound to the terms and conditions of this Article and the other related documents. Provided however that, if the Offered Shares are not so Transferred during the ninety (90) days’ period following the date of issue of the Transfer Notice, then Seller shall not Transfer any of the Offered Shares without complying again in full with the provisions of this Article.
- (iv) The Transferring Investor shall not be required to provide any representations, warranties and indemnities to the Proposed Transferee for such sale of the Shares held by the Transferring Investor. Further, the Transferring Investor shall be entitled to receive the same form of consideration as the Seller, or alternatively, at the election of the Transferring Investor, the cash equivalent of any non-cash component of the consideration to be received by the Seller.
- (v) The Company and the Promoter shall provide representations and warranties regarding the Company to the Proposed Transferee in connection with such Transfer of Shares as contemplated in this Article B.B.8.5. Intel and Canaan shall not be required to give any representations or warranties with respect to the Company save as to ownership of title of the Investor Shares.
- (vi) Closing Consummation of the Co-Sale. Subject to compliance with applicable Laws, the sale of the Co- Sale Shares by the Transferring Investor shall occur prior to or simultaneously with the sale by the Seller and in any case within ten (10) days after the delivery of the Co-Sale Exercise Notice (the “**Co-Sale Closing**”). The Transferring Investor and the Seller shall simultaneously deliver to the Buyer at the Co-Sale Closing, one or more certificates, representing the number of Co Sale Shares the Transferring Investor and the Seller are selling pursuant to this Article B.B.8.5 alongwith the share transfer forms. At the Co-Sale Closing, the Seller shall cause such certificates and/or other instruments to be Transferred and delivered to the Proposed Transferee. The Seller will remit, or will cause to be remitted, to the Transferring Investor, at the Co-Sale Closing, that portion of the proceeds of the Transfer to which the Transferring Investor is entitled due to the Transferring Investor’s participation in such Transfer pursuant to its Right of Co-Sale.
- (vii) Multiple Series, Class or Type of Stock. If as to the Right of Co-Sale, (a) the Transferring Investor does not hold any or enough of any series, class or type of security/ies, which the Proposed Transferee wishes to purchase, and/or (b) the Proposed Transferee is not willing, to purchase any or part of the Securities held by the Transferring Investor, then the Seller shall not have the right to Transfer any of the Unsubscribed Shares to any Person including the Proposed Transferee.
- (viii) The Transferor of Shares shall bear the fee and expenses on a pro rata basis, including, but not limited to, legal fees and expenses, stamp duty, incurred or payable pursuant to the exercise or attempted exercise of Right of First Refusal / Right of Co-Sale with respect to the Offered Shares.

B.8.6 Conditions to Valid Transfer.

- (i) Generally. Any attempt by the Seller to Transfer any Securities of the Company and/or any rights or obligations under the Part B of these Articles in violation of any provision of this Part B of these Articles will be void. No Securities shall be transferred by the Seller unless (i) such Transfer is made in compliance with all of the terms of the Part B of these Articles and all applicable Laws and (ii) prior to such Transfer, the Proposed Transferee or transferees signs a Deed of Adherence in the same capacity as the Seller. The Company will not be required to (i) record any Transfer on its books of any Securities of the Company, that have been sold, gifted or otherwise Transferred in violation of any provisions of these Articles or (ii) to treat as owner of such Securities, or accord the right to vote or pay dividends to any Proposed Transferee to whom such Shares may have been so Transferred.

B.8.7 Investor Shares Transferability

- (i) All Investor Shares and Other Subscribers Shares shall be freely transferable by Investor and Other Subscribers respectively, and their direct and indirect transferees without restrictions or Encumbrances of any kind except for compulsory restrictions arising under applicable Law. In the event that the approval of the Board is or becomes required for any prospective Transfer of Investor Shares and or Other Subscribers Shares, the Company and the Promoter shall exercise their best efforts to cause the Board to give such approval promptly upon request. Each Investor and Other Subscriber shall be entitled to disclose to any bona fide intended transferee of their Shares/Securities, all information, documents, or materials concerning the Company known to or in such Investor's/Other Subscribers' possession and the Company shall upon request provide all assistance or cooperation reasonably requested by such Investor/Other Subscribers or its intended transferee in connection with such intended transferee's due diligence investigation of the Company.

B.9. BOARD OF DIRECTORS

B.9.1 The number of Directors on the Board of the Company shall not exceed the maximum number as permitted under the provisions of the Companies Act, 2013. The composition of the Board of the Company shall at all times be in compliance with the requirements of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies Act, 2013.¹²

B.9.2 [Omitted]¹³

B.9.3 [Omitted]¹⁴

B.9.4 [Omitted]¹⁵

B.9.5 [Omitted]¹⁶

B.9.6 [Omitted]¹⁷

B.9.7 The Investor Nominee Directors shall be reimbursed by the Company for all expenses of such Investor Nominee Directors for attending the Board meetings, in accordance with the existing Director reimbursement policy of the Company, as approved by the Investor.

B.9.8 The Investor Nominee Directors and the Intel Observer shall be entitled to receive all notices, agenda, etc. and to attend all Board meetings and meetings of any committees of the Board.

¹² Clause B.9.1 was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

¹³ Clause B.9.2 was deleted vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

¹⁴ Clause B.9.3 was deleted vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

¹⁵ Clause B.9.4 was deleted vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

¹⁶ Clause B.9.5 was deleted vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

¹⁷ Clause B.9.6 was deleted vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

- B.9.9 The alternate Director appointed by an Investor shall be entitled to attend the meetings of the Board and vote in the event the respective Investor Nominee Director of an Investor is unable to attend any meeting of the Board. The Company, the Investor and the Promoter shall take all steps necessary to secure the appointment of the alternate Director of an Investor.
- B.9.10 Subject to provisions of the Act, the Board shall meet at least once in every 3 (three) months, and at least 4 (four) times in a year, at a location determined by the Board.
- B.9.11 Written notice of at least 7 (seven) Business Days of every meeting of the Board of Directors shall be given to every Director and to the Intel Observer and every alternate Director at their usual address whether in India or abroad, provided that a meeting may be convened by a notice shorter than 7 (seven) Business Days with consent of all the Directors.
- B.9.12 The notice of each Board meeting shall include an agenda setting out the business proposed to be transacted at the meeting. Unless waived in writing by all Directors on the Board, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board.
- B.9.13 The quorum for a Board meeting shall be at least 2 (Two) Directors, which shall, at all times, include one of the Canaan Nominee Directors and Mr. Ashok Soota. However, in the event, the Intel Nominee Director is appointed to the Board in accordance with Article B.9.2, the quorum for a Board meeting shall be at least 3 (Three) Directors, which shall, at all times, include the Investor Nominee Directors and Mr. Ashok Soota. Subject to provisions of the Act and these Articles, all decisions of the Board shall be taken by majority vote of the Directors present and voting at the meeting. If a quorum is not achieved within 30 (thirty) minutes of the scheduled time for any meeting of the Board or ceases to exist at any time during such meeting, then the meeting will be adjourned till the same day in the next week, at the same time and place ("**First Adjourned Board Meeting**"), or if that day is not a Business Day, on the next Business Day, at the same time and place. If the quorum is not achieved within 30 (thirty) minutes of the scheduled time for any such First Adjourned Board Meeting of the Board or ceases to exist at any time during such First Adjourned Board Meeting, then the meeting will be adjourned till the same day in the next week, at the same time and place ("**Second Adjourned Board Meeting**"), or if that day is not a Business Day, on the next Business Day, at the same time and place. At such Second Adjourned Board Meeting, the Directors present shall constitute a quorum, if permitted under applicable Law, and shall be entitled to decide on all matters, except that, no item included in Article B.10 (Reserved Matters) shall be considered or voted upon at a Board meeting without the prior written consent of the Investor. However, if there is a lack of quorum, at the Second Adjourned Board Meeting due to absence of the Investor Nominee Directors, as specified herein, then subject to applicable Law, the Directors present can constitute quorum and discuss and resolve on matters included in Article B.10 (Reserved Matters) only if non discussing and not resolving the same in that Second Adjourned Board Meeting would directly result in breach of a statutory deadline.
- B.9.14 Subject to the provisions of the Act and Article 10 and other provisions of these Articles, a resolution by circulation shall be as valid and effectual as a resolution duly passed at a meeting of the Directors called and held provided it has been circulated in draft form, together with the relevant papers, if any, to all the Directors and has been approved by a majority of the Directors entitled to vote thereon.
- B.9.15 Subject to applicable Law, Article 10 and other provisions of these Articles, the Directors may discuss and vote upon any item or issue relating to the Company through a video conference, as the case may be and vote upon any such matter.
- B.9.16 [Omitted]¹⁸
- B.9.17 [Omitted]¹⁹
- B.9.18 [Omitted]²⁰

¹⁸ Clause B.9.16 was deleted vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

¹⁹ Clause B.9.17 was deleted vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

²⁰ Clause B.9.18 was deleted vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

B.9.19 As long as the Investor holds any Investor Shares in the Company, the Company shall provide a prior written notice of 15 (Fifteen) Business Days to the Investor pertaining to any change in the composition of the Board.

B.10. ITEMS OF BUSINESS REQUIRING CONSENT OF THE INVESTOR (“RESERVED MATTERS”)

B.10.1 The Company shall not consider and approve any of the following actions or matters either at a Board meeting or at a Shareholders meeting without having first received the written consent of the Investor. Any such act or transaction entered into without such consent or vote shall be *ultra vires*, null and void *ab initio*, and shall be of no force or effect. However, with respect to the item mentioned under Article B.1.1(i) below, the consent of the Investor shall be sufficient, for all other items consent of both the Investors is required:

- (i) Any issuance of new Securities, however, excluding,
 - i. the issuance of Securities as per the terms of Part B of these Articles ;
 - ii. any issuance of Shares pursuant to equity linked business deal by offering up to 5% (five percent) of the paid up capital of the Company on a Fully Diluted Basis where the rights of such Securities are inferior to the rights attached to the Series A Preference Shares;
- (ii) Any issuance of new Securities, either as a public offering or private placement that entitles the holder thereof to rights superior to or in preference to the Series A Preference Shares. Any alteration or amendment of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the Investor Shares, whether directly or indirectly;
- (iii) Any amendment, modification, or waiver of any provisions of the Memorandum and Articles of the Company;
- (iv) Any transaction or a series of transactions involving the acquisition of the assets, shares, voting power or Controlling interest in any other company, business, partnership firm, or body corporate by the Company for a cost in excess of USD 2,000,000 (USD Two Million);
- (v) Any transaction or a series of transactions involving the acquisition of substantially all the Securities of the Company by a Person who does not hold any shares or Securities in the Company or is not bound by these Articles ;
- (vi) Any transaction or a series of transactions which would entail the sale, exclusive lease or license in any territory, Transfer, disposal of any Intellectual Property (other than any transaction in the usual course of business of the Company) which is material to the operations of the Company;
- (vii) Any transaction or a series of transactions which would entail the sale, lease, Transfer, disposal of significant part of Business of the Company;
- (viii) Any merger, demerger, joint ventures, corporate restructuring, or any capital restructuring involving the Company or any establishment or winding up of subsidiaries of the Company;
- (ix) Any repurchase or buy back of the Securities of the Company from any holder thereof, other than pursuant to the terms of the ESOP;
- (x) Increase in the remuneration of any Director or any scheme of profit sharing for the benefit of any employee, excluding broad based incentive plans where profits are a parameter;
- (xi) The appointment of the auditors of the Company and the replacement of such auditors;
- (xii) Any declaration of dividend or other cash distribution;
- (xiii) Any IPO (including QIPO) or any public sale of Shares, Offer for Sale and any other terms and conditions (including but not limited to timing, pricing etc) in relation to the IPO and/or the public sale of shares;

- (xiv) Any appointment of lead managers, registrars, financial advisors, issue managers and other intermediaries in connection with QIPO, Offer for Sale, IPO or any public sale of Shares;
- (xv) Any change in the Financial Year of the Company and/or its accounting policies;
- (xvi) Any grant of loans to any Person, except to the employees of the Company as per the policy approved by the Board;
- (xvii) Any material change in the scope of the Business including the entry into any new business, suspension or cessation of Business or Transfer of all or a material portion of Business, in each case, by the Company;
- (xviii) Adoption or any change in the Business Plan or annual budget of the Company;
- (xix) Any Related Party transaction;
- (xx) Any transaction or a series of transactions which would create absolute or contingent indebtedness in excess of a cumulative amount of USD 1,000,000 (USD One Million), the terms of such borrowing or would entail creation of any Encumbrance in excess of a cumulative amount of USD 1,000,000 (USD One Million) and the terms of creation of such Encumbrance, other than working capital loans taken in the ordinary course of business;
- (xxi) Transfer of Shares by the Promoter except as otherwise permitted under Article B.8.1(i) of these Articles;
- (xxii) Any change in the size or composition of the Board, including appointment of Directors, or any committee of the Board other than in the manner as set out in these Articles;
- (xxiii) Any appointment or dismissal of any officers or members of the Key Management Team or change in compensation or terms of service of the Key Management Team;
- (xxiv) The commencement of any bankruptcy proceeding with respect to the Promoter, Company or any of its subsidiaries (or the consent to any such proceeding commenced by another Person) or filing of any application, petition or other document with any Government for the liquidation, dissolution and winding up of the Company or any subsidiary;
- (xxv) Any liquidation, recapitalization or reorganisation of the Company, any increase, alteration, or reduction or reclassification (except as provided herein) of the existing capital of the Company or its Subsidiaries, including but not limited to any action that changes or modifies (i) the authorized, paid up or issued Securities, such as rights issue of any class of Shares or Securities, (ii) the valuation in respect of all fresh issues, buy backs, splits, (iii) terms of issuance of any class of Shares and Securities (including the conversion terms of such instruments), (iv) bonuses, debt restructuring involving conversion into Equity Shares, conversion or redemption of issued preference Shares, in all cases in respect of the Company and its Subsidiaries;
- (xxvi) Creation or adoption of any ESOP Plan, and any amendments, modifications or substitutions thereto;
- (xxvii) Transfer of any Shares issued to the ESOP trust or Transfer of any Shares by any employee of the Company issued to such employee pursuant to ESOP Plan; or
- (xxviii) Any binding agreement to take any of the foregoing actions.

B.11. GENERAL MEETINGS

B.11.1 [Omitted]²¹

²¹ Clause B.11.1 was deleted vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

- B.11.2 The quorum for a general meeting shall be as per Section 103 of the Act. So long as the Investor holds 2% of the paid up share capital of the Company on a Fully Diluted Basis, then the quorum shall include one authorized representative of each of the Investor and Mr Ashok Soota (or his duly appointed proxy), in order to constitute a valid quorum for the meeting. However, each Investor is entitled to waive their right to attend the general meeting, at their option, by way of a written confirmation.²²
- B.11.3 If a quorum is not achieved within 30 (thirty) minutes of the scheduled time for any general meeting of the Shareholders or ceases to exist at any time during such meeting, then the meeting will be adjourned till the same day in the next week, at the same time and place (“**First Adjourned General Meeting**”), or if that day is not a Business Day, on the next Business Day, at the same time and place. If the quorum is not achieved within 30 (thirty) minutes of the scheduled time for the First Adjourned General Meeting of the Shareholders or ceases to exist at any time during such First Adjourned General Meeting, then the meeting will be adjourned till the same day in the next week, at the same time and place, or if that day is not a Business Day, on the next Business Day, at the same time and place (“**Second Adjourned General Meeting**”). At such Second Adjourned General Meeting, the Shareholders present shall constitute a quorum and shall be entitled to decide on all matters, except that, no item included in Article B.10 (Reserved Matters) shall be considered or voted upon at a general meeting without the prior written consent of the Investor. However, if there is a lack of quorum, at the Second Adjourned General Meeting due to absence of authorized representatives of the Investor, as specified herein, then subject to applicable Law, the Shareholders present can constitute quorum and discuss and resolve on matters included in Article B.10 (Reserved Matters) only if non discussing and not resolving the same in that Second Adjourned General Meeting would directly result in breach of a statutory deadline.
- B.11.4 Each Shareholder shall exercise or refrain from exercising any voting rights or other powers of control so as to ensure the passing of any and every resolution necessary or desirable to procure that the affairs of the Company are conducted in accordance with the provisions of these Articles and to ensure that no resolution is passed which does not accord with such provisions.
- B.11.5 The Company shall and the Promoter shall cause the Company to conduct Business in accordance with the terms of these Articles and the Business Plan, sound international business principles and the highest ethical standards.
- B.11.6 The Company shall promptly notify the Investor of all notifications, orders, demands and other communications received from any Governmental Authority or other authority in relation to the Company’s Business, assets or property.
- B.11.7 Subject to applicable Law and Article B.10 and other provisions of these Articles, the Shareholders may discuss any item or issue relating to the Company through video conference, whereby all the Shareholders are able to hear and see each other, as the case may be, vote upon any such matter.
- B.11.8 The holders of Series A Preference Shares shall have such number of votes as is equal to the number of Shares held by them on a Fully Diluted Basis, subject to applicable law.

B.12. EXIT MECHANISM

The Company shall make best efforts to undertake an IPO prior to the Long Stop Date (as defined hereinafter). If the Company’s Securities are not listed on a Stock Exchange within 12 months of the Company receiving final observations from the Securities and Exchange Board of India (“**SEBI**”) on the draft red herring prospectus filed in connection with the IPO (“**Long Stop Date**”), then, the Investor shall be entitled, anytime after the expiry of the Long Stop Date, to any of the exit options mentioned under Article B.B.12.1 (IPO), B.B.12.2 (Failed IPO Protection) or B.B.12.4 (Default Drag Along Right), if required by the Investor. The Investor shall, be entitled to the exit option mentioned under Article B.10 of these Articles immediately upon expiry of the Long Stop Date.²³

B.12.1 Qualified IPO.

²² Clause B.11.2 was modified vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

²³ Clause B.12 was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

- B.12.1.1 If required by the Investor, the Company shall be under an obligation to undertake a QIPO upon expiry of the Long Stop Date.
- B.12.1.2 The Company, the Promoter and the Investor shall determine the following matters in connection with the QIPO and / or Offer for Sale:
- i whether the public offering shall be by a fresh issue of Shares/Securities by the Company and/or an Offer for Sale by the Investor and the Promoter;
 - ii [Omitted]²⁴
- B.12.1.3 The QIPO may be either through a fresh issue of Securities of the Company and/or an Offer for Sale of the Shares/Securities held by the Shareholders of the Company.
- B.12.1.4 In the event of an Offer for Sale, the Investor shall, subject to applicable Laws, have the right to require the Company to ensure that the Investor is permitted to participate in the Offer for Sale up to their entire shareholding in the Company. However, under no circumstance shall the Investor be obligated to offer for sale any percentage of their shareholding in the Company and the Company shall not compel the Investor to offer for sale any percentage of their shareholding to make up the minimum shareholding required to obtain listing of the Company. Further, subject to the conditions mentioned above, and lock in requirements of Promoter as specified under applicable Law, the Promoter also have the right to participate in an Offer for Sale up to 5% (Five percent) of the Share/Securities held by the Promoter, on a Fully Diluted Basis. However, on the occurrence of an Offer for Sale/IPO/QIPO, the Investor at their discretion would have preference in selling the Investor Shares, over the Promoter selling the Promoter Shares.
- B.12.1.5 Subject to applicable Law, under no circumstance shall the Investor be considered and named as “promoter” of the Company in any document pertaining to the IPO or a person acting in concert with the Promoter. The Investor Shares shall not be subject to lock-in conditions applicable to promoters *as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018*, for and after the IPO. Provided, however, that the Investor Shares not being offered for sale by the Investor in the IPO shall be subject to lock-in for a period of one year from the date of allotment in the IPO, in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.²⁵
- B.12.1.6 Subject to applicable Laws, in the event of a IPO/QIPO being conducted outside India on an International Stock Exchange in the United States of America or elsewhere, then Investor shall be entitled to negotiate the rights, as set in Article B.B.12.5 hereto (Registration Rights), with the Company.
- B.12.1.7 All expenses in connection with the IPO shall be shared among the shareholders selling their Equity Shares in the IPO and the Company in accordance with applicable law.²⁶
- B.12.1.8 The Company and the Promoter jointly and severally do the following:
- i The Promoter to exercise his voting rights (at the Board and Shareholder levels) and to cause the Board to take all steps necessary for the Company to undertake such QIPO to enable the Investor to sell their Investor Shares (or any part thereof) through such QIPO, including but not limited to, preparing and signing the relevant offer documents, conducting road shows, entering into such documents, providing all necessary information and documents necessary for preparing the offer document, obtaining such regulatory or other approvals and doing such further reasonable acts or deeds as may be necessary or are customary in transactions of such nature, or do all acts necessary to facilitate such a sale by the Investor;
 - ii Ensure that the total offer of Securities to the public shall constitute not less than such percentage (as prescribed under the then prevalent rules and Laws) of the total post issue paid-

²⁴ Clause B.12.1.2(ii) was deleted vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

²⁵ Clause B.12.1.5 was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

²⁶ Clause B.12.1.7 was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

up share capital of the Company to comply with the listing requirements of the concerned Stock Exchanges and the concerned regulatory authority;

- iii. Provide all material information and ensure compliance with all applicable provisions under the Act, SEBI Regulations, the listing agreement of the relevant Stock Exchange(s) and other regulations existent at the time of the IPO and subsequent listing of the Equity Shares of the Company for trading on the Stock Exchange; and
- iv. If necessary, obtain permission from banks/financial institutions for the Company to make a QIPO, pursuant to the terms of the documents relating to the availing of financial assistance between the Company and the said banks/financial institutions.

B.12.1.9 In the event the Series A Preference Shares are converted into Equity Shares pursuant to a proposed QIPO and in the event the Company fails to complete the QIPO, as the case may be or if the Securities of the Company are not listed on Stock Exchanges due to any reason whatsoever, subject to the terms of these Articles, the rights available to the Investor under these Articles, shall continue to survive till the completion of a QIPO or a Liquidation Event in which the Investor no more holds any of the Investor Shares in the Company. The Promoter shall support any decisions and actions in this regard by exercising his voting and other rights, to procure the Company to pass necessary Board and Shareholders resolutions, to effect the actions contemplated above, which steps shall include without limitation:

- a) modification and reclassification of the Series A Preference Shares into Shares of a different class, which rank in preference to the remainder of the issued, paid- up and subscribed share capital at and from that point in time. Upon such modification and re-classification, the Investor Shares shall, subject to applicable Law, have all the rights that were attached to the Investor Shares immediately prior to the conversion referred to above;
- b) entry into any contractual arrangements for the purposes of ensuring that the rights attaching to Investor Shares post such conversion are the same as those attached to the Investor Shares immediately prior to the conversion;
- c) alteration of the Articles to include all of the rights attaching to the Investor Shares that were so attached immediately prior to the conversion referred to above; and
- d) all such other measures as shall be necessary to restore the rights enjoyed by the Investor prior to conversion of the Series A Preference Shares into Equity Shares.

B.12.2 Failed IPO Protection

- (i) The provisions of 'Failed IPO Protection' shall apply after failure of the IPO. A 'Failed IPO' shall be deemed to have occurred in the event of a failure by the Company to list the Securities on a Stock Exchange by the Long Stop Date.²⁷
- (ii) Subject to the prior written approval of the Investor, in the event of a Failed IPO of the Company, (i) the Company shall re-convert into a private limited company; (ii) a 'scheme of arrangement' shall be filed in the High Court (or the relevant authority, in accordance with the applicable laws) in order to re- issue Series A Preference Shares as per its original terms and conditions as in existence prior to the conversion of the Series A Preference Shares into Equity Shares and as was required to be converted prior to the attempted QIPO/ IPO, as the case may be.
- (iii) The other Shareholders undertake to vote and cause any of their Board nominees to vote in favour of any resolution necessary to this effect, in a Board meeting as well as general meeting, authorizing the Company to file and approve the 'scheme of arrangement' with the relevant High Court or the relevant authority as provided above, and each of the Company and the Promoter shall complete all such actions to give effect to the provisions of this Article

²⁷ Clause B.12.2 was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

B.12.2.((v)) which actions shall be undertaken and completed within a period of 180 (One Hundred and Eighty) days from the date on which such Failed IPO of the Company shall have occurred.

B.12.3 [Omitted]²⁸

B.12.4 DEFAULT DRAG ALONG RIGHT

- (i) At any time after the expiry of the Long Stop Date, holders of 75% (Seventy Five per cent) of the Investor Shares voting together as a single class (collectively, “**Dragging Shareholders**”) shall have the option of exercising their Default Drag Along Right as provided under this Article B.12.4. The Dragging Shareholders shall have the right to require the Company to, and the Company shall and the Promoter shall, in such event procure that the Company shall, at the Company’s sole cost and expense, undertake to find and identify and appoint a reputed merchant banker (acceptable to the Investor) to identify a Drag Along Purchaser (defined below) acceptable to the Dragging Shareholders to consummate the sale contemplated under this Article B.12.4.²⁹
- (ii) Notwithstanding anything mentioned in Article B8 above, the Dragging Shareholders shall have a right, exercisable at their discretion, to sell or merge the Company to any Person, (the “**Drag Along Purchaser**”) and in relation to such proposed sale or merger, the Dragging Shareholders shall be entitled to require the Promoter and any other Shareholder (collectively, “**Dragged Shareholders**”) to sell all of the Securities held by the Dragged Shareholders to the Drag Along Purchaser. This right of the Dragging Shareholders to require the Dragged Shareholders to sell all their respective Securities to the Drag Along Purchaser shall be referred to as the “**Default Drag Along Right**” and shall be exercised in the manner set forth hereinafter.³⁰
- (iii) In the event that the Dragging Shareholders choose to exercise their Default Drag Along Right, the Dragging Shareholders shall issue a written notice to the Dragged Shareholders (“**Default Drag Along Notice**”) calling upon them to Transfer all of their Securities on the date specified therein (the “**Drag Completion Date**”). Upon receipt of the Default Drag Along Notice, (so long as the Drag Along Purchaser is not an Affiliate or a Related Party of the Investor), each Dragged Shareholder of the Company and the Company shall (i) consent to, participate in and enter into all agreements in connection with such proposed sale to the Drag Along Purchaser and refrain from any action or omission that could reasonably be expected to delay or impair the consummation of any such proposed sale; (ii) refrain from exercising any dissenters’ rights or rights of appraisal under applicable Law at any time with respect to or in connection with such proposed sale; (iii) take all actions reasonably necessary to consummate the proposed sale to enable the consummation of the transactions; and (iv) Transfer the number of their Securities specified in the Default Drag Along Notice to the Drag Along Purchaser on the same terms and conditions, including the price per Security (“**Drag Along Price**”), as the Dragging Shareholders. The Dragged Shareholders shall Transfer such number of their Securities (as specified in the Default Drag Along Notice) to the Drag Along Purchaser simultaneously with a Transfer of Securities by the Dragging Shareholder on the Drag Completion Date. The Drag Along Price shall only be in cash or if it includes consideration other than cash, such consideration shall be only in the form of securities listed on a recognized Stock Exchanges. The Securities Transferred by the Dragging Shareholders and the Dragged Shareholders shall be entitled to the same Drag Along Price per Security.
- (iv) The Investor shall not be required to provide any representations, warranties and indemnities to the Drag Along Purchaser for the sale of the Securities held by them except pertaining to the title of the Securities being Transferred. The liability of the Investor shall in no event exceed the value of the consideration receivable by the Investor for the Securities Transferred under this Article to the Drag Along Purchaser. The liability of the Investor with respect to any representation and warranty or covenant made by them pertaining to the title of the Securities being Transferred shall be several and not joint with any other Person.

²⁸ Clause B.12.3 was deleted vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

²⁹ Clause B.12.4(i) was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

³⁰ Clause B.12.4(ii) was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

- (v) The Company and the Promoter shall provide usual representations and warranties and indemnities regarding the Company to the Drag Along Purchaser in connection with such Transfer of Shares as contemplated in this Article B.12.4.
- (vi) Further, the Investor shall not be required to agree to restrictions such as non-compete with respect to the Business of the Company, non-solicit with respect to the employees, suppliers or contractors of any party to the sale, contemplated under this Article, to the Drag-Along Purchaser. Intel shall not be required to amend, extend or terminate any contractual or other relationship with the Company, the acquirer or their respective Affiliates.
- (vii) Out of Pocket Expenditures. The Investor shall not be obligated to make any out of pocket expenditure prior to the consummation of the sale contemplated under this Article, and shall not be obligated to pay any expenses incurred in connection with the consummation of transactions contemplated hereunder.
- (viii) Subject to the above, Intel may, at its sole discretion, sign a separate agreement with the Company or any other Shareholder by which Intel will sell its Securities to the Company or such Shareholder for the same price and on the same terms as the terms immediately prior to the closing of the sale.
- (ix) The Parties hereby covenant to take all steps necessary to give effect to the provisions of this Article B.12.4 including the passing of all necessary resolutions and obtaining all necessary consents.

B.12.5 Registration Rights

- (i) The holders of Series A Preference Shares shall be entitled to the following rights with respect to any potential public offering of the Company's Securities in the United States of America and shall be entitled to reasonably analogous or equivalent rights with respect to any other offering of Company Securities in any other jurisdiction pursuant to which the Company undertakes to publicly offer or list such securities for trading on a recognized stock exchange. For purposes of these Articles, reference to registration of securities under the United States Securities Act, 1933, ("Securities Act") and the Securities Exchange Act of 1934 ("**Exchange Act**") shall be deemed to mean the equivalent registration in a jurisdiction other than the United States of America as designated by the Investor, in each such case all references in these Articles to the Securities Act, the Exchange Act and rules, forms of registration statements and registration of securities thereunder, shall be deemed to refer, to the equivalent statutes, rules, forms of registration statements, registration of securities and laws of and equivalent government authority in the applicable non-United States jurisdiction. The Registration Right (defined below) hereunder may be adapted or revised, in such manner as the holders of Series A Preference Shares may require in their sole discretion, solely to meet the requirements of applicable Law in such jurisdiction, such that the Registration Right of the holders of Series A Preference Shares as contemplated under this Article B.12.5 is not diminished in any manner.
- (ii) In the event that the Company issues American depository receipts, global depository receipts or such other similar instruments (the "**Further Securities**") that are listed or are to be listed on any recognised stock exchange outside India, then subject to applicable Laws, upon written request by the holders of Series A Preference Shares, the Company shall re-classify, as may be required, and list the Subscription Shares (or other securities arising from such reclassification) held by the holders of Series A Preference Shares on the same date (or at a future date, if requested in writing by the holders of Series A Preference Shares) on the same stock exchange(s) on which listing of the Further Securities occurs. The Company's obligations to list the Subscription Shares held by the holders of Series A Preference Shares shall exist irrespective of whether holders of Series A Preference Shares sell their Securities pursuant to such listing or not.
- (iii) The Company shall not offer the Further Securities, whether against existing Securities or otherwise, to any other Person, including the existing Shareholders, on any terms and conditions without offering to issue such Further Securities on such terms and conditions to the Investor as

well, which offer the holders of Series A Preference Shares, may accept in their sole discretion.

- (iv) At any time upto 5 (Five) years from an IPO/QIPO in respect of the Company's Securities in any jurisdiction, Shareholders holding at least 30% of the Subscription Shares ("**Minimum Shareholders**"), shall have the right ("**Registration Right**") to require the Company to cause registration of the Company's Securities, in any jurisdiction with any competent authority, as may be required under applicable Law in such jurisdiction, including filing of a suitable registration statement (or equivalent document, by whatever name called) in respect of the Company's Securities. On exercise of the Registration Right, the Company shall register at least 20% of Subscription Shares, or such number of Subscription Shares having an aggregate offering price of at least USD 1,500,000 (United States Dollars One Million Five Hundred Thousand).
- (v) The right of holders of Series A Preference Shares under Article B.12.5(iv) above shall be available for two demand registrations.
- (vi) If the Minimum Shareholders choose to exercise their Registration Right in respect of the United States of America, the Company shall file with the United States Securities and Exchange Commission ("**Commission**") a registration statement for the Company's securities and covering Transfers of all Securities and other securities (including any Further Securities) on behalf of the Investor and any permitted Transferees.
- (vii) Subject to applicable Law relating to financial assistance, the expenses of preparation and filing of all registration statements, S-3 registrations and all piggyback registrations, shall be borne by the Company and the fees/commission payable to the underwriters appointed for the purposes of this Article B.12.5 shall be borne by the Company. Upon filing the registration statement, the Company will cause the registration statement to be declared effective by the Commission (or equivalent authority) and to keep the registration statement effective with the Commission (or equivalent authority) so long as necessary under applicable Law to permit the Transfer of Securities by the Investor. At the request of the holders of Series A Preference Shares, the Company will procure, at the Company's sole expense, the listing of such securities on NASDAQ, or such other acceptable exchange within the jurisdiction as may be mutually agreed to between the Company and the Investor.
- (viii) If the Company decides to register the Company's Securities in any jurisdiction with any competent authority, holders of Series A Preference Shares shall be entitled to unlimited S-3 registration rights on registration of the Company where the minimum public offering value is of at least USD 1,000,000 (United States Dollars One Million). The holders of Series A Preference Shares shall be entitled to unlimited 'piggyback' rights as well. The Company and its underwriters may, in view of market conditions, pro-rata reduce the number of Securities proposed to be registered by the holders of Series A Preference Shares. Provided, however, that in no event, unless otherwise agreed to by the holders of Series A Preference Shares in writing, shall the reduction of Securities to be registered by holders of Series A Preference Shares be reduced to less than 25% of the total number of Securities to be offered in the registration.
- (ix) Following the effective date of issuance of any Further Securities, the holders of Series A Preference Shares shall enter into customary market standoff agreement with the Company, if required by the Company. However, such market standoff obligation shall not exceed 180 days from the date of listing of the Further Securities.

B.12.6 Expenses: All reasonable expenses incurred in providing exit to the Investor under any of the exit routes mentioned under this Article B.12 shall be borne by the Company.

B.13. VISITATION AND INSPECTION RIGHTS

B.13.1 The holders of Series A Preference Shares and their representatives including accountants and/or legal counsels of their choice, shall be entitled to at all times during normal business hours, upon reasonable notice, to visit and inspect the Company's premises and properties, to examine and take copies of its books of accounts and records and to discuss the affairs, finances, accounts, budget and operations of the Company and its subsidiaries as well as conduct internal audit or due diligence as such holders of Series

A Preference Shares may in its/their sole discretion deem fit.

B.14 ESOP

B.14.1 *[Omitted]*³¹

B.15 INFORMATION AND REPORTING

B.15.1 So long as the Investor holds any Securities in the Company, the Company shall deliver the following documents/information to the Investor:

- (a) annual audited Financial Statements within 60 (sixty) calendar days following the closure of the preceding Financial Year;
- (b) quarterly (unaudited) Financial Statements within 30 (thirty) calendar days from the end of each business quarter;
- (c) monthly (un-audited) Financial Statements within 15 (fifteen) calendar days of the end of each month;
- (d) monthly information system (“**MIS**”) reports (in agreed format), which may include the human resources plan, capital expenditure plans and such other operating metrics within 15 (fifteen) calendar days of the end of each month;
- (e) Financial Statements should be accompanied by a report from the managing Director/Chief Executive Officer and a discussion of key issues and variances to the budget and to the previous period;
- (f) draft of an annual budget and Business Plan within 30 (thirty) days prior to each Financial Year;
- (g) annual operating financial budget and annual Business Plan as approved by the Board within 10 (Ten) days of the Board approving the same;
- (h) notification of any changes in the key management team and/or any event which is likely to have a material impact on the Business of the Company;
- (i) minutes of the Board and Shareholders’ meetings, within 15 (Fifteen) days of the concerned meeting;
- (j) copy of notices and agenda of Board meetings and committees thereof, all relevant information as is provided to the Board members and are important to enable them to participate in discussions and vote at the Board meetings and committees thereof, at least 7 business days before the Board meeting
- (k) notice of any litigation, disputes in which the Company is involved or adverse claims against the Company or its employees;
- (l) such information as is necessary and reasonably requested³² and any other information, reports or certifications as are necessary to enable such Investor to prepare any Tax return or Tax reporting materials, to file any Tax election or to determine whether the Company is treated as a PFIC or CFC. For purposes of these Articles: (i) “**Code**” means the U.S. Internal Revenue Code of 1986, as amended; (ii) “**PFIC**” means “passive foreign investment company” within the meaning of section 1297(a) of the Code; (iii) “**CFC**” means a Person that is a controlled foreign corporation within the meaning of Section 957 of the Code; and
- (m) any other report or information given to any other Shareholder and such additional information as may be reasonably requested by the Investor from time to time.

B.15.2 If any information is being provided to the Board, then such information shall simultaneously be provided

³¹ Clause B.14.1 was deleted vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

³² Clause B.15.1(l) was amended vide Special Resolution passed in the extraordinary general meeting held on May 13, 2020

to the Investor along with the Board.

SCHEDULE 1

ANTI-DILUTION PROTECTION

1. Definitions

For the purposes of this Schedule 1 and unless the context otherwise requires a different meaning the following terms have the meanings indicated. Capitalized words used but not defined shall have the meaning ascribed to them under this Part B of the Articles.

“**Adjustment Shares**” shall have the meaning ascribed to it in Article 2(a) (iv) of this Schedule 1.

“**Issue Date**” shall have the meaning ascribed to it in Article 2(a)(ii) of this Schedule 1.

“**Lowest Permissible Price**” in relation to a Ratchet Shareholder shall mean the lowest possible price at which a Share may be issued to the Ratchet Shareholder in accordance with Indian Law.

“**New Issue Price**” shall have the meaning ascribed to it in Article 2.1(a) (i) of this Schedule 1.

“**Ratchet Shareholder**” shall mean the holders of Series A Preference Shares

“**Ratchet Shares**” shall mean

- i. the Investor Shares (including the Equity Shares issued on conversion of the Series A Preference Shares) held by the Investor at any given point of time; and
- ii. the Investor Shares (including the Equity Shares issued on conversion of the Series A Preference Shares) already issued to the Investor under the terms of this Schedule 1.

“**Ratchet Share Price**” shall immediately upon Closing mean (x) Subscription Money divided by (y) the total number of Equity Shares held by the Investor on a Fully Diluted Basis. The Ratchet Share Price shall thereafter stand adjusted from time to time, upon the occurrence of any stock split, change in par value of the Shares, a Transaction (as defined below) or any event that is dilutive of Share value or upon any price adjustment benefits provided to the Investor pursuant to this Schedule 1.

“**Relevant Date**” shall have the meaning ascribed to it in Article 2(a)(i) of this Schedule 1.

2. Non-Dilution Protection

a) Issuance below Ratchet Share Price.

- i) New Issues. If the Company shall at any time or from time to time issue any Equity Shares or any other instruments that are convertible to Equity Shares or which confer a right on the holder to subscribe to Equity Shares (“**Equity Share Equivalent**”) at a price per Equity Share (the “**New Issue Price**”) that is less than the Ratchet Share Price then in effect (“**Down Round Shares**”), as of such record date or Issue Date (as defined below), as the case may be (the “**Relevant Date**”) (treating the price per Equity Share, in the case of the issuance of any Equity Share Equivalent, as equal to (x) the sum of the price for such Equity Share Equivalent plus any additional consideration payable (without regard to any anti- dilution adjustments) upon the conversion, exchange or exercise of such Equity Share Equivalent divided by (y) the number of Equity Shares initially underlying such Equity Share Equivalent), other than issuances or sales for which an adjustment is expressly made pursuant to another provision of this Article 2, then, and in each such case, the Ratchet Share Price then in effect shall be adjusted to equal the New Issue Price (as adjusted for any subdivisions or other events that are dilutive of Share value and for which no adjustment is otherwise made under this Schedule or any consolidations) in accordance with Article 2(a)(iv) of this Schedule
- ii) Timing for New Issues. Such adjustment shall be made whenever Down Round Shares are issued in accordance with Article 2(a)(i), (x) in the case of an issuance to the Shareholders of the

Company, as such, to a date immediately following the close of business on the record date for the determination of Shareholders entitled to receive such Down Round Shares and (y) in all other cases, on the date (the “**Issue Date**”) of such issuance of Down Round Shares; provided, however, that the determination as to whether an adjustment is required to be made pursuant to this Article 2(a) shall only be made upon the issuance of such Down Round Shares, and not upon the subsequent issuance of any security into which the Equity Share Equivalents convert, exchange or may be exercised.

- iii) Price Calculation for New Issues. In case at any time any Down Round Shares shall be issued for cash, the consideration received therefor shall be deemed to be the amount received by the Company therefor, without deduction therefrom of any expenses incurred or any underwriting commissions or concessions or discounts paid or allowed by the Company in connection therewith. In case any Down Round Shares shall be issued for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be deemed to be the fair market value of such consideration, without deduction therefrom of any expenses incurred or any underwriting commissions or concessions or discounts paid or allowed by the Company in connection therewith, as determined by a Reputed Accounting Firm appointed by the Company with the prior approval of each of the Investor and the determination of the fair market value by such Reputed Accounting Firm shall be binding on the Company. The cost of the Reputed Accounting Firm so appointed shall be borne by the Company.
- iv) Adjustment. If the Ratchet Share Price of a Ratchet Shareholder is subject to an adjustment pursuant to an occurrence of any event described in Article 2(a)(i), such adjustment shall be effected through the reduction of that Ratchet Shareholder’s Ratchet Share Price through the issuance of such number of additional Equity Shares to the Ratchet Shareholder (“**Adjustment Shares**”), at a subscription price per Adjustment Share equal to the Lowest Permissible Price as calculated in accordance with the following formula:

$$AS = (RAS \times RSP/NIP) - RAS$$

Where:

AS = the aggregate number of Adjustment Shares to be issued to the Ratchet Shareholder.

RSP = the Ratchet Share Price expressed in INR.

NIP = the New Issue Price.

RAS = the aggregate number of Ratchet Shares before the new issuance.

b) **Reorganization, Reclassification**

In case of any amalgamation, reconstruction or consolidation of the Company or any capital reorganization, reclassification or other change of outstanding Equity Shares (other than a change in par value, or from par value to no par value, or from no par value to par value) (each, a “**Specific Transaction**”), the Company shall execute and deliver to each holder of Ratchet Shares at least twenty (20) Business Days prior to effecting such Specific Transaction a certificate, signed by (i) the Chief Executive Officer of the Company and (ii) the Chief Financial Officer of the Company, stating that the holder of each Ratchet Share shall have the right to receive in such Specific Transaction, in exchange for each such Equity Share or preference share, a security identical to (and not less favorable than) each such Equity Share or preference share and no less favorable than any security offered to any other Shareholders for or in relation to that Specific Transaction, and provision shall be made therefor in the agreement, if any, relating to such Specific Transaction.

c) **Other Changes**

In case the Company at any time or from time to time shall take any action in relation to its issued share capital or the rights associated with any Shares or other Securities or Equity Share Equivalents adversely affecting the economic value of the Ratchet Shares or the rights associated with the Ratchet Shares and it would be equitable in the circumstances to adjust the Ratchet Share Price as a result of such action, then, and in each such case, the Ratchet Share Price shall be adjusted in such manner and at such time as the Company and the Ratchet Shareholders agree (or failing agreement, by an independent expert appraiser appointed for that purpose) would be equitable in the circumstances (such determination to be evidenced in a resolution, a certified copy of which shall be mailed to the holders of the Ratchet Shares).

d) Notices

In case at any time or from time to time:

- i) the Company shall declare a distribution (other than dividend for cash) on its Equity Shares;
- ii) the Company shall authorize the granting to the holders of its Equity Shares rights or warrants to subscribe for or purchase any Equity Shares of any class or of any other rights or warrants; or
- iii) there shall be any Transaction.

then the Company shall mail to each holder of Ratchet Shares at such holder's address as it appears on the transfer books of the Company, as promptly as possible but in any event at least ten (10) days prior to the applicable date hereinafter specified, a notice stating the date on which a record is to be taken for the purpose of such dividend, distribution or granting of rights or warrants or, if a record is not to be taken, the date as of which the holders of Equity Shares who are entitled to such dividend, distribution or granting of rights or warrants are to be determined. Notwithstanding the foregoing, in the case of any event to which Article 2(b) above is applicable, the Company shall also deliver the certificate described in Article 2(b) above to each holder of Ratchet Shares at least twenty (20) Business Days' prior to effecting such reorganization or reclassification as aforesaid.

3. Mode of Giving Effect to Anti-Dilution

In the event that the Investor holds any Series A Preference Share at the time when the Company is required under the provisions of this Schedule to issue Adjustment Shares, then the Investor, shall require the Company to ensure that, upon conversion of the Series A Preference Shares into Equity Shares, the holders of Series A Preference Shares become entitled to such Adjustment Shares in addition to the Ratchet Shares so as to ensure that their holding in the Company is not diluted.

In the event that the Investor holds only Equity Shares at the time when the Company is required under the provisions of this Schedule to issue Adjustment Shares to the Investor, then the Investor, shall have the option to require the Company to issue Adjustment Shares to the Investor, at such price as may be agreed with them and permitted under applicable Regulations, so as to ensure that, upon issue of such Adjustment Shares, their holding in the Company is not diluted.

4. Compliance with and Effectiveness of this Schedule

- a) Waiver. If a Shareholder (other than the relevant Ratchet Shareholder) is entitled under any contract, requirement of Law or otherwise to participate in relation to any issue of Shares to the Ratchet Shareholder under this Schedule, then such Shareholder hereby waives all such rights and, to the extent it cannot waive such rights it agrees not to exercise them.
- b) Ensuring Economic Effect. If for any reason any part of Article 2 of this Schedule is not fully effected as a result of any change in Law (including a change in Law that affects the price at which the Ratchet Shareholder may be issued Shares) then each Shareholder and the Company shall use its/their best efforts to take all such actions (by corporate, director or shareholder action) as may be necessary to provide to each Ratchet Shareholder the same economic benefits as are contemplated by this Schedule.
- c) Change in Law. If there is a change in any Law that makes it possible to implement any part of Article

2 of this Schedule so as to confer the economic benefits on the Ratchet Shareholders that are contemplated by this Schedule in a more effective manner than each Shareholder (other than the Ratchet Shareholders) and the Company shall co-operate and use their/its best efforts to implement Article 2 of this Schedule in such more effective manner.

- d) Material Breach. If a Shareholder (other than the relevant Ratchet Shareholder) breaches a provision of this Schedule or acts or omits to act in a particular manner and as a result of such breach, act or omission a Ratchet Shareholder is unable to be issued the number and percentage of Equity Shares or Equity Shares at a price contemplated by this Schedule then that Shareholder is deemed to have committed a material breach of these Articles.
- e) Currency Exchange. If in calculating a price or any other amount under this Schedule the relevant variables for that calculation are expressed in different currencies then all such variables for the purposes of that calculation shall be converted to INR.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND MATERIAL DOCUMENTS FOR INSPECTION

The following contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are, or may be deemed material, will be attached to the copy of the Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the Registrar of Companies for filing. Copies of the aforementioned contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office, between 10.00 am and 5.00 pm on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

Material contracts for the Offer

1. Offer Agreement dated June 10, 2020 entered into among our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated May 27, 2020 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Monitoring Agency Agreement dated [●] entered into among our Company and the Monitoring Agency
4. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Bank(s), the Refund Bank(s) and Sponsor Bank.
5. Share Escrow Agreement dated [●] entered into among the Selling Shareholders, our Company and the Share Escrow Agent.
6. Syndicate Agreement dated [●] entered into among the Members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer.
7. Underwriting Agreement dated [●] entered into among our Company, the Registrar to the Offer, the Selling Shareholders and the Underwriters.

Material Documents in relation to the Offer

1. Certified copies of updated Memorandum of Association and Articles of Association of our Company as amended until date.
2. Certificate of incorporation dated March 30, 2011 issued to our Company under the name “Happiestminds Technologies Private Limited”.
3. Certificate of incorporation dated July 21, 2011 pursuant to change in name from “Happiestminds Technologies Limited” to “Happiest Minds Technologies Private Limited”.
4. Certificate of incorporation dated May 20, 2020 consequent upon change of name of our Company pursuant to its conversion to a public company and change of name from “Happiest Minds Technologies Private Limited” to “Happiest Minds Technologies Limited”.
5. Resolution passed by our Board in relation to the Offer and other related matters dated April 29, 2020.
6. Resolutions passed by our Board and Fund Raising Committee dated June 9, 2020 and June 10, 2020, respectively, approving this Draft Red Herring Prospectus.

7. Resolution passed by our Shareholders in relation to the Offer and other related matters dated May 13, 2020.
8. Letter dated May 21, 2020 from the Promoter Selling Shareholder authorising his portion of the Offered Shares in the Offer for Sale.
9. Written resolutions of the directors of the Investor Selling Shareholder dated June 4, 2020 authorising its portion of the Offered Shares in the Offer for Sale.
10. Copies of annual reports of our Company for the last three Fiscals, *i.e.*, Fiscals 2019, 2018 and 2017.
11. Our Company has received written consent dated June 10, 2020 from S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated May 29, 2020 on our Restated Consolidated Financial Statements; and (ii) their report dated June 10, 2020 on the Statement of Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
12. The examination report of our Statutory Auditors dated May 29, 2020 on our Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus on the Restated Consolidated Financial Statements.
13. Industry report titled “Assessing the Market Potential of Information Technology Services Market” dated June 2020, prepared by Frost & Sullivan.
14. Statement of Special Tax Benefits dated June 10, 2020 from the Statutory Auditors.
15. Consents of Bankers to our Company, the BRLMs, the Syndicate Members, Registrar to the Offer, Bankers to the Offer, Escrow Banks, Refund Banks, legal advisors, our Directors, Company Secretary and Compliance Officer, as referred to act, in their respective capacities.
16. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
17. Tripartite Agreement dated March 3, 2015 among our Company, NSDL and the Registrar to the Offer.
18. Tripartite Agreement dated November 14, 2019 among our Company, CDSL and the Registrar to the Offer.
19. Share subscription agreement dated October 20, 2011 entered into amongst our Company, our Promoter, Canaan, Intel, Vikram Gulati, and other subscribers represented by K Venkatesan.
20. Shareholders agreement dated October 20, 2011 entered into amongst our Company, our Promoter, Canaan, Intel, Vikram Gulati, and other subscribers represented by K Venkatesan.
21. Supplementary share subscription cum shareholders agreement dated July 30, 2014 entered into amongst our Company, our Promoter, Canaan, Intel, Vikram Gulati, and other subscribers represented by K Venkatesan.
22. Termination agreement dated March 25, 2020 to the share subscription agreement dated October 20, 2011 entered into amongst our Company, our Promoter, CMDDB, Vikram Gulati, and other subscribers represented by K Venkatesan.
23. Waiver cum amendment agreement dated March 25, 2020 to the shareholders agreement dated October 20, 2011 and the supplementary share subscription and shareholders agreement dated July 30, 2014 entered into amongst our Company, our Promoter, CMDDB, Vikram Gulati, and other subscribers represented by K Venkatesan.

24. Due diligence certificate dated June 10, 2020, addressed to SEBI from the BRLMs.
25. SEBI observation letter dated [●] bearing no. [●].

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Ashok Soota
(Executive Chairman and Director)

Venkatraman Narayanan
(Executive Director and Chief Financial Officer)

Avneet Singh Kochar
(Non – Executive Director)

Rajendra Kumar Srivastava
(Additional Director (Independent))

Anita Ramachandran
(Additional Director (Independent))

Shubha Rao Mayya
(Additional Director (Independent))

Date: June 10, 2020

Place: Bengaluru

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements, disclosures and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself as a Selling Shareholder and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made or confirmed by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Ashok Soota

Date: June 10, 2020

Place: Bengaluru

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements, disclosures and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself as a Selling Shareholder and the Equity Shares being sold by it pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made or confirmed by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

CMDB II

Date: June 10, 2020

Place: Port Louis, Republic of Mauritius