

October 19, 2023

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

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

Dear Sir/Madam,

**Sub: Communication to shareholders – Financial Results for the Quarter and half year ended September 30, 2023**

With reference to our letter dated October 17, 2023, please find enclosed herewith an e-mail communication dated October 19, 2023, pertaining to key highlights of the Company's performance for the quarter and half year ended September 30, 2023, which has been sent to all the shareholders whose e-mail IDs are registered with the Company/Depositories.

This is for your information and records.

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

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



**Happiest Minds Technologies Limited**

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

CIN of the Co. L72900KA2011PLC057931

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

[investors@happiestminds.com](mailto:investors@happiestminds.com); [www.happiestminds.com](http://www.happiestminds.com)

Dear Shareholder,

Greetings from Happiest Minds Technologies Limited

The Board of Directors of the Company at their meeting held on October 17, 2023, has approved the unaudited financial statements of the Company for the quarter and half year ended as on September 30, 2023, and also declared an interim dividend of Rs. 2.50/- per equity share of face value Rs. 2/- for the financial year 2023-24.

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

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

Thanking you,  
Yours faithfully,

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

Dear Stakeholder,

Greetings to you and family on the occasion of Navaratri.

We are pleased to share with you that Happiest Minds has continued to deliver industry leading performance growing 3.6% sequentially in constant currency. On the parameter of revenue growth + EBITDA we were at 38.9%, which is another quarter of superior performance. Our EBITDA margin at 24.4% has been above our guided range of 22% - 24%, the fourteenth quarter in a row.

In the reported period, your company saw strong net people addition of 237 Happiest Minds with attrition falling to 14.25%. The company acquired seven new logos with many of them being large enterprises in the Fortune 500 group. This reflects the value we are able to deliver to our customer's digital journey and our ability to execute on the larger vision to be a billion-dollar revenue enterprise by FY31.

We want to share with you two major new organizational and strategic initiatives at Happiest Minds

- The Product Engineering Services (PES) and Digital Business Services(DBS) Business Units have been merged into one Product and Digital Engineering Services (PDES) BU that would lay the foundation for a vertical structure and allow us to build deeper domain capabilities
- We have established a new business unit on Generative AI (GBS) to offer full-scale Generative AI offerings across multiple domains and build capabilities which can be taken to the market.

During the reported quarter, Happiest Minds completed twelve years as a company and three years as a public entity, we express our gratitude to all who have been part of this journey and look forward to your continued trust.

The Board of Directors of the Company have recommended an interim dividend of ₹ 2.5 per equity share. Record date for payout has been fixed as October 30, 2023.

Key financial and operational highlights for the quarter are given below. Please do go through and in case of any questions feel free to reach out to [IR@happiestminds.com](mailto: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 FY 24	Q1 FY 24	QoQ	Q2 FY 23	YoY	HY 24	HY 23	YoY
Revenues	40,662	39,087	4.0%	35,551	14.4%	79,749	68,443	16.5%
Other Income	2,221	1,366	-	382	-	3,587	486	-
Total Income	42,883	40,453	6.0%	35,933	19.3%	83,336	68,929	20.9%
EBITDA	10,482	10,299	1.8%	9,434	11.1%	20,781	18,209	14.1%
%	24.4%	25.5%		26.3%		24.9%	26.4%	
PBT	7,912	7,868	0.6%	8,011	(1.2)%	15,780	15,569	1.4%
%	18.5%	19.4%		22.3%		18.9%	22.6%	
Tax	2,066	2,035	-	2,070	-	4,101	3,994	-
%	4.8%	5.0%		5.8%		4.9%	5.8%	
PAT	5,846	5,833	0.2%	5,941	(1.6)%	11,679	11,575	0.9%
%	13.6%	14.4%		16.5%		14.0%	16.8%	
Revenues (\$'000)	49,121	47,566	3.3%	44,347	10.8%	96,687	86,571	11.7%
Growth in Constant Currency		-	3.6%	-	11.6%	-	-	12.7%

## Financial highlights

### Quarter ended September 30, 2023:

- Revenue in constant currency grew by 3.6% q-o-q and 11.6% y-o-y
- Operating Revenues in US\$ stood at \$49.1 million (growth of 3.3% q-o-q; 10.8% y-o-y)
- Total Income of ₹ 42,883 lakhs (growth of 6.0% q-o-q; 19.3% y-o-y)
- EBITDA of ₹ 10,482 lakhs, 24.4% of Total Income (growth of 1.8% q-o-q; 11.1% y-o-y)
- PAT of ₹ 5,846 lakhs (growth of 0.2% q-o-q; de-growth of 1.6% y-o-y)
- Free cash flows of ₹ 10,296 Lakhs
- EPS (diluted) for the quarter of ₹ 3.90.

### Half year ended September 30, 2023

- Revenue in constant currency grew by 12.7% y-o-y
- Operating Revenues in US\$ stood at \$96.7 million (growth of 11.7% y-o-y)
- Total Income of ₹ 83,336 lakhs (growth of 20.9% y-o-y)
- EBITDA of ₹ 20,781 lakhs, 24.9% of Total Income (growth of 14.1% y-o-y)
- PAT of ₹ 11,679 lakhs (growth of 0.9% y-o-y)
- Free cash flows of ₹ 20,429 Lakhs
- EPS (diluted) for half year of ₹ 7.92

## **Business Highlights**

### **Clients:**

- 244 as of September 30, 2023
- 7 additions in the quarter

### **Our People - Happiest Minds:**

- 5,285 Happiest Minds as of September 30, 2023 (net addition for the quarter **237**)
- Trailing 12 months attrition of 14.4% (16.6% for Q4 FY23)
- Utilization of 75.6%, from 74.6% in last quarter

### **Q2 FY 24 Key Project Wins:**

- For a **large and global online retailer and hyperscaler**, Happiest Minds was chosen to design interactive user interfaces and to provide automation services for their IoT division
- For a **global fabless semiconductor company** specializing in 5G and cellular networks, Happiest Minds was chosen to provide ASIC Design & Verification services
- For a **large utilities company** in the United States, this new win entails Happiest Minds to be a key partner for providing data engineering and governance services
- For a **multibillion-dollar enterprise in the energy distribution sector**, Happiest Minds was chosen to transform their document management systems for automated retention, intelligent search and faster retrieval next generation digital platforms
- For an **industrial internet platforms provider** specializing in AI, IoT, and big data technologies, this new win entails Happiest Minds to build their data platform for their farm-to-table process
- For a **US based networking services company**, Happiest Minds was chosen to transform their service delivery platform to drive user experience and end user outcomes
- For a **leading warehouse club operator** in the United States, Happiest Minds is engaged in providing security assessment services which includes threat modelling and application Security
- For a **large Australian consumer durables retailer**, Happiest Minds is engaged in providing business intelligence and data visualization services
- For a **large ANZ based retail property group**, Happiest Minds is engaged in delivering performance testing & vulnerability assessment
- For a **Southeast Asian Bottling company**, Happiest Minds is engaged in setting up their automation Center of Excellence leveraging Microsoft Power Platform

### **Recognitions:**

- Happiest Minds' work for **DoubleVerify** has been recognized by ISG as **Standout** in the **2022 Digital Case Study Awards**
- Happiest Minds is recognized among '**Top 50 India's Best Workplaces for Women™ 2023**' by Great Place To Work® Institute

- Happiest Minds was awarded as '**Cybersecurity Champion of the Year**' at 100 CISO Forum – Summit & Awards 2023, Dubai
- Happiest Minds won '**IBM THINK Partner Excellence Award (Top Partner)**' Trailblazers of 2023

#### **Analyst Mentions:**

- Happiest Minds is '**Top 5 Challenger**' in Engineering Services 2023 - Everest
- Happiest Minds is '**Challenger**' in EUCS Services 2023 - Avasant
- Happiest Minds is '**Aspirant**' in IAM Services 2023 - Everest
- Happiest Minds is among '**Inspiring Firms in AI & Analytics**' at the 3AI Generative AI Conclave

**Extract of the Unaudited Consolidated Financial Results for the quarter and half year ended  
September 30, 2023**

*(Rs in lakhs)*

Happiest Minds Technologies Limited CIN : L72900KA2011PLC057931 Regd. Office:#53/1-4, Hosur Main Road, Madivala (next to Madivala Police Station) Bangalore 560 068, Karnataka, India Website: www.happiestminds.com , Email: IR@happiestminds.com , Tel: +91 80 6196 0300			
Unaudited Consolidated Statement of Assets and Liabilities as at September 30, 2023			
(Rs. in lakhs)			
Sl No	Particulars	As at September 30, 2023 (Unaudited)	As at March 31, 2023 (Audited)
	<b>ASSETS</b>		
<b>A</b>	<b>Non-current assets</b>		
	Property, plant and equipment	13,386	13,278
	Capital work-in-progress	331	185
	Goodwill	13,997	13,913
	Other intangible assets	9,077	10,182
	Right-of-use assets	6,728	5,786
	Intangible assets under development	-	81
	Financial assets:		
	i. Investments	1,054	1,296
	ii. Other financial assets	15,366	9,389
	Income tax assets (net)	1,966	1,310
	Deferred tax assets, net	1,307	1,246
	Other assets	12	119
	<b>Total non-current assets</b>	<b>63,224</b>	<b>56,785</b>
<b>B</b>	<b>Current assets</b>		
	Financial assets		
	i. Investments	-	-
	ii. Trade receivables	23,308	21,319
	iii. Cash and cash equivalents	4,292	6,999
	iv. Bank balance other than cash and cash equivalents	1,09,389	62,184
	v. Loans	100	64
	vi. Other financial assets	13,838	12,237
	Other assets	6,184	4,495
	<b>Total current assets</b>	<b>1,57,111</b>	<b>1,07,298</b>
	<b>Total assets (A+B)</b>	<b>2,20,335</b>	<b>1,64,083</b>
	<b>EQUITY AND LIABILITIES</b>		
<b>C</b>	<b>Equity</b>		
	Equity share capital	2,980	2,866
	Other equity	1,36,423	81,016
	<b>Total Equity</b>	<b>1,39,403</b>	<b>83,882</b>
<b>D</b>	<b>Non-current liabilities</b>		
	Financial liabilities		
	i. Borrowings	10,876	11,278
	ii. Lease liabilities	5,344	4,761
	iii. Other financial liabilities	1,737	1,996
	Provisions	2,929	2,466
	Deferred tax liabilities (net)	1,702	2,060
	<b>Non-current liabilities</b>	<b>22,588</b>	<b>22,561</b>
<b>E</b>	<b>Current liabilities</b>		
	Contract liability	1,684	1,157
	Financial liabilities		
	i. Borrowings	34,320	35,477
	ii. Lease liabilities	2,452	1,859
	iii. Trade payables		
	(A) Total outstanding dues of micro and small enterprises	87	83
	(B) Total outstanding dues of creditors other than micro and small enterprises	7,717	6,969
	iv. Other financial liabilities	7,254	7,428
	Income tax liabilities (net)	324	517
	Other current liabilities	2,313	2,375
	Provisions	2,193	1,775
	<b>Total current liabilities</b>	<b>58,344</b>	<b>57,640</b>
<b>F</b>	<b>Total liabilities (D+E)</b>	<b>80,932</b>	<b>80,201</b>
	<b>Total equity and liabilities (C+F)</b>	<b>2,20,335</b>	<b>1,64,083</b>

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(Rs. in lakhs)						
Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2023						
Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Unaudited)	Refer note 2	Refer note 2	(Unaudited)	Refer note 2	(Audited)
<b>I. Revenue</b>						
(a) Revenue from operations	40,662	39,087	35,551	79,749	68,443	1,42,929
(b) Other income	2,221	1,366	382	3,587	486	2,111
<b>Total revenue</b>	<b>42,883</b>	<b>40,453</b>	<b>35,933</b>	<b>83,336</b>	<b>68,929</b>	<b>1,45,040</b>
<b>II. Expenses</b>						
(a) Employee benefits expense	25,510	23,543	19,856	49,053	37,690	80,681
(b) Finance costs	1,115	1,007	452	2,122	735	2,186
(c) Depreciation and amortisation expense	1,455	1,424	971	2,879	1,905	4,191
(d) Other expenses	6,891	6,611	6,643	13,502	13,030	26,362
<b>Total expenses</b>	<b>34,971</b>	<b>32,585</b>	<b>27,922</b>	<b>67,556</b>	<b>53,360</b>	<b>1,13,420</b>
<b>III. Profit before exceptional items and tax (I-II)</b>	<b>7,912</b>	<b>7,868</b>	<b>8,011</b>	<b>15,780</b>	<b>15,569</b>	<b>31,620</b>
<b>IV. Exceptional items (refer note 9)</b>	-	-	-	-	-	634
<b>V. Profit before tax (III-IV)</b>	<b>7,912</b>	<b>7,868</b>	<b>8,011</b>	<b>15,780</b>	<b>15,569</b>	<b>30,986</b>
<b>VI. Tax expense</b>						
Current tax	2,237	2,280	1,638	4,517	3,963	8,508
Deferred tax charge / (credit)	(171)	(245)	432	(416)	31	(621)
<b>Total Tax expense</b>	<b>2,066</b>	<b>2,035</b>	<b>2,070</b>	<b>4,101</b>	<b>3,994</b>	<b>7,887</b>
<b>VII. Profit for the period / year (V-VI)</b>	<b>5,846</b>	<b>5,833</b>	<b>5,941</b>	<b>11,679</b>	<b>11,575</b>	<b>23,099</b>
<b>VIII. Other comprehensive income, net of tax [(loss)/profit]</b>						
(i) Items to be reclassified to profit or loss in subsequent periods / year						
a) Exchange difference on translation of foreign operation	92	(12)	208	80	455	517
b) Net change in fair value of derivatives designated as cash flow hedges	(464)	836	(608)	372	(1,579)	(632)
c) Income tax effect on above	116	(210)	153	(94)	397	159
(ii) Items not to be reclassified to profit or loss in subsequent periods / year						
a) Re-measurement of defined benefit plans	(165)	(20)	(313)	(185)	(182)	(155)
b) Income tax effect on above	42	5	79	47	46	39
c) Net change in equity instruments through other comprehensive income	(260)	-	-	(260)	-	(351)
d) Income tax effect on above	55	-	-	55	-	74
<b>IX. Total comprehensive income for the period / year (VII+VIII)</b>	<b>5,262</b>	<b>6,432</b>	<b>5,460</b>	<b>11,694</b>	<b>10,712</b>	<b>22,750</b>
<b>X. Paid-up equity share capital (Rs. 2/- each)</b>	2,980	2,872	2,861	2,980	2,861	2,866
<b>XI. Other equity</b>						81,016
<b>XII. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):</b>						
Basic EPS (Rs.)	3.92	4.04	4.15	7.96	8.10	16.13
Diluted EPS (Rs.)	3.90	4.02	4.09	7.92	7.99	16.01



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Unaudited Consolidated Statement of Cash Flows for the half year ended September 30, 2023		
(Rs. in lakhs)		
	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
<b>A. Cash flow from operating activities</b>		
Profit before tax	15,780	15,569
Adjustments to reconcile profits before tax to net cash flows:		
Depreciation and amortization expense	2,879	1,905
Share-based payment expense	23	70
Gain on investments carried at fair value through profit and loss	-	(556)
Gain on sale of investments carried at fair value through profit and loss	(1)	(173)
Interest income	(3,331)	(429)
Net unrealised foreign exchange loss / (gain)	109	841
Rent concession	-	(71)
Impairment loss on financial assets	307	2
Finance costs	2,122	735
<b>Operating profit before working capital changes</b>	<b>17,888</b>	<b>17,893</b>
<b>Movements in working capital</b>		
(Increase) in trade receivables	(2,211)	(5,024)
(Increase) in loans	(36)	(55)
(Increase) in other assets	(1,582)	(95)
Increase in financial assets	(686)	(1,986)
Increase in trade payables	739	709
(Decrease)/ Increase in financial liabilities	(189)	(71)
Increase in provisions	696	403
(Decrease)/ Increase in contract liabilities	527	(751)
(Decrease)/ Increase in other non-financial liabilities	(72)	(587)
<b>Cash generated from operating activities</b>	<b>15,074</b>	<b>10,436</b>
Income tax paid	(5,364)	(4,725)
<b>Net cash generated from operating activities (A)</b>	<b>9,710</b>	<b>5,711</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(423)	(12,120)
Purchase of intangible assets	(230)	(384)
Investments in fixed deposits, net	(49,439)	(23,411)
Investments in mutual funds	(350)	(1,001)
Proceeds from sale of mutual funds	351	21,720
Interest received	(1,455)	40
<b>Net cash used in investing activities (B)</b>	<b>(51,546)</b>	<b>(15,156)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings	(1,471)	(1,175)
Proceeds from long-term borrowings	-	12,383
Net proceeds/ (repayment) of short-term borrowings	(1,164)	1,143
Proceeds from issue of redeemable non-convertible debentures	7,992	-
Payment of principal portion of lease liabilities	(1,002)	(1,011)
Payment of interest portion of lease liabilities	(298)	(255)
Proceeds from issue of equity shares	48,593	-
Dividend paid	(4,879)	(2,856)
Proceeds from exercise of share options	92	85
Interest paid	(1,633)	(425)
<b>Net cash generated from financing activities (C)</b>	<b>46,230</b>	<b>7,889</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>4,394</b>	<b>(1,556)</b>
Net foreign exchange difference	(1)	91
Cash and cash equivalents at the beginning of the period	6,999	6,729
Less : Bank overdraft at the beginning of the year	(7,119)	-
<b>Cash and cash equivalents at the end of the period</b>	<b>4,273</b>	<b>5,264</b>
<b>Components of cash and cash equivalents</b>		
Balance with banks		
- on current account	3,489	4,277
- in EEFC accounts	803	987
Less : Bank overdraft	(19)	-
<b>Total cash and cash equivalents</b>	<b>4,273</b>	<b>5,264</b>

**Happiest Minds Technologies Limited**  
 CIN : L72900KA2011PLC057931

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**Notes to Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 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 and half ended September 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 October 17, 2023.

2. The unaudited financials results for quarter and half year ended September 30, 2022 and in respect of comparative financial results for the quarter ended June 30, 2023 was subjected to a limited review by the Statutory Auditors of the Company.

3. The Unaudited Consolidated Financial Results of the Group have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act 2013, and as amended, read with relevant rules thereunder and in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019.

4. The Board of Directors of the Company at their meeting held on October 17, 2023 has declared an interim dividend of Rs.2.50/- per equity share of face value Rs.2/- for the financial year 2023-24. Record date for the purpose of interim dividend has been fixed on October 30, 2023 and the dividend will be paid on and after November 13, 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:

(Rs. in lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Unaudited)	Refer note 2	Refer note 2	(Unaudited)	Refer note 2	(Audited)
Total revenue (including other income)	39,228	37,098	34,176	76,326	65,091	1,35,489
Profit before tax	7,417	7,758	7,559	15,175	14,585	29,168
Profit for the period / year	5,453	5,744	5,531	11,197	10,785	21,638
Total comprehensive income for the period / year ended	4,959	6,348	4,842	11,307	9,467	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:

(Rs. in lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Unaudited)	Refer note 2	Refer note 2	(Unaudited)	Refer note 2	(Audited)
<b>1. Segment revenue</b>						
IMSS	7,381	7,516	7,904	14,897	15,259	30,694
DBS	11,672	11,175	10,719	22,847	20,623	43,070
PES	21,609	20,396	16,928	42,005	32,561	69,165
<b>Total</b>	<b>40,662</b>	<b>39,087</b>	<b>35,551</b>	<b>79,749</b>	<b>68,443</b>	<b>1,42,929</b>
<b>2. Segment results</b>						
IMSS	1,826	1,988	2,492	3,814	4,589	9,243
DBS	2,936	3,168	3,172	6,104	6,334	12,138
PES	7,733	7,406	6,982	15,139	13,849	27,870
<b>Total</b>	<b>12,495</b>	<b>12,562</b>	<b>12,646</b>	<b>25,057</b>	<b>24,772</b>	<b>49,251</b>
Unallocable other income	2,221	1,366	382	3,587	486	2,111
Unallocable finance cost	(1,054)	(949)	(452)	(2,003)	(735)	(2,102)
Unallocable depreciation and amortisation expenses	(870)	(754)	(971)	(1,624)	(1,905)	(2,997)
Other unallocable expenses	(4,880)	(4,357)	(3,594)	(9,237)	(7,049)	(15,276)
Tax (expense) / credit	(2,066)	(2,035)	(2,070)	(4,101)	(3,994)	(7,888)
<b>Profit after tax</b>	<b>5,846</b>	<b>5,833</b>	<b>5,941</b>	<b>11,679</b>	<b>11,575</b>	<b>23,099</b>

Segment wise assets and liabilities are as follows:

(Rs. in lakhs)

Particulars	As at	
	September 30, 2023	March 31, 2023
	(Unaudited)	(Audited)
<b>1. Segment assets</b>		
IMSS	6,971	6,420
DBS	20,939	19,590
PES	36,215	34,452
Other unallocable assets	1,56,210	1,03,621
<b>Total assets</b>	<b>2,20,335</b>	<b>1,64,083</b>
<b>2. Segment liabilities</b>		
IMSS	813	965
DBS	5,378	6,560
PES	9,126	8,775
Other unallocable liabilities	65,615	63,901
<b>Total liabilities</b>	<b>80,932</b>	<b>80,201</b>

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](http://www.happiestminds.com), Email: [IR@happiestminds.com](mailto:IR@happiestminds.com), Tel: +91 80 6196 0300

**Notes to Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 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](http://www.happiestminds.com) and also that of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).



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

Venkatraman Narayanan  
Managing Director & Chief Financial Officer  
DIN : 01856347

Place: Bengaluru, India  
Date: October 17, 2023

**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.

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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