

November 4, 2020

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: HAPPSTMNDS

Dear Sir/Madam,

Sub: Outcome of the Board Meeting pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We wish to inform that the Board of Directors of the Company at its meeting held today i.e., November 4, 2020, approved the unaudited Financial Results of the Company (both standalone and consolidated) for the quarter and half year ended September 30, 2020 prepared in accordance with Indian Accounting Standard (Ind-AS).

A copy of the said Financial Results together with Auditor's review Report are enclosed herewith. The Board meeting commenced at 8.15 pm and concluded at 9.00 pm.

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 the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Happiest Minds Technologies Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited) (the "Company") for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the standalone figures for the financial result for the corresponding quarter ended September 30, 2019 and the financial result including cash flow for year to date from April 1, 2019 to September 30, 2019, as reported in these Unaudited Standalone Financial Results have been approved by the Board of Directors of the Company but have not been subject to review.
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 Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons 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 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.
4. Based on our review conducted as above and based on the consideration of the review report of other auditor of Happiest Minds Technologies Share Ownership Plans Trust (the "ESOP Trust") referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

5. The accompanying Statement of quarterly and year to date Unaudited Standalone Financial Results includes the reviewed financial results in respect of ESOP Trust whose interim financial results and other financial information reflect total assets of Rs. 1,128.34 Lakhs as at September 30, 2020 and total revenues of Rs. Nil, total net loss after tax of Rs. 4.85 lakhs and Rs. 6.26 lakhs for the quarter ended and for the period ended on that date respectively, and net cash inflows of Rs. 11.29 lakhs for the period six months from April 1, 2020 to September 30, 2020, as considered in the respective standalone interim financial results of the ESOP Trust included in the Company results which have been reviewed by their respective ESOP Trust auditor.

The independent reports of such ESOP Trust auditor on interim financial results of the ESOP Trust has been furnished to us, and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the ESOP Trust, is based solely on the reports of such ESOP Trust auditor and procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matter.

6. We have not audited or reviewed the comparative financial information appearing in the Statement of the corresponding quarter ended and half year ended September 30, 2019 and the preceding quarter ended June 30, 2020 which have been prepared solely based on the information compiled by the management and has been approved by the Board of Directors. Further, we report that the figures for the quarter ended September 30, 2020 represent the derived figures between the reviewed figures in respect of the period from April 1, 2020 to September 30, 2020 and the figures for the quarter ended June 30, 2020, which were not subject to audit or review.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Sumit Mehra

Partner

Membership No.: 096547

UDIN: 20096547AAAAEJ9248

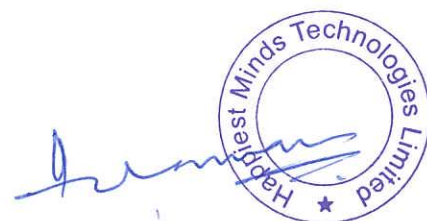
Bengaluru

November 4, 2020

(Rs. in lakhs)

Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2020

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I. Revenue						
(a) Revenue from contracts with customers	18,284	17,702	17,506	35,986	34,036	69,821
(c) Other income	507	917	545	1,424	810	1,598
Total revenue	18,791	18,619	18,051	37,410	34,846	71,419
II. Expenses						
(a) Employee benefits expense	11,089	10,828	10,844	21,917	20,546	44,123
(b) Finance costs	160	186	181	346	429	799
(c) Depreciation and amortisation expense	512	513	502	1,025	1,003	2,023
(e) Other expenses	2,763	3,148	3,850	5,911	8,165	15,815
Total expenses	14,524	14,675	15,377	29,199	30,143	62,760
III. Profit before exceptional items and tax (I-II)	4,267	3,944	2,674	8,211	4,703	8,659
IV. Exceptional items (refer note 6)	-	-	-	-	-	1,126
V. Profit before tax	4,267	3,944	2,674	8,211	4,703	7,533
VI. Tax expense						
Current tax	682	851	-	1,533	-	172
Tax expense for earlier periods	-	-	-	-	-	18
Deferred tax charge / (credit)	177	(1,785)	-	(1,608)	-	-
VII. Profit for the period / year	3,408	4,878	2,674	8,286	4,703	7,343
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	603	513	(92)	1,116	(143)	(967)
Income tax effect	(151)	54	-	(97)	-	-
(ii) Item not to be reclassified to profit or loss in subsequent periods / year						
Re-measurement gains/ (losses) on defined benefit plans	66	(185)	(66)	(119)	(91)	(139)
Income tax effect	(17)	47	-	30	-	-
IX. Total comprehensive income for the period / year	3,909	5,307	2,516	9,216	4,469	6,237
X. Paid-up equity share capital (Rs. 2/- each)	2,824	2,044	604	2,824	604	879
XI. Other equity	43,556	29,857	(2,604)	43,556	(2,604)	25,682
XI. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):						
Basic EPS (Rs.)	2.51	3.62	2.01	6.13	3.53	7.21
Diluted EPS (Rs.)	2.42	3.62	2.01	5.93	3.53	5.49



Happiest Minds Technologies Limited

CIN : L72900KA2011PLC057931

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

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

Unaudited Standalone Statement of Assets and Liabilities as at September 30, 2020

(Rs. in lakhs)

SI No	Particulars	September 30, 2020 (Unaudited)	March 31, 2020 (Audited)
	ASSETS		
A	Non-current assets		
	Property, plant and equipment	60	91
	Goodwill	611	611
	Other intangible assets	76	73
	Right-of-use assets	2,791	3,005
	Intangible assets under development	-	17
	Financial assets:		
	i. Loans	790	767
	ii. Other financial assets	282	368
	Income tax assets (net)	255	1,335
	Other assets	53	33
	Deferred tax assets, net	1,541	-
	Total non-current assets	6,459	6,300
B	Current assets		
	Financial assets		
	i. Investments	11,716	8,337
	ii. Trade receivables	10,302	11,487
	iii. Cash and cash equivalents	18,715	4,350
	iv. Loans	368	100
	v. Other bank balance	12,419	14,601
	vi. Other financial assets	9,169	4,573
	Other assets	1,721	1,063
	Total current assets	64,410	44,511
	Total assets (A+B)	70,869	50,811
	EQUITY AND LIABILITIES		
C	Equity		
	Equity share capital	2,824	879
	Instruments entirely in the nature of equity	-	3,634
	Other equity	43,556	22,048
	Total Equity	46,380	26,561
D	Non-current liabilities		
	Financial liabilities		
	i. Borrowings	-	132
	ii. Lease liabilities	1,518	1,731
	Provisions	1,513	1,255
	Total non-current liabilities	3,031	3,118
E	Current liabilities		
	Contract liability	647	781
	Financial liabilities		
	i. Borrowings	4,723	6,916
	ii. Lease liabilities	1,806	1,812
	iii. Trade payables		
	(A) Total outstanding dues of micro and small enterprises	62	12
	(B) Total outstanding dues of creditors other than micro and small enterprises	6,245	3,451
	iv. Other financial liabilities	5,226	6,397
	Provisions	1,614	1,246
	Other current liabilities	1,135	517
	Total current liabilities	21,458	21,132
F	Total liabilities (D+E)	24,489	24,250
	Total equity and liabilities (C+F)	70,869	50,811



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Unaudited Standalone Statement of Cash Flows for the half year ended September 30, 2020

(Rs. in lakhs)

	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)
A. Cash flow from operating activities		
Profit before tax	8,211	4,703
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	1,025	1,003
Share-based payment expense	157	133
Gain on investments carried at fair value through profit and loss	(462)	(335)
Gain on sale of investments carried at fair value through profit and loss	(4)	-
Interest income	(525)	(232)
Net unrealised foreign exchange loss / (gain)	(113)	84
Impairment loss on financial assets	567	149
Bad debts written off	199	-
Finance costs	346	429
Operating profit before working capital changes	9,401	5,934
Movements in working capital		
(Increase)/ decrease in trade receivables	441	394
(Increase)/ decrease in loans	(33)	89
(Increase)/ decrease in other assets	(678)	(881)
(Increase)/ decrease in financial assets	(810)	(1,288)
Increase/ (decrease) in trade payables	2,854	880
Increase/ (decrease) in financial liabilities	(169)	(713)
Increase/ (decrease) in provisions	507	255
Increase/ (decrease) in contract liabilities	(134)	344
Increase/ (decrease) in other liabilities	618	564
Cash generated from operating activities	11,997	5,578
Income tax paid	(453)	(273)
Net cash generated from operating activities (A)	11,544	5,305
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(18)	(13)
Purchase of intangible assets	(6)	(17)
Investments in fixed deposits, net	(969)	(90)
Investments in mutual funds	(4,330)	1
Proceeds from sale of mutual funds	1,417	-
Interest received	306	97
Net cash used in investing activities (B)	(3,600)	(22)
C. Cash flow from financing activities		
Repayment of long-term borrowings	(401)	(311)
Net repayment of short-term borrowings	(2,051)	(2,802)
Security deposits given	(300)	-
Payment of principal portion of lease liabilities	(939)	(795)
Payment of interest portion of lease liabilities	(186)	(215)
Proceeds from exercise of share options /(repayment of share options)	(47)	157
Proceeds from Initial Public Offerings (IPO) (net of offer expenses)	10,495	-
Interest paid	(155)	(186)
Net cash generated from/(used in) financing activities (C)	6,416	(4,152)
Net increase in cash and cash equivalents (A+B+C)	14,360	1,131
Net foreign exchange difference	5	(38)
Cash and cash equivalents at the beginning of the period	4,350	1,605
Cash and cash equivalents at the end of the period	18,715	2,698



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Notes to Statement of Unaudited Standalone Financial Results for the quarter ended and half year ended September 30, 2020

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 and half year ended September 30, 2020 ("Unaudited Standalone Financial Results") of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 04, 2020 and have been subjected to a limited review by the Statutory Auditors of the Company. The financial results and other financial information for the quarter ended June 30, 2020, quarter and financial results and other financial information including statement of cash flow for the half year ended September 30, 2019 have not been audited or reviewed by our statutory auditors. However, the management has exercised necessary due diligence to ensure that the financial results for these periods provide a true and fair view of the Company's affairs.

2. 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/CMD/1/44/2019 dated March 29, 2019.

3. The Company has completed its Initial Public Offering (IPO) of 4,22,90,091 equity shares of face value of Rs.2/- each for cash at an issue price of Rs.166/- per equity share aggregating to Rs. 70,202 lakhs, consisting fresh issue of 66,26,506 equity shares aggregating to Rs. 11,000 lakhs and an offer for sale of 3,56,63,585 equity shares aggregating to Rs. 59,202 lakhs by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on September 17, 2020. Accordingly, the Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2020 are drawn up for the first time in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (the "Listing Requirements"). The Company has incurred Rs.3,807.7 lakhs as IPO related expenses (inclusive of taxes) which are proportionately allocated between the selling shareholders and the Company as per respective offer size. The Company's share of these expenses (excluding tax), Rs. 505.6 lakhs has been adjusted against securities premium.

The utilisation of IPO proceeds is summarised below:

Particulars	Objects of the issue as per prospectus	Utilisation up to 30.09.2020	(Rs. in lakhs)
			Unutilised amounts as on 30.09.2020
To meet long term working capital requirements	9,976	2,667	7,309
General corporate purposes	303	80	223
Net utilisation	10,279	2,747	7,532

IPO proceeds which were unutilised as at September 30, 2020 were temporarily invested in deposit with scheduled commercial banks, current account and in monitoring agency account

4. 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:

Particulars	(Rs. in lakhs)					
	Quarter ended			Half year ended		Year ended
	September 30, 2020 (Unaudited)	June 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1. Segment revenue						
IMSS	3,959	3,641	3,916	7,600	7,631	15,361
DBS	4,710	4,598	4,800	9,308	9,472	19,167
PES	9,615	9,463	8,790	19,078	16,933	35,293
Total	18,284	17,702	17,506	35,986	34,036	69,821
2. Segment results						
IMSS	449	945	746	1,394	1,463	2,961
DBS	881	1,307	1,046	2,188	1,795	3,950
PES	1,713	4,057	2,930	5,770	6,089	11,860
Total	3,043	6,309	4,722	9,352	9,347	18,771
Unallocable other income	506	917	545	1,423	810	1,596
Unallocable finance cost	(157)	(186)	(181)	(343)	(429)	(799)
Unallocable depreciation and amortisation expenses	(487)	(512)	(502)	(999)	(1,003)	(2,023)
Other unallocable expenses*	1,362	(2,584)	(1,910)	(1,222)	(4,022)	(10,012)
Tax (expense) / credit	(859)	934	-	75	-	(190)
Profit After Tax	3,408	4,878	2,674	8,286	4,703	7,343

* Other unallocable expenses include unallocable foreign exchange gain of Rs.2,473 lakhs grouped under other expenses in the Statement of Profit and Loss.

Segment wise assets and liabilities are as follows:

Particulars	(Rs. in lakhs)	
	As at	
	September 30, 2020 (Unaudited)	March 31, 2020 (Unaudited)
1. Segment assets		
IMSS	3,636	4,207
DBS	4,411	4,216
PES	7,919	7,841
Other unallocable assets	54,903	34,547
Total assets	70,869	50,811
2. Segment liabilities		
IMSS	762	594
DBS	1,527	992
PES	861	675
Other unallocable liabilities	21,339	21,989
Total liabilities	24,489	24,250

5. Estimation uncertainty relating to Covid-19 outbreak:

The Company has considered internal and certain external sources of information up to the date of approval of the Unaudited Standalone Financial Results in determining the impact on various elements of its Financial Results. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company has accrued its liabilities and also expects to fully recover the carrying amount of trade receivables including unbilled receivables, goodwill, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these Unaudited Standalone Financial Results.

6. The Company was carrying a Goodwill of Rs. 1,887 lakhs relating to the business acquisition from OSS Cube Solutions Limited. During the year ended March 31, 2020, the Company has recognised an impairment loss of Rs. 1,126 lakhs (March 31, 2019 Rs. 761 lakhs).

7. The new Code on Social Security, 2020 has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial results in the period in which, the Code becomes effective and the related rules are published.

8. The previous periods numbers have been regrouped/ rearranged wherever necessary to conform the current period presentation.

9. 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


Venkatraman Narayanan
Executive Director & Chief Financial Officer
DIN : 01856347



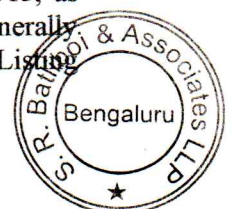
Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Happiest Minds Technologies Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Happiest Minds Technologies Limited (formerly known as Happiest Minds Technologies Private Limited) (the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the consolidated figures for the financial result for the corresponding quarter ended September 30, 2019 and the financial result including cash flow for year to date from for April 1, 2019 to September 30, 2019, as reported in these Unaudited Consolidated Financial Results have been approved by the Board of Directors of the Company but have not been subject to review.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons 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 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 No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the subsidiary, Happiest Minds Technologies LLC
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 recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The accompanying Statement of quarterly and year to date Unaudited Consolidated Financial Results includes the interim reviewed financial results in respect of Happiest Minds Technologies Share Ownership Plans Trust (the "ESOP Trust") whose interim financial results and other financial information reflect total assets of Rs 1,128.34 lakhs as at September 30, 2020 and total revenues of Rs Nil, total net loss after tax of Rs. 4.85 lakhs and Rs. 6.26 lakhs for the quarter ended and for the six months period ended on that date respectively, and net cash inflows of Rs. 11.29 lakhs for the period from April 1, 2020 to September 30, 2020, as considered in the respective interim financial results of the ESOP Trust included in the Group which have been reviewed by their respective ESOP Trust auditor.

The independent reports of such ESOP Trust auditor on interim financial results of the ESOP Trust has been furnished to us, and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the ESOP Trust, is based solely on the reports of such ESOP Trust auditor and procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matter.

7. We have not audited or reviewed the comparative financial information appearing in the Statement of the corresponding quarter ended and half year ended September 30, 2019 which have been prepared solely based on the information compiled by the management and has been approved by the Board of Directors. Further, we report that the figures for the quarter ended September 30, 2020 are derived figures between the reviewed figures in respect of the period from April 1, 2020 to September 30, 2020 and the audited figures for the quarter ended June 30, 2020.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Sumit Mehra**

Partner

Membership No.: 096547

UDIN: 20096547AAAAEK5673

Bengaluru

November 4, 2020



(Rs. in lakhs)

Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2020

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I. Revenue						
(a) Revenue from contracts with customers	18,284	17,702	17,506	35,986	34,036	69,821
(c) Other income	507	997	562	1,504	809	1,602
Total revenue	18,791	18,699	18,068	37,490	34,845	71,423
II. Expenses						
(a) Employee benefits expense	11,089	10,828	10,843	21,917	20,546	44,123
(b) Finance costs	160	186	184	346	432	802
(c) Depreciation and amortisation expense	512	512	502	1,024	1,003	2,023
(e) Other expenses	2,763	3,089	3,872	5,852	8,361	15,988
Total expenses	14,524	14,615	15,401	29,139	30,342	62,936
III. Profit before exceptional items and tax (H-I)	4,267	4,084	2,667	8,351	4,503	8,487
IV. Exceptional items (refer note 7)	-	-	-	-	-	1,126
V. Profit before tax	4,267	4,084	2,667	8,351	4,503	7,361
VI. Tax expense						
Current tax	682	851	-	1,533	-	172
Tax expense for earlier periods	-	-	-	-	-	18
Deferred tax charge / (credit)	177	(1,785)	-	(1,608)	-	-
VII. Profit for the period / year	3,408	5,018	2,667	8,426	4,503	7,171
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	-	4	-	4	-	(12)
Net movement on effective portion of cash flow hedges	603	513	(99)	1,116	(146)	(967)
Income tax effect	(151)	54	-	(97)	-	-
(ii) Item not to be reclassified to profit or loss in subsequent periods / year						
Re-measurement gains/ (losses) on defined benefit plans	66	(185)	(66)	(119)	(91)	(139)
Income tax effect	(17)	47	-	30	-	-
IX. Total comprehensive income for the period / year	3,909	5,451	2,502	9,360	4,266	6,053
X. Paid-up equity share capital (Rs. 2/- each)	2,824	2,044	604	2,824	604	879
XI. Other equity	43,556	29,857	(2,653)	43,556	(2,653)	25,652
XI. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):						
Basic EPS (Rs.)	2.51	3.73	2.01	6.23	3.38	7.04
Diluted EPS (Rs.)	2.42	3.72	2.00	6.04	3.38	5.36



Happiest Minds Technologies Limited

CIN : L72900KA2011PLC057931

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

Unaudited Consolidated Statement of Assets and Liabilities as at September 30, 2020

(Rs. in lakhs)

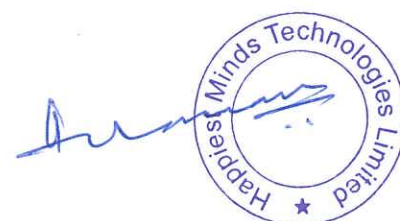
SI No	Particulars	September 30, 2020 (Unaudited)	March 31, 2020 (Audited)
	ASSETS		
A	Non-current assets		
	Property, plant and equipment	60	93
	Goodwill	611	610
	Other intangible assets	76	72
	Right-of-use assets	2,791	3,006
	Intangible assets under development	-	17
	Financial assets:		
	i. Loans	790	767
	ii. Other financial assets	282	368
	Income tax assets (net)	255	1,335
	Other assets	53	33
	Deferred tax assets, net	1,541	-
	Total non-current assets	6,459	6,301
B	Current assets		
	Financial assets		
	i. Investments	11,716	8,337
	ii. Trade receivables	10,302	11,487
	iii. Cash and cash equivalents	18,715	4,353
	iv. Loans	368	100
	v. Other bank balance	12,419	14,601
	vi. Other financial assets	9,169	4,576
	Other assets	1,721	1,060
	Total current assets	64,410	44,514
	Total assets (A+B)	70,869	50,815
	EQUITY AND LIABILITIES		
C	Equity		
	Equity share capital	2,824	879
	Instruments entirely in the nature of equity	-	3,634
	Other equity	43,556	22,018
	Total Equity	46,380	26,531
D	Non-current liabilities		
	Financial liabilities		
	i. Borrowings	-	132
	ii. Lease liabilities	1,518	1,731
	Provisions	1,513	1,255
	Non-current liabilities	3,031	3,118
E	Current liabilities		
	Contract liability	647	818
	Financial liabilities		
	i. Borrowings	4,723	6,916
	ii. Lease liabilities	1,806	1,816
	iii. Trade payables		
	(A) Total outstanding dues of micro and small enterprises	62	12
	(B) Total outstanding dues of creditors other than micro and small enterprises	6,245	3,430
	iv. Other financial liabilities	5,226	6,397
	Provisions	1,614	1,246
	Other current liabilities	1,135	531
	Total current liabilities	21,458	21,166
F	Total liabilities (D+E)	24,489	24,284
	Total equity and liabilities (C+F)	70,869	50,815



Unaudited Consolidated Statement of Cash Flows for the half year ended September 30, 2020

(Rs. in lakhs)

	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)
A. Cash flow from operating activities		
Profit before tax	8,351	4,503
Adjustments to reconcile profits before tax to net cash flows:		
Depreciation and amortization expense	1,024	1,003
Share-based payment expense	157	133
Gain on investments carried at fair value through profit and loss	(462)	(335)
Gain on sale of investments carried at fair value through profit and loss	(4)	-
Interest income	(525)	(232)
Net unrealised foreign exchange loss / (gain)	(227)	81
Bad debts written off	199	-
Impairment loss on financial assets	508	306
Finance costs	346	432
Operating profit before working capital changes	9,367	5,891
Movements in working capital		
(Increase)/ decrease in trade receivables	443	450
(Increase)/ decrease in loans	26	(21)
(Increase)/ decrease in non-financial assets	(681)	(873)
(Increase)/ decrease in financial assets	(810)	(1,250)
Increase/ (decrease) in trade payables	2,875	1,038
Increase/ (decrease) in financial liabilities	(169)	(605)
Increase/ (decrease) in provisions	507	255
Increase/ (decrease) in contract liabilities	(171)	343
Increase/ (decrease) in other non-financial liabilities	604	379
Cash generated from operating activities	11,991	5,607
Income tax paid	(453)	(273)
Net cash generated from operating activities (A)	11,538	5,334
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(18)	(13)
Purchase of intangible assets	(6)	(17)
Proceeds from subleasing the premises	7	-
Investments in fixed deposits, net	(969)	(91)
Investments in mutual funds	(4,330)	1
Proceeds from sale of mutual funds	1,417	-
Interest received	306	97
Net cash used in investing activities (B)	(3,593)	(23)
C. Cash flow from financing activities		
Repayment of long-term borrowings	(401)	(311)
Net repayment of short-term borrowings	(2,051)	(2,802)
Securities deposits given	(300)	-
Payment of principal portion of lease liabilities	(943)	(821)
Payment of interest portion of lease liabilities	(186)	(217)
Proceeds from exercise of share options /(repayment of share options)	(47)	157
Proceeds from Initial Public Offerings (IPO) (net of offer expenses)	10,495	-
Interest paid	(155)	(187)
Net cash generated from/(used in) financing activities (C)	6,412	(4,181)
Net increase in cash and cash equivalents (A+B+C)	14,357	1,130
Net foreign exchange difference	5	(38)
Cash and cash equivalents at the beginning of the period	4,353	1,627
Cash and cash equivalents at the end of the period	18,715	2,719



Notes to Statement of Unaudited Consolidated Financial Results for the quarter ended and half year ended September 30, 2020

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 and half year ended September 30, 2020 ("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 November 04, 2020 and have been subjected to a limited review by the Statutory Auditors of the Company. The financial results and other financial information including statement of cash flow for the half year ended September 30, 2019 have not been audited or reviewed by our statutory auditors. However, the management has exercised necessary due diligence to ensure that the financial results for these periods provide a true and fair view of the Group's affairs. Further, the figures for the quarter ended September 30, 2020 are derived figures between the reviewed figures in respect of the period from April 1, 2020 to September 30, 2020 and the audited figures for the quarter ended June 30, 2020.

2. 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/CMD/144/2019 dated March 29, 2019.

3. 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, 2020 (Unaudited)	June 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	March 31, 2020 (Audited)
Total revenue (including other income)	18,791	18,619	18,051	37,410	34,846	71,419
Profit before tax	4,267	3,944	2,674	8,211	4,703	7,533
Profit for the period / year	3,408	4,878	2,674	8,286	4,703	7,343
Total comprehensive income for the period / year ended	3,909	5,307	2,516	9,216	4,469	6,237

4. The Company has completed its Initial Public Offering (IPO) of 4,22,90,091 equity shares of face value of Rs.2/- each for cash at an issue price of Rs.166/- per equity share aggregating to Rs. 70,202 lakhs, consisting fresh issue of 66,26,506 equity shares aggregating to Rs. 11,000 lakhs and an offer for sale of 3,56,63,585 equity shares aggregating to Rs. 59,202 lakhs by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on September 17, 2020. Accordingly, the Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2020 are drawn up for the first time in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (the "Listing Requirements"). The Company has incurred Rs.3,807.7 lakhs as IPO related expenses (inclusive of taxes) which are proportionately allocated between the selling shareholders and the Company as per respective offer size. The Company's share of these expenses (excluding tax), Rs. 505.6 lakhs has been adjusted against securities premium.

The utilisation of IPO proceeds is summarised below:

Particulars	Objects of the issue as per prospectus	(Rs. in lakhs)	
		Utilisation up to 30.09.2020	Unutilised amounts as on 30.09.2020
To meet long term working capital requirements	9,976	2,667	7,309
General corporate purposes	303	80	223
Net utilisation	10,279	2,747	7,532

IPO proceeds which were unutilised as at September 30, 2020 were temporarily invested in deposit with scheduled commercial banks, current account and in monitoring agency account

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

Segment wise revenue and results are as follows:

Particulars	(Rs. in lakhs)					
	Quarter ended			Half year ended		Year ended
	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)	September 30, 2019 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1. Segment revenue						
IMSS	3,959	3,641	3,916	7,600	7,631	15,361
DBS	4,710	4,598	4,800	9,308	9,472	19,167
PES	9,615	9,463	8,790	19,078	16,933	35,293
Total	18,284	17,702	17,506	35,986	34,036	69,821
2. Segment results						
IMSS	449	945	760	1,394	1,477	2,961
DBS	963	1,307	1,012	2,270	1,598	3,724
PES	1,713	4,057	2,930	5,770	6,089	11,860
Total	3,125	6,309	4,702	9,434	9,164	18,545
Unallocable other income	506	917	562	1,423	809	1,601
Unallocable finance cost	(157)	(186)	(184)	(343)	(432)	(802)
Unallocable depreciation and amortisation expenses	(487)	(512)	(502)	(999)	(1,003)	(2,023)
Other unallocable expenses*	1,280	(2,444)	(1,911)	(1,164)	(4,035)	(9,960)
Tax (expense) / credit	(859)	934	-	75	-	(190)
Profit after tax	3,408	5,018	2,667	8,426	4,503	7,171

* Other unallocable expenses include unallocable foreign exchange gain of Rs.2,473 lakhs grouped under other expenses in the Statement of Profit and Loss.

Segment wise assets and liabilities are as follows:

Particulars	(Rs. in lakhs)	
	As at	
	September 30, 2020	March 31, 2020
1. Segment assets		
IMSS	3,636	4,207
DBS	4,411	4,216
PES	7,919	7,841
Other unallocable assets	54,903	34,551
Total assets	70,869	50,815
2. Segment liabilities		
IMSS	762	594
DBS	1,527	1,029
PES	861	675
Other unallocable liabilities	21,339	21,986
Total liabilities	24,489	24,284

6. Estimation uncertainty relating to COVID 19 outbreak:

The Group has considered internal and certain external sources of information up to the date of approval of the Unaudited Consolidated Financial Results in determining the impact on various elements of its Financial Results. The Group has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Group has accrued its liabilities and also expects to fully recover the carrying amount of trade receivables including unbilled receivables, goodwill, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these Unaudited Consolidated Financial Results.

7. The Company was carrying a Goodwill of Rs. 1,887 lakhs relating to the business acquisition from OSS Cube Solutions Limited. During the year ended March 31, 2020, the Company has recognised an impairment loss of Rs. 1,126 lakhs (March 31, 2019 Rs. 761 lakhs).



Happiest Minds Technologies Limited
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Notes to Statement of Unaudited Consolidated Financial Results for the quarter ended and half year ended September 30, 2020

8. Liquidation of subsidiary:

The Company in its Board Meeting on March 16, 2020 passed a resolutions to voluntarily dissolve and wind up the operation of its subsidiary, i.e. Happiest Minds Technologies LLC, USA. Pursuant to such resolutions, the Company had filed a request for termination of the aforesaid subsidiary and received a certificate from the Office of Secretary of State approving such winding up on June 1, 2020 and consequent to such approval the Company has liquidated its subsidiary.

Pursuant to such liquidation, the Company has de-recognised the assets and liabilities and recognised a loss of Rs. 34 lakhs. Also, the foreign currency translation reserve balance has been reclassified as gain on liquidation of subsidiary under other income in statement of profit and loss on such liquidation.

9. The new Code on Social Security, 2020 has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial results in the period in which, the Code becomes effective and the related rules are published.

10. The previous periods numbers have been regrouped/ rearranged wherever necessary to conform the current period presentation.

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
Executive Director & Chief Financial Officer
DIN : 01856347



Place: Bengaluru, India
Date: November 04, 2020