

May 10, 2024

Listing Compliance & Legal Regulatory
BSE Limited
Phiroze Jeejeebhoy Towers Dalal
Street, Mumbai 400001
Stock Code: 543227, 974728, 974820 & 975101

Listing & Compliance
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra East, Mumbai 400 051
Stock Code: HAPPSTMNDS

Dear Sir/Madam,

Sub: Communication to shareholders – Financial Results for the Quarter and Financial Year ended March 31, 2024

With reference to our letter dated May 06, 2024, please find enclosed herewith an e-mail communication dated May 10, 2024, pertaining to key highlights of the Company's performance for the quarter and financial year ended March 31, 2024, which has been sent to all the shareholders whose e-mail IDs are registered with the Company/Depositories.

This is for your information and records.

Thanking you,
Yours faithfully,
For **Happiest Minds Technologies Limited**

Praveen Kumar Darshankar
Company Secretary & Compliance Officer
Membership No. F6706



**Happiest Minds Technologies Limited**

Regd. Office : #53/1-4, Hosur Main Road, Madivala, Bengaluru-560068, Karnataka, India

CIN of the Co. L72900KA2011PLC057931

P: +91 80 6196 0300, F: +91 80 6196 0700

investors@happiestminds.com; www.happiestminds.com

Dear Shareholder,

Greetings from Happiest Minds Technologies Limited

The Board of Directors of the Company at their meeting held on May 06, 2024, has approved the audited financial statements of the Company for the quarter and financial year ended as on March 31, 2024 and recommended a final dividend of Rs.3.25/- per equity share of face value Rs.2/- for the financial year 2023-24, subject to the approval of the shareholders at the ensuing 13th Annual General Meeting of the Company.

Please find the shareholder's report on the financial results and related matters attached herewith.

For further details, you can visit the Company's website <https://www.happiestminds.com/investors/>Thanking you,
Yours faithfully,**Praveen Kumar Darshankar**
Company Secretary & Compliance Officer
Happiest Minds Technologies Limited

Dear Shareholder,

We are happy to share that your Company, for the fiscal year 2024 has reported very encouraging results. We have achieved industry leading growth of 11% in constant currency and beat our EBITDA guidance for the 16th quarter in a row.

We are excited about the future and particularly so on account of the organizational realignment along industry verticals, organic growth opportunities we see, and the acquisitions made in the last couple of weeks.

Talking about acquisitions, we have signed definitive agreements to acquire– PureSoftware and Aureus Tech. These 2 acquisitions along with the consolidation play with Macmillan Group, our strategic customer by taking over their offshore development center we will be adding close to 1400+ Happiest Minds strengthened our key verticals of Financial Services, Healthcare and EdTech.

Looking back into FY 24, some of the other key milestones were:

- Crossing 5,000 mark in terms of people, Happiest Minds as we call them;
- Ranked by Great Place to Work Institute's® or GPTW's - Top 100 India's Best Companies to Work For 2023 the sixth time and Top 50 India's Best Workplaces for Women™ 2023 three years in a row
- Ranked #2 among Fortune's® Top 30 Future-Ready Workplaces of India

Finally, based on the results of FY24, and review of our capital allocation and progressive dividend policy, our Board of Directors has recommended a final dividend of ₹ 3.25 per share. Along with the earlier paid interim dividend, the total dividend for the year will be ₹ 5.75 for the year.

Key financial and operational highlights for the quarter and year are given below. For any questions, please reach out to IR@happiestminds.com

We look forward to a great FY 25 and will continue to update you on the progress your Company makes during the year.

Thanking you,
Yours faithfully,

Venkatraman Narayanan
Managing Director & CFO

Joseph Anantharaju
Executive Vice Chairman

Key Financial Metrics

All amounts in ₹ Lakhs unless stated otherwise

Particulars						All amounts in ₹ Lakhs unless stated otherwise		
	Q4 FY 24	Q3 FY 24	QoQ	Q4 FY 23	YoY	FY 24	FY 23	YoY
Revenues	41,729	40,988	1.8%	37,798	10.4%	1,62,466	1,42,929	13.7%
Other Income	2,521	2,429	3.8%	845	198.3%	8,537	2,111	304.4%
Total Income	44,250	43,417	1.9%	38,643	14.5%	1,71,003	1,45,040	17.9%
EBITDA	10,822	10,519	2.9%	10,062	7.6%	42,122	37,997	10.9%
%	24.5%	24.2%		26.0%		24.6%	26.2%	
PBT	9,615	8,073	19.1%	7,893	21.8%	33,468	30,986	8.0%
%	21.7%	18.6%		20.4%		19.6%	21.4%	
Tax	2,417	2,111		2,127		8,629	7,887	
%	5.5%	4.9%		5.5%		5.0%	5.4%	
PAT	7,198	5,962	20.7%	5,766	24.8%	24,839	23,099	7.5%
%	16.3%	13.7%		14.9%		14.5%	15.9%	
Revenues (\$'000)	50,077	49,366	1.4%	45,918	9.1%	1,96,130	1,77,768	10.3%
Growth in Constant Currency			1.4%		9.5%			11.0%

Financial highlights

Quarter ended March 31, 2024

- Revenue in constant currency grew by 1.4% q-o-q and 9.5% y-o-y
- Operating Revenues in US\$ stood at \$50.1 million (growth of 1.4% q-o-q; 9.1% y-o-y)
- Total Income of ₹ 44,250 lakhs (growth of 1.9% q-o-q; 14.5% y-o-y)
- EBITDA of ₹ 10,822 lakhs, 24.5% of Total Income (growth of 2.9% q-o-q; 7.6% y-o-y)
- PAT of ₹ 7,198 lakhs (growth of 20.7% q-o-q; 24.8% y-o-y)
- Free cash flows of ₹ 10,744 Lakhs
- EPS (diluted) for the quarter at ₹ 4.79

Year ended March 31, 2024

- Revenue in constant currency grew by 11% y-o-y
- Operating Revenues in US\$ stood at \$196.1 million (growth of 10.3% y-o-y)
- Total Income of ₹ 1,71,003 lakhs (growth of 17.9% y-o-y)
- EBITDA of ₹ 42,122 lakhs, 24.6% of Total Income (growth of 10.9% y-o-y)
- PAT of ₹ 24,839 lakhs (growth of 7.5% y-o-y)
- Free cash flows of ₹ 41,069 Lakhs
- EPS (diluted) for the full year of ₹ 16.73

Business Highlights

Clients:

- 250 as of March 31, 2024
- 10 additions in the quarter

Our People - Happiest Minds:

- 5,168 Happiest Minds as of March 31, 2024
- Trailing 12 months attrition of 13.0% (14.1% in the previous quarter)
- Utilization of 75.1%, from 76.7% in last quarter

Q4 FY24 Key wins

- For **Enercon, a leading wind energy technology company**, Happiest Minds was chosen as a strategic partner to build their platform which optimizes wind energy generation.
- For **MindSculpt Analytics, a Healthcare Solutions company**, Happiest Minds is building an advanced AI Medical Preventive & Diagnostic solution.
- For a **prominent credit union service organization**, Happiest Minds is building two highly replicable GenAI solutions that help with training their employees on performance management and customer support.
- For a **South East Asian Bottling company**, Happiest Minds is engaged in building GenAI solutions that allow employees to converse in both local language and English against Enterprise knowledge.
- For **the professional services arm of a global hyperscaler**, Happiest Minds was chosen to design and configure an end-to-end secure and scalable connected vehicle platform on their cloud platform.
- For a **global consumer products company (CPG)**, this new win entails Happiest Minds to revamp the User Experience of front facing applications of their Distributed Management Systems.
- For the **world's premier entertainment company** and an existing customer, Happiest Minds expanded its presence to provide product engineering services for their Imagineering division.
- For a **global movie chain**, Happiest Minds is providing digital transformation services leveraging the Pimcore® Platform.
- For a **supply chain enabler in the healthcare industry**, Happiest Minds is their strategic partner in engineering and development for their mission critical applications.
- For a **EduTech company** which enables regional universities drive accelerated online programs, Happiest Minds was chosen to provide digital engineering services for their technology platform.
- For an **international education services company**, Happiest Minds is helping to build next-generation solution for increased engagement and improved efficiency with students and universities.
- For a **reputed MedTech company**, this new win entails Happiest Minds to build their asset management platform to provide actionable insights to the field service technicians.

Award Wins:

- Happiest Minds is recognized among '**Top 50 India's Best Workplaces™ in Health and Wellness 2023**' by Great Place To Work® Institute
- Happiest Minds awarded the '**Best Tech for Security**' Award at the 3rd Edition of the IDEA Awards
- Happiest Minds awarded the '**Top Firms to Work for in AI & Analytics**' and Sridhar Mantha recognized as '**AI Leader of the Year**' at the 3AI ACME Awards

Analyst Mentions

- Happiest Minds is '**Aspirant**' in Retail IT Services – Everest
- Happiest Minds is '**Pioneers**' in Service Providers ESG Index 2023-2024 – Avasant

Announcements

- The Board of Directors of the Company at their meeting held on May 6, 2024 has recommended a final dividend of ₹3.25 per equity share of face value ₹ 2/- for the financial year 2023-24 subject to shareholder approval.

**Extract of the Unaudited Consolidated Financial Results for the quarter and year ended
March 31, 2024**

(RS in lakhs)

Happiest Minds Technologies Limited CIN : L72900KA2011PLC057931 Regd. Office: #53/1-4, Hosur Main Road, Madivala (next to Madivala Police Station) Bangalore 560 068, Karnataka, India Website: www.happiestminds.com , Email: IR@happiestminds.com , Tel: +91 80 6196 0300					
(Rs. in lakhs)					
Statement of Consolidated Financial Results for the quarter and year ended March 31, 2024					
Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	Refer note 2	(Unaudited)	(Unaudited)	Audited	Audited
I. Revenue					
(a) Revenue from operations	41,729	40,988	37,798	1,62,466	1,42,929
(b) Other income	2,521	2,429	845	8,537	2,111
Total revenue	44,250	43,417	38,643	1,71,003	1,45,040
II. Expenses					
(a) Employee benefits expense	26,277	26,139	22,109	1,01,469	80,681
(b) Finance costs	1,033	1,072	875	4,227	2,186
(c) Depreciation and amortisation expense	1,469	1,481	1,294	5,829	4,191
(d) Other expenses	7,151	6,759	6,472	27,412	26,362
Total expenses	35,930	35,451	30,750	1,38,937	1,13,420
III. Profit before exceptional items and tax (I-II)	8,320	7,966	7,893	32,066	31,620
IV. Exceptional items: (charge) / credit (refer note 11 & 12)	1,295	107	-	1,402	(634)
V. Profit before tax (III+IV)	9,615	8,073	7,893	33,468	30,986
VI. Tax expense					
Current tax	2,809	2,192	2,210	9,518	8,508
Deferred tax	(392)	(81)	(83)	(889)	(621)
Total Tax expense	2,417	2,111	2,127	8,629	7,887
VII. Profit for the period / year (V-VI)	7,198	5,962	5,766	24,839	23,099
VIII. Other comprehensive income, net of tax [(loss)/profit]					
(i) Items to be reclassified to profit or loss in subsequent periods / year					
a) Exchange difference on translation of foreign operation	28	16	(47)	124	517
b) Net change in fair value of derivatives designated as cash flow hedges	197	(166)	782	403	(632)
c) Income tax effect on above	(49)	41	(197)	(101)	159
(ii) Items not to be reclassified to profit or loss in subsequent periods / year					
a) Net change in equity instruments through other comprehensive income	(1,059)	-	(351)	(1,319)	(351)
b) Income tax effect on above	222	-	74	277	74
c) Re-measurement of defined benefit plans	(36)	(125)	14	(346)	(155)
d) Income tax effect on above	9	32	(4)	87	39
IX. Total comprehensive income for the period / year (VII+VIII)	6,510	5,760	6,037	23,964	22,750
X. Paid-up equity share capital (Rs. 2/- each)	2,987	2,981	2,866	2,987	2,866
				1,45,037	81,016
XI. Other equity					
XII. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):					
Basic EPS (Rs.)	4.79	3.98	4.01	16.73	16.13
Diluted EPS (Rs.)	4.79	3.96	3.98	16.73	16.01

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Consolidated Statement of Assets and Liabilities as at March 31, 2024

(Rs. in lakhs)

SI No	Particulars	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
	ASSETS		
A	Non-current assets		
	Property, plant and equipment	13,778	13,278
	Capital work-in-progress	9	185
	Goodwill	14,032	13,913
	Other intangible assets	7,786	10,182
	Right-of-use assets	5,698	5,786
	Intangible assets under development	22	81
	Financial assets:		
	i. Investments	-	1,296
	ii. Other financial assets	2,480	9,389
	Income tax assets (net)	1,529	1,310
	Deferred tax assets, net	1,636	1,246
	Other assets	32	119
	Total non-current assets	47,002	56,785
B	Current assets		
	Financial assets		
	i. Investments	-	-
	ii. Trade receivables	25,444	21,319
	iii. Cash and cash equivalents	11,470	6,999
	iv. Bank balance other than cash and cash equivalents	1,22,183	62,184
	v. Loans	37	64
	vi. Other financial assets	13,850	12,237
	Other assets	4,793	4,495
	Total current assets	1,77,777	1,07,298
	Total assets (A+B)	2,24,779	1,64,083
	EQUITY AND LIABILITIES		
C	Equity		
	Equity share capital	2,987	2,866
	Other equity	1,45,037	81,016
	Total Equity	1,48,024	83,882
D	Non-current liabilities		
	Financial liabilities		
	i. Borrowings	10,445	11,278
	ii. Lease liabilities	4,570	4,761
	iii. Other financial liabilities	401	1,996
	Provisions	3,338	2,466
	Deferred tax liabilities (net)	1,303	2,060
	Non-current liabilities	20,057	22,561
E	Current liabilities		
	Contract liability	1,825	1,157
	Financial liabilities		
	i. Borrowings	33,792	35,477
	ii. Lease liabilities	2,412	1,859
	iii. Trade payables		
	(A) Total outstanding dues of micro and small enterprises	165	83
	(B) Total outstanding dues of creditors other than micro and small enterprises	7,750	6,969
	iv. Other financial liabilities	5,810	7,428
	Income tax liabilities (net)	12	517
	Other current liabilities	2,796	2,375
	Provisions	2,136	1,775
	Total current liabilities	56,698	57,640
F	Total liabilities (D+E)	76,755	80,201
	Total equity and liabilities (C+F)	2,24,779	1,64,083

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Consolidated Statement of Cash Flows for the year ended March 31, 2024		
(Rs. in lakhs)		
Particulars	Year ended March 31, 2024 (Audited)	Year ended March 31, 2023 (Audited)
A. Cash flow from operating activities		
Profit before tax	33,468	30,986
Adjustments to reconcile profits before tax to net cash flows:		
Depreciation and amortization expense	5,829	4,191
Share-based payment expense	47	120
Gain on sale of investment carried at fair value through profit and loss	(18)	(803)
Fair value loss on contingent consideration	-	634
Gain on derecognition of contingent consideration	(1,402)	-
Interest income	(7,958)	(2,610)
Net unrealised foreign exchange loss	(84)	1,219
Rent concession	-	(71)
Impairment loss on financial assets	530	-
Provision no longer required/ written-off	(78)	-
Finance costs	4,227	2,186
Operating profit before working capital changes	34,561	35,852
Movements in working capital		
(Increase) in trade receivables	(4,533)	(3,468)
Decrease in loans	27	964
(Increase) in other assets	(210)	(1,190)
(Increase) in financial assets	(1,240)	(1,961)
Increase in trade payables	823	756
Increase/ (Decrease) in financial liabilities	35	(1,362)
Increase in provisions	887	478
Increase/ (Decrease) in contract liabilities	737	(225)
Increase/ (Decrease) in other non-financial liabilities	411	(245)
Cash generated from operating activities	31,498	29,599
Income tax paid	(10,242)	(8,882)
Net cash generated from operating activities (A)	21,256	20,717
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(823)	(13,106)
Purchase of intangible assets	(207)	(835)
Proceeds from sale of property, plant and equipment	4	-
Maturities of / (Investment in) bank deposit, net	(52,847)	(56,995)
Acquisition of subsidiary	-	(10,987)
Investment in equity shares of Tech4TH Solutions Inc.	-	(827)
Investments of mutual funds	(2,550)	-
Proceeds from sale of mutual funds	2,568	47,203
Interest received	7,214	445
Net cash used in investing activities (B)	(46,641)	(35,102)
C. Cash flow from financing activities		
Repayment of long-term borrowings	(2,608)	(2,609)
Proceeds from long-term borrowings	-	12,383
(Repayment)/ Proceeds of short-term borrowings (net)	(1,439)	4,617
Proceeds from issue of redeemable non-convertible debentures	8,000	4,500
Payment of principal portion of lease liabilities	(2,161)	(2,004)
Payment of interest portion of lease liabilities	(614)	(544)
Payment of contingent consideration	(1,659)	(2,034)
Proceeds from issue of equity shares (Net of share issue expenses)	48,556	-
Dividend paid	(8,604)	(5,715)
Proceeds from exercise of share options	181	147
Interest paid	(3,305)	(1,534)
Net cash generated from financing activities (C)	36,347	7,207
Net increase in cash and cash equivalents (A+B+C)	10,962	(7,178)
Net foreign exchange difference	55	323
Cash and cash equivalents at the beginning of the period	6,999	6,729
Cash acquired on acquisition of subsidiary	-	6
Less : Bank overdraft at the beginning of the year	(7,119)	-
Cash and cash equivalents at the end of the period	10,897	(120)
Components of cash and cash equivalents		
Balance with banks		
- on current account	4,511	5,346
- in EEFC accounts	4,759	1,653
Deposits with original maturity of less than three months	2,200	-
Less : Bank overdraft	(573)	(7,119)
Total cash and cash equivalents	10,897	(120)

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Notes to Statement of Consolidated Financial Results for the quarter and year ended March 31, 2024

- In terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this Statement of Consolidated Financial Results for the quarter and year ended March 31, 2024 ("Consolidated Financial Results") of Happiest Minds Technologies Limited (the "Holding Company" or the "Company") and its subsidiaries, Happiest Minds Inc. and Sri Mookambika Infosolutions Private Limited (together referred to as "the Group") has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 6, 2024.
- The figures for the quarter ended March 31, 2024 are balancing figures between audited figures in respect of full financial year upto March 31, 2024 and the published year-to-date figure upto December 31, 2023 being the date of the end of the third quarter of the financial year. The published year-to-date results upto December 31, 2023 was subjected to a limited review by the Statutory Auditors of the Company.
- The Consolidated Financial Results of the Group have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act 2013, and as amended, read with relevant rules thereunder and in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and SEBI Circular No.CIR/CFD/CMD1/44/2019 dated March 29, 2019.
- The Board of Directors of the Group at their meeting held on May 6, 2024 for the financial year ended March 31, 2024, recommended the payout of a final dividend of Rs.3.25/- per equity share of face value Rs.2/- each. This recommendation is subject to approval of Shareholders at the 13th Annual General Meeting of the Company scheduled to be held on June 28, 2024.
- On April 24, 2024, the Group signed definitive agreements to acquire 100% of the equity share capital of PureSoftware Technologies Private Limited ("PureSoftware"), a Noida based company, for a total purchase consideration of US \$ 94.5 Million (INR 77,900 Lakhs) (Upfront of INR 63,474 Lakhs on closing and deferred consideration of upto INR 14,426 Lakhs payable at the end of FY25 on achievement of set performance targets) subject to closing conditions set out in the agreement. The Company is expecting to close this transaction by May 31, 2024.
- On April 18, 2024, the Group signed share purchase agreement to acquire 100% of the equity interest in Macmillan Learning India Private Limited, a Bangalore based company, for a total purchase consideration of INR 444 Lakhs. The Company paid the purchase consideration on April 30, 2024 and the shares were subsequently transferred to Company's name.
- The Board of Directors of the Company at its meeting held on March 13, 2024 had approved the Scheme of Amalgamation of Sri Mookambika Infosolutions Private Limited (Wholly Owned Subsidiary - Transferor Company) with the Company (Holding Company - Transferee Company) and their respective Shareholders and Creditors, pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. The Company has filed the application with National Company Law Tribunal, Bengaluru on March 27, 2024 and the NCLT has admitted the application on April 17, 2024.
- The financial results of the Company on standalone basis is as follows:

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	Refer note 2	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Total revenue (including other income)	40,071	42,017	35,104	1,58,414	1,35,489
Profit before tax	7,391	9,930	7,258	32,496	29,168
Profit for the period / year	5,393	7,983	5,126	24,573	21,638
Total comprehensive income for the period / year ended	5,500	7,787	5,744	24,594	21,072

- The segment reporting of the Group has been prepared in accordance with Ind AS-108 on 'Operating Segments'. The Group executive management committee examines the Group's performance on the basis of its business units and has identified three reportable segments: Infrastructure Management & Security Services (IMSS), Digital Business Services (DBS) and Product Engineering Services (PES).

Segment wise revenue and results are as follows:

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	Refer note 2	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1. Segment revenue					
IMSS	7,551	7,299	7,525	29,746	30,694
DBS	12,563	12,181	11,180	47,591	43,070
PES	21,615	21,508	19,093	85,129	69,165
Total	41,729	40,988	37,798	1,62,466	1,42,929
2. Segment results					
IMSS	1,954	1,983	2,119	7,751	9,243
DBS	5,302	3,419	3,673	14,825	13,089
PES	7,384	7,722	7,422	30,245	28,113
Total	14,640	13,124	13,214	52,821	50,445
Unallocable other income	2,521	2,429	845	8,537	2,111
Unallocable finance cost	(1,007)	(1,012)	(791)	(4,022)	(2,102)
Unallocable depreciation and amortisation expenses	(1,153)	(895)	(1,294)	(3,672)	(4,191)
Other unallocable expenses	(5,386)	(5,573)	(4,080)	(20,196)	(15,276)
Tax (expense) / credit	(2,417)	(2,111)	(2,128)	(8,629)	(7,888)
Profit after tax	7,198	5,962	5,766	24,839	23,099

Segment wise assets and liabilities are as follows:

Particulars	As at	
	March 31, 2024	March 31, 2023
	(Audited)	Refer note 2
1. Segment assets		
IMSS	7,291	6,420
DBS	22,218	19,590
PES	33,144	34,452
Other unallocable assets	1,62,126	1,03,621
Total assets	2,24,779	1,64,083
2. Segment liabilities		
IMSS	2,131	965
DBS	3,202	6,560
PES	5,777	8,775
Other unallocable liabilities	65,645	63,901
Total liabilities	76,755	80,201

- The Group has established new business unit Generative AI Business Services (GBS) and re-structured two of its existing business units, namely Digital Business Services ("DBS") and Product Engineering Services ("PES") by merging into new business unit Product and Digital business service ("PDSES"). The Business unit Infrastructure Management & Security Services (IMSS) continues to operate in the same name. This new structure is effective April 01, 2024.

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Website: www.happiestminds.com , Email: IR@happiestminds.com , Tel: +91 80 6196 0300

Notes to Statement of Consolidated Financial Results for the quarter and year ended March 31, 2024

11. On January 1, 2023, the Group obtained operational and management control of Sri Mookambika Infosolutions Private Limited ("SMI"), a Madurai based Company which provides IT services, through a Control Agreement. The Group acquired 100% equity in SMI for total consideration of INR 13,694 lakhs, comprising cash consideration of INR 11,132 lakhs and fair-value of contingent consideration of INR 2,562 lakhs payable over the next 2 years subject to achievement of set targets. The Company paid the cash consideration of INR 11,132 lakhs on February 6 2023 and the shares were transferred on the same day. As a result of this acquisition the Group recorded goodwill of INR 5,404 lakhs and other intangible assets of INR 8,259 lakhs. The Group has consolidated SMI w.e.f January 1, 2023.

The contingent consideration was classified as a financial liability as per Ind AS 109 'Financial Instruments' and was measured at fair value. The Accounting Standard mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The total consideration for acquisition of SMI includes a contingent consideration payable over a period of 2 years ending December 31, 2024. The Group has re-measured the fair value of the liability and the change in fair value has been recognised in the statement of profit and loss and disclosed as an 'Exceptional Item' for the quarter and year ended March 31, 2024.

12. The Group had acquired 100% Equity interest in Happiest Minds Inc. (erstwhile PGS Inc.) vide definitive agreements signed on January 27, 2021, for a total recorded consideration of US \$ 13.31 million (INR 9,720 lakhs), comprising cash consideration of US \$ 8.25 million (INR 6,025 lakhs) and fair-valued contingent consideration in the form of warrants of US \$ 5.06 million (INR 3,696 lakhs) payable over the next 3 years.

The contingent consideration was classified as a financial liability as per Ind AS 109 'Financial Instruments' and was measured at fair value. The Accounting Standard mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The Group has re-measured the fair value of the liability and the change in fair value has been recognised in the statement of profit and loss and disclosed as an 'Exceptional Item' for the quarter and year ended March 31, 2024.

13. The Group raised capital of Rs.50,000 lakhs through Qualified Institutions Placement ("QIP") of equity shares. The Fund-Raising Committee of the Board of Directors of the Company, at its meeting held on July 14, 2023, approved the allotment of 54,11,255 equity shares of face value Rs.2 each to eligible investors at a price Rs.924 per equity share (including a premium of Rs.922 per equity share).

14. Rules in relation to 'The Code on Social Security, 2020 ('Code')' yet to be notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect.

15. Previous quarter's/ year's figures have been regrouped/ reclassified wherever necessary to conform with current year classification.

16. The above Unaudited Consolidated Financial Results of the Group are available on the Company's website www.happiestminds.com and also that of BSE (www.bseindia.com) and NSE (www.nseindia.com).

For and on behalf of the Board
For Happiest Minds Technologies Limited



Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347

Place: Bengaluru, India
Date: May 6, 2024

For further details please refer to the Investors presentation hosted on the Company website – – [Investors section](#)

About Happiest Minds Technologies:

[Happiest Minds Technologies Limited](#) (NSE: HAPPSTMNDS), a Mindful IT Company, enables [digital transformation](#) for enterprises and technology providers by delivering seamless customer experiences, business efficiency and actionable insights. We do this by leveraging a spectrum of disruptive technologies such as: [artificial intelligence](#), [blockchain](#), [cloud](#), [digital process automation](#), [internet of things](#), robotics/drones, [security](#), [virtual/augmented reality](#), etc. Positioned as 'Born Digital . Born Agile', our capabilities span Product & Digital Engineering Services (PDES), Generative AI Business Services (GBS) and Infrastructure Management & Security Services (IMSS). We deliver these services across industry sectors such as automotive, BFSI, consumer packaged goods, e-commerce, EduTech, engineering R&D, healthcare, hi-tech, manufacturing, retail and travel/transportation/hospitality. The Company has been recognized for its excellence in Corporate Governance practices by Golden Peacock and ICSI. A Great Place to Work-Certified™ company,

Happiest Minds is headquartered in Bangalore, India with operations in the U.S., UK, Canada, Australia and Middle East.

Safe harbor

This release may contain certain forward-looking statements, which involves risks and uncertainties that could cause our future results to differ materially from those in such forward-looking statements. The COVID-19 pandemic could decrease our customers' technology spend, delaying prospective customers' purchasing decisions, and impact our ability to provide services; all of which could adversely affect our future revenue, margin, and overall financial performance. Our operations could also be negatively impacted by a range of external factors not within our control including those due to the pandemic. We do not undertake to update any of our forward-looking statements that may be made from time to time by us or on our behalf.

For more information, contact:

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