



HAPPIEST MINDS TECHNOLOGIES LIMITED

Company Incorporate:	March 30,2011
Reg. Office	Bengaluru
Website	www.happiestmind.com
Industry: Software Development	
Offered Shares	4.22Cr
Offer Size	702.02 CR
Offer Price	Rs.165-166
Retailer Discount	Nil
Issue Open Date	Sep 7,2020(Monday)
Issue Close Date	Sep 9, 2020 (Wednesday)
Retail Quota	Retail 10% (70.20 Cr)
Face Value	Rs.2
1 Lot Size	90 Shares
1 Lot Value- @ Cap Price	Rs. 14940 (90 * 166)
Apply For	1 Lot Per Family Member A/C.

INDUSTRY OVERVIEW

❖ 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 is digital natives, the digital native population in the developing world is expected to double within the next five years.

➤ 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.

➤ **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.

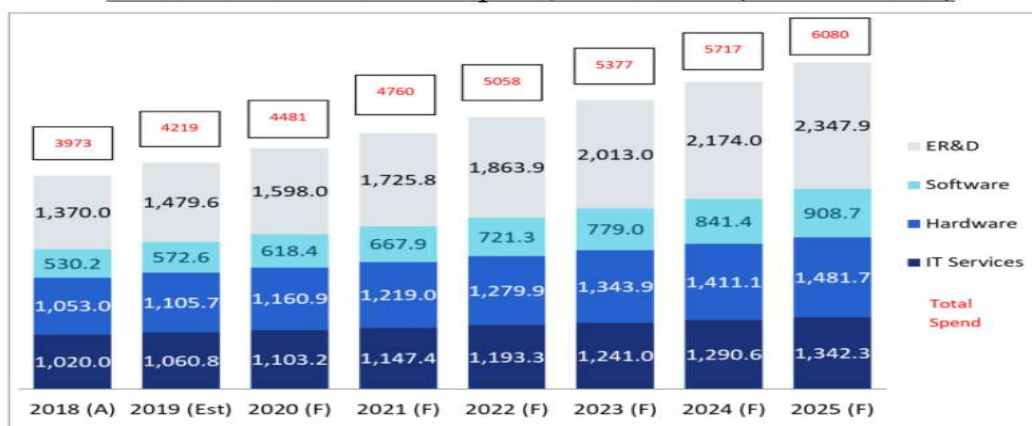
➤ **Data for intelligence**

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%.

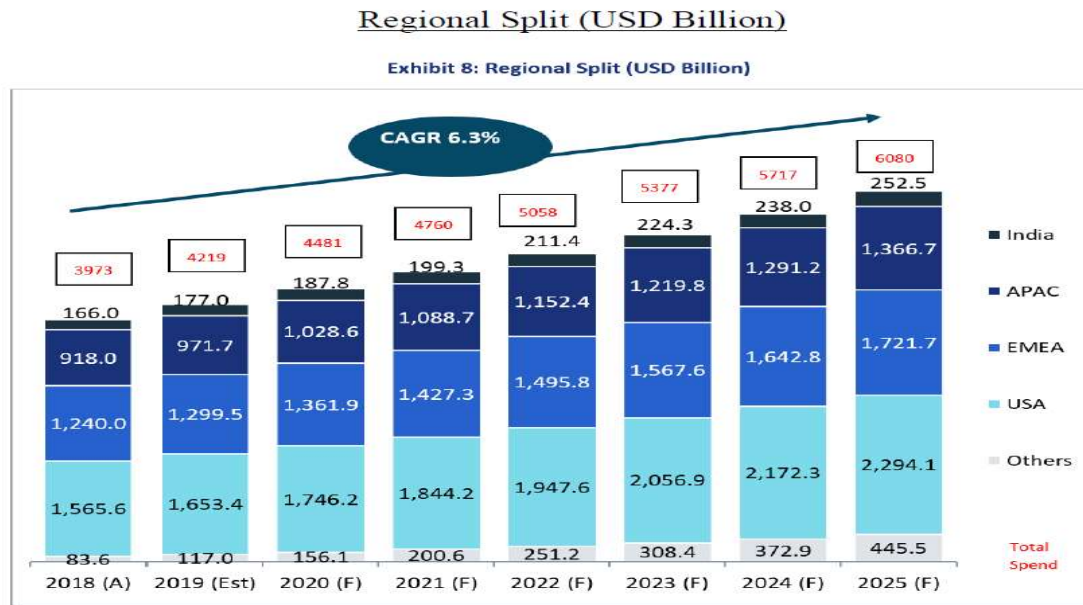
➤ **Global Technology Market Spend**

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.

Total Global IT Market Spend, 2018-2025 (USD Billions)



➤ **Global Technology Spend Across Regions**

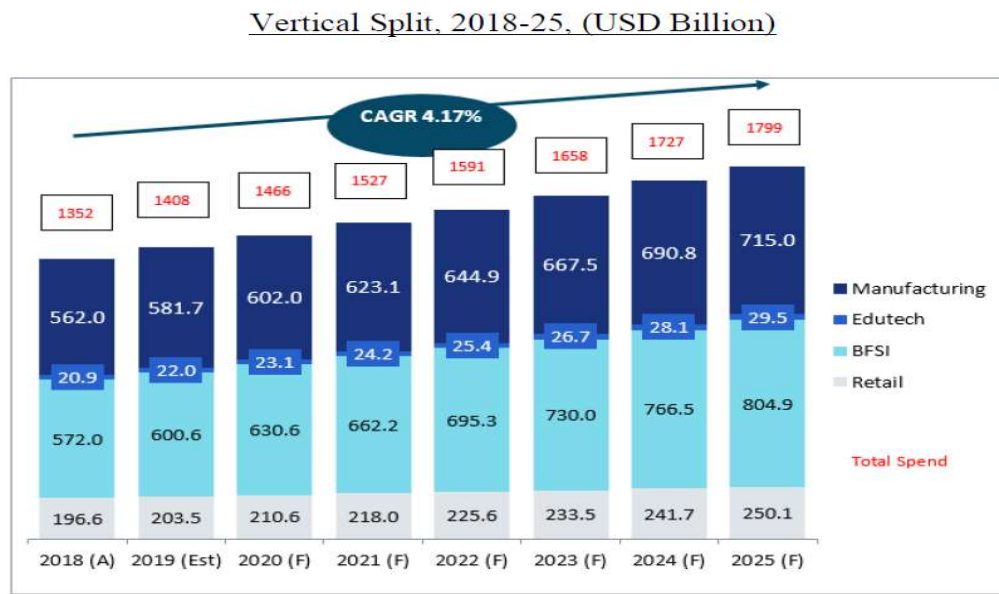


The APAC region is projected to have a relatively healthy CAGR of 5.85% until 2025 due to the growing population of software professionals and the availability of cost-efficient software solutions from within this region.

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.

➤ **Global Technology Spend Across Select Industry Verticals**



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

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.

❖ 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

➤ 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 digitalizing company operations have also contributed majorly to the high attrition rates across the sector as many without the requisite skills were let go.

➤ 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, block chain, IoT, cyber security 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.

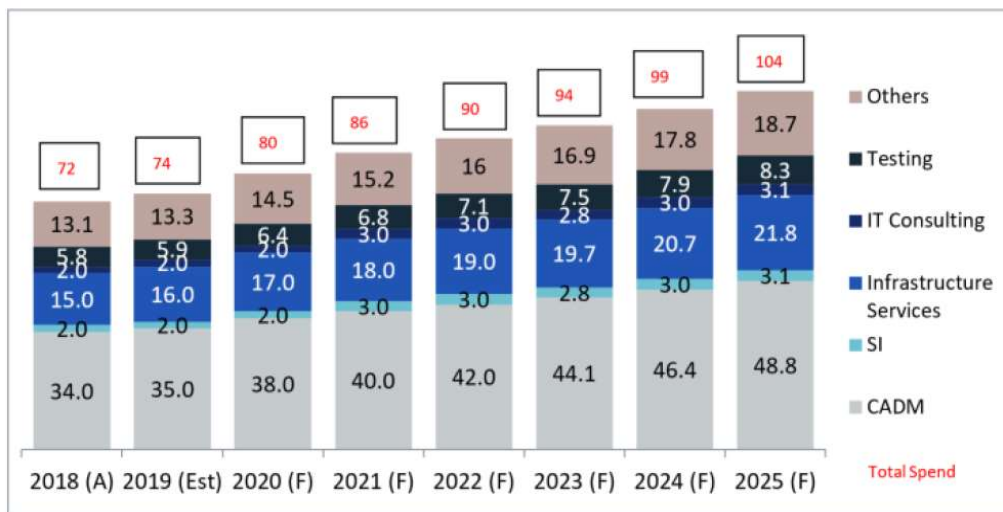
➤ Impact of outbreak of COVID-19

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.

➤ **IT Services Split: Split of Domestic & Exports**

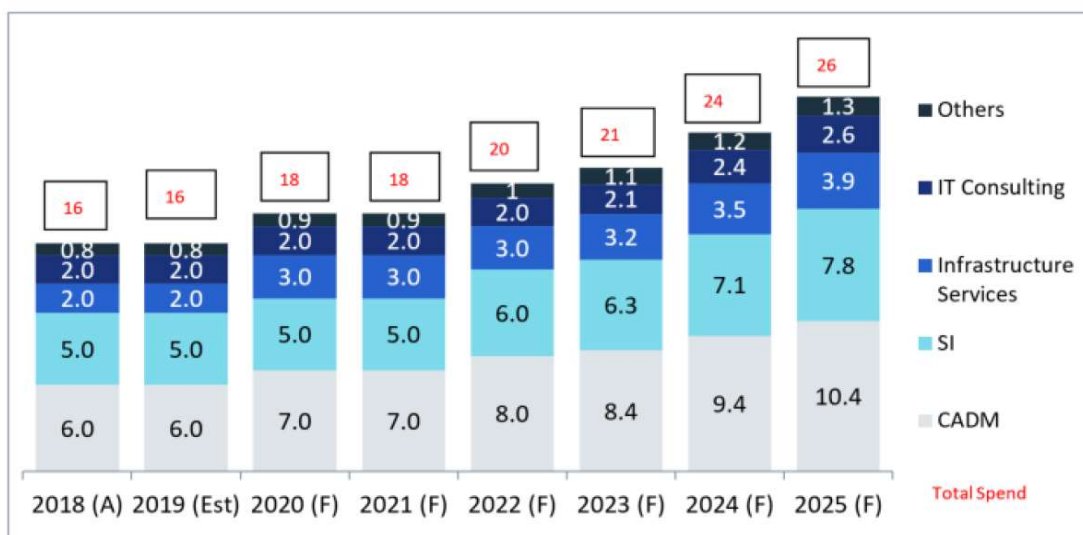
Exports from the industry increased to USD 74 billion in FY19 while domestic revenues (from IT services) advanced to USD 16 billion.

- 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.

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.

BUSINESS OVERVIEW

- Positioned as "Born Digital. Born Agile", Company focus on delivering a seamless digital experience to its customers. Its offerings include, among others, digital business, product engineering, infrastructure management and security services.
- Company 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.
- In Fiscal 2020, 96.9% of its revenues came from digital services. This is one of the highest among Indian IT companies (Source: Frost & Sullivan Report).

- As of March 31, 2020, they had 157 active customers. Companies repeat business (revenue from existing customers) has steadily grown and contributed a significant portion of its revenue from contracts with customers over the years indicating a high degree of customer stickiness.
- In Fiscal 2020, they delivered 87.9% of its projects through agile delivery methodology.

❖ **Companies business is divided into the following three Business Units (BUs):**

- **Digital Business Services (DBS):** Company DBS offerings are aimed at (i) driving digital modernization and transformation for they customers through digital application development and application modernization 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 modernization 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):** Company PES BU aims to help customers capitalize on the transformative potential of ‘digital’ by building products and platforms that are smart, secure and connected. They provide their customers a blend of hardware and embedded software knowledge which combines with software platform engineering skills to help create high quality, scalable and secure solutions. They offerings extend across the development lifecycle from strategy to final roll out while ensuring quality. They get their clients started on this journey with their digital foundry that allows them to build rapid prototypes for their customers and provide a scalable Minimum Viable Product (MVP). They embrace a cloud and a mobile friendly approach along with an agile model that is supported by test automation to help their clients accelerate their time to market and build a competitive advantage.
- **Internet of Things (IoT):** Company 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 their 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):** Company 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):** Company DPA offering includes consulting led digital transformation through process automation of core business applications, products and infrastructure landscape of their 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%.

❖ **Companies Strengths:**

➤ **Strong brand in Digital IT services:**

Companies brand positioning “Born Digital. Born Agile” is a reflection of digitalization being built into the essence of their business In Fiscals 2019 and 2020, 97.2% and 96.9% of their 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 their inception, they have focused on software product development, which they 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. Company partner with global ISVs to develop offerings such as Microsoft, Amazon web Services Intel, IBM, McAfee, Net suite, Sales force, Cloud lending, Pimcore, Mindsphere, ThingWorx and PTC, Mulesoft, Talend, Appian, UIPath, AutonomIQ, Magento, Checkpoint, Saviynt, ManageEngine, CloudFabrix, OKTA, Blusapphire, One login etc.

Company focus on software product development services for ISVs and technology they requires quality software engineering talent, advanced knowledge of up-to-date methodologies and productivity tools, and strong project management practices.

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

➤ **Growing high revenue generating customer accounts with a high proportion of repeat revenues and revenues from mature markets:**

Company has generally witnessed an increase in the number of its 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

Company has repeat business from its customer base, which includes more than 37 Fortune2000 / Forbes200 / Billion \$ corporations (Source: Frost & Sullivan Report). Its broad range of offerings helps us to up-sell and its multiple help them to cross-sell to its existing customers as well as to acquire new customer.

The United States which has the majority market share of global technology spend (Source: Frost & Sullivan Report) historically has contributed a majority of its revenues. The following table sets out the proportion of company’s 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:**

Company believes that its business model is scalable across customer industries, functions and geographies. In addition to its spread across customer industries and geographic markets they have also developed key operational drivers delivering them steady growth. These drivers include its 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 their 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**

The following table shows their 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%

- **End to End capabilities spanning the digital lifecycle from roadmap to deployment and maintenance :**

Company's 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.

Companies multiple BUs also help us cross-sell their solutions and services to existing customers. They help its customers to prepare a digital roadmap for the transformation or upgrading their existing IT systems and implementing SaaS platforms. Companies PES unit helps in building digital platforms.

Companies BU-wise revenue from contracts with customers and growth for the last three Fiscals are set out below

- **Strong R&D capability with depth in disruptive technologies creating value through newly engineered solutions**

Company has garnered experience in next-generation technologies that drives their ability to provide solutions for digital evolution, agile transformation and automation. Companies' expertise includes technological capabilities developed to support mobile connectivity with other devices, social media, big data analytics and cloud delivery, among others.

- **Automation:** Company has 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. Their 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.
- **Block chain:** Company block chain offerings include providing advisory services on leveraging block chain to solve business problems, engineering block chain platforms and middleware, developing vertical specific block chain based distributed applications and implementing smart contract solutions. Their block chain capabilities are offered on block chain platform like hyper ledger. It's having developed engineered solutions for some of We key verticals including supply chain and industrials.
- **Drones & Robotics:** As new opportunities and usage scenarios for drones and robots are emerging, they have created new offerings for these markets leveraging their capabilities in engineering, IoT and AI capabilities. Since underlying technologies for drones and robotics are very young, its work with emerging open source platforms like Robotics Operating System (ROS2) and Flight Operating System (FlytOS) for drones. Their solutions focus on surveillance and retail markets, including AI based communication between drones and robots and traffic management

- **Agile Engineering and Delivery**

- Company helps its customers deliver effective, quality software. With broad software engineering capabilities, they have the ability to choose the methods, technologies and tools which company believes are best suited to customers' business needs. Their engineers use a broad range of technologies including web technologies, cloud, data, mobile, testing, hardware & embedded integration and APIs, IoT, AI, analytics and DevOps.
- Company utilize common agile scaling frameworks, but enhance them by balancing the requirements of delivering both quality and speed-to-market. They believe they provide enough guidance to allow their employees to address customer challenges, while building in flexibility to adapt to evolving customer needs, environments and cultures. Their agile frameworks enable 145 us to scale across the spectrum from ideation to production.

BUSINESS STRATEGY

- **Acquire new accounts and deepen key account relationships**

Company are focused on continuing to expand their relationships with existing customers by helping them solve new problems and become more engaging, responsive and efficient. They have a demonstrated track record of expanding their work with customers after an initial engagement. Companies' 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 aim to continue to grow the number of their key account relationships. As they have done previously, company aim to sustain the annual revenue contribution of a customer in subsequent years after the year of customer acquisition. Expansion of their relationships with existing active customers will remain a key strategy going forward as they continue to leverage their domain expertise and knowledge of emerging technology trends in order to drive incremental growth for companies business.

Company believes that they continue to have opportunities to add new customers to its portfolio. They use next-generation technologies, including AI, bots, and robotic process automation, together with micro services, to help their customers transform areas ranging from technical IT processes to complex business processes. Leveraging creative and engineering capabilities, company work with its customers to create complete solutions, often involving custom, task-oriented user interfaces, integration and continuous delivery pipelines.

- **Further investments in its CoEs and digital processes**

To deliver value to their customers efficiently, it is critical to create smart and agile solutions such as software and business architectures and process methodologies, which enable them to implement market-ready solutions for their customers in a timely manner. To this end, they intend to continue investing in its employees and increase their R&D capabilities, particularly with a view to create solutions in emerging disruptive technologies that enhance ability to develop tools for leading their entry into new areas such as payments and intelligent enterprises and developing products that address industry specific customer requirements.

Company provides 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. Companies 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).

- **Strengthen existing partnerships and enter into new partnerships with Independent Software Vendors**

Company has a long standing relationship with global ISVs and technology companies to develop various key features of their product portfolios. Some of their current partners include Microsoft, Amazon Web Services, Net Suite, and Sales force (Source: Frost & Sullivan Report). Companies focus on software product development for such ISVs has shaped key aspects of service offerings as well as their culture of software engineering excellence, enabling them to expand their services into other key industry verticals. In addition, they believe that their work with companies involved in developing emerging technologies, such as cloud and mobile, keeps them on the forefront of IT, strengthens relationships with established ISVs and other customers and enables them to attract new customers.

- **Domain led approach towards customer acquisition and revenue generation in specific verticals**

Company has traditionally focused on enterprises that are technology- and information-centric, where they believe their software development expertise is valued. To further enhance and develop solutions and offerings, they have focused on certain verticals including banking and financial services, Edutech, Retail, Manufacturing, Travel and Hospitality and Enterprise.

For developing their solutions in each of these verticals, they have recruited IT professionals with experience in industry. The combination of their software development expertise and vertical industry depth has enabled them to build vertical-specific solutions that provide their customers with rapid time-to-market solutions. For example, in EduTech vertical, they have developed and offer its customers UniVu, which enables its customers to implement a university analytics solution enabling improved outcomes in administrative course delivery and student success KPIs through real time actionable insights. Company plan to continue enhancing their expertise in different verticals by recruiting IT professionals with industry expertise

- **Selectively Pursue Strategic Acquisitions**

Company plan to selectively pursue acquisitions. Companies focus is on augmenting core capabilities to enhance their experience in new technologies and verticals and increase their geographic reach, while preserving corporate culture and sustainably managing its growth. Consistent with these goals, in the past, company have completed two acquisitions, both of which have accelerated core strategic goals.

In 2017, company acquired OSSCube LLC and Cupola Technology Private Limited to expand DBS and PES BUs, respectively. These acquisitions have given them experience in completing and integrating complementary acquisitions.

Furthermore, as part of their strategy to expand geographic footprint with high-quality global resources, company may pursue acquisitions of companies with significant presence in areas of operation. Company's acquisition strategy is shaped by their continued focus on acquiring scalable resources and developing a global, multi-shore operation with high-quality software engineering talent.

RISK FACTORS

- ❖ **Revenues from operations are highly dependent on customers located in the United States.**

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

- ❖ **Company generate a significant portion of its revenues from a small number of customers, any loss or reduction of business from these customers could reduce their revenues and materially adversely affect their business, financial condition, and results of operations.**

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

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

Company's customers can terminate many of its 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.

- ❖ **Company operates in a rapidly evolving industry, which makes it difficult to evaluate its future prospects and may increase the risk that they will not continue to be successful. If they are not successful, it could materially adversely affect its 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 their industry.

- ❖ **Company face strong competition from onshore and offshore IT services companies, increased competition, it's inability to compete successfully against competitors, pricing pressures or loss of market share could materially adversely affect its business, financial condition and results of operations**

They face competition from offshore IT services providers in emerging outsourcing destinations with low wage costs or with a more favorable time zone for US customers as well as competition from large, global consulting and outsourcing firms and in-house IT departments of large corporations.

OBJECTS OF THE OFFER

❖ Objects of the Fresh Issue:

- **Long Term Working Capital Requirements**

Company funds a majority of its 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 Company are ₹442.3 million and ₹100.7 million, respectively.

- **General Corporate Purposes**

Company 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

SHAREHOLDING PATTERN

Name Of The Promoter Shareholder	Number Of Shares	Percentage (%) of Pre Capital
Ashok Soota and Group	86,626,176	61.77

Name Of The Public Shareholder	Number Of Shares	Percentage (%) of Pre Capital
CMDB	27,249,362	19.43
Happiest Minds Technologies Share Ownership Plans Trust	5,701,307	4.07
Total	32,950,669	23.50

MANAGEMENT

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, He was the vice chairman of Wipro Limited and senior vice president of Shriram Refrigeration Industries Limited prior to co-founding MindTree Limited.

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 account

FINANCIALS

Particulars	2018 M	2019M	2020 M	EST 2021 M
Income (Cr)	489.12	601.81	714.23	708.08
EBITDA (Cr)	7.62	66.28	113.12	191.28
EBITDA (%)	1.55 %	11.01%	15.83 %	27.01 %
Net Profit (Cr)	-22.47	14.21	71.71	147.17
EPS (Rs)	NA	0.96	4.88	10.01
Book value (Rs)	-7.41	-4.49	18.07	40.93

❖ **Peer Group Comparison:**

Mar- 2020	Happiest Mind @166	Mind Tree @1193	LTI @2478
Sales (Cr.)	714.23	7764.30	10878.60
EBITDA (Cr.)	113.12	1157.10	2358.50
EBITDA (%)	15.83 %	14.90%	21.68%
Net Profit (Cr.)	71.71	630.90	1520.50
Cash EPS(Rs)	7.70	70.34	181.84
EPS (Rs.)	4.88	38.35	87
Book Value	18.07	191.79	310.64
Cash P/E Ratio	21.55	16.96	13.62
PE Ratio	34.01	31.10	28.48
MP/BV	9.18	6.22	7.97
Debt/Equity Ratio	0.26	Debt Free	Debt Free
Market Cap (Cr.)	2436	19624	32139

Future Price Projections:

FY 21 Mar Estimated CEPS 13.02 * 18 CPE / 21 CPE = 234 / 273

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