

November 20, 2024

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

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

Dear Sir/Madam,

Sub: Communication to Shareholders – Financial Results for the Quarter and half year ended September 30, 2024

With reference to our letter dated November 13, 2024, please find enclosed herewith an e-mail communication dated November 20, 2024, pertaining to key highlights of the Company's performance for the quarter and half year ended September 30, 2024, which has been sent to all the shareholders whose e-mail IDs are registered with the Company/Depositories.

This is for your information and records.

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

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



Q2

RESULTS

FY 25

REVENUES

\$ 62.4 M

QoQ **12.3%** ▲

YoY **27.0%** ▲

Clients

281

People

6,580

PAT
₹ 49.5 Crores

QoQ **3.0%** ▼

YoY **15.3%** ▼

EBITDA
₹ 119 Crores

QoQ **1.8%** ▲

YoY **13.4%** ▲

Interim Dividend
₹ 2.5

Dear Shareholder,

Greetings from Happiest Minds Technologies Limited

The Board of Directors of the Company at their meeting held on November 13, 2024, has approved the unaudited financial statements of the Company for the quarter and half year ended as on September 30, 2024.

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

For further details, you can visit the Company's website
<https://www.happiestminds.com/investors/>

Thanking you,
Yours faithfully,

Praveen Kumar Darshankar
Company Secretary & Compliance Officer
Happiest Minds Technologies Limited



Happiest Minds has delivered our best growth results since the last two years with 12.7% QoQ growth and 28.2% YoY growth. The transformational changes we initiated this year are all gathering momentum. These changes include the acquisition of PureSoftware and Aureus, the creation of our GenAI Business Unit (GBS), hiring a senior leader to expand net new (NN Sales), and creating six Industry Groups, each headed by an Industry Manager. The full impact of all these changes on revenue and growth will become visible in the quarters ahead.

ASHOK SOOTA
Executive Chairman



We are pleased about our growth in revenues and profits in the first half of FY25. Total income has grown by ₹205 crores, EBITDA by ₹28 crores and Operating Margins by ₹12 crores. Revenue growth of 28.2% in constant currency and EBITDA margin of 22.7% compare well with our guidance range of 30% to 35% and 20% to 22%, respectively. Our growth in margins is after counting for significant investments in our Gen AI business unit and higher than comparable company compensation increases for our people.

VENKATRAMAN NARAYANAN
MD & CFO



The results demonstrate Happiest Minds' commitment to its customers and be the partner of choice in their strategic imperatives. Backed by our strong capabilities in Data, AI, GenAI, Automation, IoT and Cyber Security, the quarter was marked by solid new wins and expanding our base into existing client relationships through our strong account mining practices.

JOSEPH ANANTHARAJU
Executive Vice Chairman

KEY PROJECT WINS

➤ For a **USA-based energy tech company**, this new win entails Happiest Minds providing consulting-led solution to develop their unified IoT platform for the combined heat and power solution.

➤ For a **US semiconductor company**, Happiest Minds was chosen to design and develop their reference hardware platforms.

➤ For a **global leader in Electronic Design Automation**, Happiest Minds is building its prototype SoC designs on FPGA platforms.

➤ For a **North America-based health-tech company** offering practice management solutions for professionals, Aureus business of Happiest Minds has been chosen to transform their entire reporting system to a Microsoft stack.

➤ For the **world's leading digital twin platform** for the energy sector, Happiest Minds was chosen to drive their Gen AI Innovation aimed at field data collection and retrieval.

➤ For **one of the largest brewers in the world**, Happiest Minds has been chosen as a strategic partner to drive their Analytics and AI initiatives for demand forecasting.

➤ For a **European Health Research Institute**, Happiest Minds is building their AI/ML data platform.

➤ For a **leading ANZ retailer**, Happiest Minds is providing Data Engineering and BI services (Snowflake & Power BI) for their Product Lifecycle Management project.

➤ For an **Australia based healthcare training provider**, Happiest Minds has been chosen to design and build their learning platform.

➤ For a **leading FinTech trading platform in the Middle East**, Happiest Minds was chosen as a partner to secure its critical IT infrastructure and business applications.

➤ For an **Africa-based market leader in logistics and supply chain**, Happiest Minds has been chosen to implement core banking and Buy Now Pay Later (BNPL) modules from its award-winning Artha® Platform.

➤ For a **large public sector bank based out of India**, Happiest Minds has been chosen as their strategic cybersecurity partner to oversee the end-to-end design and implementation of their cyber security program.

AWARDS



'Top 100 India's Best Workplaces™ for Women 2024'
by Great Place To Work®



'Best Organizational Development & Transformation Initiative'
at the Future of L&D Summit and Awards 2024



'WAW – Wellbeing at Workplaces Award 2024'
at the HR Anexi Conclave



'Gold for Talent Acquisition and Silver for Future of Work'
at the Brandon Hall Group HCM Excellence Awards 2024

ANALYST MENTIONS



Dear Stakeholder,

Happiest Minds completed four years of being a listed company in the reported quarter. We thank you for your continued support and encouragement over the years. In these four years, Happiest Minds revenues have grown 2.5 times, headcount has more than doubled to 6,580 Happiest Minds, we have expanded our geographical focus to eight markets, and we now work with 280+ customers with 59 contributing to more than a million dollars in revenues.

Building up on our strong and transformational Q1, we have delivered yet another quarter of solid performance across all fronts. The results demonstrate Happiest Minds commitment to its customers to deliver value at scale and be the partner of choice in their strategic imperatives.

We have expanded our base of deep client relationships through our strong account mining practices and proactively anticipating the needs of our customers. During the reported quarter, Our US \$ 3 – 5 Mn customers have increased by 4 to a total of 6. We work with 82 billion-dollar corporations, a significant jump from 57 the same period last year. We received an industry leading net promoter score of 65, a validation of our efforts over the years to drive impactful outcomes to our customers with high quality delivery.

The transformational changes that we put in place at the beginning of fiscal have started yielding positive outcomes and will gather momentum as we progress.

- Pure Software and Aureus teams, now part of Happiest Minds family, are charged up to drive synergies. We have put in action to cross sell into each other's accounts and leverage our complimentary skills and capabilities.
- Our Gen AI business or GBS continues to take rapid strides in building a leadership position by being a thought leader through innovation, strong partnerships with technology tool providers. We see huge potential for replicable scales through our solutions in research, customer service, learning and contract management.
- Our net new sales engine led by our Chief Growth Officer has already built a healthy new logo pipeline across our focus industry groups. We expect more new logo wins which will grow as the accounts are transitioned to the respective industry groups.

In line with our progressive dividend policy, the Board of Directors of the Company have approved an interim dividend of ₹ 2.5 per equity share. The record date for payout has been fixed as November 27th, 2024.

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

Thanking you,
Yours faithfully,

Venkatraman Narayanan
Managing Director & CFO

Joseph Anantharaju
Executive Vice Chairman

Key Financial Metrics

All amounts in ₹ Lakhs unless stated otherwise

Particulars	Q2 FY25	Q1 FY25	QoQ	Q2 FY24	YoY	HY25	HY24	YoY
Revenues	52,164	46,382	12.5%	40,662	28.3%	98,546	79,749	23.6%
Other Income	2,702	2,544		2,221		5,246	3,587	
Total Income	54,867	48,926	12.1%	42,883	27.9%	103,793	83,336	24.5%
EBITDA	11,882	11,671	1.8%	10,482	13.4%	23,553	20,781	13.3%
%	21.7%	23.9%		24.4%		22.7%	24.9%	
Operating Margin¹	9,352	9,196	1.7%	8,443	10.8%	18,548	17,422	6.5%
%	17.9%	19.8%		20.8%		18.8%	21.8%	
Finance Cost	2,551	1,741		1,055		4,291	2,002	
Depreciation	1,154	1,029		846		2,183	1,887	
Profit before Non Cash/Exceptional	8,178	8,902	(8.1)%	8,581	(4.7)%	17,080	16,892	1.1%
%	14.9%	18.2%		20.0%		16.5%	20.3%	
Amortization/Unwinding Interest ²	1,406	1,419		668		2,825	1,110	
Exceptional Item	-	643		-		643	-	
PBT	6,771	6,841	(1.0)%	7,912	(14.4)%	13,612	15,780	(13.7)%
%	12.3%	14.0%		18.5%		13.1%	18.9%	
Tax	1,820	1,738		2,066		3,558	4,101	
%	3.3%	3.6%		4.8%		3.4%	4.9%	
PAT	4,951	5,103	(3.0)%	5,846	(15.3)%	10,054	11,679	(13.9)%
%	9.0%	10.4%		13.6%		9.7%	14.0%	
Revenues (\$'000)	62,385	55,547	12.3%	49,121	27.0%	117,932	96,687	22.0%
Growth in CC			12.7%		28.2%			23.1%

Note 1 – Operating Margin – EBITDA excluding other income

Note 2 - Amortization and unwinding interest are non cash items from the acquisition

Financial highlights

Quarter ended September 30, 2024

- Revenue in constant currency grew 12.7% q-o-q and 28.2% y-o-y
- Operating Revenues in US \$ stood at \$62.4 million growing 12.3% q-o-q and 27.0% y-o-y
- Total Income of ₹ 54,867 lakhs growing 12.1% q-o-q and 27.9% y-o-y
- EBITDA of ₹ 11,882 lakhs, 21.7% of Total Income (growth of 1.8% q-o-q and 13.4% y-o-y)
- PAT of ₹ 4,951 lakhs 9% of Total Income (decline of 3.0% q-o-q and 15.3% y-o-y)*
- Free cash flows of ₹ 11,612 Lakhs and EPS (diluted) at ₹ 3.29

Half year ended September 30, 2024

- Revenue in constant currency grew 23.1% y-o-y
- Operating Revenues in US \$ stood at \$117.9 million growing 22% y-o-y
- Total Income of ₹ 103,793 lakhs growing 24.5% y-o-y
- EBITDA of ₹ 23,553 lakhs, 22.7% of Total Income (growth of 13.3% y-o-y)
- PAT of ₹ 10,054 lakhs 9.7% of Total Income (Decline of 13.9% y-o-y)*
- Free cash flows of ₹ 23,181 Lakhs and EPS (diluted) at ₹ 6.68

*Decline primarily due to acquisition related non-cash charge and financing costs.

Business Highlights

Clients:

- 281 as of September 30, 2024
- 11 additions in the quarter

Our People - Happiest Minds:

- 6,580 Happiest Minds as of September 30, 2024
- Trailing 12-month attrition of 14.4% (13.5% in the previous quarter)
- Utilization of 76.3%, from 78.2% in last quarter

Q2 FY25 Key wins

- For a **USA-based energy tech company**, this new win entails Happiest Minds providing consulting-led solution to develop their unified IoT platform for the combined heat and power solution.
- For a **US semiconductor company**, Happiest Minds was chosen to design and develop their reference hardware platforms.
- For a **global leader in Electronic Design Automation**, Happiest Minds is building its prototype SoC designs on FPGA platforms.
- For a **North America-based health-tech company** offering practice management solutions for professionals, Happiest Minds has been chosen to transform their entire reporting system to a Microsoft stack.
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- For a **European Health Research Institute**, Happiest Minds is building their AI/ML data platform.
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- For a **leading FinTech trading platform in the Middle East**, Happiest Minds was chosen as a partner to secure its critical IT infrastructure and business applications.
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- For a **large public sector bank based out of India**, Happiest Minds has been chosen as their strategic cybersecurity partner to oversee the end-to-end design and implementation of their cyber security program.

Awards

- Happiest Minds is recognized among **Top 100 India's Best Workplaces™ for Women 2024** by Great Place To Work®
- Happiest Minds was awarded for Best Organizational Development & Transformation Initiative at **Future of L&D Summit and Awards 2024**
- Happiest Minds was awarded **WAW – Wellbeing at Workplaces Award 2024** at the HR Anexi Conclave
- Happiest Minds was awarded Gold and Silver at the **Brandon Hall Group HCM Excellence Awards 2024**

Analyst Mentions

- Happiest Minds is **“Established & Expansive”** in Digital Engineering and ER&D Services – Zinnov Zones
- Happiest Minds is in **“Leadership Zone & Recognized as a Noteworthy Player”** in the Consumer Software – Zinnov Zones
- Happiest Minds is in **“Leadership Zone”** in Enterprise Software – Zinnov Zones
- Happiest Minds is in **“Leadership Zone”** in Software Platform Engineering – Zinnov Zones
- Happiest Minds is in **“Noteworthy Player”** in the Overall Data & AI Engineering Services – Zinnov Zones
- Happiest Minds is in **“Leadership Zone”** in Experience Engineering – Zinnov Zones
- Happiest Minds is **“Major Contender”** – Everest PEAK Matrix for Software Product Engineering Services
- Happiest Minds is **“Major Contender”** in BFSI, Retail, Healthcare, ISV & Internet, Media & Entertainment - Everest PEAK Matrix for Software Product Engineering Services
- Happiest Minds is **Major Contender** in Everest Group's Cybersecurity Services PEAK Matrix® Assessment 2024 - North America

Announcements

- The Board of Directors of the Company, at their meeting held on November 13, 2024, has approved an interim dividend of ₹ 2.5 per equity share of face value ₹ 2/- for the financial year 2024-25.

Extract of the Unaudited Consolidated Financial Results for the quarter and half year ended September 30th, 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			
Unaudited Consolidated Statement of Assets and Liabilities as at September 30, 2024			
(Rs. in lakhs)			
SI No	Particulars	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
	ASSETS		
A	Non-current assets		
	Property, plant and equipment	13,978	13,778
	Capital work-in-progress	101	9
	Goodwill	75,329	14,032
	Other intangible assets	25,654	7,786
	Right-of-use assets	6,922	5,698
	Intangible assets under development	27	22
	Financial assets:		
	i. Other financial assets	2,683	2,480
	Deferred tax assets (net)	1,971	1,636
	Income tax assets (net)	2,394	1,529
	Other non-current assets	24	32
	Total non-current assets	1,29,083	47,002
B	Current assets		
	Financial assets		
	i. Investments	10,797	-
	ii. Trade receivables	25,441	25,444
	iii. Cash and cash equivalents	16,368	11,470
	iv. Bank balance other than cash and cash equivalents	1,18,667	1,22,183
	v. Loans	47	37
	vi. Other financial assets	22,626	13,850
	Other-current assets	7,017	4,793
	Total current assets	2,00,963	1,77,777
	Total assets (A+B)	3,30,046	2,24,779
	EQUITY AND LIABILITIES		
C	Equity		
	Equity share capital	2,995	2,987
	Other equity	1,49,450	1,45,037
	Total Equity	1,52,445	1,48,024
D	Non-current liabilities		
	Financial liabilities		
	i. Borrowings	9,983	10,445
	ii. Lease liabilities	5,453	4,570
	iii. Other financial liabilities	6,766	401
	Provisions	4,991	3,338
	Deferred tax liabilities (net)	3,998	1,303
	Non-current liabilities	31,191	20,057
E	Current liabilities		
	Contract liabilities	2,458	1,825
	Financial liabilities		
	i. Borrowings	1,07,345	33,792
	ii. Lease liabilities	2,859	2,412
	iii. Trade payables		
	(A) Total outstanding dues of micro and small enterprises	96	165
	(B) Total outstanding dues of creditors other than micro and small enterprises	10,912	7,750
	iv. Other financial liabilities	15,751	5,810
	Other current liabilities	2,974	2,796
	Provisions	3,480	2,136
	Income tax liabilities (net)	535	12
	Total current liabilities	1,46,410	56,698
F	Total liabilities (D+E)	1,77,601	76,755
	Total equity and liabilities (C+F)	3,30,046	2,24,779

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(Rs. in lakhs)						
Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2024						
Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	March 31, 2024
	(Unaudited)	Refer note 2	Refer note 2	(Unaudited)	Refer note 2	(Audited)
I. Revenue						
(a) Revenue from operations	52,164	46,382	40,662	98,546	79,749	1,62,466
(b) Other income	2,703	2,544	2,221	5,247	3,587	8,537
Total revenue	54,867	48,926	42,883	1,03,793	83,336	1,71,003
II. Expenses						
(a) Employee benefits expense	35,055	29,986	25,510	65,041	49,053	1,01,469
(b) Finance costs	2,799	1,983	1,115	4,782	2,122	4,227
(c) Depreciation and amortisation expense	2,312	2,204	1,455	4,516	2,879	5,829
(d) Other expenses	7,929	7,912	6,891	15,841	13,502	27,412
Total expenses	48,095	42,085	34,971	90,180	67,556	1,38,937
III. Profit before exceptional items and tax (I-II)	6,772	6,841	7,912	13,613	15,780	32,066
IV. Exceptional items (refer note 12 and 13)	-	-	-	-	-	1,402
V. Profit before tax (III-IV)	6,772	6,841	7,912	13,613	15,780	33,468
VI. Tax expense						
Current tax	2,179	2,114	2,237	4,293	4,517	9,518
Deferred tax (credit)	(359)	(376)	(171)	(735)	(416)	(889)
Total Tax expense	1,820	1,738	2,066	3,558	4,101	8,629
VII. Profit for the period / year (V-VI)	4,952	5,103	5,846	10,055	11,679	24,839
VIII. Other comprehensive income, net of tax [(loss)/profit]						
(i) Items to be reclassified to profit or loss in subsequent periods / year						
a) Exchange difference on translation of foreign operation	206	(36)	92	170	80	124
b) Net change in fair value of derivatives designated as cash flow hedges	(515)	144	(464)	(371)	372	403
c) Income tax effect on above	129	(36)	116	93	(94)	(101)
(ii) Items not to be reclassified to profit or loss in subsequent periods / year						
a) Net change in equity instruments through other comprehensive income	(503)	-	(260)	(503)	(260)	(1,319)
b) Income tax effect on above	106	-	55	106	55	277
a) Re-measurement of defined benefit plans	(323)	(39)	(165)	(362)	(185)	(346)
b) Income tax effect on above	81	10	42	91	47	87
IX. Total comprehensive income for the period / year (VII+VIII)	4,133	5,146	5,262	9,279	11,832	23,964
X. Paid-up equity share capital (Rs. 2/- each)	2,995	2,991	2,980	2,995	2,980	2,987
XI. Other equity						1,45,037
XII. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):						
Basic EPS (Rs.)	3.29	3.39	3.92	6.68	7.96	16.73
Diluted EPS (Rs.)	3.29	3.39	3.90	6.68	7.92	16.73

Happiest Minds Technologies Limited
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Consolidated Unaudited Statement of Cash Flows for the half year ended September 30, 2024

(Rs. in lakhs)

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
A. Cash flow from operating activities		
Profit before tax	13,613	15,780
Adjustments to reconcile profits before tax to net cash flows:		
Depreciation and amortization expense	4,516	2,879
Share-based payment expense	-	23
Fairvalue gain on investments measured at fair value through profit and loss	(47)	-
Gain on sale of investments carried at fair value through profit and loss	-	(1)
Interest income	(4,900)	(3,331)
Net unrealised foreign exchange loss / (gain)	9	109
Impairment loss on financial assets	253	307
Finance costs	4,782	2,122
Operating profit before working capital changes	18,226	17,888
Movements in working capital		
Decrease/(Increase) in trade receivables	9,087	(2,211)
(Increase) in loans	(11)	(36)
(Increase) in other assets	(1,264)	(1,582)
(Increase) in financial assets	(8,867)	(686)
Increase in trade payables	1,624	739
Increase/(Decrease) in financial liabilities	384	(189)
(Decrease)/Increase in provisions	(44)	696
Increase in contract liabilities	633	527
(Decrease) in other non-financial liabilities	(1,416)	(72)
Cash generated from operating activities	18,352	15,074
Income tax paid	(4,678)	(5,364)
Net cash generated from operating activities (A)	13,674	9,710
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(304)	(423)
Purchase of intangible assets	-	(230)
Maturities of / Investment in bank deposits, net	3,509	(49,439)
Acquisition of subsidiaries	(69,483)	-
Investment in common stock of Solvio Inc.	(503)	-
Investments in mutual funds	(10,750)	(350)
Proceeds from sale of mutual funds	-	351
Interest received	4,278	(1,455)
Net cash used in investing activities (B)	(73,253)	(51,546)
C. Cash flow from financing activities		
Repayment of long-term borrowings	(462)	(1,471)
Net proceeds/ (repayment) of short-term borrowings	73,461	(1,164)
Proceeds from issue of redeemable non-convertible debentures	-	7,992
Payment of principal portion of lease liabilities	(1,445)	(1,002)
Payment of interest portion of lease liabilities	(350)	(298)
Proceeds from issue of equity shares	-	48,593
Dividend paid	(4,949)	(4,879)
Proceeds from exercise of share options	92	92
Interest paid	(3,913)	(1,633)
Net cash generated from financing activities (C)	62,434	46,230
Net increase in cash and cash equivalents (A+B+C)	2,855	4,394
Net foreign exchange difference	(152)	(1)
Cash and cash equivalents at the beginning of the period	11,470	6,999
Less : Bank overdraft at the beginning of the year	(573)	(7,119)
Cash acquired on acquisition of subsidiaries (net)	2,768	-
Cash and cash equivalents at the end of the period	16,368	4,273
Components of cash and cash equivalents		
Balance with banks		
- on current account	10,005	3,489
- in EEFC accounts	4,063	803
Less : Bank overdraft	-	(19)
Deposits with original maturity of less than three months	2,300	-
Total cash and cash equivalents	16,368	4,273

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Notes to Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2024

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 half year ended September 30, 2024 ("Consolidated Financial Results") of Happiest Minds Technologies Limited (the "Holding Company" or the "Company") and its subsidiaries (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 November 13, 2024.

2. The unaudited financials results for quarter and half year ended September 30, 2023 and in respect of comparative financial results for the quarter ended June 30, 2024 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 November 13, 2024 has declared an interim dividend of Rs.250/- per equity share of face value Rs.2/- for the financial year 2024-25. Record date for the purpose of interim dividend has been fixed on November 26, 2024 and the dividend will be paid on and after December 06, 2024.

5. On May 22, 2024, the Group acquired 100% equity interest of PureSoftware Technologies Private Limited ("PSTPL"). The Company paid the cash consideration of INR 63,947 lakhs and INR 118 lakhs on May 22, 2024 and August 19, 2024 respectively, and the shares were transferred on May 28, 2024. As a result of this acquisition, the Group has recorded goodwill of INR 56,373 lakhs and other intangible assets of INR 15,553 lakhs, and a contingent considerations of INR 10,814 lakhs. Costs incurred on the acquisition of about INR 605 Lakhs has been grouped under "Other expenses".

6. On May 24, 2024, the Group acquired 100% membership interest in Aureus Tech Systems LLC ("Aureus"). The Company paid cash consideration of INR 6,608 lakhs and INR 525 lakhs on May 24, 2024 and September 4, 2024 respectively, and the membership interest in Aureus were transferred on May 27, 2024. As a result of this acquisition, the Group has recorded goodwill of INR 4,783 lakhs and other intangible assets of INR 4,398 lakhs, and a contingent considerations of INR 2,425 lakhs. The Group incurred acquisition cost of INR 38 Lakhs and it is grouped under "Other expenses".

The initial accounting of the acquisition stated in paragraph 5 and 6 above, were incomplete for the quarter ended June 30, 2024. Accordingly the fair value measured in June 30, 2024 quarter were on a provisional basis. During current quarter, the Group retrospectively adjusted the provisional amounts to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Consequently, the fair value of identified assets and liabilities, and contingent considerations have been revised accordingly.

7. On April 18, 2024, the Group signed a share purchase agreement to acquire 100% equity in Macmillan Learning India Private Limited, a Bangalore based company for a total purchase consideration of INR 445 Lakhs. The Company paid the purchase consideration on April 30, 2024.

8. During the previous quarter, the Group had invested \$0.6 million (INR 500 Lakhs) in the common stock of Solvio Inc. a Texas USA based company towards an equity stake of 4.4% with an option to invest further amounts of upto \$3 million (INR 2,501 lakhs) taking the total holding to 19.95%.

Solvio was established to provide Salesforce consulting services in the US. The investment was classified at Fair Value through OCI ("FVOCI").

During the current quarter due to unfavorable business circumstances, Solvio Inc decided to wind up its business and consequently, the Company recognised an impairment loss of \$0.6 million (INR 500 Lakhs) in OCI.

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

Particulars	(Rs. in lakhs)					
	Quarter ended			Half year ended		Year ended
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	March 31, 2024
	(Unaudited)	Refer note 2	Refer note 2	(Unaudited)	Refer note 2	(Audited)
Total revenue (including other income)	40,106	39,855	39,228	79,961	76,326	1,58,414
Profit before tax	5,224	5,982	7,417	11,206	15,175	32,498
Profit for the period / year	3,826	4,384	5,453	8,210	11,197	24,573
Total comprehensive income for the period / year ended	3,252	4,458	4,959	7,710	11,307	24,594

10. The Group has established new business unit, Generative AI Business Services (GBS). Further it merged its existing business units of Digital Business Services ("DBS") and Product Engineering Services ("PES") to form Product and Digital Engineering service ("PDES"). The Business unit of Infrastructure Management & Security Services (IMSS) continues to operate with no change. The GBS Business unit offers IT services around Generative AI and allied services. The new structure was effective April 1, 2024.

The information for the earlier periods basis the new segment has not been restated as the information is not readily available and the cost to identify the information would be excessive. The information for the current period on both the old basis and the new basis of segmentation has not been disclosed for similar reason.


11. The segment reporting of the Group has been prepared in accordance with Ind AS-108 on 'Operating Segments'. The Executive Management of the Group examines performance based on its three Business units of GBS, PDES and IMSS.

Segment wise revenue and results are as follows:

Particulars	(Rs. in lakhs)					
	Quarter ended			Half year ended		Year ended
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	March 31, 2024
	(Unaudited)	Refer note 2	Refer note 2	(Unaudited)	Refer note 2	(Audited)
1. Segment revenue						
IMSS	7,876	7,992	7,381	15,868	14,897	29,746
PDES	43,442	37,677	33,281	81,119	64,852	1,32,720
GBS	846	713	-	1,559	-	-
Total	52,164	46,382	40,662	98,546	79,749	1,62,466
2. Segment results						
IMSS	2,201	2,576	1,826	4,777	3,814	7,751
PDES	11,133	10,404	10,669	21,537	21,243	45,070
GBS	(314)	(288)	-	(602)	-	-
Total	13,021	12,691	12,495	25,712	25,057	52,821
Unallocable other income	2,702	2,544	2,221	5,246	3,587	8,537
Unallocable finance cost	(2,527)	(1,741)	(1,054)	(4,268)	(2,003)	(4,022)
Unallocable depreciation and amortisation expenses	(1,100)	(958)	(870)	(2,058)	(1,624)	(3,672)
Other unallocable expenses	(5,324)	(5,895)	(4,880)	(11,019)	(9,237)	(20,196)
Tax expense	(1,820)	(1,738)	(2,066)	(3,558)	(4,101)	(8,829)
Profit after tax	4,952	5,103	5,846	10,054	11,679	24,839

Segment wise assets and liabilities are as follows:

Particulars	(Rs. in lakhs)	
	As at	
	September 30, 2024	March 31, 2024
	(Unaudited)	(Audited)
1. Segment assets		
IMSS	6,217	7,291
PDES	1,44,828	55,362
GBS	240	-
Other unallocable assets	1,78,761	1,82,128
Total assets	3,30,046	2,24,779
2. Segment liabilities		
IMSS	774	2,131
PDES	1,08,255	8,979
GBS	4	-
Other unallocable liabilities	68,588	65,645
Total liabilities	1,77,601	76,755

<p>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</p>
<p>Notes to Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2024</p>
<p>12. 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.</p> <p>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 amounting to INR 36 lakhs and INR 143 lakhs has been recognised in the statement of profit and loss and disclosed as an 'Exceptional Item' for the quarter ended and year ended March 31,2024 respectively.</p>
<p>13. 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.</p> <p>The contingent consideration was classified as a financial liability as per Ind AS 109 'Financial Instruments' and was measured at fair value. The Accounting Standard mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The Group has re-measured the fair value of the liability and the change in fair value amounting to INR 1,259 lakhs has been recognised in the statement of profit and loss and disclosed as an 'Exceptional Item' for the quarter and year ended March 31, 2024.</p>
<p>14. Rules in relation to 'The Code on Social Security, 2020 ('Code')' yet to be notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect.</p>
<p>15. Previous quarter's/ year's figures have been regrouped/ reclassified wherever necessary to conform with current year classification.</p>
<p>16. The above Unaudited Consolidated Financial Results of the Group are available on the Company's website www.happiestminds.com and also that of BSE (www.bseindia.com) and NSE (www.nseindia.com).</p>
<p>For and on behalf of the Board For Happiest Minds Technologies Limited</p>  <p>Venkatraman Narayanan Managing Director & Chief Financial Officer DIN : 01856347</p>
<p>Place: Bengaluru, India Date: November 13, 2024</p>

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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