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happiest minds

The Mindful IT Company

Born Digital . Born Agile

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 173 of the Red Herring Prospectus dated August 28, 2020 ("RHP").

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 ₹ 1,100.0 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.

• QIB Portion: Not less than 75% of the Offer

• Retail Individual Investors Portion: Not more than 10% of the Offer

• Non-Institutional Investors Portion: Not more than 15%

Price Band: ₹ 165 to ₹ 166 per Equity Share of face value of ₹ 2 each.

The Floor Price is 82.5 times of the face value and the Cap Price is 83.0 times of the face value of the Equity Shares.

Bids can be made for a minimum of 90 Equity Shares and in multiples of 90 Equity Shares thereafter.

ASBA[#]

**Simple, Safe,
Smart way of Application!!!**

**Mandatory in public issues.
No cheque will be accepted.**

* Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below.



UPI-Now available in ASBA for Retail Individual Investors ("RIIs") applying through Registered Brokers, DPs and RTAs. Retail Individual Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.

Investors are required to ensure that the bank A/c used for bidding is linked to their PAN.

• Investors have to apply through the ASBA process. • ASBA has to be availed by all the investors except Anchor investors. UPI may be availed by Retail Individual Investors. • For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the section "Offer Procedure" beginning on page 373 of the RHP. • The process is also available on the website of Association of Investment Bankers of India "AIBI", Stock Exchanges and in the General Information Document. ASBA Forms can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") and can be obtained from the list of banks that is displayed on the website of the Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in. List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. • For the list of UPI Apps and Banks live on IPO, please refer to the link; www.sebi.gov.in. ICICI Bank Limited has been appointed as Sponsor Bank for the Offer.

Risks to Investors

- The two book running lead managers ("BRLMs") associated with the Offer have handled 11 public issues in the past three years out of which 5 closed below the issue price on listing date
- Average cost of acquisition for the Promoter Selling Shareholder is ₹ 34.68 and for the Investor Selling Shareholder is ₹ 24.91, and the offer price at the upper end of the price band is 166.
- The Price/Earnings ratio based on diluted EPS for Fiscal 2020 for the Issuer at the upper end of the Price Band is as high as 31.0 as compared to the average industry peer group PE ratio of 26.9

BID/OFFER PERIOD

OPENS ON: MONDAY, SEPTEMBER 7, 2020 CLOSES ON: WEDNESDAY, SEPTEMBER 9, 2020

*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., September 4, 2020.

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 RIIs, 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 373 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (if applicable, in case RIIs) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the Depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

Contents of the Memorandum of Association of the Company as regards its objects: For information on the main objects of the Company, please see the section titled "History and Certain Corporate Matters" on page 173 of the RHP. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For further details, please see the section titled "Material Contracts and Documents for Inspection" on page 458 of the RHP.

Liability of the members of the Company: Limited by shares

Amount of share capital of the Company and capital structure: The authorised, issued, subscribed and paid up share capital of the Company as on the date of the RHP is as follows: The authorised share capital of the Company is ₹ 589 million divided into 229,300,000 Equity Shares of face value ₹ 2 each and 200,000 Preference Shares of face value ₹ 652 each. The pre-Offer issued, subscribed and paid-up share capital of the Company is ₹ 280.5 million divided into 140,237,050 Equity Shares of face value of ₹ 2 each. For details, please see the section titled "Capital Structure" beginning on page 75 of the RHP.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: The names of the signatories of the Memorandum of Association of our Company are SR Gopalan and Davis Karedan Paily, who subscribed to 5,000 equity shares each respectively of face value of ₹ 10 per equity share as initial subscription.

Listing: The Equity Shares offered through this 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 July 20, 2020 and July 14, 2020, respectively. For the purposes of the Offer, NSE is the Designated Stock Exchange. A signed copy of this 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 this Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 458 of the RHP.

Disclaimer Clause of the SEBI: SEBI only gives its observations on the Draft Red Herring Prospectus and this does not constitute approval of either the Offer or the specified securities. The investors are advised to refer to page 352 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of BSE: It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus. The investors are advised to refer to page 357 of the Red Herring Prospectus for the full text of the Disclaimer clause of the BSE Limited.

Disclaimer Clause of NSE (Designated Stock Exchange): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 357 of the RHP for the full text of the disclaimer clause of NSE.

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 SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 28 of the RHP.

| BOOK RUNNING LEAD MANAGERS | | REGISTRAR TO THE OFFER | COMPANY SECRETARY AND COMPLIANCE OFFICER |
|---|---|--|--|
| | | | 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 Website: www.happiestminds.com |
| 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 / Shekhar Asnani SEBI Registration No.: INM000011179 | 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. Tel: +91 22 4037 4037 E-mail: happiestmindsipo@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.: INR0000002221 | Investors can contact the Company Secretary and Compliance Officer, the BRLMs 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 orders or non-receipt of funds by electronic mode, etc. |

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the Risk Factors on page 28 of the RHP, contained therein before applying in the Offer. Full copy of the RHP is available on the website of SEBI at www.sebi.gov.in, website of the BRLMs, i.e. at www.icicisecurities.com, www.nomuraholdings.com/company/group/asia/india/index.html, respectively and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered and Corporate Office of **Happiest Minds Technologies Limited**, **Telephone:** +91 80 6196 0300 / +91 6196 0400; **BRLMs and Syndicate Members:** **ICICI Securities Limited**; **Tel:** +91 22 2288 2460 and **Nomura Financial Advisory and Securities (India) Private Limited**; **Tel:** +91 22 4037 4037, at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. Bid Cum Application Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Anand Rathi Share & Stock Brokers Ltd, Axis Capital Ltd, Centrum Wealth Management Ltd, Choice Equity Broking Private Limited, DB(International) Stock Brokers Ltd, Edelweiss Broking Limited, Eureka Stock & Share Broking Services Ltd, HDFC Securities Ltd., ICICI Securities Limited, IDBI Capital Markets & Securities Limited, IIFL Securities Ltd, J M Financial Services Ltd, Jobanputra Fiscal Services Pvt. Ltd, KJMC Capital Market Services Limited, Kotak Securities Ltd, LKP Securities Ltd, Inventure Growth & Securities Ltd, Motilal Oswal Securities Ltd, Prabhudas Liladhar Pvt Ltd, Pravin Ratilal Share and Stock Brokers Ltd, RR Equity Brokers Pvt Ltd, Sharekhan Ltd, SMC Global Securities Ltd, Systematix Shares and Stocks (India) Limited, Trade Bulls Securities (P) Ltd, Way2wealth brokers Pvt Ltd and YES Securities (India) Ltd

Banker to the Offer/ Escrow Collection Bank/ Refund Bank/ Public Offer Bank/ Sponsor Bank: ICICI Bank Limited

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Bengaluru

Date: September 1, 2020

For HAPPIEST MINDS TECHNOLOGIES LIMITED

On behalf of the Board of Directors

Sd/-

Company Secretary and Compliance Officer

HAPPIEST MINDS TECHNOLOGIES LIMITED is proposing, subject to, applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offering of its Equity Shares and has filed the RHP with RoC on August 28, 2020. The RHP shall be available on the websites of SEBI, BSE and NSE at www.sebi.gov.in, www.bseindia.com and www.nseindia.com, respectively, and is available on the websites of the BRLMs, i.e., www.icicisecurities.com and www.nomuraholdings.com/company/group/asia/india/index.html, respectively. Potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please see "Risk Factors" beginning on page 28 of the RHP. Potential investors should not rely on the DRHP for making any investment decision.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. There will be no offering of the Equity Shares in the United States.