

January 17, 2024

Listing Compliance & Legal Regulatory  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001  
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: Outcome of the Board Meeting held on January 17, 2024**

We wish to inform that the Board of Directors of the Company at its meeting held today i.e., January 17, 2024, transacted the following businesses:

**1. Financial results:**

Approved the unaudited financial statements of the Company (both standalone and consolidated) prepared in accordance with Indian Accounting Standards (IndAS) for the quarter and nine months ended as on December 31, 2023.

**2. Re-appointment of Whole-time Director:**

Based on the recommendation of the Nomination, Remuneration and Board Governance Committee at its meeting held today, the Board has approved the re-appointment of Mr. Ashok Soota (DIN 00145962) as the Whole-time Director of the Company, designated as Executive Chairman, for a term of five (5) years with effect from April 01, 2024, to March 31, 2029 subject to the approval of shareholders of the Company.

Mr. Ashok Soota is not debarred from holding office of Director by virtue of any order passed by the Securities and Exchange Board of India (SEBI) or any other such authority.

The requisite details as specified under Regulation 30 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 are enclosed below as **ANNEXURE I**.

Further, attached are the copies of the financial results together with Auditor's review reports (with UDIN), presentation to Investors and press release covering the results for the quarter and nine months ended as on December 31, 2023, disclosure of security cover and statement of utilization of issue proceeds of NCD.

The Board meeting commenced at 4.30 p.m. and concluded at 5.15 p.m.

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**

**ANNEXURE I**

**Details as required under the Listing Regulations read with SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023**

Sl. No.	Particulars	Description
1.	Reason for change viz. <del>appointment</del> , re-appointment, <del>resignation, removal, death or otherwise</del>	<b>Re-appointment</b> of Mr. Ashok Soota as the Whole-time Director, pursuant to completion of his term under Section 196 of the Companies Act, 2013
2.	Date of re-appointment & term of re-appointment	Date of re-appointment: April 01, 2024  Term of re-appointment: Five (5) years, i.e., from April 01, 2024 to March 31, 2029.  The re-appointment is subject to approval of shareholders of the Company, which approval will be sought within 90 days from effective date of re-appointment i.e., April 1, 2024.
3.	Brief Profile	Mr. Ashok Soota is currently the Executive Chairman of Happiest Minds Technologies Limited and is widely recognized as one of the pioneering leaders of the Indian IT industry.  He holds a bachelor's degree in electrical engineering from University of Roorkee (now IIT, Roorkee) and an MBA from the Asian Institute of Management, Philippines. He has been the President of Confederation of Indian Industry (CII), a member of the Prime Minister's Task Force for IT and was on the Advisory Council for the World Intellectual Property Organization, Geneva. He is a Fellow of INAE and CSI and on the Board of Governors of Asian Institute of Management (AIM), Philippines.  In 2011, he established Ashirvadam, a Trust for environmental projects and assistance to the needy. In 2021, he launched SKAN, India's first private sector, non-profit organization exclusively dedicated to carry out medical research on ageing and neurological disorders. He is also the founder of Happiest Health Systems Private Limited, a

		<p>knowledge, health &amp; wellness enterprise.</p> <p>He is a recipient of multiple awards for IT Person of the year (Dataquest and Elcina) and Lifetime Achievement (Financial Express, Dataquest and Chiratae Ventures, earlier IDG) and ICSI Lifetime Achievement Award for Translating Excellence in Corporate Governance into Reality for the year 2022. He also has been included in Forbes' Asia Top 15 list of philanthropists in 2022.</p> <p>He is the co-author of the national bestseller – 'Entrepreneurship Simplified: From Idea to IPO' and has recently co-authored another book, 'Busted'.</p>
4.	Disclosure of relationships between directors	None of the Directors of the Company are related to Mr. Ashok Soota

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
CONSOLIDATED FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
HAPPIEST MINDS TECHNOLOGIES LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Happiest Minds Technologies Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and nine months ended December 31, 2023 ("the Statement") which includes the financial statements of Happiest Minds Technologies Share Ownership Trust (the "ESOP trust"), being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the interim financial results of the following entities:
  - a) Happiest Minds Inc. (formerly known as PGS Inc) wholly owned subsidiary of Happiest Minds Technologies Limited
  - b) Sri Mookambika Infosolutions Private Limited wholly owned subsidiary of Happiest Minds Technologies Limited
  - c) Happiest Minds Technologies Share Ownership Plan Trust (the "ESOP trust")

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5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial results of the ESOP trust included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs. Nil and Rs. Nil for the quarter and nine months ended December 31, 2023, net profit after tax of Rs. 86 Lakhs and Rs. 259 Lakhs for the quarter and nine months ended December 31, 2023 and total comprehensive income of Rs 198 Lakhs and Rs. 768 lakhs for the quarter and nine months ended December 31, 2023 respectively, as considered in the Statement. The interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of ESOP trust, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
7. We did not review the interim financial results of a subsidiary included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs. 2,370 lakhs and Rs. 6,625 lakhs for the quarter and nine months ended December 31, 2023, net profit after tax of Rs. 502 Lakhs and Rs. 1,359 Lakhs for the quarter and nine months ended December 31, 2023 and total comprehensive income of Rs 481 Lakhs and Rs. 1368 Lakhs for the quarter and nine months ended December 31, 2023 respectively, as considered in the Statement. The interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of these matters.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)



Vikas Bagaria  
Partner

(Membership No. 060408)  
(UDIN: 24060408BKFSKY3766 )

Place: Bengaluru  
Date: January 17, 2024

Happiest Minds Technologies Limited

CIN : L72900KA2011PLC057931

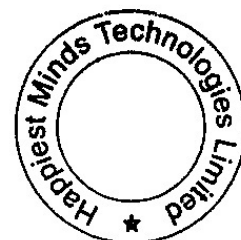
Regd. Office:#53/1-4, Hosur Main Road, Madivala (next to Madivala Police Station) Bangalore 560 068, Karnataka, India

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

(Rs. in lakhs)

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2023

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(Unaudited)	(Unaudited) Refer note 2	(Unaudited) Refer note 2	(Unaudited)	(Unaudited) Refer note 2	(Audited)
<b>I. Revenue</b>						
(a) Revenue from operations	40,988	40,662	36,688	1,20,737	1,05,131	1,42,929
(b) Other income	2,429	2,221	780	6,016	1,266	2,111
<b>Total revenue</b>	<b>43,417</b>	<b>42,883</b>	<b>37,468</b>	<b>1,26,753</b>	<b>1,06,397</b>	<b>1,45,040</b>
<b>II. Expenses</b>						
(a) Employee benefits expense	26,139	25,510	20,882	75,192	58,572	80,681
(b) Finance costs	1,072	1,115	576	3,194	1,311	2,186
(c) Depreciation and amortisation expense	1,481	1,455	992	4,360	2,897	4,191
(d) Other expenses	6,759	6,891	6,860	20,261	19,890	26,362
<b>Total expenses</b>	<b>35,451</b>	<b>34,971</b>	<b>29,310</b>	<b>1,03,007</b>	<b>82,670</b>	<b>1,13,420</b>
<b>III. Profit before exceptional items and tax (I-II)</b>	<b>7,966</b>	<b>7,912</b>	<b>8,158</b>	<b>23,746</b>	<b>23,727</b>	<b>31,620</b>
<b>IV. Exceptional items (refer note 6 and note 7)</b>	(107)	-	634	(107)	634	634
<b>V. Profit before tax (III-IV)</b>	<b>8,073</b>	<b>7,912</b>	<b>7,524</b>	<b>23,853</b>	<b>23,093</b>	<b>30,986</b>
<b>VI. Tax expense</b>						
Current tax	2,192	2,237	2,335	6,709	6,298	8,508
Deferred tax charge / (credit)	(81)	(171)	(569)	(497)	(538)	(621)
<b>Total Tax expense</b>	<b>2,111</b>	<b>2,066</b>	<b>1,766</b>	<b>6,212</b>	<b>5,760</b>	<b>7,887</b>
<b>VII. Profit for the period / year (V-VI)</b>	<b>5,962</b>	<b>5,846</b>	<b>5,758</b>	<b>17,641</b>	<b>17,333</b>	<b>23,099</b>
<b>VIII. Other comprehensive income, net of tax [(loss)/profit]</b>						
(i) Items to be reclassified to profit or loss in subsequent periods / year						
a) Exchange difference on translation of	16	92	109	96	564	517
b) Net change in fair value of derivatives designated as cash flow hedges	(166)	(464)	165	206	(1,414)	(632)
c) Income tax effect on above	41	116	(41)	(52)	356	159
(ii) Items not to be reclassified to profit or loss in subsequent periods / year						
a) Re-measurement of defined benefit plans	(125)	(165)	13	(310)	(169)	(155)
b) Income tax effect on above	32	42	(3)	78	43	39
c) Net change in equity instruments through other comprehensive income	-	(260)	-	(260)	-	(351)
d) Income tax effect on above	-	55	-	55	-	74
<b>IX. Total comprehensive income for the period / year (VII+VIII)</b>	<b>5,760</b>	<b>5,262</b>	<b>6,001</b>	<b>17,454</b>	<b>16,713</b>	<b>22,750</b>
<b>X. Paid-up equity share capital (Rs. 2/- each)</b>	2,981	2,980	2,863	2,981	2,863	2,866
<b>XI. Other equity</b>						81,016
<b>XII. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):</b>						
Basic EPS (Rs.)	3.98	3.92	4.02	11.93	12.15	16.13
Diluted EPS (Rs.)	3.96	3.90	3.98	11.89	12.01	16.01



**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

Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

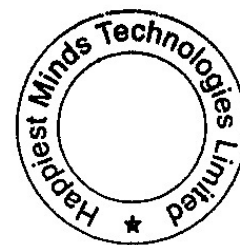
Sr. No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
1	Debt-Equity ratio	0.37	0.38	0.51	0.37	0.51	0.64
2	Debt Service Coverage ratio (DSCR)	4.96	5.00	4.56	5.04	5.01	4.95
3	Interest Service Coverage ratio (ISCR)	8.89	8.50	14.57	8.88	19.41	16.04
4	Current ratio	2.64	2.69	2.37	2.64	2.37	1.86
5	Long-term Debt to Working Capital ratio	0.12	0.12	0.23	0.12	0.23	0.27
6	Bad debts to Trade receivable ratio	-	-	-	-	-	-
7	Current liability ratio	0.74	0.72	0.67	0.74	0.67	0.72
8	Total Debt to total Assets ratio	0.24	0.24	0.28	0.24	0.28	0.33
9	Trade Receivable Turnover Ratio	7.03	7.29	7.31	6.90	6.98	7.51
10	Operating margin (%)	0.20	0.20	0.24	0.21	0.25	0.25
11	Net profit margin (%)	0.15	0.14	0.16	0.15	0.16	0.16
12	Inventory turnover ratio	NA	NA	NA	NA	NA	NA
13	Debenture Redemption Reserve	NA	NA	NA	NA	NA	NA
14	Net worth as per Section 2(57) of the Companies Act, 2023 (in INR Lakhs)	1,41,103	1,38,934	76,942	1,41,103	76,942	83,486

**Note:**

a. The aforesaid ratios for quarter and nine months ended December 31, 2022 has not been reviewed by the Statutory Auditors.

Formulae for computation of ratios are as follows:

Sr. No.	Particulars	Formulae
1	Debt-Equity ratio	$\frac{\text{Total Debt (including Lease liabilities)}}{\text{Shareholder's Equity}}$
2	Debt Service Coverage ratio (DSCR)	$\frac{\text{Profit after tax + Finance cost + Non cash operating expense}}{\text{Interest on Long-term borrowings + Principal Repayments of Long-term borrowings+ Lease Payments}}$
3	Interest Service Coverage ratio (ISCR)	$\frac{\text{Profit before interest, tax and exceptional items}}{\text{Interest expense}}$
4	Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
5	Long-term Debt to Working Capital ratio	$\frac{\text{Long term borrowings (including current maturities of long term borrowings)}}{\text{Current assets (-) Current liabilities [excluding current maturities of long term]}}$
6	Bad debts to Trade receivable ratio	$\frac{\text{Bad debts}}{\text{Average Trade receivables}}$
7	Current Liability ratio	$\frac{\text{Current liabilities}}{\text{Total liabilities}}$
8	Total Debt to total Assets ratio	$\frac{\text{Total Debt (including lease liabilities)}}{\text{Total Assets}}$
9	Trade Receivable Turnover Ratio	$\frac{\text{Net revenue (Annualised)}}{\text{Average Trade receivables}}$
10	Operating margin (%)	$\frac{\text{Profit before depreciation, finance cost, tax and exceptional items (-) Other income}}{\text{Revenue from operations}}$
11	Net profit margin (%)	$\frac{\text{Net profit after tax}}{\text{Revenue from operations}}$
12	Inventory turnover ratio	Not applicable
13	Debenture Redemption Reserve	Not applicable
14	Net worth as per Section 2(57) of the Companies Act, 2013 ( in INR Lakhs)	Aggregate value of the paid-up share capital + all reserves created out of the profits+ securities premium account -aggregate value of the accumulated losses- deferred expenditure- miscellaneous expenditure not written off - revaluation reserve - write-back of depreciation - amalgamation reserve





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**Notes to Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2023**

1. In terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2023 ("Unaudited 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 January 17, 2024 and subjected to a limited review by the Statutory Auditors of the Company.

2. The unaudited consolidated financial results for quarter and nine months ended December 31, 2022 and in respect of comparative financial results for the quarter ended September 30, 2023 was subjected to a limited review by the Statutory Auditors of the Company.

3. The Unaudited 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/CMD/1/44/2019 dated March 29, 2019.

4. The financial results of the Company on standalone basis is as follows:

(Rs. in lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(Unaudited)	(Unaudited) Refer note 2	(Unaudited) Refer note 2	(Unaudited)	(Unaudited) Refer note 2	(Audited)
Total revenue (including other income)	42,017	39,228	35,294	1,18,343	1,00,385	1,35,489
Profit before tax	9,930	7,417	7,325	25,105	21,910	29,168
Profit for the period / year	7,983	5,453	5,727	19,180	16,512	21,638
Total comprehensive income for the period / year ended	7,787	4,959	5,861	19,094	15,328	21,072

5. 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:

(Rs. in lakhs)

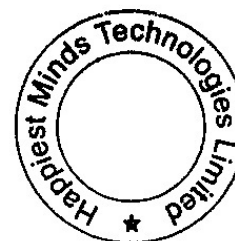
Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(Unaudited)	(Unaudited) Refer note 2	(Unaudited) Refer note 2	(Unaudited)	(Unaudited) Refer note 2	(Audited)
<b>1. Segment revenue</b>						
IMSS	7,299	7,381	7,910	22,195	23,169	30,694
DBS	12,181	11,672	11,267	35,028	31,890	43,070
PES	21,508	21,609	17,511	63,514	50,072	69,165
<b>Total</b>	<b>40,988</b>	<b>40,662</b>	<b>36,688</b>	<b>1,20,737</b>	<b>1,05,131</b>	<b>1,42,929</b>
<b>2. Segment results</b>						
IMSS	1,983	1,826	2,535	5,797	7,124	9,243
DBS	3,419	2,936	2,842	9,523	8,674	12,138
PES	7,722	7,733	6,842	22,861	20,691	27,870
<b>Total</b>	<b>13,124</b>	<b>12,495</b>	<b>12,219</b>	<b>38,181</b>	<b>36,489</b>	<b>49,251</b>
Unallocable other income	2,429	2,221	780	6,016	1,266	2,111
Unallocable finance cost	(1,012)	(1,054)	(576)	(3,015)	(1,265)	(2,102)
Unallocable depreciation and amortisation expenses	(895)	(870)	(752)	(2,519)	(2,201)	(2,997)
Other unallocable expenses	(5,573)	(4,880)	(4,147)	(14,810)	(11,196)	(15,276)
Tax (expense) / credit	(2,111)	(2,066)	(1,766)	(6,212)	(5,760)	(7,888)
<b>Profit after tax</b>	<b>5,962</b>	<b>5,846</b>	<b>5,758</b>	<b>17,641</b>	<b>17,333</b>	<b>23,099</b>

Segment wise assets and liabilities are as follows:

(Rs. in lakhs)

Particulars	As at	
	December 31, 2023	March 31, 2023
	(Unaudited)	(Audited)
<b>1. Segment assets</b>		
IMSS	7,982	6,420
DBS	21,954	19,590
PES	33,869	34,452
Other unallocable assets	1,58,498	1,03,621
<b>Total assets</b>	<b>2,22,303</b>	<b>1,64,083</b>
<b>2. Segment liabilities</b>		
IMSS	1,097	965
DBS	4,667	6,560
PES	8,980	8,775
Other unallocable liabilities	66,093	63,901
<b>Total liabilities</b>	<b>80,837</b>	<b>80,201</b>

*[Handwritten Signature]*



**Happiest Minds Technologies Limited**

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**Notes to Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2023**

6. 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 nine months ended December 31, 2023.

7. 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 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 nine months ended December 31, 2022.

8. 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).

9. Rules in relation to 'The Code on Social Security, 2020 ('Code') are 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.

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

11. 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: January 17, 2024

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF**

**HAPPIEST MINDS TECHNOLOGIES LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Happiest Minds Technologies Limited** ("the Company"), for the quarter and nine months ended December 31, 2023 ("the Statement"), which includes the financial statements of Happiest Minds Technologies Share Ownership Plans Trust (the "ESOP trust"), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. Based on our review conducted as stated in paragraph 3 above and based on the consideration of the review report of the other auditor as referred in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

9

5. We did not review the interim financial results of the ESOP trust included in the unaudited standalone financial results, whose interim financial results reflect total revenues of Rs. Nil and Rs. Nil for the quarter and nine months ended December 31, 2023, net profit after tax of Rs. 86 Lakhs and Rs. 259 Lakhs for the quarter and nine months ended December 31, 2023 and total comprehensive income of Rs 198 Lakhs and Rs. 768 lakhs for the quarter and nine months ended December 31, 2023 respectively, as considered in the Statement. The interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of ESOP trust, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)



**Vikas Bagaria**

(Partner)

(Membership No. 060408)

(UDIN: 24060408BKFSKZ8089 )

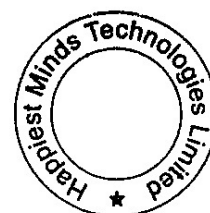
Place: Bengaluru

Date: January 17, 2024

(Rs. in lakhs)

**Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2023**

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(Unaudited)	(Unaudited) Refer note 2	(Unaudited) Refer note 2	(Unaudited)	(Unaudited) Refer note 2	(Audited)
<b>I. Revenue</b>						
(a) Revenue from operations	37,058	37,001	34,476	1,09,764	99,022	1,33,255
(b) Other income	4,959	2,227	818	8,579	1,363	2,234
<b>Total revenue</b>	<b>42,017</b>	<b>39,228</b>	<b>35,294</b>	<b>1,18,343</b>	<b>1,00,385</b>	<b>1,35,489</b>
<b>II. Expenses</b>						
(a) Employee benefits expense	24,424	23,876	20,740	70,199	58,150	78,690
(b) Finance costs	1,064	1,119	601	3,194	1,289	2,150
(c) Depreciation and amortisation expense	894	868	752	2,517	2,201	2,996
(d) Other expenses	5,812	5,948	5,876	17,435	16,835	22,485
<b>Total expenses</b>	<b>32,194</b>	<b>31,811</b>	<b>27,969</b>	<b>93,345</b>	<b>78,475</b>	<b>1,06,321</b>
<b>III. Profit before exceptional items and tax (I-II)</b>	<b>9,823</b>	<b>7,417</b>	<b>7,325</b>	<b>24,998</b>	<b>21,910</b>	<b>29,168</b>
<b>IV. Exceptional items (refer note 5)</b>	(107)	-	-	(107)	-	-
<b>V. Profit before tax (III-IV)</b>	<b>9,930</b>	<b>7,417</b>	<b>7,325</b>	<b>25,105</b>	<b>21,910</b>	<b>29,168</b>
<b>VI. Tax expense</b>						
Current tax	1,967	1,981	2,113	6,044	5,768	7,889
Deferred tax charge / (credit)	(20)	(17)	(515)	(119)	(370)	(359)
<b>Total tax expense</b>	<b>1,947</b>	<b>1,964</b>	<b>1,598</b>	<b>5,925</b>	<b>5,398</b>	<b>7,530</b>
<b>VII. Profit for the period / year (V-VI)</b>	<b>7,983</b>	<b>5,453</b>	<b>5,727</b>	<b>19,180</b>	<b>16,512</b>	<b>21,638</b>
<b>VIII. Other comprehensive income, net of tax [(loss)/profit]</b>						
(i) Item to be reclassified to profit or loss in subsequent periods / year						
Net movement on effective portion of cash flow hedges [gains/ (losses)]	(166)	(464)	165	206	(1,414)	(631)
Income tax effect	42	116	(41)	(52)	356	159
(ii) Item not to be reclassified to profit or loss in subsequent periods / year						
Re-measurement gains/ (losses) on defined benefit plans	(97)	(194)	13	(321)	(169)	(125)
Income tax effect	25	48	(3)	81	43	31
<b>IX. Total comprehensive income for the period / year (VII-VIII)</b>	<b>7,787</b>	<b>4,959</b>	<b>5,861</b>	<b>19,094</b>	<b>15,328</b>	<b>21,072</b>
<b>X. Paid-up equity share capital (Rs. 2/- each)</b>	2,981	2,980	2,863	2,981	2,863	2,866
<b>XI. Other equity</b>						79,732
<b>XII. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):</b>						
Basic EPS (Rs.)	5.32	3.66	4.00	12.97	11.57	15.11
Diluted EPS (Rs.)	5.30	3.64	3.96	12.92	11.44	15.00



**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**

Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

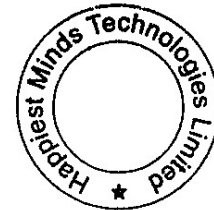
Sr. No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
1	Debt-Equity ratio	0.37	0.39	0.51	0.37	0.51	0.66
2	Debt Service Coverage ratio (DSCR)	5.79	4.42	4.41	4.98	4.65	4.50
3	Interest Service Coverage ratio (ISCR)	10.69	7.92	13.19	9.19	18.00	14.86
4	Current ratio	2.75	2.77	2.46	2.75	2.46	1.89
5	Long-term Debt to Working Capital ratio	0.12	0.13	0.24	0.12	0.24	0.27
6	Bad debts to Trade receivable ratio	-	-	-	-	-	-
7	Current liability ratio	0.75	0.73	0.69	0.75	0.69	0.73
8	Total Debt to total Assets ratio	0.24	0.25	0.29	0.24	0.29	0.34
9	Trade Receivable Turnover Ratio	6.84	7.18	7.57	6.75	7.25	7.40
10	Operating margin (%)	0.18	0.19	0.23	0.20	0.24	0.24
11	Net profit margin (%)	0.22	0.15	0.17	0.17	0.17	0.16
12	Inventory turnover ratio	NA	NA	NA	NA	NA	NA
13	Debenture Redemption Reserve	NA	NA	NA	NA	NA	NA
14	Net worth as per Section 2(57) of the Companies Act, 2013 (in INR Lakhs)	1,41,809	1,37,599	77,226	1,41,809	77,226	82,662

**Note:**  
a. The aforesaid ratios for quarter and nine months ended December 31, 2022 has not been reviewed by the Statutory Auditors.

Formulae for computation of ratios are as follows:

Sr. No.	Particulars	Formulae
1	Debt-Equity ratio	$\frac{\text{Total Debt (including Lease liabilities)}}{\text{Shareholder's Equity}}$
2	Debt Service Coverage ratio (DSCR)	$\frac{\text{Profit after tax + Finance cost + Non cash operating expense}}{\text{Interest on Long-term borrowings + Principal Repayments of Long-term borrowings+ Lease Payments}}$
3	Interest Service Coverage ratio (ISCR)	$\frac{\text{Profit before interest, tax and exceptional items}}{\text{Interest expense}}$
4	Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
5	Long-term Debt to Working Capital ratio	$\frac{\text{Long term borrowings (Including current maturities of long term borrowings)}}{\text{Current assets (-) Current liabilities [excluding current maturities of long term]}}$
6	Bad debts to Trade receivable ratio	$\frac{\text{Bad debts}}{\text{Average Trade receivables}}$
7	Current Liability ratio	$\frac{\text{Current liabilities}}{\text{Total liabilities}}$
8	Total Debt to total Assets ratio	$\frac{\text{Total Debt (Including lease liabilities)}}{\text{Total Assets}}$
9	Trade Receivable Turnover Ratio	$\frac{\text{Net revenue (Annualised)}}{\text{Average Trade receivables}}$
10	Operating margin (%)	$\frac{\text{Profit before depreciation, finance cost, tax and exceptional items (-) Other income}}{\text{Revenue from operations}}$
11	Net profit margin (%)	$\frac{\text{Net profit after tax}}{\text{Revenue from operations}}$
12	Inventory turnover ratio	Not applicable
13	Debenture Redemption Reserve	Not applicable
14	Net worth as per Section 2(57) of the Companies Act, 2013 (in INR Lakhs)	Aggregate value of the paid-up share capital + all reserves created out of the profits+ securities premium account -aggregate value of the accumulated losses- deferred expenditure- miscellaneous expenditure not written off - revaluation reserve - write-back of depreciation - amalgamation reserve

*[Handwritten Signature]*



**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: Investors@happiestminds.com , Tel: +91 80 6196 0300**

**Notes to Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2023**

1. In terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2023 ("Unaudited Standalone Financial Results") of Happiest Minds Technologies Limited (the "Company") has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on January 17, 2024 and subjected to a limited review by the Statutory Auditors of the Company.

2. The unaudited standalone financial results for quarter and nine months ended December 31, 2022 and in respect of comparative financial results for the quarter ended September 30, 2023 was subjected to a limited review by the Statutory Auditors of the Company.

3. The Unaudited Standalone Financial Results of the Company 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.

4. The Company publishes unaudited standalone financial results along with the unaudited consolidated financial results. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the unaudited interim consolidated financial results. Accordingly, the segment information is given in the unaudited consolidated financial results of Happiest Minds Technologies Limited and its subsidiary for the quarter and nine months ended December 31, 2023.

5. On January 1, 2023, the Company 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 Company 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.

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 Company 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 nine months ended December 31, 2023.

6. The Company 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).

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

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

9. The above Unaudited Standalone Financial Results of the Company 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: January 17, 2024

January 17, 2024

Listing Compliance & Legal Regulatory  
BSE Limited  
Phiroze Jeejeebhoy Towers Dalal  
Street, Mumbai 400 001  
Stock Code: 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,

**Subject: Disclosure under Regulation 52(7) and 52(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 52(7) and 52(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the statement of utilization of issue proceeds of Non-convertible Debentures (NCDs) and the statement of deviation/variation, if any, in use of proceeds of issue of NCDs for the quarter ended December 31, 2023, in the format prescribed under SEBI Circular No. SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/0000000103 dated July 29, 2022.

*Note: Since the Company has fully utilized the proceeds raised through the issue of Non-Convertible Debentures, the requirement of filing the statement under Regulation 52(7) & (7A) will not be applicable to the Company from next quarter onwards, unless any further amount is raised through issue of non-convertible securities.*

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





**Statement indication utilization and deviation/ variation in the use of proceeds of issue of listed  
Non-convertible Debentures**

**Securities for quarter ended December 31, 2023**


[Regulation 52(7) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/000000103 dated July 29, 2022]

**A. Statement of utilization of issue proceeds:**

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/ Private placement)	Type of instrument	Date of raising funds	Amount Raised (in Crs)	Funds utilized	Any deviation (Yes/ No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
Happiest Minds Technologies Limited	INE419U08017	Private Placement	Debentures	March 27, 2023	45	45	No	-	NA
	INE419U08025	Private Placement	Debentures	May 8, 2023	45	45	No	-	NA
	INE419U08033	Private Placement	Debentures	September 26, 2023	35	35	No	-	NA

**B. Statement of deviation/ variation in use of Issue proceeds:**

Particulars	Remarks		
Name of listed entity	Happiest Minds Technologies Limited		
Mode of fund raising	Private Placement		
Type of instrument	Non-Convertible Securities (Debentures)		
Date of raising funds	March 27, 2023	May 08, 2023	September 26, 2023
Amount raised	Rs. 45.00 Crs	Rs. 45.00 Crs	Rs. 35.00 Crs
Report filed for quarter ended	December 31, 2023	December 31, 2023	December 31, 2023
Is there a deviation/ variation in use of funds raised?	No	No	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	NA	NA	NA

If yes, details of the approval so required?			NA	NA	NA	NA	NA
Date of approval			NA	NA	NA	NA	NA
Explanation for the deviation/ variation			NA	NA	NA	NA	NA
Comments of the audit committee after review			NA	NA	NA	NA	NA
			Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:				
ISIN	Original object	Modified object, if any	Original allocation (In Rs. Crore)	Modified allocation, if any	Funds utilised	Amount of deviation/ variation for the quarter according to applicable object (in Rs. crore and in %)	Remarks, if any
INE419U08017	General corporate purposes	NA	45	NA	45	0	NA
INE419U08025	General corporate purposes	NA	45	NA	45	0	NA
INE419U08033	General corporate purposes	NA	35	NA	35	0	NA
Deviation could mean:							
a. Deviation in the objects or purposes for which the funds have been raised. b. Deviation in the amount of funds actually utilized as against what was originally disclosed							
<b>Name of signatory:</b> Praveen Kumar Darshankar <b>Designation:</b> Company Secretary & Compliance Officer <b>Date:</b> January 17, 2024							

January 17, 2024

Listing Compliance & Legal Regulatory  
BSE Limited  
Phiroze Jeejeebhoy Towers Dalal  
Street, Mumbai 400 001  
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: Disclosure under Regulation 54(2) & 54(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').**

Pursuant to Regulation 54(2) & 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that the Non-convertible Debentures issued by the Company up to December 31, 2023 are unsecured, therefore this regulation relating to disclosure of security cover is not applicable to the Company.

We enclose herewith a 'NIL/NA' report with respect to security cover for the quarter ended December 31, 2023, in the format prescribed under Chapter V of SEBI Circular No. SEBI/HO/DDHS/P/CIR/2023/50 dated March 31, 2023.

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



**Format for Security Cover**

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not Offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets <sup>viii</sup>	Carrying value/ book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=K+L+M+N)
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
<b>ASSETS</b>														
Property, Plant and Equipment	<b>NIL/NOT APPLICABLE</b>													
Capital Work-in- Progress														
Right of Use Assets														
Goodwill														
Intangible Assets														
Intangible Assets Under Development														
Investments														
Loans														
Inventories														
Trade Receivables														
Cash and Cash Equivalents														
Bank Balances other than Cash and Cash Equivalents														
Others														
<b>Total</b>														
<b>LIABILITIES</b>														
Debt securities to which this certificate pertains														
Other debt Sharing pari-passu charge with above debt														
Other Debt														
<i>Subordinated debt</i>														
<i>Borrowings</i>														
<i>Bank</i>														
<i>Debt Securities</i>														
<i>Others</i>														
<i>Trade payables</i>														
<i>Lease Liabilities</i>														
<i>Provisions</i>														
<i>Others</i>														
<b>Total</b>														
<b>Cover on Book Value</b>														
<b>Cover on Market Value</b>														

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# Investor Presentation & FACT SHEET: Q3 FY 24

January 2024

# About Happiest Minds

Next-Gen Digital Transformation, Infrastructure, Security and Product Engineering Services Company

<p><b>96% Digital Born Digital</b></p>	<p><b>94% Agile Born Agile</b></p>	<p><b>245 Active Clients</b>  <b>59</b> Fortune2000 / Forbes200              Billion \$ Corporations  <b>92%</b> Repeat Business</p>	<p><b>22.9% RoCE<sup>1</sup></b>  <b>16.7% RoE</b></p>
<p><b>Mission Statement</b>  <b>Happiest People Happiest Customers</b>  <b>SMILES Values</b>              Sharing, Mindful, Integrity, Learning,              Excellence, Social Responsibility</p>	<p><b>5,246 Happiest Minds</b>              across <b>7 Countries</b>  <b>27.9% Gender Diversity</b>  <b>4.0 rating on Glassdoor</b></p>	<p><b>Great Place To Work<sup>®</sup></b></p> <ul style="list-style-type: none"> <li>• <b>Top 10</b> India's Best Workplaces™ in Health &amp; Wellness 2022</li> <li>• <b>Top 50</b> India's Best Workplaces™ for Women 2023</li> <li>• <b>Top 50</b> India's Best Workplaces™ for Building a Culture of Innovation 2023</li> <li>• <b>Top 50</b> India's Best Workplaces™ in IT &amp; IT-BPM for 2023</li> </ul>	<p><b>Q3 FY24 Revenue Growth in CC*</b>  <b>0.8% q-o-q</b>  <b>9.4% y-o-y</b>  <b>EBITDA margin 24.2%</b></p>

**Promoter**



**Ashok Soota**



**IPO** - In September 2020

- Completed 12 years in August 2023
- Successful QIP Fund raise of ₹500 Cr /US \$61 Mn in July 2023
- Strong Management Team & Corporate Governance
- 750K+ Investors
- Robust Growth and Profitability













\*Constant Currency  
 Note 1 : RoCE / RoE is Nine-month annualized.

Disclaimer: All logos are the property of their respective owners.

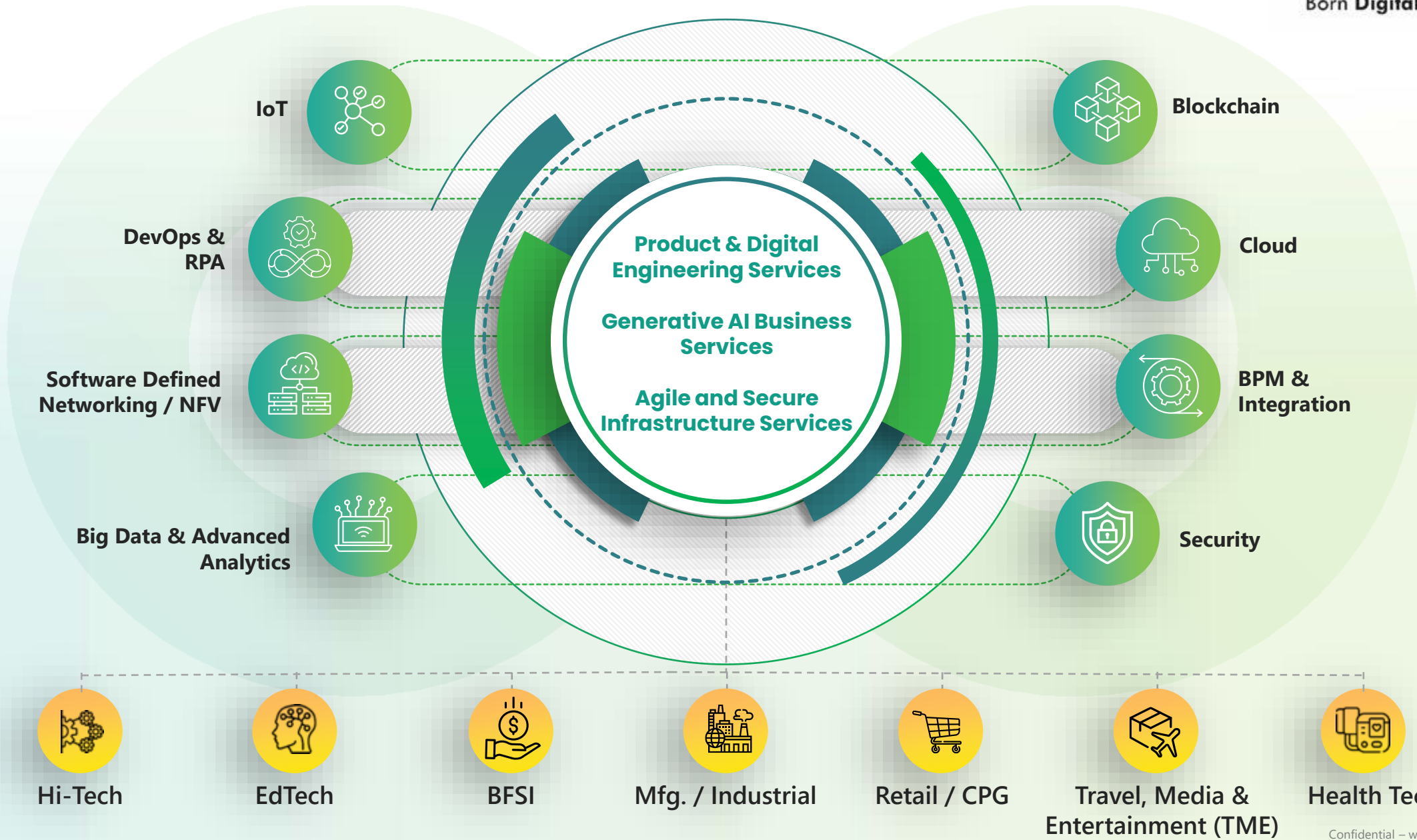
# Mission, Vision and Values

## Our 2021-31 Vision - DELiGHT

## Our SMILES Values

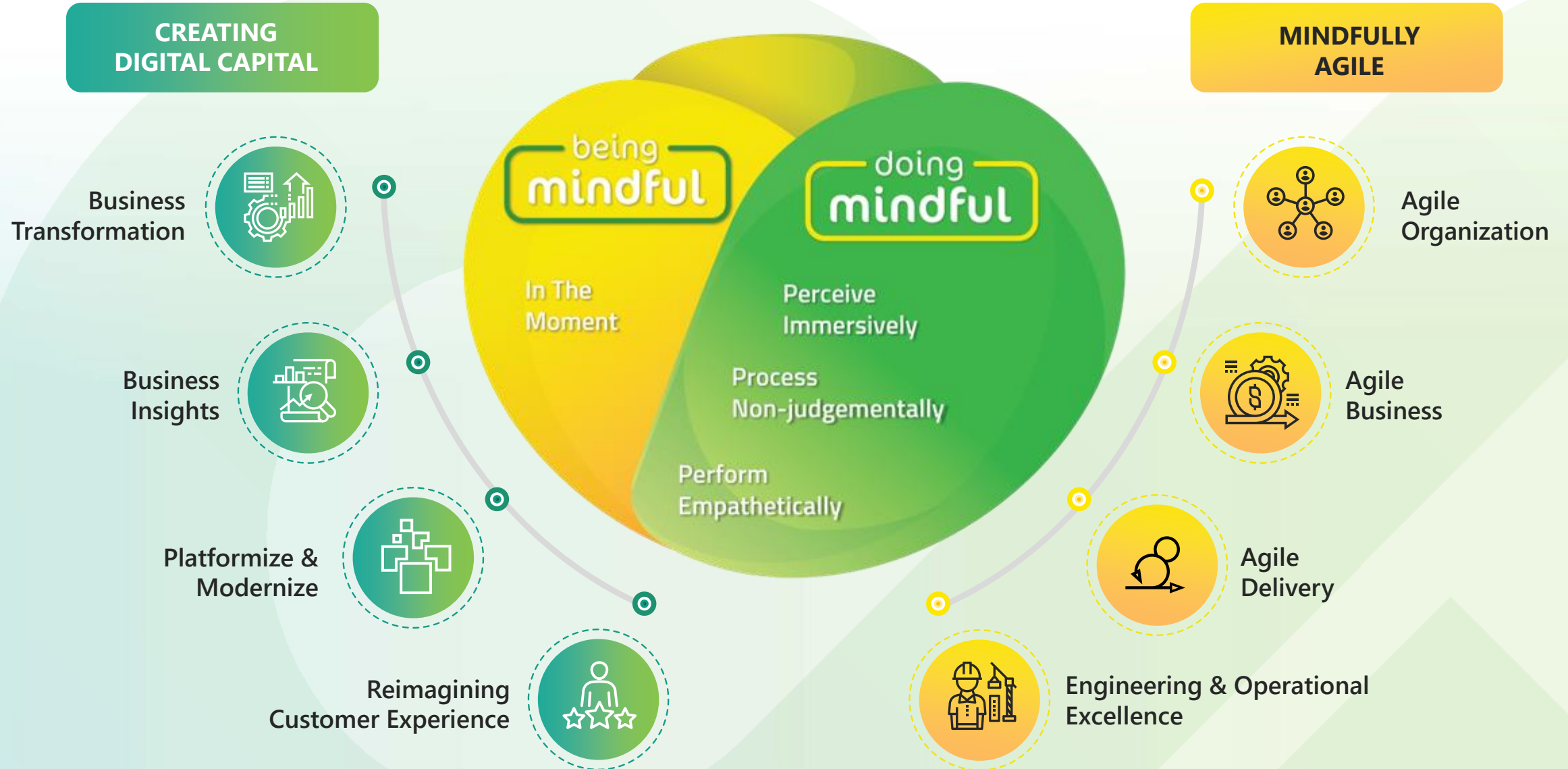


# Our Business





# Born Digital . Born Agile      The Mindful IT Company



# Key Project Wins

For a **global education and learning company**, Happiest Minds is building their Gen AI-powered hyper-personalized tutor, study plan generator and assistant platform

For one of the **largest integrated automotive service companies**, Happiest Minds was chosen as their strategic partner to accelerate their cloud journey on Microsoft Azure

For an **Australian Hi-Tech Company**, Happiest Minds has been chosen to build its digital retail platform

For an **Indian not-for-profit organization in the healthcare sector**, Happiest Minds has been chosen to upgrade its proprietary surgical platform to drive better user experience

For one of the **world's largest automobile original equipment manufacturer(OEM)**, Happiest Minds was chosen as a strategic partner to enhance dealer experience and drive omni-channel experience for their customer-facing platform

For a **leading property marketplace in South Asia**, Happiest Minds is the preferred partner to upgrade its customer-facing platform

For a **global manufacturer of materials-handling equipment**, this consulting-led engagement entails Happiest Minds to advise and build their data platform.

# Awards



**Top 50 India's Best Workplaces™ in IT & IT-BPM 2023** by Great Place To Work® Institute



**100 Best Companies for Women in India 2023** by Avtar and Seramount



**GOLD** award for 2023 Integrated Annual Report from the **League of American Communication Professionals (LACP)**



Integrated Annual Report 2022 wins **GOLD** at the **SAFA Best Presented Annual Report Awards**



**CULT.fit 'India's Fittest Disruptors 2023'** Award



**Procurement Organization of the Year** at the **8<sup>th</sup> Annual ISM-INDIA Conference and CPO Awards 2023**

# Analyst Mentions



**'Niche & Established'**  
in Digital Engineering and  
ER&D Services – Generative  
AI Engineering Services  
**Zinnov Zones**



**Leader** in Digital  
Engineering and ER&D  
Services – Enterprise Software  
**Zinnov Zones**



**Leader** in Digital  
Engineering and ER&D  
Services – Consumer Software  
**Zinnov Zones**




**Leader** in Digital  
Engineering and ER&D  
Services –Software Platform  
Engineering –  
**Zinnov Zones**



**Leader** in Digital  
Engineering and ER&D  
Services – Small and  
Medium Service Providers -  
**Zinnov Zones**




**'Aspirant'** in Lending IT  
Services PEAK Matrix®  
Assessment 2023  
**Everest Group**



**'Aspirant'** in Cloud  
Services in Insurance PEAK  
Matrix® Assessment 2023  
**Everest Group**



**'Transforming the  
Banking Industry  
with ESG Service'** –  
**Nelson Hall**



# Operational and Financial Metrics – Q3 FY24

# Results Q3 FY 24

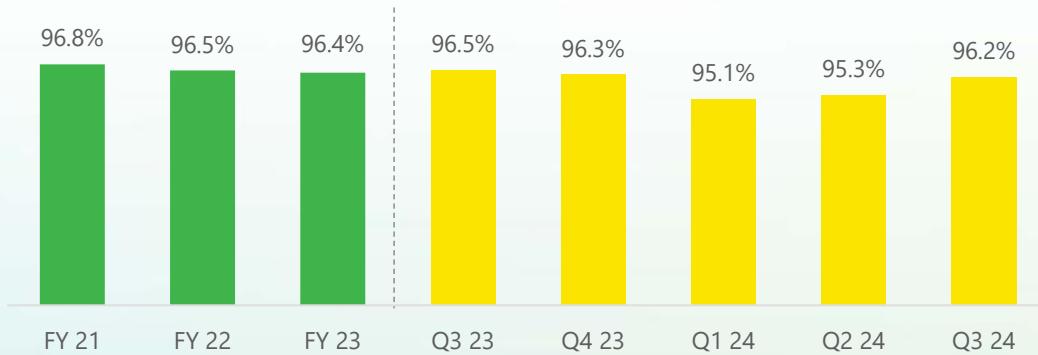
All amounts in ₹ Lakhs unless stated otherwise

Particulars	Q3 FY 24	Q2 FY 24	QoQ	Q3 FY 23	YoY	9M FY 24	9M FY 23	YoY
<b>Revenues</b>	<b>40,988</b>	40,662	<b>0.8%</b>	36,688	<b>11.7%</b>	<b>1,20,737</b>	<b>1,05,131</b>	<b>14.8%</b>
<b>Other Income</b>	<b>2,429</b>	2,221	-	780	-	<b>6,016</b>	<b>1,266</b>	-
<b>Total Income</b>	<b>43,417</b>	42,883	<b>1.2%</b>	37,468	<b>15.9%</b>	<b>1,26,753</b>	<b>1,06,397</b>	<b>19.1%</b>
<b>EBITDA</b>	<b>10,519</b>	10,482	<b>0.4%</b>	9,726	<b>8.2%</b>	<b>31,300</b>	<b>27,935</b>	<b>12.0%</b>
%	<b>24.2%</b>	24.4%		26.0%		<b>24.7%</b>	<b>26.3%</b>	
<b>PBT</b>	<b>8,073</b>	7,912	<b>2.0%</b>	7,524	<b>7.3%</b>	<b>23,853</b>	<b>23,093</b>	<b>3.3%</b>
%	<b>18.6%</b>	18.5%		20.1%		<b>18.8%</b>	<b>21.7%</b>	
<b>Tax</b>	<b>2,111</b>	2,066	-	1,766	-	<b>6,212</b>	<b>5,760</b>	-
%	<b>4.9%</b>	4.8%		4.7%		<b>4.9%</b>	<b>5.4%</b>	
<b>PAT</b>	<b>5,962</b>	5,846	<b>2.0%</b>	5,758	<b>3.5%</b>	<b>17,641</b>	<b>17,333</b>	<b>1.8%</b>
%	<b>13.7%</b>	13.6%		15.4%		<b>13.9%</b>	<b>16.3%</b>	
<b>Revenues (\$'000)</b>	<b>49,366</b>	49,121	<b>0.5%</b>	45,279	<b>9.0%</b>	<b>1,46,053</b>	<b>1,31,850</b>	<b>10.8%</b>
<b>Growth in Constant Currency</b>		-	<b>0.8%</b>	-	<b>9.4%</b>	-	-	<b>11.5%</b>

# Born Digital. Born Agile

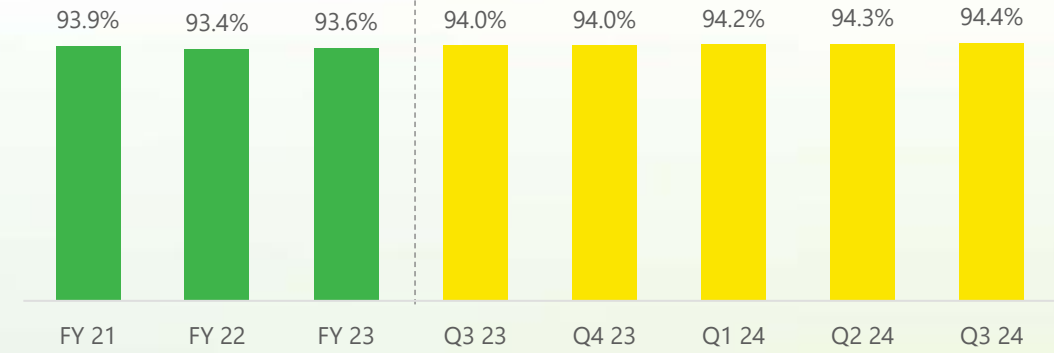
## Digital

% of Revenue



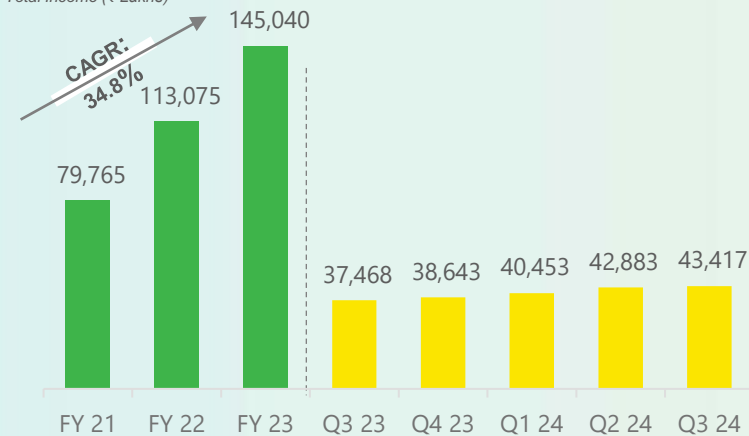
## Agile

% of Revenue

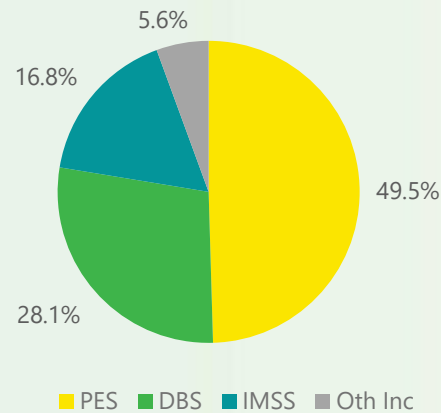


## Revenue

Total Income (₹ Lakhs)

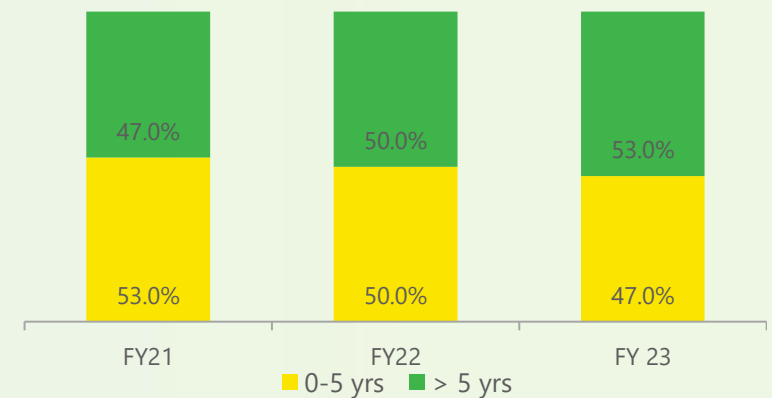


## Revenue by BU



## Tenure of Customer

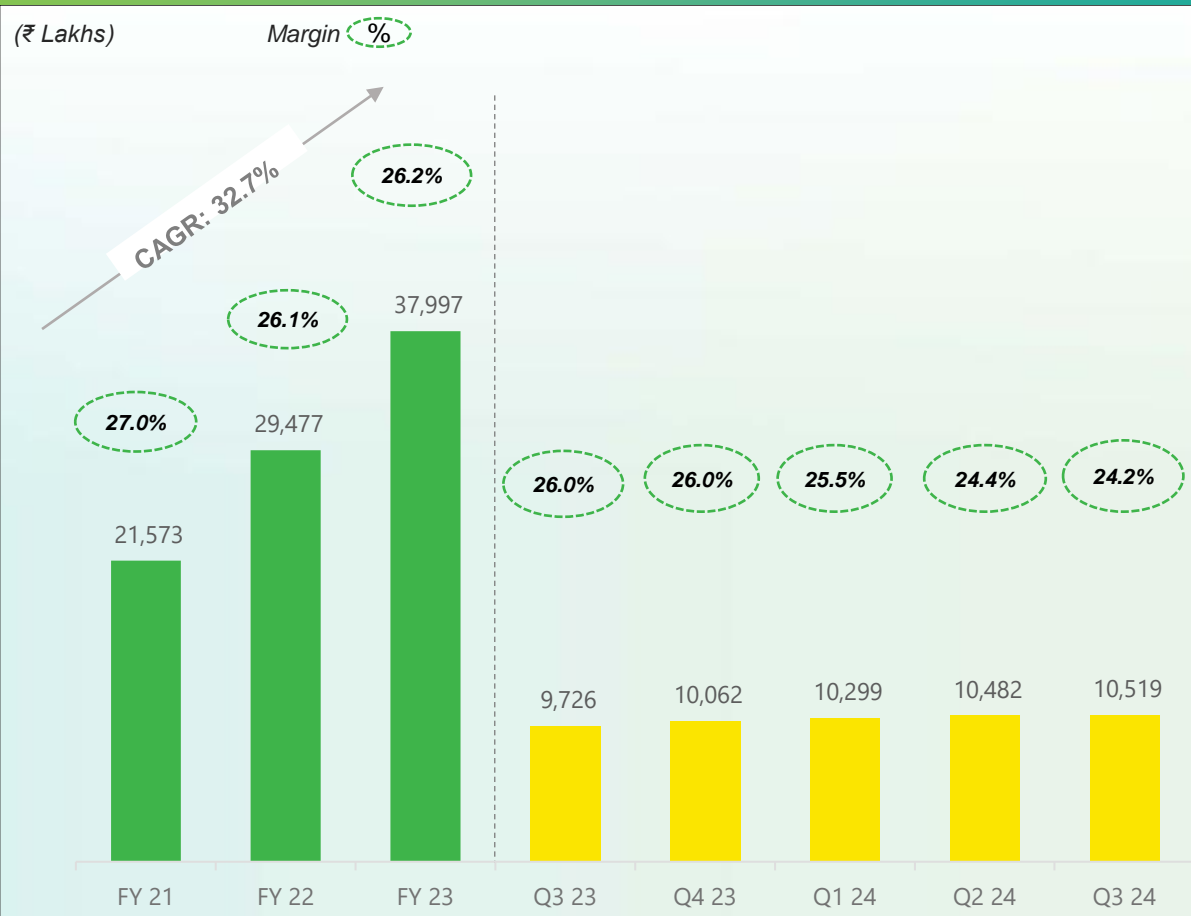
% revenue from Clients



PES : Product Engineering Services; DBS : Digital Business Solutions; IMSS : Infrastructure Management and Security Services

# Operational & Financial Metrics

## EBITDA



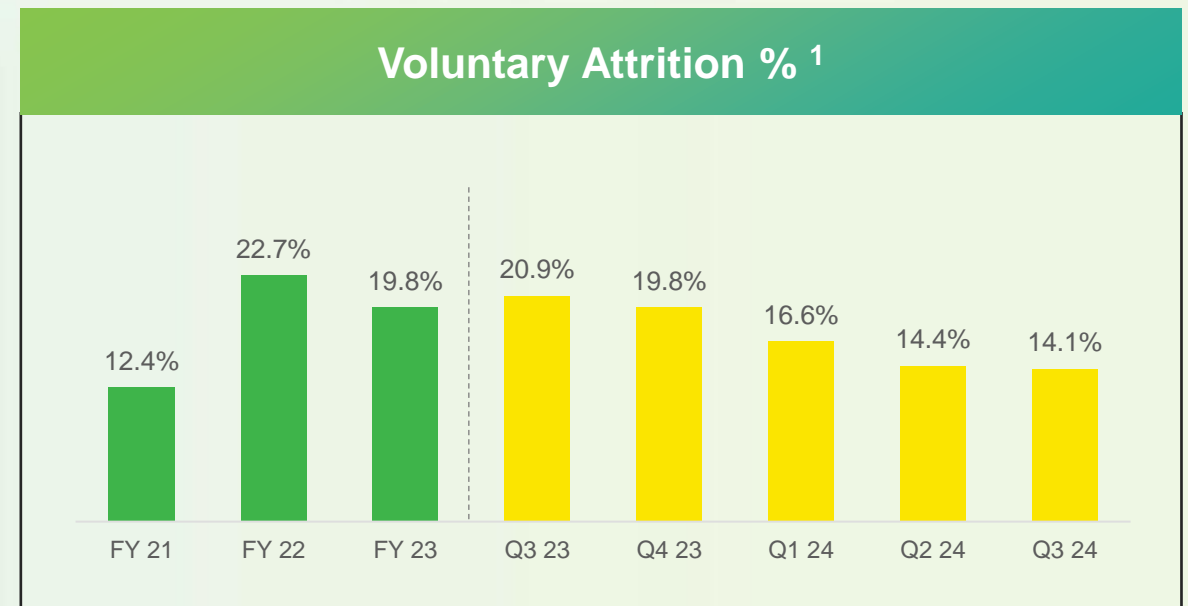
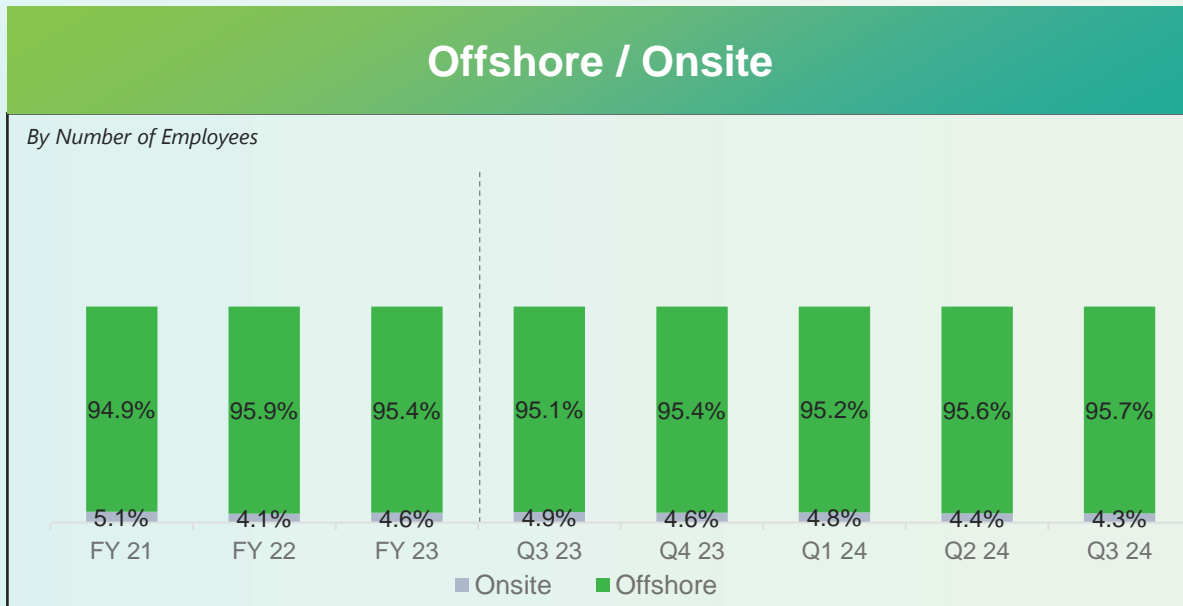
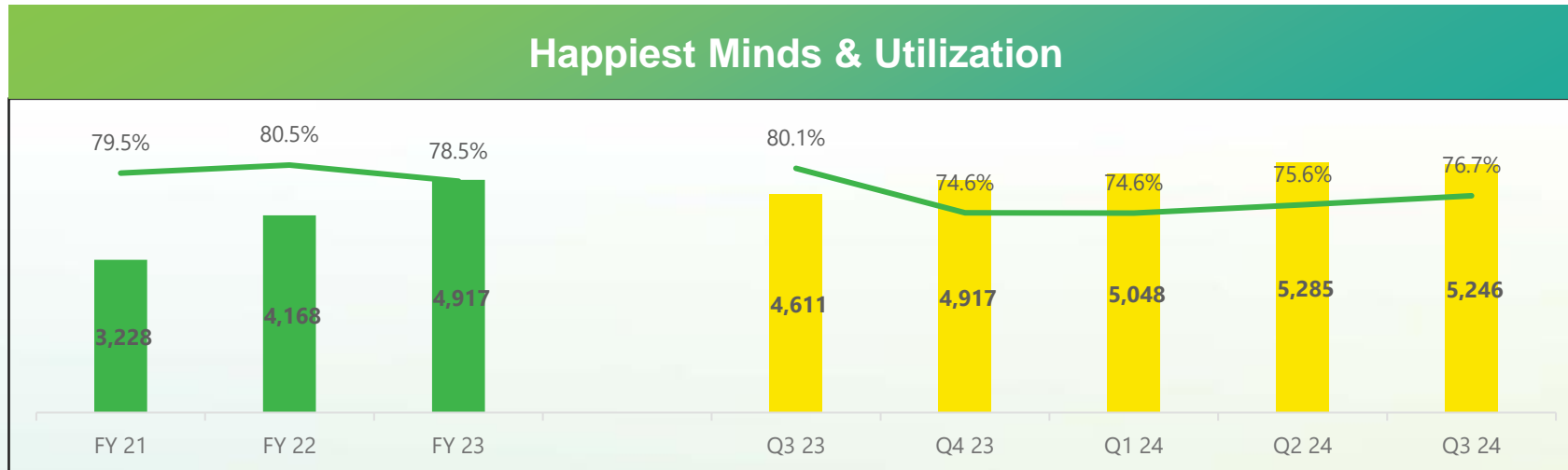
## High FCF Conversion



Note: 1. FCF = Free Cash Flow Conversion = FCF/EBITDA and FCF = EBITDA – Capex. (Non-GAAP Measure)



# Operational & Financial Metrics



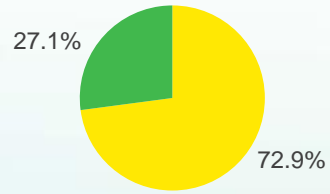
Note 1: Trailing 12 Months

# Operational & Financial Metrics

## Revenue Model

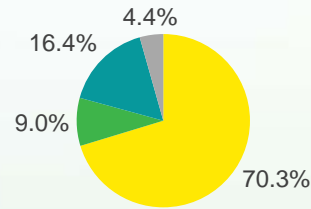
Q3 24

Model



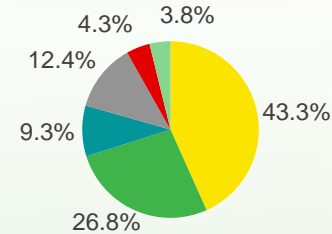
T&M FP

Geography



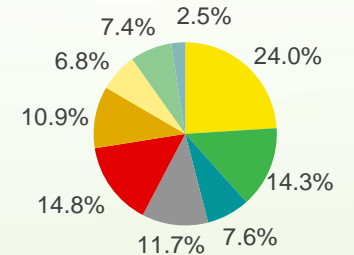
Americas Europe India ROW

Digital Revenue<sup>1</sup>



Digital Infra / Cloud SAAS Security Analytics / AI IoT Others

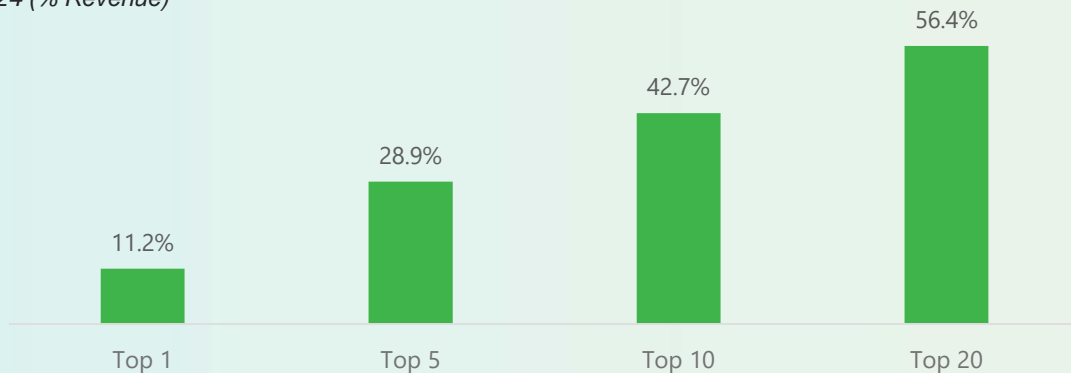
Verticals<sup>1</sup>



Edu Tech HiTech (others) Retail / CPG BFSI Healthcare TME Industrial MFG Others

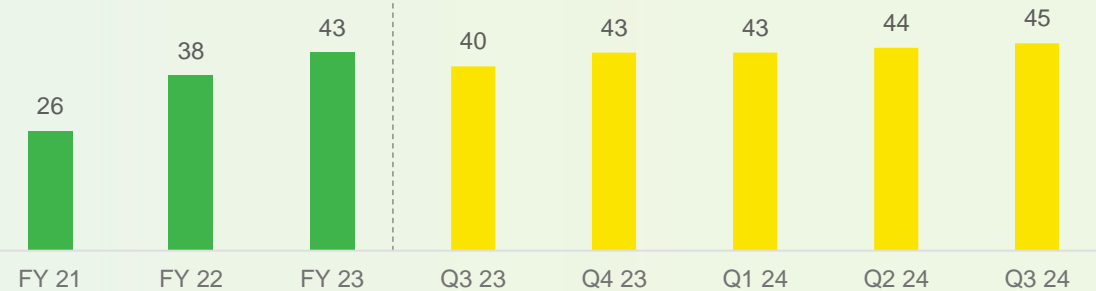
## Revenue Concentration<sup>3</sup>

Q3 24 (% Revenue)



## Million \$ Customers<sup>2</sup>

(#)

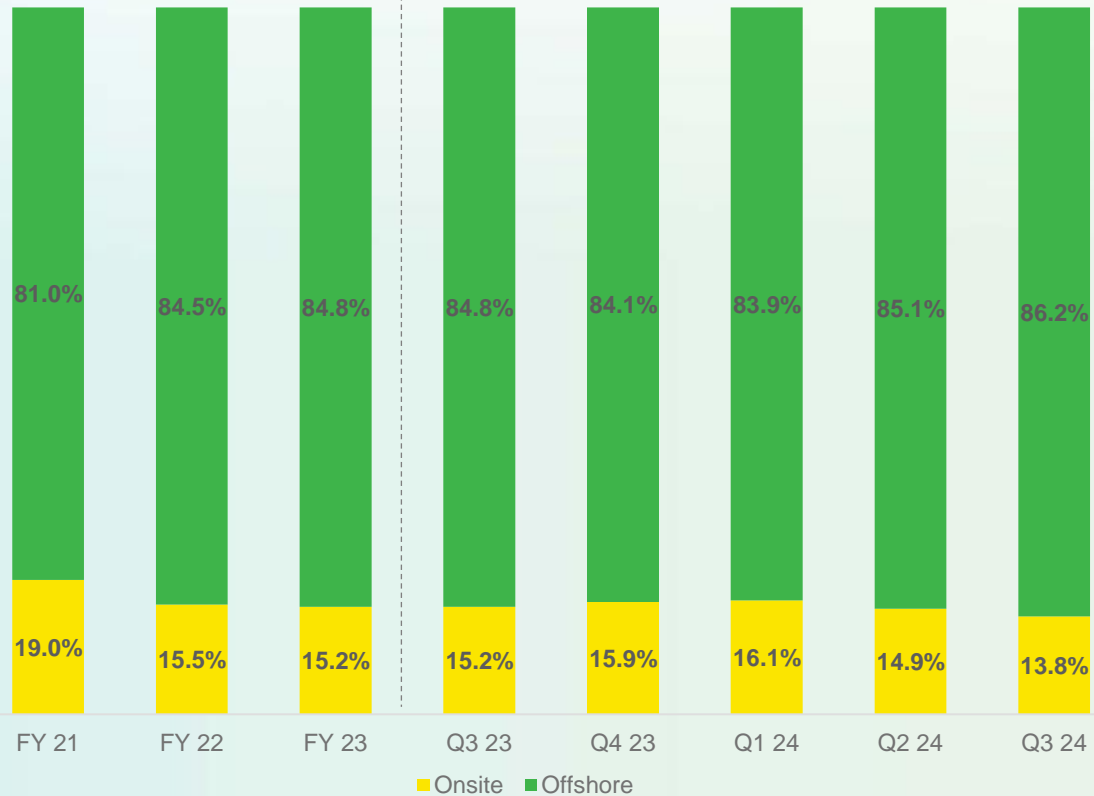


Notes: 1. TME: Travel, Media & Entertainment, 2. Based on quarterly revenues annualized. 3. Top 20 includes Top 1, 5 & 10

# Operational & Financial Metrics

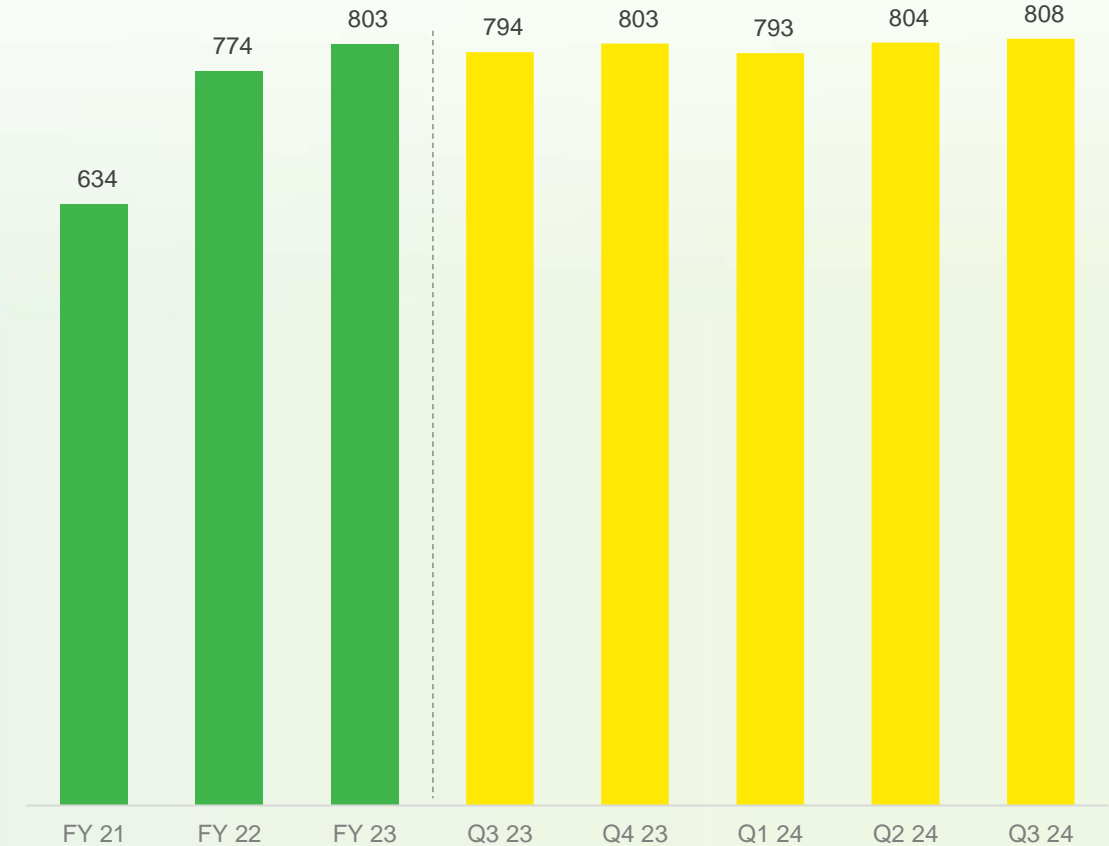
## Onsite/Offshore

By Revenue



## Average Revenue / Active Customer

(USD '000)



# Operational & Financial Metrics

	FY21	FY 22	FY23 Q3	FY23 Q4	FY 23	FY24 Q1	FY24 Q2	FY24 Q3
<b>Verticals</b>								
Edutech	25.6%	23.2%	23.2%	22.2%	23.2%	24.1%	25.0%	24.0%
Hitech	18.2%	15.8%	15.7%	19.5%	16.9%	14.8%	14.2%	14.3%
BFSI	16.4%	13.2%	10.3%	10.8%	12.2%	11.0%	10.3%	10.9%
Travel, Media and Entertainment (TME)	13.6%	13.2%	13.1%	13.2%	12.9%	12.0%	11.6%	11.7%
Healthcare*	-	-	-	-	-	12.9%	13.8%	14.8%
Retail / CPG	5.4%	10.3%	10.4%	7.7%	9.2%	7.1%	7.2%	7.6%
Industrial	7.1%	6.9%	9.2%	8.3%	8.4%	8.2%	7.6%	6.8%
Manufacturing	6.6%	8.6%	10.0%	10.7%	10.3%	5.4%	6.3%	7.4%
Others	7.1%	8.8%	8.2%	7.5%	6.9%	4.4%	4.0%	2.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Digital Service Offerings</b>								
Digital infrastructure/Cloud	41.6%	43.6%	45.4%	46.9%	45.8%	44.2%	42.3%	43.3%
SaaS	22.7%	20.3%	20.1%	20.1%	20.7%	22.2%	27.1%	26.8%
Security Solutions	8.7%	11.9%	13.4%	12.0%	12.3%	10.1%	9.3%	9.3%
Analytics/AI	13.3%	12.1%	12.5%	11.9%	12.2%	13.9%	12.9%	12.4%
IoT	10.5%	8.6%	5.2%	5.4%	5.4%	4.6%	3.7%	4.3%
<b>Total</b>	<b>96.8%</b>	<b>96.5%</b>	<b>96.5%</b>	<b>96.3%</b>	<b>96.4%</b>	<b>95.1%</b>	<b>95.3%</b>	<b>96.2%</b>
<b>Automation</b>	25.2%	25.4%	27.7%	27.3%	26.6%	28.3%	29.6%	29.1%

Note : All metrics are reported as % of operating revenues:

\*Healthcare carved out as a separate vertical from Q1FY24 onwards. Some customers which were earlier part of HiTech / MFG / Others have been regrouped

# Operational & Financial Metrics

	FY 21	FY 22	FY23 Q3	FY23 Q4	FY 23	FY24 Q1	FY24 Q2	FY24 Q3
<b>Revenue by Geo</b>								
USA	73.4%	66.4%	67.5%	70.5%	68.1%	71.9%	71.5%	70.3%
India	11.8%	14.1%	15.4%	15.0%	15.6%	15.5%	15.7%	16.4%
Europe	10.4%	10.4%	9.4%	9.4%	9.7%	8.7%	9.0%	9.0%
ROW	4.4%	9.0%	7.7%	5.1%	6.6%	3.9%	3.8%	4.4%
<b>Million \$ Customers<sup>1</sup></b>								
\$ 20 M +			1	1	1	1	1	1
\$ 10 M +	1	1	1	-	-	-	1	1
\$ 5M to \$ 10M	3	4	4	6	6	6	7	7
\$ 3M to \$ 5M	6	8	7	6	6	5	4	4
\$ 1M to \$ 3M	16	25	27	30	30	31	31	32
<b>Total</b>	<b>26</b>	<b>38</b>	<b>40</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>44</b>	<b>45</b>
<b>Tenure of customers</b>								
0 - 5 Years	53.0%	50.0%	-	-	47.0%	-	-	-
> 5 Years	47.0%	50.0%	-	-	53.0%	-	-	-
<b>Revenue Mix</b>								
Onsite	19.0%	15.5%	15.2%	15.9%	15.2%	16.1%	14.9%	13.8%
Offshore <sup>2</sup>	81.0%	84.5%	84.8%	84.1%	84.8%	83.9%	85.1%	86.2%
<b>Revenue by contracting Model</b>								
Fixed Price	21.7%	25.1%	26.4%	25.5%	25.3%	24.5%	25.1%	25.6%
Time and Material	78.3%	74.9%	73.6%	74.5%	74.7%	75.5%	74.9%	74.4%
<b># Active Customers</b>	173	206	230	237	237	243	244	245
<b># Billion \$ Corporation</b>	46	54	55	55	55	57	57	59

Note: 1: Based on quarter revenue annualized 2: Offshore: Revenues from customers served from India;

# Operational & Financial Metrics

	FY21	FY22	FY23 Q3	FY23 Q4	FY23	FY24 Q1	FY24 Q2	FY24 Q3
<b>Happiest Minds</b>								
Onsite	166	172	228	227	227	244	231	224
Offshore	3,062	3,996	4,383	4,690	4,690	4,804	5,054	5,022
Onsite %	5.1%	4.1%	4.9%	4.6%	4.6%	4.8%	4.4%	4.3%
Offshore %	94.9%	95.9%	95.1%	95.4%	95.4%	95.2%	95.6%	95.7%
<b>Utilization</b>	79.5%	80.5%	80.1%	74.6%	78.5%	74.6%	75.6%	76.7%
<b>Diversity</b>	24.5%	26.4%	27.7%	27.4%	27.4%	27.6%	28.1%	27.9%
<b>DSO</b>								
Billed	57	55	60	54	54	58	53	57
Unbilled	28	35	29	31	31	31	30	28
<b>Total</b>	<b>85</b>	<b>90</b>	<b>90</b>	<b>86</b>	<b>86</b>	<b>88</b>	<b>83</b>	<b>85</b>
<b>EPS ₹ : Diluted</b>	11.45	12.55	3.98	3.98	16.01	4.02	3.90	3.96
<b>Capital Ratios<sup>1</sup></b>								
RoCE	31.2%	34.8%	34.9%	32.8%	32.8%	33.1%	22.9%	22.9%
RoE	29.8%	27.3%	29.4%	27.8%	27.8%	26.0%	16.9%	16.7%

Note: 1: Capital Return Ratios are YTD Annualized

# Operational & Financial Metrics

All figures in ₹ Lakhs

	FY21		FY22		FY23 Q3		FY23 Q4		FY23		FY24 Q1		FY24 Q2		FY24 Q3	
<b>Revenue by BU</b>																
IMSS	16,421	20.6%	24,168	21.4%	7,912	21.1%	7,525	19.5%	30,694	21.2%	7,516	18.6%	7,381	17.2%	7,299	16.8%
DBS	21,288	26.7%	32,891	29.1%	11,266	30.1%	11,180	28.9%	43,070	29.7%	11,175	27.6%	11,672	27.2%	12,181	28.1%
PES	39,632	49.7%	52,308	46.3%	17,511	46.7%	19,093	49.4%	69,165	47.7%	20,396	50.4%	21,609	50.4%	21,508	49.5%
<b>Total Revenue</b>	<b>77,341</b>	<b>97.0%</b>	<b>109,367</b>	<b>96.7%</b>	<b>36,688</b>	<b>97.9%</b>	<b>37,798</b>	<b>97.8%</b>	<b>142,929</b>	<b>98.5%</b>	<b>39,087</b>	<b>96.6%</b>	<b>40,662</b>	<b>94.8%</b>	<b>40,988</b>	<b>94.4%</b>
Other income	2,424	3.0%	3,708	3.3%	780	2.1%	845	2.2%	2,111	1.5%	1,366	3.4%	2,221	5.2%	2,429	5.6%
<b>Total income</b>	<b>79,765</b>	<b>100%</b>	<b>113,075</b>	<b>100%</b>	<b>37,468</b>	<b>100%</b>	<b>38,643</b>	<b>100%</b>	<b>145,040</b>	<b>100%</b>	<b>40,453</b>	<b>100%</b>	<b>42,883</b>	<b>100.0%</b>	<b>43,417</b>	<b>100%</b>

IMSS: Infrastructure Management & Security Services  
DBS : Digital Business Services  
PES: Product Engineering Services

# Summary Profit & Loss Statement

All figures in ₹ Lakhs

	FY 21	FY 22	FY 23 Q3	FY 23 Q4	FY 23	FY 24 Q1	FY 24 Q2	FY 24 Q3
<b>Income</b>								
Operating revenue	77,341	1,09,365	36,688	37,798	1,42,929	39,087	40,662	40,988
Other income	2,424	3,710	780	845	2,111	1,366	2,221	2,429
<b>Total income</b>	<b>79,765</b>	<b>1,13,075</b>	<b>37,468</b>	<b>38,643</b>	<b>1,45,040</b>	<b>40,453</b>	<b>42,883</b>	<b>43,417</b>
Cost of revenue	44,382	64,404	21,394	22,342	82,827	23,404	24,980	25,213
<b>Gross margin</b>	<b>32,959</b>	<b>44,961</b>	<b>15,294</b>	<b>15,456</b>	<b>60,101</b>	<b>15,683</b>	<b>15,682</b>	<b>15,775</b>
%	42.6%	41.1%	41.7%	40.9%	42.0%	40.1%	38.6%	38.5%
SG&A	13,810	19,193	6,348	6,239	24,215	6,750	7,421	7,685
%	17.9%	17.5%	17.3%	16.5%	16.9%	17.3%	18.3%	18.7%
<b>EBITDA</b>	<b>21,573</b>	<b>29,477</b>	<b>9,726</b>	<b>10,062</b>	<b>37,997</b>	<b>10,299</b>	<b>10,482</b>	<b>10,519</b>
%	27.0%	26.1%	26.0%	26.0%	26.2%	25.5%	24.4%	24.2%
Depreciation	2,274	3,288	992	1,294	4,191	1,424	1,455	1,481
%	2.9%	3.0%	2.7%	3.4%	2.9%	3.6%	3.6%	3.6%
<b>EBIT</b>	<b>19,299</b>	<b>26,189</b>	<b>8,734</b>	<b>8,768</b>	<b>33,806</b>	<b>8,875</b>	<b>9,027</b>	<b>9,038</b>
%	24.2%	23.2%	23.3%	22.7%	23.3%	21.9%	21.1%	20.8%
Finance cost	697	995	576	875	2,186	1,007	1,115	1,072
<b>PBT before exceptional item*</b>	<b>18,602</b>	<b>25,194</b>	<b>8,158</b>	<b>7,893</b>	<b>31,620</b>	<b>7,868</b>	<b>7,912</b>	<b>7,966</b>
%	23.3%	22.2%	21.8%	20.4%	21.7%	19.4%	18.5%	18.3%
<b>Exceptional Items<sup>+</sup></b>	<b>-</b>	<b>609</b>	<b>634</b>	<b>-</b>	<b>634</b>	<b>-</b>	<b>-</b>	<b>(107)</b>
<b>PBT *</b>	<b>18,602</b>	<b>24,585</b>	<b>7,524</b>	<b>7,893</b>	<b>30,986</b>	<b>7,868</b>	<b>7,912</b>	<b>8,073</b>
%	23.3%	21.7%	20.1%	20.4%	21.4%	19.4%	18.5%	18.6%
Current tax	3,527	6,310	2,335	2,210	8,508	2,280	2,237	2,192
Deferred tax	(1,171)	155	(569)	(83)	(621)	(245)	(171)	(81)
<b>Total Tax</b>	<b>2,356</b>	<b>6,465</b>	<b>1,766</b>	<b>2,127</b>	<b>7,887</b>	<b>2,035</b>	<b>2,066</b>	<b>2,111</b>
%	3.0%	5.7%	4.7%	5.5%	5.4%	5.0%	4.8%	4.9%
<b>PAT *</b>	<b>16,246</b>	<b>18,120</b>	<b>5,758</b>	<b>5,766</b>	<b>23,099</b>	<b>5,833</b>	<b>5,846</b>	<b>5,962</b>
%	20.4%	16.0%	15.4%	14.9%	15.9%	14.4%	13.6%	13.7%

\*+Exceptional items for FY22 & Q3 FY23 refers to Loss on Fair Valuation of Warrant Liability. For Q3FY24 - Gain on fair valuation of contingent consideration



# Condensed Balance Sheet

	31.03.2021	31.03.2022	31.12.2022	31.03.2023	30.06.2023	30.09.2023	31.12.2023
<b>Assets</b>							
<b>Non-current Assets</b>							
Property, plant and equipment	69	78	12,899	13,278	13,202	13,386	13,856
Goodwill	7,644	7,896	8,562	13,913	13,901	13,997	14,013
Financial & Other assets	10,029	11,788	77,536	29,594	27,642	35,841	36,903
<b>Total non-current assets (A)</b>	<b>17,742</b>	<b>19,762</b>	<b>98,997</b>	<b>56,785</b>	<b>54,745</b>	<b>63,224</b>	<b>64,772</b>
<b>Current assets</b>							
Financial & Other assets							
i. Trade receivable	12,192	16,738	23,250	21,319	24,534	23,308	25,336
ii. Cash & Cash equivalents, Investments & Other financial assets	60,928	72,609	17,061	81,484	85,516	1,27,619	1,26,953
iii. Other assets	1,333	3,392	2,811	4,495	5,260	6,184	5,242
<b>Total current assets (B)</b>	<b>74,453</b>	<b>92,739</b>	<b>43,122</b>	<b>1,07,298</b>	<b>1,15,310</b>	<b>1,57,111</b>	<b>1,57,531</b>
<b>Total assets (A + B)</b>	<b>92,195</b>	<b>1,12,501</b>	<b>1,42,119</b>	<b>1,64,083</b>	<b>1,70,055</b>	<b>2,20,335</b>	<b>2,22,303</b>
<b>Equity and Liabilities</b>							
<b>Total equity (A)</b>	<b>54,599</b>	<b>66,580</b>	<b>77,791</b>	<b>83,882</b>	<b>90,395</b>	<b>1,39,403</b>	<b>1,41,465</b>
<b>Non-current liabilities</b>							
Financial liabilities	7,339	7,134	18,678	18,035	17,483	17,957	16,174
Provisions & Deferred tax liability	2,378	2,086	2,344	4,526	4,577	4,631	4,975
<b>Total non-current liabilities (B)</b>	<b>9,717</b>	<b>9,220</b>	<b>21,022</b>	<b>22,561</b>	<b>22,060</b>	<b>22,588</b>	<b>21,149</b>
<b>Current liabilities</b>							
Financial & Contract liabilities							
i. Trade payable	4,101	6,072	5,779	7,052	8,007	7,804	7,558
ii. Others	20,340	26,266	33,767	45,921	44,595	45,710	47,474
Provisions & Other current liabilities	3,438	4,363	3,760	4,667	4,998	4,830	4,656
<b>Total current liabilities (C)</b>	<b>27,879</b>	<b>36,701</b>	<b>43,306</b>	<b>57,640</b>	<b>57,600</b>	<b>58,344</b>	<b>59,688</b>
<b>Total liabilities (D = B + C)</b>	<b>37,596</b>	<b>45,921</b>	<b>64,328</b>	<b>80,201</b>	<b>79,660</b>	<b>80,932</b>	<b>80,837</b>
<b>Total equity and liabilities (A + D)</b>	<b>92,195</b>	<b>1,12,501</b>	<b>1,42,119</b>	<b>1,64,083</b>	<b>1,70,055</b>	<b>2,20,335</b>	<b>2,22,303</b>

# Global Presence



## Headquarters – Bengaluru

- India | USA & Canada | Europe & UK | UAE | Australia





## PRESS RELEASE

# Happiest Minds reports resilient performance with industry-leading revenue growth at 11.7% y-o-y while beating EBITDA guidance for the fifteenth quarter

*EBITDA grows 8.2% y-o-y to 105 Crores*

**Bengaluru, India, San Jose, California and London, January 17, 2024:** Happiest Minds Technologies Limited (NSE:HAPPSTMNDS), a 'Born Digital. Born Agile', digital transformation and IT solutions company, today announced its consolidated results for the third quarter that ended December 31, 2023 as approved by its Board of Directors.

**Ashok Soota, Executive Chairman,** said "Our results reflect the resilience of our business model which has continued to deliver industry-leading revenue growth in a generally difficult quarter for the industry. We have strengthened our sales engine by creating a focused Gen-AI Business unit. Effective April 2024, we will be creating five Industry Groups, operating as independent profit centers and led by specialized industry managers. We expect these changes to add significantly towards our FY25 growth."

### Financial highlights

#### Quarter ended December 31, 2023

- Revenue in constant currency grew by 0.8% q-o-q and 9.4% y-o-y
- Operating Revenues in US\$ stood at \$49.4 million (growth of 0.5% q-o-q; 9.0% y-o-y)
- Total Income of ₹ 43,417 lakhs (growth of 1.2% q-o-q; 15.9% y-o-y)
- EBITDA of ₹ 10,519 lakhs, 24.2% of Total Income (growth of 0.4% q-o-q; 8.2% y-o-y)
- PAT of ₹ 5,962 lakhs (growth of 2.0% q-o-q; 3.6% y-o-y)
- Free cash flows of ₹ 9,894 Lakhs
- EPS (diluted) for the quarter at ₹ 3.96

#### Nine months ended December 31, 2023

- Revenue in constant currency grew by 11.5% y-o-y
- Operating Revenues in US\$ stood at \$146.1 million (growth of 10.8% y-o-y)
- Total Income of ₹ 1,26,753 lakhs (growth of 19.1% y-o-y)
- EBITDA of ₹ 31,300 lakhs, 24.7% of Total Income (growth of 12.0% y-o-y)
- PAT of ₹ 17,641 lakhs (growth of 1.8% y-o-y)
- Free cash flows of ₹ 30,323 Lakhs
- EPS (diluted) for nine months at ₹ 11.89

All amounts in ₹ Lakhs unless stated otherwise

Particulars	Q3 FY 24	Q2 FY 24	QoQ	Q3 FY 23	YoY	9M FY 24	9M FY 23	YoY
Revenues	40,988	40,662	0.8%	36,688	11.7%	120,737	105,131	14.8%
Other Income	2,429	2,221	-	780	-	6,016	1,266	-
Total Income	43,417	42,883	1.2%	37,468	15.9%	126,753	106,397	19.1%
EBITDA	10,519	10,482	0.4%	9,726	8.2%	31,300	27,935	12.0%
%	24.2%	24.4%		26.0%		24.7%	26.3%	
PBT	8,073	7,912	2.0%	7,524	7.3%	23,853	23,093	3.3%
%	18.6%	18.5%		20.1%		18.8%	21.7%	
Tax	2,111	2,066	-	1,766	-	6,212	5,760	-
%	4.9%	4.8%		4.7%		4.9%	5.4%	
PAT	5,962	5,846	2.0%	5,758	3.5%	17,641	17,333	1.8%
%	13.7%	13.6%		15.4%		13.9%	16.3%	
<b>Revenues (\$'000)</b>	<b>49,366</b>	<b>49,121</b>	<b>0.5%</b>	<b>45,279</b>	<b>9.0%</b>	<b>146,053</b>	<b>131,850</b>	<b>10.8%</b>
<b>Growth in Constant Currency</b>		-	<b>0.8%</b>	-	<b>9.4%</b>	-	-	<b>11.5%</b>

**Venkatraman N, MD & CFO**, said "We have delivered healthy growth in profits of 12% in the current nine-month period and have beaten profit guidance for the fifteenth quarter in a row. I would like to reiterate that our growth in profit numbers is despite considering above industry average pay increase, and continued investments in newer technologies."

**Joseph Anantharaju, Executive Vice Chairman**, said, "With a strong value proposition across cloud, data, analytics, AI, intelligent automation, and cyber security, we are at the center of our customer's strategic imperatives. This is evidenced by the ten customer additions for the quarter, with our billion-dollar customer count increasing to 59. Being recognized among Top 50 India's Best Workplaces in IT & IT-BPM 2023 by Great Place To Work® Institute, we remain committed to sustaining a strong, diverse, equitable & inclusive culture for our team."

#### Clients:

- 245 as of December 31, 2023
- 10 additions in the quarters

#### Our People - Happiest Minds:

- 5,246 Happiest Minds as of December 31, 2023
- Trailing 12 months attrition of 14.1% (14.4% in the previous quarter)
- Utilization of 76.7%, from 75.6% in last quarter

### Key Project Wins:

- For a **global education and learning company**, Happiest Minds is building their Gen AI-powered hyper-personalized tutor, study plan generator and assistant platform
- For one of the **largest integrated automotive service companies**, Happiest Minds was chosen as their strategic partner to accelerate their cloud journey on Microsoft Azure
- For an **Australian Hi-Tech Company**, Happiest Minds has been chosen to build its digital retail platform
- For an **Indian not-for-profit organization in the healthcare sector**, Happiest Minds has been chosen to upgrade its proprietary surgical platform to drive better user experience
- For one of the **world's largest automobile original equipment manufacturer (OEM)**, Happiest Minds was chosen as a strategic partner to enhance dealer experience and drive omni-channel experience for their customer-facing platform
- For a **leading property marketplace in South Asia**, Happiest Minds is the preferred partner to upgrade its customer-facing platform
- For a **global manufacturer of materials-handling equipment**, this consulting-led engagement entails Happiest Minds to advise and build their data platform.

### Award Wins:

- Happiest Minds is recognized among '**Top 50 India's Best Workplaces in IT & IT-BPM 2023**' by Great Place To Work® Institute
- Happiest Minds recognized among **100 Best Companies for Women in India 2023** by Avtar and Seramount
- Happiest Minds was awarded the **GOLD** award for its 2023 Integrated Annual Report from the **League of American Communication Professionals (LACP)**
- Happiest Minds' Integrated Annual Report 2022 won **Gold** at the **SAFA Best Presented Annual Report Awards**
- Happiest Minds won **CULT.fit 'India's Fittest Disruptors 2023' Award**
- Happiest Minds was recognized as '**Procurement Organization of the Year**' at the 8th **Annual ISM-INDIA Conference and CPO Awards 2023**

### Analyst Mentions:

- Happiest Minds is '**Niche & Established**' in Digital Engineering and ER&D Services - Generative AI Engineering Services - **Zinnov Zones**
- Happiest Minds is '**Leader**' in Digital Engineering and ER&D Services – Enterprise Software - **Zinnov Zones**
- Happiest Minds is '**Leader**' in Digital Engineering and ER&D Services – Consumer Software - **Zinnov Zones**
- Happiest Minds is '**Leader**' in Digital Engineering and ER&D Services – Software Platform Engineering - **Zinnov Zones**
- Happiest Minds is '**Leader**' in Digital Engineering and ER&D Services – Small and Medium Service Providers - **Zinnov Zones**
- Happiest Minds is '**Aspirant**' in Lending IT Services PEAK Matrix® Assessment 2023 - **Everest Group**
- Happiest Minds is '**Aspirant**' in Cloud Services in Insurance PEAK Matrix® Assessment 2023 - **Everest Group**
- Happiest Minds is featured in '**Transforming the Banking Industry with ESG Services**' - **Nelson Hall**

**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.

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