

July 28, 2021

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

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: Auditor's report for the quarter ended June 30, 2021 with UDIN

In continuation to our letter on Financial statements for the Quarter ended June 30, 2021 which were filed with the Stock exchanges after the Board meeting held on July 28, 2021, please find the auditor's report with Unique Document Identification number (UDIN) attached herewith.

This is for your information and records.

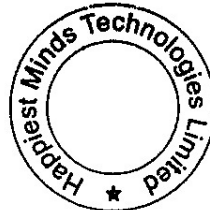
Thanking you,

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 Consolidated Unaudited Financial Results of **HAPPIEST MINDS TECHNOLOGIES LIMITED** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), for the quarter ended June 30, 2021 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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.

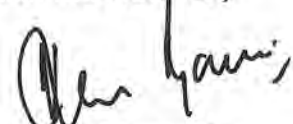
4. The Statement includes the interim financial results of its subsidiary company Happiest Minds Inc. (formerly known as PGS Inc) and Happiest Minds Technologies Share Ownership Plan Trust (the "ESOP trust").
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditor 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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Deloitte Haskins & Sells

6. We did not review the interim financial results of Happiest Minds Technologies Share Ownership Plan Trust (the "ESOP trust") included in the consolidated unaudited financial results, whose interim financial results reflect total revenue of Rs. Nil, total net loss after tax of Rs. 2 lakhs and total comprehensive expense of Rs.2 lakhs for the quarter ended June 30, 2021, as considered in the Statement. This interim financial result has been reviewed by other auditor whose report has been furnished to us by the Group 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: 21060408AAAACI3370)

Place: Bengaluru
Date: July 28, 2021

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, 2021

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Refer note 2)	(Audited)	(Audited)
I. Revenue				
(a) Revenue from contracts with customers	24,461	22,071	17,702	77,341
(b) Other income	926	303	997	2,424
Total revenue	25,387	22,374	18,699	79,765
II. Expenses				
(a) Employee benefits expense	13,928	12,292	10,828	45,238
(b) Finance costs	164	225	186	697
(c) Depreciation and amortisation expense	723	734	512	2,274
(d) Other expenses	4,844	4,199	3,089	12,954
Total expenses	19,659	17,450	14,615	61,163
III. Profit before exceptional items and tax (I-II)	5,728	4,924	4,084	18,602
IV. Exceptional item (Refer note 9)	609	-	-	-
V. Profit before tax (III-IV)	5,119	4,924	4,084	18,602
VI. Tax expense				
Current tax	1,551	889	851	3,527
Tax expense for prior periods	44	-	-	-
Deferred tax charge / (credit)	(49)	430	(1,785)	(1,171)
Total Tax expense	1,546	1,319	(934)	2,356
VII. Profit for the period / year (V-VI)	3,573	3,605	5,018	16,246
VIII. Other comprehensive income, net of tax [(loss)/profit]				
(i) Item to be reclassified to profit or loss in subsequent periods / year				
Exchange difference on translating the financial statements of a foreign operation	160	18	4	22
Net movement on effective portion of cash flow hedges [gain/(loss)]	(376)	(7)	513	1,236
Income tax effect	95	2	54	(127)
(ii) Item not to be reclassified to profit or loss in subsequent periods / year				
Re-measurement gains/ (losses) on defined benefit plans	(60)	40	(185)	(144)
Income tax effect	15	(10)	47	36
IX. Total comprehensive income for the period / year (VII-VIII)	3,407	3,648	5,451	17,269
X. Other equity				51,762
XI. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):				
Basic EPS (Rs.)	2.51	2.55	3.73	11.75
Diluted EPS (Rs.)	2.45	2.48	3.72	11.45

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 Consolidated Financial Results for the quarter ended June 30, 2021

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2021 ("Unaudited Consolidated Financial Results") of Happiest Minds Technologies Limited (the "Holding Company" or the "Company") and its subsidiary (the Holding Company and its subsidiary 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 July 28, 2021 and have been subject to a limited review by the Statutory Auditors of the Company.

2. The financial results of the Company for quarter ended March 31, 2021 are the balancing figures between audited figures in respect of full financial year upto March 31, 2021 and the unaudited published year-to-date results upto the third quarter ended December 31, 2020 and in respect of comparative financial results for quarter ended June 30, 2020 which were subject to limited review/audit by M/s S.R.Batliloi & Associates LLP, Chartered Accountants, the predecessor auditor who have expressed an unmodified review conclusion / audit opinion respectively.

3. The unaudited Consolidated Financial Results of the Group have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act 2013, as amended, read with relevant rules thereunder and in terms of Regulation 33 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 financial results of the Company on standalone basis is as follows:

(Rs. in lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Refer note 2)	(Unaudited)	(Audited)
Total revenue (including other income)	23,968	21,127	18,619	78,438
Profit before tax	5,018	5,064	3,944	18,602
Profit for the period / year	3,501	3,692	4,878	16,193
Total comprehensive income for the period / year ended	3,175	3,716	5,307	17,193

5. The Board of Directors of the Company at their meeting held on May 12, 2021 had for the year ended March 31, 2021, recommended the payout of a final dividend of Rs.3/- per equity share of face value Rs.2/- each. This recommendation was approved by the Shareholders of the Company at their meeting on July 7, 2021 and subsequently paid on July 12, 2021.

6. 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 Solutions (DBS) and Product Engineering Services (PES).

Segment wise revenue and results are as follows:

(Rs. in lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Refer note 2)	(Audited)	(Audited)
1. Segment revenue				
IMSS	5,251	4,487	3,641	16,421
DBS	7,569	6,995	4,598	21,288
PES	11,641	10,589	9,463	39,632
Total	24,461	22,071	17,702	77,341
2. Segment results				
IMSS	1,287	1,035	945	3,967
DBS	1,584	2,511	1,307	7,106
PES	4,512	4,324	4,057	15,924
Total	7,383	7,870	6,309	26,997
Unallocable other income	926	259	917	2,340
Unallocable finance cost	(164)	(223)	(186)	(690)
Unallocable depreciation and amortisation expenses	(723)	(709)	(512)	(2,198)
Other unallocable expenses	(2,303)	(2,273)	(2,444)	(7,847)
Tax (expense) / credit	(1,546)	(1,319)	934	(2,356)
Profit after tax	3,573	3,605	5,018	16,246

Segment wise assets and liabilities are as follows:

(Rs. in lakhs)

Particulars	As at	
	June 30, 2021	March 31, 2021
	(Unaudited)	(Audited)
1. Segment assets		
IMSS	5,360	4,282
DBS	17,357	5,741
PES	9,891	8,284
Other unallocable assets	67,288	73,888
Total assets	99,896	92,195
2. Segment liabilities		
IMSS	922	396
DBS	12,759	1,874
PES	1,917	1,174
Other unallocable liabilities	26,173	34,152
Total liabilities	41,771	37,596

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 Consolidated Financial Results for the quarter ended June 30, 2021

7. The full impact of COVID-19 still remains uncertain and could be different from the estimates considered while preparing these Unaudited Consolidated Financial Results. The Group will continue to closely monitor any material changes to future economic conditions.

8. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

9. The Company had acquired 100% voting 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 within the scope of Ind AS 109 'Financial Instruments' and was measured at fair value. Ind AS 109 mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The Company carried out a fair valuation during the quarter ended June 30,2021 and there was increase in the liability basis increasing expectation of payout. The said increase amounting to Rs 609 lakhs has been recognised in the statement of profit and loss and disclosed as 'Exceptional Item'.

10. An American national and an ex-employee on September 9, 2019 had filed a class-action complaint against our Company before the United States District Court, Northern District of California, San Jose Division, alleging that the Company engaged in discriminatory employment practices. During the adjudication process, the Court felt that the matter could be resolved through mediation and directed the parties to go in for an mediation/ settlement. The parties concluded a settlement amounting to Rs. 200 lakhs during year ended March 2021. During the quarter ended June 30, 2021, the Company received reimbursements from the insurance company covering its claim covering settlement and related expenses amounting to Rs.200 lakhs which has been presented under 'Other Income'.

11. The above Unaudited Consolidated Financials Results of the Group are available on Company's website www.happiestminds.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.

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: July 28, 2021

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 Standalone Unaudited Financial Results of **HAPPIEST MINDS TECHNOLOGIES LIMITED** ("the Company"), for the quarter ended June 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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.

Attention is drawn to Note 3 to the Statement which states that the unaudited standalone results for the corresponding quarter ended June 30, 2020 as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

4. The Statement includes the interim financial results of Happiest Minds Technologies Share Ownership Plan Trust (the "ESOP trust").

Deloitte Haskins & Sells

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditor as referred 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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, 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 Happiest Minds Technologies Share Ownership Plan Trust (the "ESOP trust") included in the standalone unaudited financial results, whose interim financial results reflect total revenue of Rs. Nil, total net loss after tax of Rs. 2 lakhs and total comprehensive expense of Rs.2 lakhs for the quarter ended June 30, 2021, as considered in the Statement. This interim financial result has been reviewed by other auditor whose report has been furnished to us by the Company 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: 21060408AAAACH4593)

Place: Bengaluru
Date: July 28, 2021

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 Standalone Financial Results for the quarter ended June 30, 2021

Particulars	Quarter ended			Year ended
	June 30, 2021 (Unaudited)	March 31, 2021 (Refer Note 2)	June 30, 2020 (Refer Note 3)	March 31, 2021 (Audited)
I. Revenue				
(a) Revenue from contracts with customers	23,041	20,826	17,702	76,096
(b) Other income	927	301	917	2,342
Total revenue	23,968	21,127	18,619	78,438
II. Expenses				
(a) Employee benefits expense	13,728	12,066	10,828	45,012
(b) Finance costs	163	220	186	692
(c) Depreciation and amortisation expense	509	522	513	2,063
(d) Other expenses	3,941	3,255	3,148	12,069
Total expenses	18,341	16,063	14,675	59,836
III. Profit before exceptional items and tax (I-II)	5,627	5,064	3,944	18,602
IV. Exceptional items (Refer note 9)	609	-	-	-
V. Profit before tax (III-IV)	5,018	5,064	3,944	18,602
VI. Tax expense				
Current tax	1,493	889	851	3,527
Deferred tax charge / (credit)	24	483	(1,785)	(1,118)
Total tax expense	1,517	1,372	(934)	2,409
VII. Profit for the period / year (V-VI)	3,501	3,692	4,878	16,193
VIII. Other comprehensive income, net of tax [(loss)/profit]				
(i) Item to be reclassified to profit or loss in subsequent periods / year				
Net movement on effective portion of cash flow hedges [gain/(loss)]	(376)	(7)	513	1,236
Income tax effect	95	1	54	(128)
(ii) Item not to be reclassified to profit or loss in subsequent periods / year				
Re-measurement gains/ (losses) on defined benefit plans	(60)	40	(185)	(144)
Income tax effect	15	(10)	47	36
IX. Total comprehensive income for the period / year (VII-VIII)	3,175	3,716	5,307	17,193
X. Other equity				51,830
XI. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):				
Basic EPS (Rs.)	2.46	2.61	3.62	11.71
Diluted EPS (Rs.)	2.40	2.54	3.62	11.41

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, 2021

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2021 ("Unaudited Standalone Financial Results") of Happiest Minds Technologies Limited (formerly known as "Happiest Minds Technologies Private Limited") (the "Company") has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 28, 2021 and have been subject to a limited review by the Statutory Auditors of the Company.

2. The financial results of the Company for quarter ended March 31, 2021 are the balancing figures between audited figures in respect of full financial year upto March 31, 2021 and the unaudited published year-to-date results upto the third quarter ended December 31, 2020, which were subject to limited review/audit by M/s S.R.Batlboi & Associates LLP, Chartered Accountants, the predecessor auditor who have expressed an unmodified review conclusion / audit opinion respectively.

3. The financial results for the quarter ended June 30, 2020 as reported in the accompanying Statement have been approved by the Company's Board of Directors on August 4, 2020, but have not been subjected to review by the statutory auditors.

4. The Unaudited Standalone Financial Results of the Company have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act 2013, as amended, read with relevant rules thereunder and in terms of Regulation 33 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.

5. The Board of Directors of the Company at their meeting held on May 12, 2021 had for the year ended March 31, 2021, recommended the payout of a final dividend of Rs.3/- per equity share of face value Rs.2/- each. This recommendation was approved by the Shareholders of the Company at their meeting on July 7, 2021 and subsequently paid on July 12, 2021.

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

Segment wise revenue and results are as follows:

(Rs. in lakhs)

Particulars	Quarter ended			Year ended	
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021	
	(Unaudited)	(Refer Note 2)	(Unaudited)	(Audited)	
1. Segment revenue					
IMSS	5,324	4,487	3,641	16,421	
DBS	6,077	5,750	4,598	20,043	
PES	11,640	10,589	9,463	39,632	
Total	23,041	20,826	17,702	76,096	
2. Segment results					
IMSS	1,360	1,035	945	3,967	
DBS	1,198	2,681	1,307	7,194	
PES	4,512	4,324	4,057	15,924	
Total	7,070	8,040	6,309	27,085	
Unallocable other income	927	259	917	2,340	
Unallocable finance cost	(163)	(218)	(186)	(685)	
Unallocable depreciation and amortisation expenses	(509)	(497)	(512)	(1,987)	
Other unallocable expenses	(2,307)	(2,520)	(2,584)	(8,151)	
Tax (expense) / credit	(1,517)	(1,372)	934	(2,409)	
Profit After Tax	3,501	3,692	4,878	16,193	

Segment wise assets and liabilities are as follows:

(Rs. in lakhs)

Particulars	As at	
	June 30, 2021	March 31, 2021
	(Unaudited)	(Audited)
1. Segment assets		
IMSS	5,360	4,282
DBS	15,480	5,094
PES	9,891	8,284
Other unallocable assets	67,267	73,035
Total assets	97,998	90,695
2. Segment liabilities		
IMSS	922	396
DBS	11,041	1,049
PES	1,917	1,174
Other unallocable liabilities	26,157	33,409
Total liabilities	40,037	36,028

7. The full impact of COVID-19 still remains uncertain and could be different from the estimates considered while preparing these Unaudited Standalone Financial Results. The Company will continue to closely monitor any material changes to future economic conditions.

8. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

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, 2021

9. The Company had acquired 100% voting 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 within the scope of Ind AS 109 'Financial Instruments' and was measured at fair value. Ind AS 109 mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The Company carried out a fair valuation during the quarter ended June 30,2021 and there was increase in the liability basis increasing expectation of payout. The said increase amounting to Rs 609 lakhs has been recognised in the statement of profit and loss and disclosed as 'Exceptional Item'.

10. An American national and an ex-employee on September 9, 2019 had filed a class-action complaint against our Company before the United States District Court, Northern District of California, San Jose Division, alleging that the Company engaged in discriminatory employment practices. During the adjudication process, the Court felt that the matter could be resolved through mediation and directed the parties to go in for an mediation/ settlement. The parties concluded a settlement of Rs.200 lakhs during year ended March 2021. During the quarter ended June 30, 2021, the Company received reimbursements from the insurance company covering its claim covering settlement and related expenses amounting to Rs.200 lakhs which has been presented under 'Other Income' and included in "unallocated" for segment reporting purposes.

11. The above Unaudited Standalone Financials Results of the Company are available on Company's website www.happiestminds.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.

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: July 28, 2021