

**Disclosure:** Details of Stock options pursuant to Regulations 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, for the year ended March 31, 2023

Sl.No	Description	ESOP Plan		
A	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Guidance Note to provide uniform accounting and reporting principles and practices for ESOP share-based payments for the companies following Accounting Standards under Companies (Accounting Standards) Rules, 2006  Please refer Note 41– Notes to the Standalone Financial Statements forming part of the Annual Report.		
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Fully diluted EPS pursuant to issue of Equity Shares on exercise of stock options calculated in accordance with Ind AS - 34 'Earning Per Share'  Basic: 15.11 Diluted: 15.00		
C	Details related to ESOS			
(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -	ESOP Scheme USA	ESOP Scheme 2015	ESOP Scheme 2020
a	Date of shareholders' approval	July 18, 2012	July 22, 2015	May 13, 2020
b	Total number of options approved under ESOS	ESOP Options granted to not exceed 1,63,00,000 options which is cumulative of all the ESOP Schemes of Happiest Mind Technologies Limited		70,00,000 ESOP Options
c	Vesting requirements	Options granted would vest not less than 1 year and will spread over a period of Four-year vesting period 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.		
d	Exercise price or pricing formula	To be decided upfront at the time of Grant of Options subject to a minimum price of fair value.		
e	Maximum term of options granted	4 years of vesting period from the date of grant		
f	Source of shares (primary, secondary or combination)	Primary		
g	Variation in terms of options	Not Applicable		
(ii)	Method used to account for ESOS - Intrinsic or fair value.	Fair value		
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options,	Not Applicable		

	the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.			
(iv)	Option movement during the year (For each ESOS):			
a	Number of options outstanding at the beginning of the period	45,830	28,47,375	70,00,000
b	Number of options granted during the year	Nil	Nil	Nil
c	Number of options forfeited / lapsed during the year	10,000	2,48,942	Nil
d	Number of options vested during the year	Nil	7,23,824 <sup>1</sup>	Nil
E	Number of options exercised during the year	16,355	6,05,800 <sup>2</sup>	Nil
f	Number of shares arising as a result of exercise of options	16,355	6,05,800	Nil
g	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil	The ESOP scheme is implemented by the ESOP Trust of the Company named as "Happiest Minds Technologies Ownership Plans Trust" and hence this disclosure is not applicable.	Nil
h	Loan repaid by the Trust during the year from exercise price received	Nil		
i	Number of options outstanding at the end of the year	19,475	19,92,633	70,00,000
j	Number of options exercisable at the end of the year (Based on vesting in the current year)	Nil	23,626	Nil

<sup>1</sup> The number of Options vested during the Financial Year 2022-23 also include some of the unvested and exercised ESOP options that were granted in the previous years and were allowed to be exercised by the management of the Company. These options remained as unvested and exercised in the books of the ESOP trust account and are categorized as vested and exercised as per the vesting period.

<sup>2</sup> A total of 6,05,800 options were exercised by the employees during Financial Year 2022-23. Out of which, as on 31st March 2023, total of 99,027 shares (against options which were exercised by the employees in the FY 2022-23) were pending with Happiest Minds Technologies Ownership Plans Trust for transfer to the employees. Further, 42,497 unvested and exercised ESOP options were transferred back to Happiest Minds Technologies Ownership Plans Trust.

(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not Applicable
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to	During the Year under review no grant of options were made.
a	Senior Management during the year	Nil
b	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Nil
c	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (exceeding outstanding warrants and conversion) of the company at the time of grant	Nil
d	Key Managerial Personnel	Nil
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	During the year under review no grant of options were made, hence no value of options determined.
a	The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Not Applicable
b	The method used and the assumptions made to incorporate the effects of expected early exercise;	Not Applicable
c	How expected volatility was determined, including an explanation of the extent to which expected volatility was	Not Applicable

	based on historical volatility; and	
d	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Not Applicable

**Disclosures in respect of grants made in three years prior to IPO under each ESOP as on March 31, 2023:**

Particulars	2018	2019	2020
Options granted during the year	50,53,831	15,85,075	29,21,516
Options exercised as on March 31, 2023	31,74,660	11,53,118	7,14,082
Option lapsed as on March 31, 2023	80,622	1,500	32,456
Options outstanding	3,95,710	1,77,100	6,57,073

**Details of the Company's Employee's Trust: Happiest Minds Technologies Ownership Plans Trust ("Trust")**

Sl.No	Particulars	Details
<b>General information</b>		
(i)	Name of the Trust	Happiest Minds Technologies Ownership Plans Trust
(ii)	Details of the Trustee(s)	<ul style="list-style-type: none"> <li>• Mr. Sriranganarayanan Krishnamacharya, Trustee</li> <li>• Mr. Raja Sekher, Trustee</li> <li>• Mr. Sachin Khurana, Trustee</li> </ul>
(iii)	Amount of loan disbursed by Company, during the year	Nil
(iv)	Amount of loan outstanding (repayable to Company) as at the end of the year	Nil
(v)	Amount of loan, if any, taken from any other source for which Company / any Company in the group has provided any security or guarantee	Nil
(vi)	Any other contribution made to the Trust during the year	Nil*

\*Note : During the year 22-23, net incremental movement from Trust to Company is Rs. 13,90,00,000/-. Since the disclosure requirement here is about the contribution made to the Trust from the Company, we have considered it as NIL.