

August 08, 2023

Listing Compliance & Legal Regulatory  
BSE Limited  
Phiroze Jeejeebhoy Towers Dalal  
Street, Mumbai 400 001  
Stock Code: 543227, 974728 & 974820

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 August 08, 2023**

We wish to inform that the Board of Directors of the Company at its meeting held today i.e., August 08, 2023, has interalia considered following businesses:

**1. Financial results:**

Approved the unaudited financial results of the Company (both standalone and consolidated) prepared in accordance with Indian Accounting Standards (IndAS) for the quarter ended as on June 30, 2023. A copy of the said financial results together with Auditor's Report, Investor presentation and Press release are enclosed herewith.

**2. Policy amendment:**

Approved amendments to the threshold limits specified in the policy for determination of materiality of events & information in accordance with the requirements of SEBI (LODR) (Second Amendment) Regulations, 2023. The updated policy will be made available at Company's website <https://www.happiestminds.com/investors/policy-documents>

The Board meeting commenced at 9.15 pm and concluded at 9.45 pm IST.

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



## **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 ended June 30, 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")

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 assets of Rs. 35,075 lakhs as at June 30, 2023 and, total revenues of Rs. Nil for the quarter ended June 30, 2023, total net profit after tax of Rs. 65 Lakhs for the quarter ended June 30, 2023 and total comprehensive income of Rs 4,703 Lakhs for the quarter ended June 30, 2023, 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 assets of Rs. 4,518 lakhs as at June 30, 2023 and, total revenues of Rs. 2,096 lakhs for the quarter ended June 30, 2023, total net profit after tax of Rs. 390 Lakhs for the quarter ended June 30, 2023 and total comprehensive income of Rs 398 Lakhs for the quarter ended June 30, 2023, as considered in the Statement. These 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 these subsidiaries, joint ventures and associates, 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: 23060408BG1YGTQJ4276)

Place: Bengaluru  
Date: August 8, 2023

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 ended June 30, 2023

Particulars	Quarter ended			Year ended
	June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
	(Unaudited)	Refer note 2	(Unaudited)	Audited
<b>I. Revenue</b>				
(a) Revenue from operations	39,087	37,798	32,892	1,42,929
(b) Other income	1,366	845	104	2,111
<b>Total Revenue</b>	<b>40,453</b>	<b>38,643</b>	<b>32,996</b>	<b>1,45,040</b>
<b>II. Expenses</b>				
(a) Employee benefits expense	23,543	22,109	17,834	80,681
(b) Finance costs	1,007	875	283	2,186
(c) Depreciation and amortisation expense	1,424	1,294	934	4,191
(d) Other expenses	6,611	6,472	6,387	26,362
<b>Total Expenses</b>	<b>32,585</b>	<b>30,750</b>	<b>25,438</b>	<b>1,13,420</b>
<b>III. Profit before exceptional items and tax (I-II)</b>	<b>7,868</b>	<b>7,893</b>	<b>7,558</b>	<b>31,620</b>
<b>IV. Exceptional items: charge / (credit) (refer note 8)</b>	-	-	-	634
<b>V. Profit before tax (III-IV)</b>	<b>7,868</b>	<b>7,893</b>	<b>7,558</b>	<b>30,986</b>
<b>VI. Taxes</b>				
Current tax	2,280	2,210	2,325	8,508
Deferred tax	(245)	(83)	(401)	(621)
<b>Total Tax expense</b>	<b>2,035</b>	<b>2,127</b>	<b>1,924</b>	<b>7,887</b>
<b>VII. Profit for the period / year (V-VI)</b>	<b>5,833</b>	<b>5,766</b>	<b>5,634</b>	<b>23,099</b>
<b>VIII. Other comprehensive income, net of tax [(loss)/income]</b>				
(i) Items to be reclassified to profit or loss in subsequent periods / year				
a) Exchange difference on translation of foreign operation	(12)	(47)	247	517
b) Net change in fair value of derivatives designated as cash flow hedges	836	782	(971)	(632)
c) Income tax effect on above	(210)	(197)	244	159
(ii) Items not to be reclassified to profit or loss in subsequent periods / year				
a) Re-measurement of defined benefit plans	(20)	14	131	(155)
b) Income tax effect on above	5	(4)	(33)	39
c) Net change in equity instruments through other comprehensive income	-	(351)	-	(351)
d) Income tax effect on above	-	74	-	74
<b>IX. Total comprehensive income for the period / year (VII-VIII)</b>	<b>6,432</b>	<b>6,037</b>	<b>5,252</b>	<b>22,750</b>
<b>X. Paid-up equity share capital (face value of Rs. 2/- each)</b>	2,872	2,866	2,854	2,866
<b>XI. Other equity</b>				81,016
<b>XII. Earnings per share ("EPS") (face value of Rs.2/- each) (not annualised for quarters):</b>				
Basic EPS (Rs.)	4.04	4.01	3.96	16.13
Diluted EPS (Rs.)	4.02	3.98	3.88	16.01



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

Sr. No	Particulars	Quarter ended			Year ended
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
1	Debt-Equity ratio	0.58	0.64	0.39	0.64
2	Debt Service Coverage ratio (DSCR)	5.15	4.79	5.39	4.95
3	Interest Service Coverage ratio (ISCR)	9.29	10.71	32.89	16.04
4	Current ratio	2.00	1.86	2.55	1.86
5	Long-term Debt to Working Capital ratio	0.22	0.27	0.05	0.27
6	Bad debts to Trade receivable ratio	-	-	-	-
7	Current liability ratio	0.72	0.72	0.80	0.72
8	Total Debt to total Assets ratio	0.31	0.33	0.23	0.33
9	Trade Receivable Turnover Ratio	6.82	7.95	6.98	7.51
10	Operating margin (%)	0.23	0.24	0.26	0.25
11	Net profit margin (%)	0.15	0.15	0.17	0.16
12	Inventory turnover ratio	NA	NA	NA	NA
13	Debenture Redemption Reserve	NA	NA	NA	NA
14	Net worth as per Section 2(57) ( in INR Lakhs)	89,449	83,486	71,604	83,486

**Note:**

a. The aforesaid ratios for quarter ended June 30, 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	$\frac{\text{Total Debt}}{\text{Total Assets}}$
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) ( 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 ended June 30, 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 ended June 30, 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 August 8, 2023.

2. The figures for the quarter ended March 31, 2023 are balancing figures between audited figures in respect of full financial year upto March 31, 2023 and the unaudited published year-to-date figure upto December 31, 2022 being the date of the end of the third quarter of the financial year. The published year-to-date results upto December 31, 2022 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/CMD1/44/2019 dated March 29, 2019.

4. The Board of Directors of the Group at their meeting held on May 8, 2023 have, for the financial year ended March 31, 2023, recommended the payout of a final dividend of Rs. 3.40/- per equity share of face value Rs.2/- each. This recommendation was approved by Shareholders at their meeting held on July 17, 2023 and subsequently paid on July 24, 2023.

5. 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).

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

Particulars	Quarter ended			Year ended
	June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
	(Unaudited)	Refer note 2	(Unaudited)	(Audited)
Total revenue (including other income)	37,098	35,104	30,915	1,35,489
Profit before tax	7,758	7,258	7,026	29,168
Profit for the period / year	5,744	5,126	5,254	21,638
Total comprehensive income for the period / year ended	6,348	5,744	4,625	21,072

7. 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
	June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
	(Unaudited)	Refer note 2	(Unaudited)	(Audited)
<b>1. Segment revenue</b>				
IMSS	7,516	7,525	7,355	30,694
DBS	11,175	11,180	9,904	43,070
PES	20,396	19,093	15,633	69,165
<b>Total</b>	<b>39,087</b>	<b>37,798</b>	<b>32,892</b>	<b>1,42,929</b>
<b>2. Segment results</b>				
IMSS	1,782	2,119	2,097	9,243
DBS	3,374	3,417	2,938	12,138
PES	7,406	7,179	6,867	27,870
<b>Total</b>	<b>12,562</b>	<b>12,715</b>	<b>11,902</b>	<b>49,251</b>
Unallocable other income	1,366	845	104	2,111
Unallocable finance cost	(949)	(791)	(283)	(2,102)
Unallocable depreciation and amortisation expenses	(754)	(795)	(710)	(2,997)
Other unallocable expenses	(4,357)	(4,080)	(3,455)	(15,276)
Tax expense	(2,035)	(2,128)	(1,924)	(7,888)
<b>Profit after tax</b>	<b>5,833</b>	<b>5,766</b>	<b>5,634</b>	<b>23,099</b>

Segment wise assets and liabilities are as follows:

Particulars	Quarter ended	
	June 30, 2023	March 31, 2023
	(Unaudited)	(Audited)
<b>1. Segment assets</b>		
IMSS	8,575	6,420
DBS	22,288	19,590
PES	34,442	34,452
Other unallocable assets	1,04,750	1,03,621
<b>Total assets</b>	<b>1,70,055</b>	<b>1,64,083</b>
<b>2. Segment liabilities</b>		
IMSS	1,556	965
DBS	6,686	6,560
PES	8,383	8,775
Other unallocable liabilities	63,035	63,901
<b>Total liabilities</b>	<b>79,660</b>	<b>80,201</b>



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**Happiest Minds Technologies Limited**

**CIN : L72900KA2011PLC057931**

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**Notes to Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2023**

8. 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.

9. 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 carried out a fair valuation and any increase in the liability has been recognised in the statement of profit and loss and disclosed as an 'Exceptional Item'.

10. 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.

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

12. 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

A handwritten signature in black ink, appearing to read "Venkatraman Narayanan".

Venkatraman Narayanan  
Managing Director & Chief Financial Officer  
DIN : 01856347

Place: Bengaluru, India  
Date: August 8, 2023

**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 ended June 30, 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.

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 assets of Rs. 35,075 lakhs as at June 30, 2023 and, total revenues of Rs. Nil for the quarter ended June 30, 2023, total net profit after tax of Rs. 65 Lakhs for the quarter ended June 30, 2023 and total comprehensive income of Rs 4,703 Lakhs for the quarter ended June 30, 2023, 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: 23060408BqYgQK7376 )

Place: Bengaluru  
Date: August 8, 2023

Happiest Minds Technologies Limited  
CIN : L72900KA2011PLC057931

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

(Rs. in lakhs)

Statement of Unaudited Standalone Financial Results for the quarter and year ended June 30, 2023

Particulars	Quarter ended			Year ended
	June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
	(Unaudited)	Refer Note 2	(Unaudited)	(Audited)
<b>I. Revenue</b>				
(a) Revenue from operations	35,705	34,233	30,781	1,33,255
(b) Other income	1,393	871	134	2,234
<b>Total Revenue</b>	<b>37,098</b>	<b>35,104</b>	<b>30,915</b>	<b>1,35,489</b>
<b>II. Expenses</b>				
(a) Employee benefits expense	21,899	20,540	17,691	78,690
(b) Finance costs	1,011	861	237	2,150
(c) Depreciation and amortisation expense	755	795	710	2,996
(d) Other expenses	5,675	5,650	5,251	22,485
<b>Total Expenses</b>	<b>29,340</b>	<b>27,846</b>	<b>23,889</b>	<b>1,06,321</b>
<b>III. Profit before exceptional items and tax (I-II)</b>	<b>7,758</b>	<b>7,258</b>	<b>7,026</b>	<b>29,168</b>
<b>IV. Exceptional items: charge / (credit)</b>	-	-	-	-
<b>V. Profit before tax (III-IV)</b>	<b>7,758</b>	<b>7,258</b>	<b>7,026</b>	<b>29,168</b>
<b>VI. Tax expense</b>				
Current tax	2,096	2,121	2,117	7,889
Deferred tax	(82)	11	(345)	(359)
<b>Total tax expense</b>	<b>2,014</b>	<b>2,132</b>	<b>1,772</b>	<b>7,530</b>
<b>VII. Profit for the period / year (V-VI)</b>	<b>5,744</b>	<b>5,126</b>	<b>5,254</b>	<b>21,638</b>
<b>VIII. Other comprehensive income, net of tax [(loss)/income]</b>				
(i) Items to be reclassified to profit or loss in subsequent periods / year				
a) Net change in fair value of derivatives designated as cash flow hedges	836	783	(971)	(631)
b) Income tax effect on above	(210)	(197)	244	159
(ii) Items not to be reclassified to profit or loss in subsequent periods / year				
a) Re-measurement of defined benefit plans	(30)	44	131	(125)
b) Income tax effect on above	8	(12)	(33)	31
<b>IX. Total comprehensive income for the period / year (VII-VIII)</b>	<b>6,348</b>	<b>5,744</b>	<b>4,625</b>	<b>21,072</b>
<b>X. Paid-up equity share capital (face value of Rs. 2/- each)</b>	2,872	2,866	2,858	2,866
<b>XI. Other equity</b>				79,732
<b>XII. Earnings per share ("EPS") (face value of Rs.2/- each) (not annualised for quarters):</b>				
Basic EPS (Rs.)	3.98	3.56	3.69	15.11
Diluted EPS (Rs.)	3.96	3.54	3.62	15.00



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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			Year ended
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
1	Debt-Equity ratio	0.60	0.66	0.39	0.66
2	Debt Service Coverage ratio (DSCR)	4.68	4.09	4.87	4.50
3	Interest Service Coverage ratio (ISCR)	9.04	9.89	30.65	14.86
4	Current ratio	2.05	1.89	2.57	1.89
5	Long-term Debt to Working Capital ratio	0.23	0.27	0.06	0.27
6	Bad debts to Trade receivable ratio	-	-	-	-
7	Current liability ratio	0.73	0.73	0.86	0.73
8	Total Debt to total Assets ratio	0.33	0.34	0.24	0.34
9	Trade Receivable Turnover Ratio	6.66	7.60	6.85	7.40
10	Operating margin (%)	0.23	0.23	0.25	0.24
11	Net profit margin (%)	0.16	0.15	0.17	0.16
12	Inventory turnover ratio	NA	NA	NA	NA
13	Debenture Redemption Reserve	NA	NA	NA	NA
14	Net worth as per Section 2(57) ( in INR Lakhs)	88,526	82,662	71,843	82,662

**Note:**

a. The aforesaid ratios for quarter ended June 30, 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	$\frac{\text{Total Debt}}{\text{Total Assets}}$
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) ( 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: IR@happiestminds.com , Tel: +91 80 6196 0300**

**Notes to Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 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 ended June 30, 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 August 8, 2023.
2. The figures for the quarter ended March 31, 2023 are balancing figures between audited figures in respect of full financial year upto March 31, 2023 and the unaudited published year-to-date figure upto December 31, 2022 being the date of the end of the third quarter of the financial year. The published year-to-date results upto December 31, 2022 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 Board of Directors of the Company at their meeting held on May 8, 2023 have, for the financial year ended March 31, 2023, recommended the payout of a final dividend of Rs. 3.40/- per equity share of face value Rs.2/- each. This recommendation was approved by Shareholders at their meeting held on July 17, 2023 and subsequently paid on July 24, 2023.
5. 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).
6. 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 audited interim consolidated financial statements. Accordingly, the segment information is given in the unaudited consolidated financial results of Happiest Minds Technologies Limited and its subsidiary for the quarter ended June 30, 2023.
7. 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.
8. 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.
9. Previous quarter's/ year's figures have been regrouped/ reclassified wherever necessary to conform with current year classification.
10. 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*

Venkatraman Narayanan  
Managing Director & Chief Financial Officer  
DIN : 01856347

Place: Bengaluru, India  
Date: August 8, 2023

August 08, 2023

Listing Compliance & Legal Regulatory  
BSE Limited  
Phiroze Jeejeebhoy Towers Dalal  
Street, Mumbai 400 001  
Stock Code: 974728 & 974820

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 June 30, 2023, in the format prescribed under SEBI Circular No. SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/0000000103 dated July 29, 2022.

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 June 30, 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

**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
Amount raised	Rs. 45.00 Crs	Rs. 45.00 Crs
Report filed for quarter ended	June 30, 2023	June 30, 2023
Is there a deviation/ variation in use of funds raised?	No	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	NA	NA
If yes, details of the approval so required?	NA	NA
Date of approval	NA	NA
Explanation for the deviation/ variation	NA	NA
Comments of the audit committee after review	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	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
			Deviation could mean: <ol style="list-style-type: none"> <li>Deviation in the objects or purposes for which the funds have been raised.</li> <li>Deviation in the amount of funds actually utilized as against what was originally disclosed</li> </ol>				
			<b>Name of signatory:</b> Praveen Kumar Darshankar <b>Designation:</b> Company Secretary & Compliance Officer <b>Date:</b> August 8, 2023				

August 8, 2023

Listing Compliance & Legal Regulatory  
BSE Limited  
Phiroze Jeejeebhoy Towers Dalal  
Street, Mumbai 400 001  
Stock Code: 974728 & 974820

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

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 as on June 30, 2023 are unsecured and the 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 June 30, 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

Annexure

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	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						Relating to Column F		
<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>														

## PRESS RELEASE

### **Happiest Minds reports Industry leading QoQ growth of 4.7% in Total Income and maintains superior EBITDA margin of 25.5%**

*YoY EBIDTA growth of 17.4% to ₹ 103 Crores*

**Bengaluru, India, San Jose, California and London, August 08, 2023:** Happiest Minds Technologies Limited (NSE:HAPPSTMNDS), a 'Born Digital. Born Agile', digital transformation and IT solutions company, today announced its consolidated results for the first quarter ended June 30, 2023 as approved by its Board of Directors.

**Ashok Soota, Executive Chairman,** said *"We have consistently and yet again delivered industry-leading performance both on revenue growth and profitability. The highly successful run is a result of the continued acceleration of our customer's digital journey and our ability to stay relevant to their needs. The performance wouldn't have been possible without the commitment and dedication of our Happiest Minds team which has crossed 5,000 during the quarter.*

*We have set a goal of achieving US\$ 1 Billion by 2031 and our guidance of 25% is based on the same. We remain on target for achieving the goal. In our guidance of 25%, we have not been making a distinction between organic and inorganic growth. In the current year, we have been expecting to do significant acquisitions which we have not been able to close so far. We will update our guidance target in October based on the M&A progress."*

#### **Financial highlights**

##### **Quarter ended June 30, 2023**

- Revenue in constant currency grew by 3.5% q-o-q and 13.8% y-o-y
- Operating Revenues in US\$ stood at \$47.6 million (growth of 3.6% q-o-q; 12.7% y-o-y)
- Total Income of ₹ 40,453 lakhs (growth of 4.7% q-o-q; 22.6% y-o-y)
- EBITDA of ₹ 10,299 lakhs, 25.5% of Total Income (growth of 2.4% q-o-q; 17.4% y-o-y)
- PAT of ₹ 5,833 lakhs (growth of 1.2% q-o-q; growth of 3.5% y-o-y)
- Free cash flows of ₹ 10,133 lakhs
- EPS (diluted) for the quarter of ₹ 4.02

All amounts in ₹ Lakhs unless stated otherwise

Particulars	Q1 FY 24	Q4 FY 23	QoQ	Q1 FY 23	YoY
<b>Revenues</b>	<b>39,087</b>	37,798	3.4%	32,892	18.8%
<b>Other Income</b>	<b>1,366</b>	845	-	104	-
<b>Total Income</b>	<b>40,453</b>	38,643	4.7%	32,996	22.6%
<b>EBITDA</b>	<b>10,299</b>	10,062	2.4%	8,775	17.4%
%	25.5%	26.0%		26.6%	
<b>PBT</b>	<b>7,868</b>	7,893	(0.3)%	7,558	4.1%
%	19.4%	20.4%		22.9%	
<b>Tax</b>	<b>2,035</b>	2,127	-	1,924	-
%	5.0%	5.5%		5.8%	
<b>PAT</b>	<b>5,833</b>	5,766	1.2%	5,634	3.5%
%	14.4%	14.9%		17.1%	
<b>Revenues (\$'000)</b>	<b>47,566</b>	45,918	3.6%	42,224	12.7%
<b>Growth in Constant Currency</b>	-	-	3.5%	-	13.8%

**Venkatraman N, MD & CFO**, said "I am extremely happy to report on our thirteenth quarter of 25% plus EBITDA and ahead of our guidance which is a validation of our value proposition and disciplined execution. The successful closure of our Qualified Institutions Placement(QIP) of ₹ 500 crores confirms the strong investor commitment to us and our growth aspirations."

**Joseph Anantharaju, Executive Vice Chairman**, said "Our clients remain focused on executing compressed transformations to drive efficiency, stronger growth, more agility, and to achieve greater resilience faster. Our ability to advise, shape and deliver value-led digital transformation, leveraging the breadth of technical capabilities in digital technologies and deep domain expertise is the key differentiator for Happiest Minds."

#### Clients:

- 243 as of June 30, 2023
- 18 additions in the quarter

#### Our People - Happiest Minds:

- 5,048 Happiest Minds as of June 30, 2023 (net addition for the quarter 131)
- Trailing 12 months attrition of 16.6% (19.8% in the previous quarter)
- Utilization of 74.6%

### Q1 FY24 Key Project Wins:

- For a next-generation learning platform and an existing customer, Happiest Minds is their strategic partner to provide product engineering services, quality engineering and automation services across their teacher and student engagement platform. This is a consolidation deal based on the excellent service provided over an eight-year relationship and Happiest Minds is the single vendor.
- For a billion-dollar global, specialty chemicals company, Happiest Minds was appointed to draft their digital roadmap covering commercial, operations, and IT functional areas.
- For a global leader and innovator in the bioscience industry, Happiest Minds was chosen to implement cloud-based product life cycle management (PLM) solutions.
- For one of the world's largest pharmaceuticals company, this consulting-led engagement entails Happiest Minds to provide strategic quality assurance and automation services for their Digital Surgery Enablement Platform
- For a large digital transformation specialist, this multi-year multi-million-dollar deal entails Happiest Minds to deliver infrastructure and security services
- For a large enterprise software support company, Happiest Minds has signed a multi-million-dollar deal to provide managed database services and ITSM services
- For a global, high-tech engineering group based in Europe, Happiest Minds was chosen to design and implement the Modern Data Platform on Microsoft Azure
- For a global talent fulfilment enterprise in Europe, Happiest Minds was chosen to streamline multiple workflows leveraging Microsoft's Power Platform for improved employee experience and actionable intelligence for decision-makers
- For a large Middle east based petrochemical company, Happiest Minds is chosen to provide consulting-led Operational Technology (OT) Solutions
- For an Australia-based health insurance and services provider, Happiest Minds was chosen as a strategic partner to enhance their security posture by leveraging Microsoft Sentinel and CloudSecOps

### Recognitions:

- Happiest Minds is recognized among Top 100 '**India's Best Companies to Work for 2023**' by Great Place To Work® Institute
- Happiest Minds' CRPP solution won '**Best Security Operation Centre of the Year**' at the CISO Summit & Awards 2023
- Happiest Minds was honored with **STPI Exports & Excellence Awards 2021-22**
- Happiest Minds won '**Digital Transformation of the Year**' at IReC Awards 2023

### **Analyst Mentions:**

- Happiest Minds is a '**Major Contender**' in Low-Code application development services - Everest
- Happiest Minds is a '**Rising Star**' in Design & Development - ISG
- Happiest Minds is a '**Rising Star**' in Integrated User Engagement - ISG
- Happiest Minds is a '**Rising Star**' in Platforms & App Services - ISG

**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: HAPSTMNDS), 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 digital solutions, infrastructure, product engineering and security. 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:

Media Contact: [media@happiestminds.com](mailto:media@happiestminds.com)

Investors Relations: [IR@happiestminds.com](mailto:IR@happiestminds.com)

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# Investor Presentation & FACT SHEET: Q1 FY 24

August 2023

# About Happiest Minds

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

<p><b>95% Digital</b> <b>Born Digital</b></p>	<p><b>94% Agile</b> <b>Born Agile</b></p>	<p><b>243 Active Clients</b> <b>57</b> Fortune2000 / Forbes200 Billion \$ Corporations <b>87%</b> Repeat Business</p>	<p><b>33.1% RoCE</b> <b>26.0% RoE</b></p>
<p><b>Mission Statement</b> <b>Happiest People</b> <b>Happiest Customers</b></p> <p><b>SMILES Values</b> Sharing, Mindful, Integrity, Learning, Excellence, Social Responsibility</p>	<p><b>5,048</b> <b>Happiest Minds</b> across <b>7</b> Countries <b>27.6% Gender Diversity</b> <b>4.3 rating on Glassdoor</b></p>	<p><b>Great Place To Work®</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 2022</li> <li><b>Top 50</b> India's Best Workplaces™ for Building a Culture of Innovation 2023</li> <li><b>Top 100</b> India's Best Companies to Work for 2023</li> </ul>	<p><b>Revenue Growth in CC*</b> <b>3.5% q-o-q</b> <b>13.8% y-o-y</b> <b>EBITDA margin 25.5%</b></p>



**Promoter**

**Ashok Soota**



**IPO** - In September 2020

- Completed 12 years in August 2023
- Successful QIP Fund raise of ₹500 Cr in July 2023
- Strong Management Team & Corporate Governance
- 700K+ Investors
- Robust Growth and Profitability









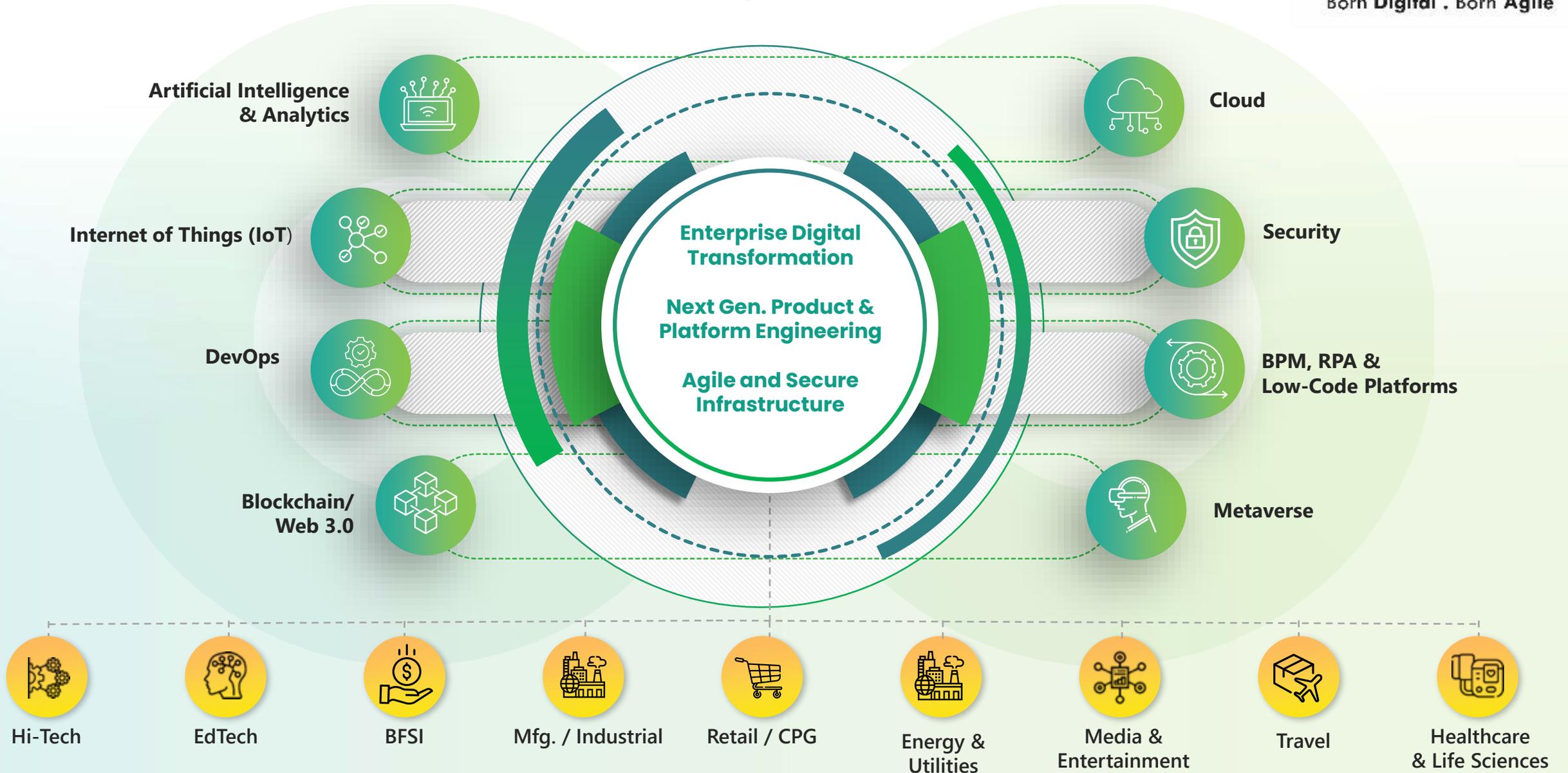
# Mission, Vision and Values

## Our 2021-31 Vision - DELiGHT

## Our SMILES Values



# Focus on Disruptive Technologies



# Born Digital . Born Agile ∞ The Mindful IT Company

## CREATING DIGITAL CAPITAL

Business Transformation



Business Insights



Platformize & Modernize



Reimagining Customer Experience



being mindful

In The Moment

doing mindful

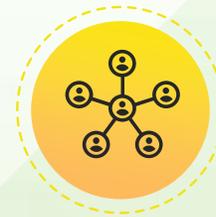
Perceive Immersively

Process Non-judgementally

Perform Empathetically

## MINDFULLY AGILE

Agile Organization



Agile Business



Agile Delivery



Engineering & Operational Excellence



# Key Project Wins

For a **next generation learning platform** and an existing customer, Happiest Minds is their strategic partner to provide product engineering services, quality engineering and automation services across their teacher and student engagement platform

For a **global leader and innovator in the bioscience industry**, Happiest Minds was chosen to implement cloud-based product life cycle management (PLM) solutions

For one of **the world's largest and diversified healthcare products company**, this consulting led engagement entails Happiest Minds to provide strategic quality assurance and automation services for their Digital Surgery Enablement Platform

For a **large digital transformation specialist**, this multi-year multi-million dollar deal entails Happiest Minds to deliver infrastructure and security services

For a **large enterprise software support company**, Happiest Minds has signed a multi-million-dollar deal to provide managed database services and ITSM services

For a **global, high-tech engineering group based in Europe**, Happiest Minds was chosen to design and implement the Modern Data Platform on Microsoft Azure

For a **global talent fulfilment enterprise in Europe**, Happiest Minds was chosen to streamline multiple workflows leveraging Microsoft's Power Platform for improved employee experience and actionable intelligence for decision makers

For a **large Middle east based petrochemical company**, Happiest Minds is chosen to provide consulting led Operational Technology (OT) Solutions

For a **billion-dollar global, specialty chemicals company**, Happiest Minds was appointed to draft their digital roadmap covering commercial, operations, and IT functional areas.

For an **Australia based health insurance and services provider**, Happiest Minds was chosen as a strategic partner to enhance their security posture leveraging Microsoft Sentinel and CloudSecOps

# Awards & Analyst Mentions



Digital Transformation of the Year at IReC Awards 2023



Top 100 India's Best Companies to Work for 2023



Happiest Minds' CRPP solution wins 'Best Security Operation Centre of the Year' at the CISO Summit & Awards 2023



STPI Exports & Excellence Awards 2021-22

## ANALYST MENTIONS





# Operational and Financial Metrics – Q1 FY24

# Results Q1 FY 24

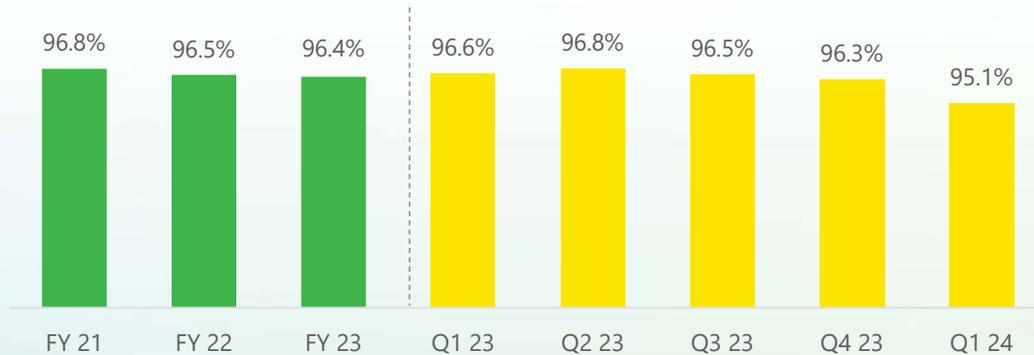
All amounts in ₹ Lakhs unless stated otherwise

Particulars	Q1 FY 24	Q4 FY 23	QoQ	Q1 FY 23	YoY
<b>Revenues</b>	<b>39,087</b>	37,798	<b>3.4%</b>	32,892	<b>18.8%</b>
<b>Other Income</b>	<b>1,366</b>	845	-	104	-
<b>Total Income</b>	<b>40,453</b>	38,643	<b>4.7%</b>	32,996	<b>22.6%</b>
<b>EBITDA</b>	<b>10,299</b>	10,062	<b>2.4%</b>	8,775	<b>17.4%</b>
%	<b>25.5%</b>	26.0%		26.6%	
<b>PBT</b>	<b>7,868</b>	7,893	<b>(0.3)%</b>	7,558	<b>4.1%</b>
%	<b>19.4%</b>	20.4%		22.9%	
<b>Tax</b>	<b>2,035</b>	2,127	-	1,924	-
%	<b>5.0%</b>	5.5%		5.8%	
<b>PAT</b>	<b>5,833</b>	5,766	<b>1.2%</b>	5,634	<b>3.5%</b>
%	<b>14.4%</b>	14.9%		17.1%	
<b>Revenues (\$'000)</b>	<b>47,566</b>	45,918	<b>3.6%</b>	42,224	<b>12.7%</b>
<b>Growth in Constant Currency</b>	-	-	<b>3.5%</b>	-	<b>13.8%</b>

# Born Digital. Born Agile

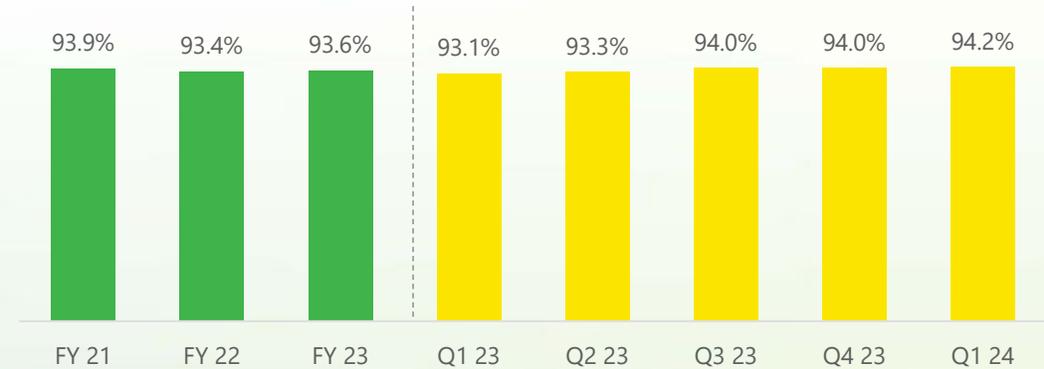
## Digital

% of Revenue



## Agile

% of Revenue

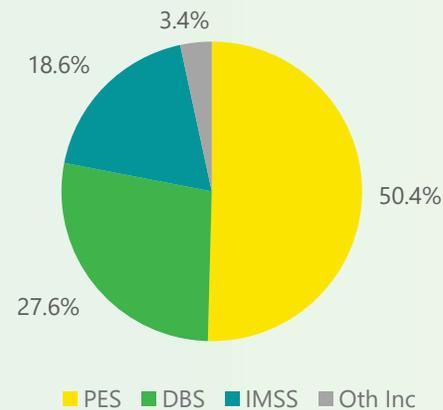


## Revenue

Total Income (₹ Lakhs)

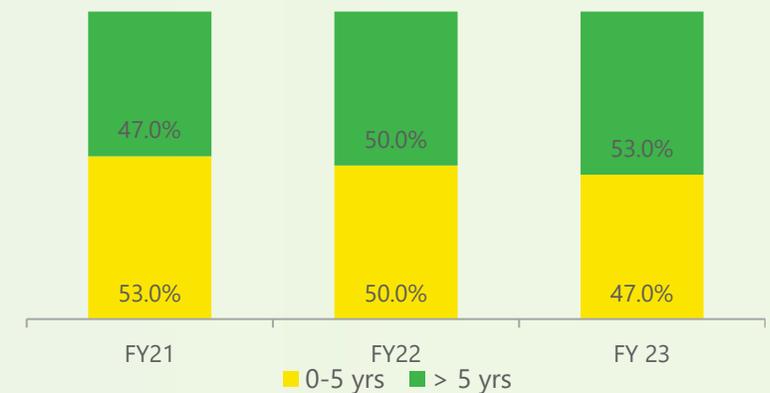


## Revenue by BU



## Tenure of Customer

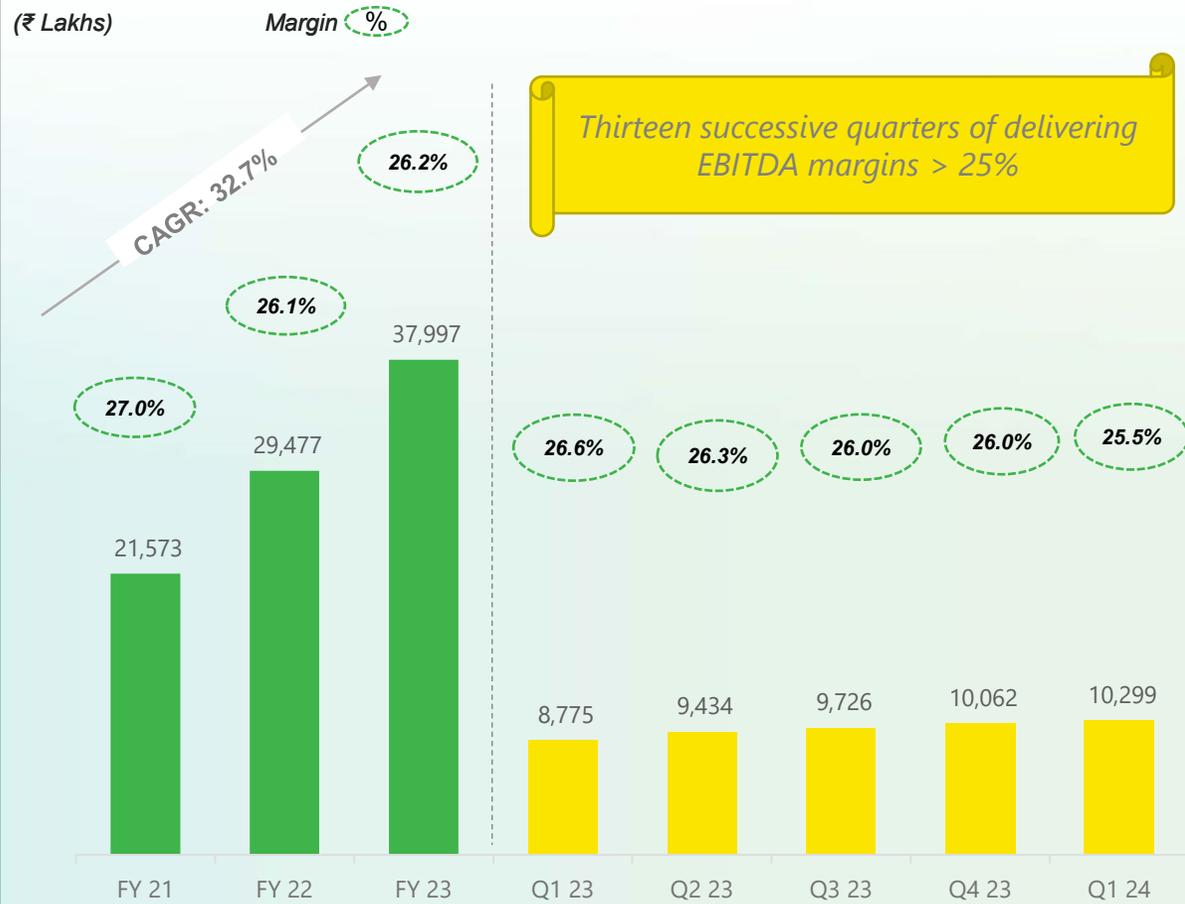
% revenue from Clients



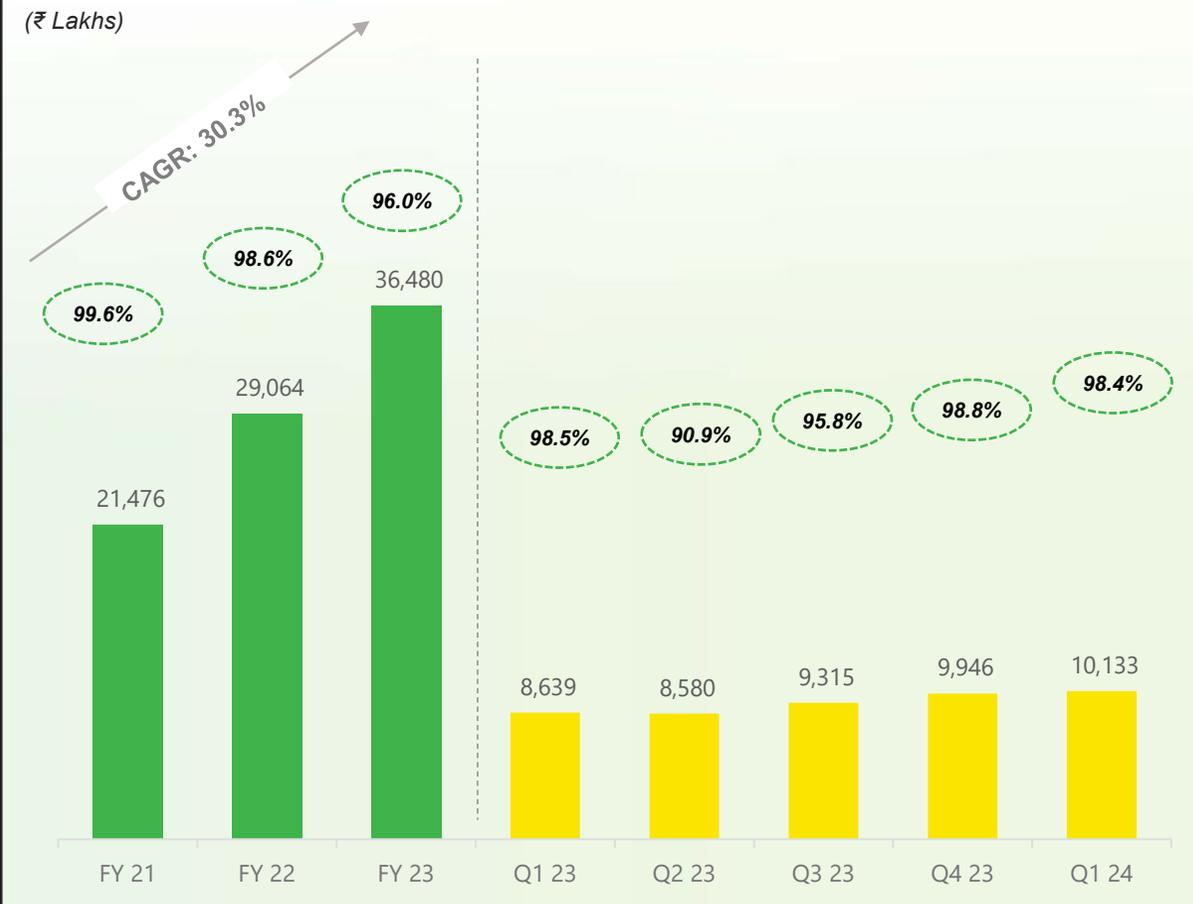
PES : Product Engineering Services; DBS : Digital Business Solutions; IMSS : Infrastructure Management and Security Services

# Operational & Financial Metrics

## EBITDA

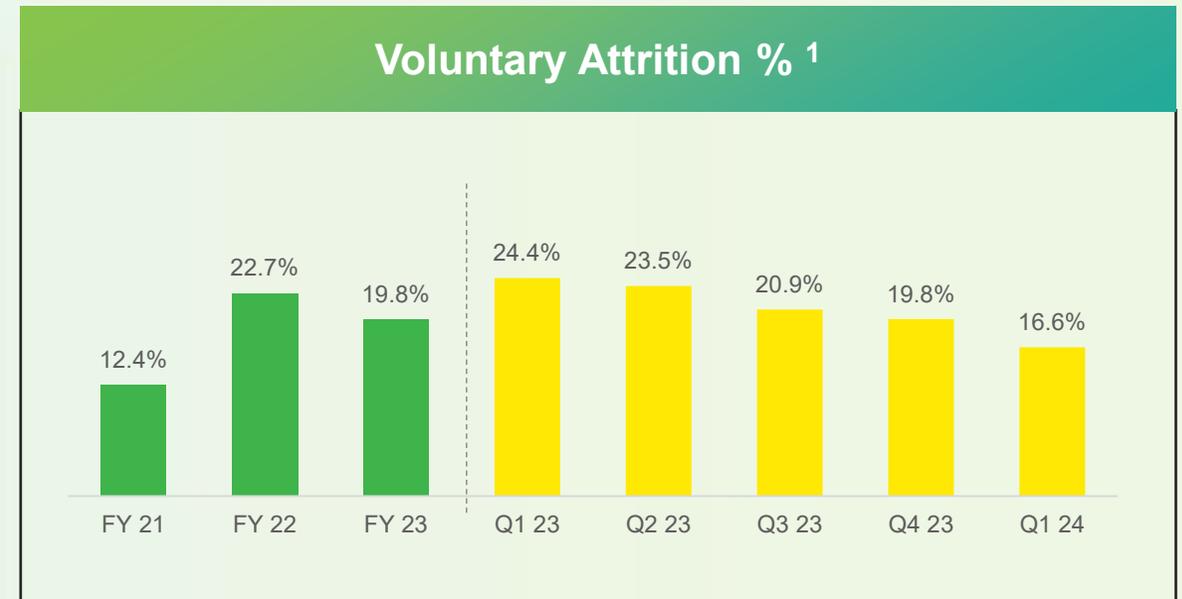
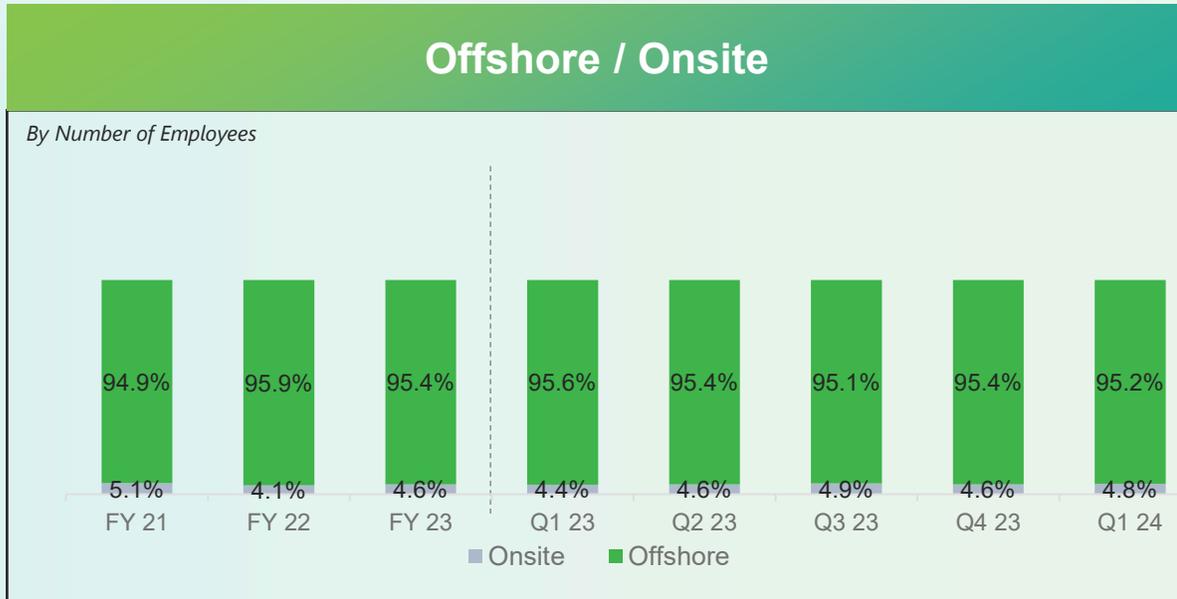
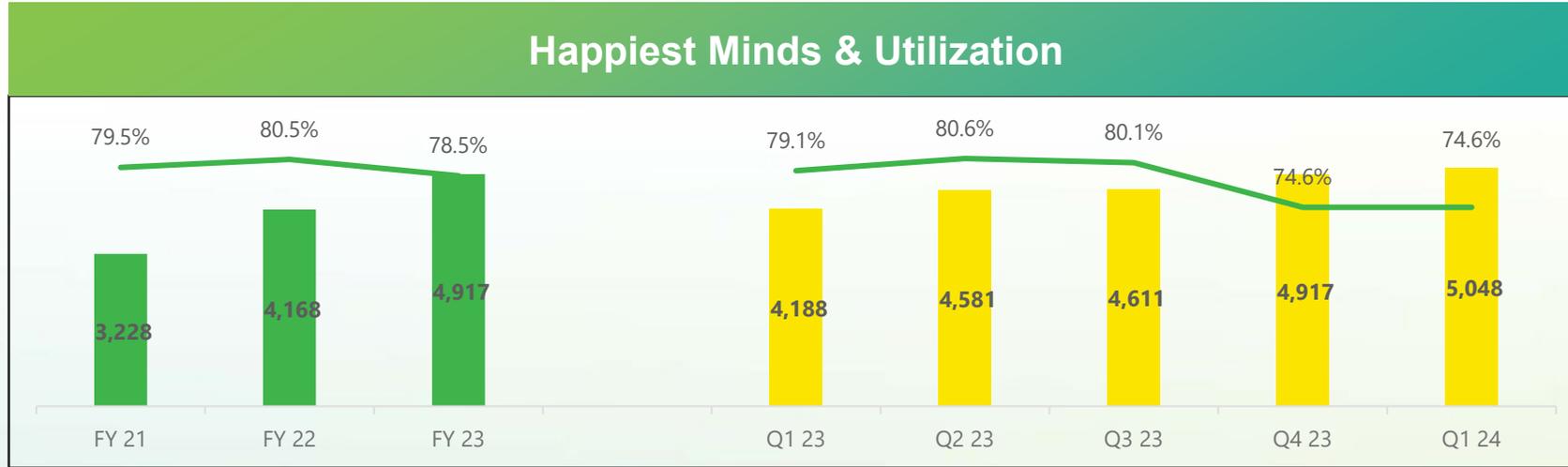


## High FCF Conversion



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

# Operational & Financial Metrics



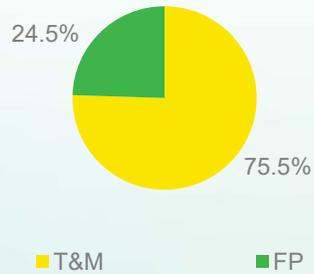
Note 1: Trailing 12 Months

# Operational & Financial Metrics

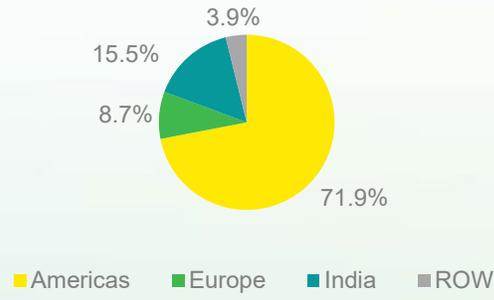
## Revenue Model

Q1 24

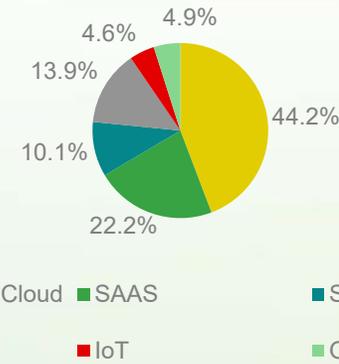
Model



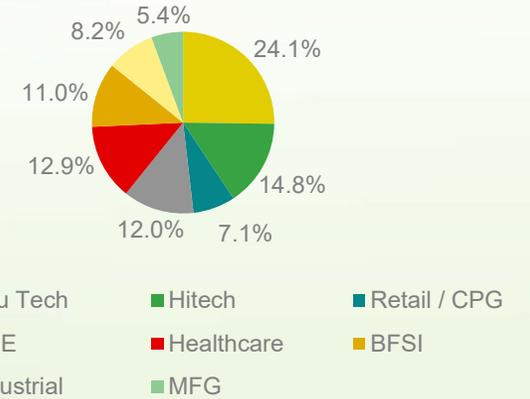
Geography



Digital Revenue<sup>1</sup>

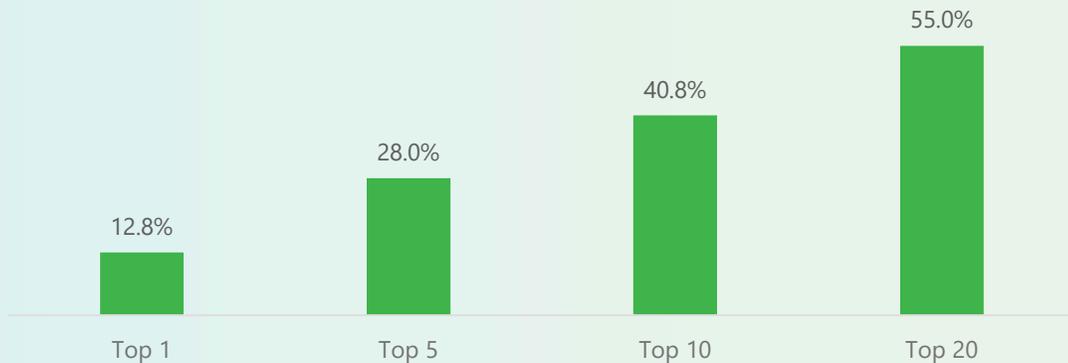


Vertical<sup>1</sup>



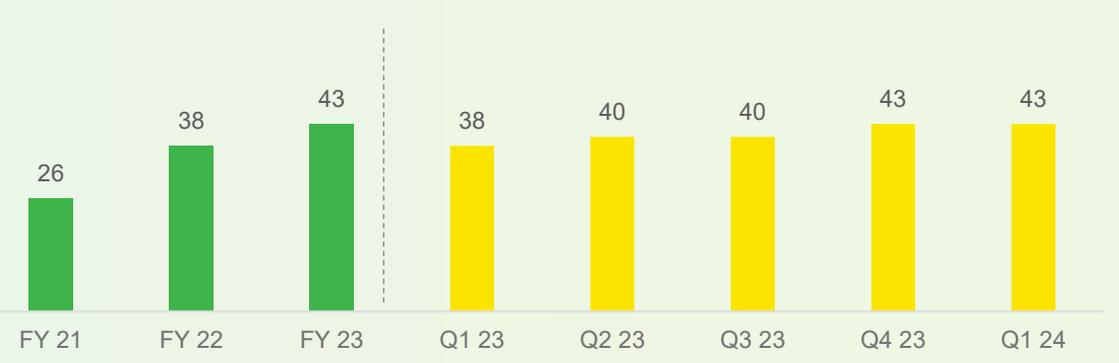
## Revenue Concentration<sup>3</sup>

Q1 24 (% Revenue)



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

(#)

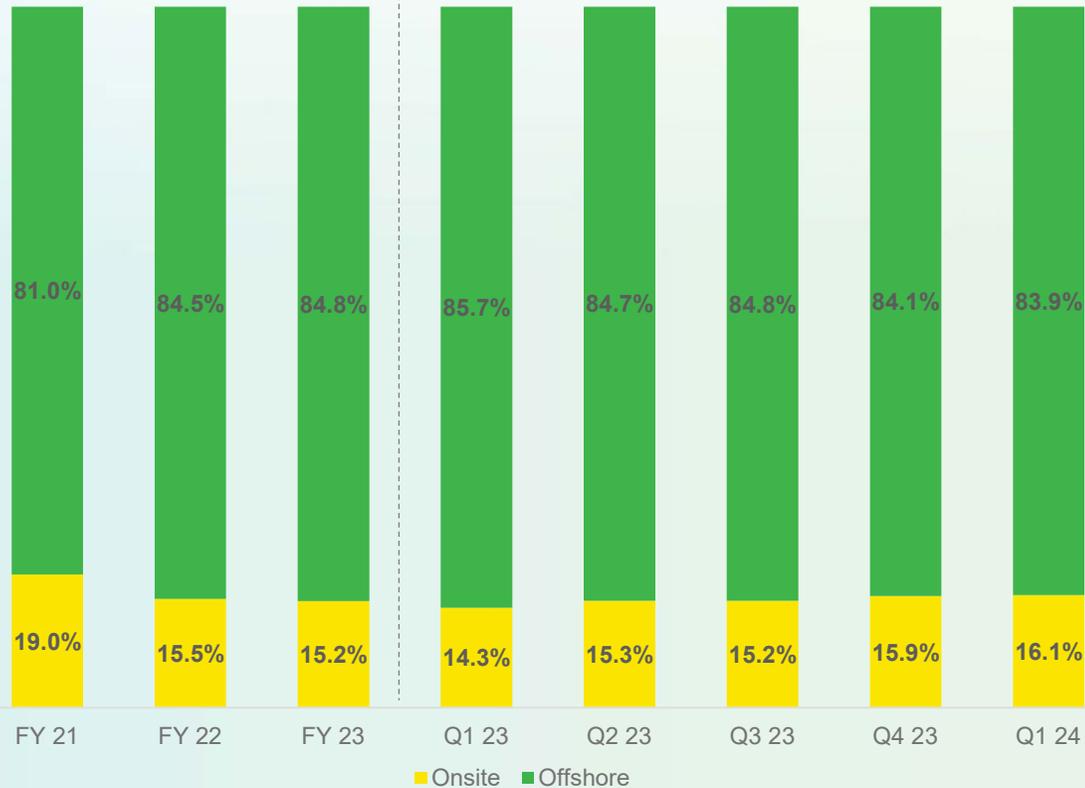


Notes: 1. TME: Travel, Media & Entertainment, 2. Based on quarterly revenues annualized. 3. Top 20 includes Top 1, 5 & 10

# Operational & Financial Metrics

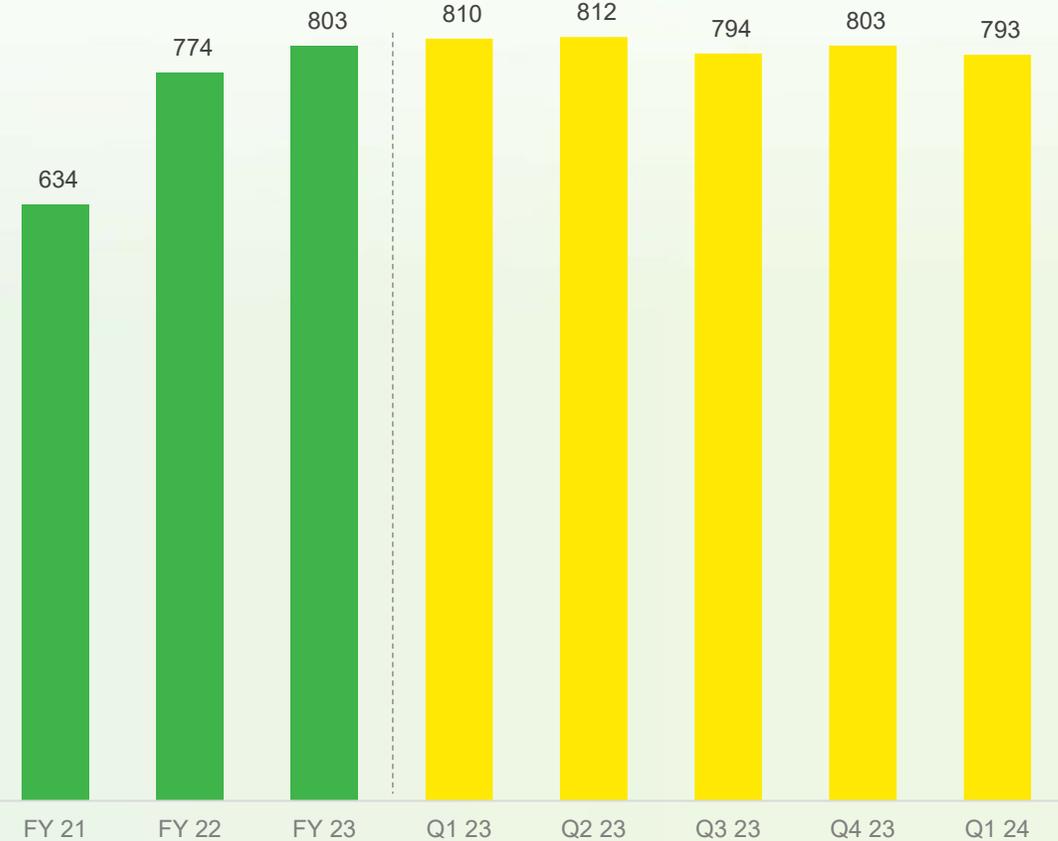
## Onsite/Offshore

By Revenue



## Average Revenue / Active Customer

(USD '000)



# Operational & Financial Metrics

	FY21	FY 22	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY 23	FY24 Q1
<b>Customer Industry group</b>								
Edutech	25.6%	23.2%	23.7%	23.8%	23.2%	22.2%	23.2%	24.1%
Hitech	18.2%	15.8%	15.6%	16.6%	15.7%	19.5%	16.9%	14.8%
BFSI	16.4%	13.2%	13.7%	14.2%	10.3%	10.8%	12.2%	11.0%
Travel, Media and Entertainment (TME)	13.6%	13.2%	12.7%	12.5%	13.1%	13.2%	12.9%	12.0%
Healthcare*	-	-	-	-	-	-	-	12.9%
Retail / CPG	5.4%	10.3%	10.0%	8.9%	10.4%	7.7%	9.2%	7.1%
Industrial	7.1%	6.9%	8.2%	7.7%	9.2%	8.3%	8.4%	8.2%
Manufacturing	6.6%	8.6%	10.0%	10.4%	10.0%	10.7%	10.3%	5.4%
Others	7.1%	8.8%	6.1%	5.8%	8.2%	7.5%	6.9%	4.4%
<b>Total</b>	<b>100.0%</b>							
<b>Digital Service Offerings</b>								
Digital infrastructure/Cloud	41.6%	43.6%	45.7%	45.4%	45.4%	46.9%	45.8%	44.2%
SaaS	22.7%	20.3%	21.5%	21.3%	20.1%	20.1%	20.7%	22.2%
Security Solutions	8.7%	11.9%	11.7%	12.3%	13.4%	12.0%	12.3%	10.1%
Analytics/AI	13.3%	12.1%	11.6%	12.8%	12.5%	11.9%	12.2%	13.9%
IoT	10.5%	8.6%	6.2%	5.1%	5.2%	5.4%	5.4%	4.6%
<b>Total</b>	<b>96.8%</b>	<b>96.5%</b>	<b>96.6%</b>	<b>96.8%</b>	<b>96.5%</b>	<b>96.3%</b>	<b>96.4%</b>	<b>95.1%</b>
<b>Automation</b>	25.2%	25.4%	26.0%	25.4%	27.7%	27.3%	26.6%	28.3%

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 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY 23	FY24 Q1
<b>Revenue by Geo</b>								
USA	73.4%	66.4%	66.6%	67.9%	67.5%	70.5%	68.1%	71.9%
India	11.8%	14.1%	15.8%	16.1%	15.4%	15.0%	15.6%	15.5%
Europe	10.4%	10.4%	10.7%	9.3%	9.4%	9.4%	9.7%	8.7%
ROW	4.4%	9.0%	6.9%	6.7%	7.7%	5.1%	6.6%	3.9%
<b>Million \$ Customers<sup>1</sup></b>								
\$ 20M +	-	-	1	1	1	1	1	1
\$ 10 M to \$ 20M	1	1	1	1	1	-	-	-
\$ 5M to \$ 10M	3	4	4	4	4	6	6	6
\$ 3M to \$ 5M	6	8	7	7	7	6	6	5
\$ 1M to \$ 3M	16	25	25	27	27	30	30	31
<b>Total</b>	<b>26</b>	<b>38</b>	<b>38</b>	<b>40</b>	<b>40</b>	<b>43</b>	<b>43</b>	<b>43</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%	14.3%	15.3%	15.2%	15.9%	15.2%	16.1%
Offshore <sup>2</sup>	81.0%	84.5%	85.7%	84.7%	84.8%	84.1%	84.8%	83.9%
<b>Revenue by contracting Model</b>								
Fixed Price	21.7%	25.1%	24.9%	24.4%	26.4%	25.5%	25.3%	24.5%
Time and Material	78.3%	74.9%	75.1%	75.6%	73.6%	74.5%	74.7%	75.5%
<b># Active Customers</b>	173	206	211	226	230	237	237	243
<b># Billion \$ Corporation</b>	46	54	56	54	55	55	55	57

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

# Operational & Financial Metrics

	FY21	FY22	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY23	FY24 Q1
<b>Happiest Minds</b>								
Onsite	166	172	185	210	228	227	227	244
Offshore	3,062	3,996	4,003	4,371	4,383	4,690	4,690	4,804
Onsite %	5.1%	4.1%	4.4%	4.6%	4.9%	4.6%	4.6%	4.8%
Offshore %	94.9%	95.9%	95.6%	95.4%	95.1%	95.4%	95.4%	95.2%
<b>Utilization</b>	79.5%	80.5%	79.1%	80.6%	80.1%	74.6%	78.5%	74.6%
<b>Diversity</b>	24.5%	26.4%	26.0%	27.6%	27.7%	27.4%	27.4%	27.6%
<b>DSO</b>								
Billed	57	55	58	60	60	54	54	58
Unbilled	28	35	36	31	29	31	31	31
<b>Total</b>	<b>85</b>	<b>90</b>	<b>94</b>	<b>91</b>	<b>90</b>	<b>86</b>	<b>86</b>	<b>88</b>
<b>EPS ₹ : Diluted</b>	11.45	12.55	3.88	4.09	3.98	3.98	16.01	4.02
<b>Capital Ratios<sup>1</sup></b>								
RoCE	31.2%	34.8%	39.1%	35.2%	34.9%	32.8%	32.8%	33.1%
RoE	29.8%	27.3%	31.5%	31.3%	29.4%	27.8%	27.8%	26.0%

Note: 1: Capital Return Ratios are YTD Annualized

# Operational & Financial Metrics

All figures in ₹ Lakhs

	FY21		FY22		FY23 Q1		FY23 Q2		FY23 Q3		FY23 Q4		FY23		FY24 Q1	
<b>Revenue by BU</b>																
IMSS	16,421	20.6%	24,168	21.4%	7,356	22.3%	7,902	22.0%	7,912	21.1%	7,525	19.5%	30,694	21.2%	7,516	18.6%
DBS	21,288	26.7%	32,891	29.1%	9,903	30.0%	10,722	29.8%	11,266	30.1%	11,180	28.9%	43,070	29.7%	11,175	27.6%
PES	39,632	49.7%	52,308	46.3%	15,633	47.4%	16,927	47.1%	17,511	46.7%	19,093	49.4%	69,165	47.7%	20,396	50.4%
<b>Total Revenue</b>	<b>77,341</b>	<b>97.0%</b>	<b>109,367</b>	<b>96.7%</b>	<b>32,892</b>	<b>99.7%</b>	<b>35,551</b>	<b>98.9%</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>
Other income	2,424	3.0%	3,708	3.3%	104	0.3%	382	1.1%	780	2.1%	845	2.2%	2,111	1.5%	1,366	3.4%
<b>Total income</b>	<b>79,765</b>	<b>100%</b>	<b>113,075</b>	<b>100%</b>	<b>32,996</b>	<b>100%</b>	<b>35,933</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>

IMSS: Infrastructure Management & Security Services

DBS : Digital Business Services

PES: Product Engineering Services

# Summary Profit & Loss Statement

	FY 21	FY 22	FY 23 Q1	FY 23 Q2	FY 23 Q3	FY 23 Q4	FY 23	FY 24 Q1
<b>Income</b>								
Operating revenue	77,341	1,09,365	32,892	35,551	36,688	37,798	1,42,929	39,087
Other income	2,424	3,710	104	382	780	845	2,111	1,366
<b>Total income</b>	<b>79,765</b>	<b>1,13,075</b>	<b>32,996</b>	<b>35,933</b>	<b>37,468</b>	<b>38,643</b>	<b>1,45,040</b>	<b>40,453</b>
Cost of revenue	44,382	64,404	18,499	20,592	21,394	22,342	82,827	23,404
<b>Gross margin</b>	<b>32,959</b>	<b>44,961</b>	<b>14,393</b>	<b>14,959</b>	<b>15,294</b>	<b>15,456</b>	<b>60,101</b>	<b>15,683</b>
%	42.6%	41.1%	43.8%	42.1%	41.7%	40.9%	42.0%	40.1%
SG&A	13,810	19,193	5,722	5,907	6,348	6,239	24,215	6,750
%	17.9%	17.5%	17.4%	16.6%	17.3%	16.5%	16.9%	17.3%
<b>EBITDA</b>	<b>21,573</b>	<b>29,477</b>	<b>8,775</b>	<b>9,434</b>	<b>9,726</b>	<b>10,062</b>	<b>37,997</b>	<b>10,299</b>
%	27.0%	26.1%	26.6%	26.3%	26.0%	26.0%	26.2%	25.5%
Depreciation	2,274	3,288	934	971	992	1,294	4,191	1,424
%	2.9%	3.0%	2.8%	2.7%	2.7%	3.4%	2.9%	3.6%
<b>EBIT</b>	<b>19,299</b>	<b>26,189</b>	<b>7,841</b>	<b>8,463</b>	<b>8,734</b>	<b>8,768</b>	<b>33,806</b>	<b>8,875</b>
%	24.2%	23.2%	23.8%	23.6%	23.3%	22.7%	23.3%	21.9%
Finance cost	697	995	283	452	576	875	2,186	1,007
<b>PBT before exceptional item*</b>	<b>18,602</b>	<b>25,194</b>	<b>7,558</b>	<b>8,011</b>	<b>8,158</b>	<b>7,893</b>	<b>31,620</b>	<b>7,868</b>
%	23.3%	22.2%	22.9%	22.3%	21.8%	20.4%	21.7%	19.4%
<b>Exceptional Items<sup>+</sup></b>	<b>-</b>	<b>609</b>	<b>-</b>	<b>-</b>	<b>634</b>	<b>-</b>	<b>634</b>	<b>-</b>
<b>PBT *</b>	<b>18,602</b>	<b>24,585</b>	<b>7,558</b>	<b>8,011</b>	<b>7,524</b>	<b>7,893</b>	<b>30,986</b>	<b>7,868</b>
%	23.3%	21.7%	22.9%	22.3%	20.1%	20.4%	21.4%	19.4%
Current tax	3,527	6,310	2,325	1,638	2,335	2,210	8,508	2,280
Deferred tax	(1,171)	155	(401)	432	(569)	(83)	(621)	(245)
<b>Total Tax</b>	<b>2,356</b>	<b>6,465</b>	<b>1,924</b>	<b>2,070</b>	<b>1,766</b>	<b>2,127</b>	<b>7,887</b>	<b>2,035</b>
%	3.0%	5.7%	5.8%	5.8%	4.7%	5.5%	5.4%	5.0%
<b>PAT *</b>	<b>16,246</b>	<b>18,120</b>	<b>5,634</b>	<b>5,941</b>	<b>5,758</b>	<b>5,766</b>	<b>23,099</b>	<b>5,833</b>
%	20.4%	16.0%	17.1%	16.5%	15.4%	14.9%	15.9%	14.4%

\* Exceptional items for FY22 & Q3 FY23 refers to Loss on Fair Valuation of Warrant Liability

# Condensed Balance Sheet

All figures in ₹ Lakhs

	31.03.2021	31.03.2022	30.06.2022	30.09.2022	31.12.2022	31.03.2023	30.06.2023
<b>Assets</b>							
<b>Non-current Assets</b>							
Property, plant and equipment	69	78	89	12,894	12,899	13,278	13,202
Goodwill	7,644	7,896	8,202	8,430	8,562	13,913	13,901
Financial & Other assets	10,029	11,788	24,594	34,347	77,536	29,594	27,642
<b>Total non-current assets (A)</b>	<b>17,742</b>	<b>19,762</b>	<b>32,885</b>	<b>55,671</b>	<b>98,997</b>	<b>56,785</b>	<b>54,745</b>
<b>Current assets</b>							
Financial & Other assets							
i. Trade receivable	12,192	16,738	20,937	22,408	23,250	21,319	24,534
ii. Cash & Cash equivalents, Investments & Other financial assets	60,928	72,609	65,503	55,746	17,061	81,484	85,516
iii. Other assets	1,333	3,392	1,782	3,420	2,811	4,495	5,260
<b>Total current assets (B)</b>	<b>74,453</b>	<b>92,739</b>	<b>88,222</b>	<b>81,574</b>	<b>43,122</b>	<b>1,07,298</b>	<b>1,15,310</b>
<b>Total assets (A + B)</b>	<b>92,195</b>	<b>1,12,501</b>	<b>1,21,107</b>	<b>1,37,245</b>	<b>1,42,119</b>	<b>1,64,083</b>	<b>1,70,055</b>
<b>Equity and Liabilities</b>							
<b>Total equity (A)</b>	<b>54,599</b>	<b>66,580</b>	<b>71,907</b>	<b>74,591</b>	<b>77,791</b>	<b>83,882</b>	<b>90,395</b>
<b>Non-current liabilities</b>							
Financial liabilities	7,339	7,134	8,761	18,759	18,678	18,035	17,483
Provisions & Deferred tax liability	2,378	2,086	1,966	2,205	2,344	4,526	4,577
<b>Total non-current liabilities (B)</b>	<b>9,717</b>	<b>9,220</b>	<b>10,727</b>	<b>20,964</b>	<b>21,022</b>	<b>22,561</b>	<b>22,060</b>
<b>Current liabilities</b>							
Financial & Contract liabilities							
i. Trade payable	4,101	6,072	6,967	6,907	5,779	7,052	8,007
ii. Others	20,340	26,266	27,230	30,697	33,767	45,921	44,595
Provisions & Other current liabilities	3,438	4,363	4,276	4,086	3,760	4,667	4,998
<b>Total current liabilities (C)</b>	<b>27,879</b>	<b>36,701</b>	<b>38,473</b>	<b>41,690</b>	<b>43,306</b>	<b>57,640</b>	<b>57,600</b>
<b>Total liabilities (D = B + C)</b>	<b>37,596</b>	<b>45,921</b>	<b>49,200</b>	<b>62,654</b>	<b>64,328</b>	<b>80,201</b>	<b>79,660</b>
<b>Total equity and liabilities (A + D)</b>	<b>92,195</b>	<b>1,12,501</b>	<b>1,21,107</b>	<b>1,37,245</b>	<b>1,42,119</b>	<b>1,64,083</b>	<b>1,70,055</b>

