

GR+A5:G1171 STANDARD	DISCLOSURE	Pg-IAR
GRI 302: Energy 2016	302-1 Energy consumption within the organization	pg 175
	302-2 Energy consumption outside of the organization	pg 175
	302-3 Energy intensity	pg 175
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GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	pg 61, 162, 178
	303-3 Water withdrawal	pg 175
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GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	pg 178
	304-2 Significant impacts of activities, products and services on biodiversity	pg 178
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	pg 21, Pg 62
	305-2 Energy indirect (Scope 2) GHG emissions	pg 21, Pg 62
	305-3 Other indirect (Scope 3) GHG emissions	pg 62
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GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	pg 177,178
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GRI 401: Employment 2016	401-1 New employee hires and employee turnover	pg 155
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GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	pg 169
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	pg 20, 76
	404-2 Programs for upgrading employee skills and transition assistance programs	pg 76, 77, pg 170
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	pg 73, pg 90-92, pg 154
	405-2 Ratio of basic salary and remuneration of women to men	pg 173
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Pg 173,174
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	pg 65, 87, 174
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	pg 65, 87, 174
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	pg 182

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Board's Report

Dear Members,

Your Directors take pleasure in presenting the Thirteenth Annual Report covering the highlights of the finances, business and operations of your Company. Also included herein are the Audited Financial Statements of the Company (standalone and consolidated) prepared in compliance with Ind AS Accounting Standards, for the financial year ended March 31, 2024.

Highlights of Financial Performance

Amount in ₹ Lakhs

Description	Standalone		Consolidated	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue from Operations	1,47,288	1,33,255	1,62,466	1,42,929
Other Income	11,126	2,234	8,537	2,111
Total Income	1,58,414	1,35,489	1,71,003	1,45,040
Employee benefits expense	94,772	78,690	1,01,469	80,681
Depreciation and amortization	3,430	2,996	5,829	4,191
Finance cost	4,227	2,150	4,227	2,186
Other expenses	23,632	22,485	27,412	26,362
Total expenses	1,26,061	1,06,321	1,38,937	1,13,420
Profit / (Loss) before Exceptional Items and Tax	32,353	29,168	32,066	31,620
Exceptional (Income) / Expense	143	-	1,402	-634
Profit / (Loss) before Tax	32,496	29,168	33,468	30,986
Tax expense	7,923	7,530	8,629	7,887
Profit / (Loss) after Tax	24,573	21,638	24,839	23,099
Earnings per share (Basic)	16.55	15.11	16.73	16.13
Earnings per share (Diluted)	16.55	15.00	16.73	16.01
Attributable to:				
Shareholders of the Company	24,573	21,638	24,839	23,099
Opening balance of retained earnings	38,240	22,388	39,064	21,773
Dividend on equity shares	-8,604	-5,715	-8,604	-5,715
Other Comprehensive income recognised directly in retained earnings	-281	-94	-259	-116
Transferred from share option outstanding reserve for options forfeited	2	23	2	23
Closing balance of retained earnings	53,930	38,240	55,042	39,064

Note: Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

A detailed analysis of the financials and business performance of the Company during the year under review is provided below.

Management Discussion and Analysis

Management Discussion and Analysis as required under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is provided separately in the Annual Report.

Dividend & Transfer to Reserves

Your Company's policy on Dividend Distribution is available at <https://www.happiestminds.com/investors/policy-documents/>.

In accordance with the said policy, your Directors declared an interim dividend of ₹ 2.50/- per equity share in the Board meeting held on October 17, 2023 and are pleased to recommend a final dividend of ₹ 3.25 /- per equity share for the financial year ended

March 31, 2024, i.e., the total dividend for the current financial year under review being ₹ 5.75/- per equity share (previous financial year - ₹ 5.40/- per equity share). If the above recommendation is accepted by the Members of the Company at the ensuing Annual General Meeting, the total outflow on this account will be ₹ 8,755.80 Lakhs.

Your Directors do not propose to transfer any amounts to the general reserves of the Company, instead have recommended to retain the entire profits for the financial year ended March 31, 2024, in the profit and loss account.

Your Company did not have any amounts due or outstanding as of the Balance Sheet date to be credited to the Investor Education and Protection Fund.

Mergers & Acquisitions

A strategic and focused M&A program tied to the long-term goals of the Company is in place and is represented by the investment committee which consists of two executive members. The Company follows a programmatic M&A approach which works to acquire companies of strategic interest and of meaningful size and scale.

The current M&A priorities are –

- Strengthen our geographical presence in USA, Europe, Middle-East and Australia / New Zealand regions
- Enhance length and breadth of our technology offerings – Cyber Security, Service Now, Salesforce, Low Code / No Code
- Go deep into our focus industry groups seeking specialized offerings in sub verticals – Insurance, Banking, Life Sciences
- Enhance partnerships and strategic alliances with Microsoft, Service Now, etc.

Subsidiary Company

As of March 31, 2024, your Company had two wholly-owned subsidiary companies viz., Happiest Minds Inc., USA (formerly PGS Inc.) and Sri Mookambika Infosolutions Private Limited., Madurai, India ("SMI"). The statement under Section 129(3) of the Companies Act, 2013 in respect of the subsidiaries in Form AOC-1 is attached as Annexure I. The Consolidated Accounts of your Company duly audited by the Statutory Auditors are presented as part of this Report.

The financial statements together with related information and other reports of the subsidiaries are available on the website at <https://www.happiestminds.com/investors/>

Your Company's policy on material subsidiary is also available on the website at <https://www.happiestminds.com/investors/policy-documents/>

Recognitions

Please refer to pages 22, 23 of the Integrated Annual Report of 2023-24.

Share Capital and Debentures

During the year under review, your Company issued 54,11,255 equity shares of face value of ₹2/- each at a price of ₹ 924/- per equity share. The paid-up equity share capital as on March 31, 2024, was ₹ 304,549,622/- consisting of 152,274,811 equity shares of ₹ 2/- each.

Further your Company has issued 8,000 rated, listed, negotiable, unsecured, redeemable non-convertible debentures of the nominal value of ₹ 1,00,000/- each and are listed on the Bombay Stock Exchange (BSE).

Your Company has not issued shares with differential voting rights and sweat equity shares during the year under review.

Directors and Key Managerial Personnel

As on March 31, 2024, the Board of Directors of your Company comprised of six Directors, viz., three Executive Directors and three Independent Directors including two women Independent Directors. As per the Articles of Association of the Company, one third of the Directors (other than Independent Directors) are liable to retire by rotation at the Annual General Meeting ("AGM") of the Company, every year. Mr. Venkatraman Narayanan (DIN: 01856347) retires by rotation at the ensuing 13th AGM and being eligible, offers himself for re-appointment.

Mr. Ashok Soota (having DIN 00145962-Executive Chairman), Mr. Joseph Anantharaju (having DIN 08859640- Executive Vice Chairman) and Mr. Venkatraman Narayanan (having DIN 01856347-Managing Director & CFO), are Executive Directors on the Board.

Ms. Anita Ramachandran (DIN 00118188), Mr. Rajendra Kumar Srivastava (DIN 07500741) and Ms. Shuba Rao Mayya (DIN No. 08193276) are the Independent Directors on the Board with Mr. Rajendra Kumar Srivastava being designated as the "Lead Independent Director". Pursuant to the provisions of Section 149 of the Companies Act, 2013 the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company. In the opinion of the Board, the Independent Directors possess the requisite integrity, experience, expertise, and proficiency required under all applicable laws and the policies of the Company.

Policy on Nomination and Remuneration of Directors

This policy on the nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. The policy is guided by the principles and objectives as enumerated under the provisions of the Companies Act, 2013 and the Listing Regulations, to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. A copy of the policy is uploaded on the Company's website at <https://www.happiestminds.com/investors/policy-documents/>.

We confirm that the remuneration paid to Directors, Key Managerial Personnel and Senior Management Personnel is in accordance with the said policy of the Company. The statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this report as Annexure II.

None of the Executive Directors of the Company were in receipt of any commission from the Company or any remuneration from the subsidiaries of the Company.

Familiarization Program for Independent Directors

The Company has in place a familiarization program for its Independent Directors. The objective of the program is to familiarize Independent Directors on our Board with the business of the Company, industry in which the Company operates, business model, challenges etc. through various programs which includes interaction with subject matter experts within the Company, meetings with our business leads and functional heads on a regular basis.

The familiarization program and other disclosures as specified under the Listing Regulations is available on the Company's website at <https://www.happiestminds.com/investors/disclosures/HappiestMinds-Details-of-Familiarization-Programme.pdf>

Board Evaluation

The Nomination, Remuneration and Governance Committee of the Company has reviewed and approved the evaluation criteria for the Board Evaluation. The criteria for the evaluation were broadly based on the SEBI's Guidance Note on Board Evaluation. The evaluation criteria covered the Board as a whole, the Committees of the Board, each individual Director and the Chairman of the Company and were focused on the Board's composition and accountability, their role in setting strategies, the effectiveness of the Board Committees and the performance of each individual Director and the Chairman.

During the year under review, the questionnaire was circulated to all the Board Members of the Company in a transparent and confidential manner and based on their responses, a detailed report was presented to the Board on an anonymous basis to give an understanding of its working dynamics, highlight areas of strength/improvement and proposed the suggested action plan to improve the Board's overall performance and effectiveness.

Some of the suggested action plans that are being implemented during FY 2024-25 are as below:

1. To expand the Board with induction of two Directors.
2. To ensure a detailed half-year review by the management.
3. To organize professional development programs for the Directors.
4. To come up with a plan for increasing the Risk committee involvement and to enhance its working procedures.

Committees of the Board

The details of the powers, functions, composition, and meetings of the Committees of the Board held during the year are given in the Report in the Corporate Governance section forming part of the Annual Report.

Board Meetings

The Board of Directors of the Company met seven times during the year under review. The details of these Board Meetings are provided in the Corporate Governance section forming part of the Annual Report. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

Corporate Governance

Your Company has taken adequate steps to adhere to all the stipulations laid down in the Listing Regulations. A report on Corporate Governance is disclosed separately in the Annual Report.

A Certificate from M/s. V Sreedharan & Associates, a firm of Company Secretaries in practice, confirming the compliance with the conditions of Corporate Governance as stipulated under the said Regulations is attached as Annexure VII to this Report.

Employees Stock Option Plan (ESOP)

During the year under review, no fresh grants were made under the Happiest Minds Employee Stock Option Scheme 2020, however, your Company facilitated the transfer of 7,59,541 Equity Shares of ₹2/- each by the Happiest Minds Technologies Share Ownership Plans Trust to the employees who exercised their options under the old schemes.

The additional details of stock options are provided under Notes to Financial Statements (Standalone).

Pursuant to the requirements of the SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021, a certificate has been issued by the Secretarial Auditors of the Company confirming that the Plan has been implemented in accordance with the said Regulations and in accordance with the resolution passed by the Company in the General Meeting.

As required under the SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021, the applicable disclosures as on March 31, 2024, are uploaded on the website of the Company at <https://www.happiestminds.com/investors/disclosures/>

Code for Prevention of Insider Trading

Your Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes the code for practices and procedures for fair disclosure of unpublished price sensitive information which has been made available at <https://www.happiestminds.com/investors/policy-documents/>

Vigil Mechanism

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the Listing Regulations is implemented through the Company's Whistle Blower Policy to enable all its employees, consultants (part-time, full-time and temporary employees) of the Company and its subsidiary companies and its associate companies to report genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee. Your Directors affirm that no employee/consultant has been denied access to the Audit Committee.

The Whistle Blower Policy is available at <https://www.happiestminds.com/investors/policy-documents/>

During the year under review, your Company did not receive any complaints under the said Policy.

Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, copies of the Annual Returns of the Company for previous financial years prepared in accordance with Section 92(1) of the Act have been placed on the website and is available at <https://www.happiestminds.com/investors/disclosures/>

Software Technology Park

The entire Indian operations of the Company have been registered under the Software Technology Parks of India (STPI) Scheme.

Deposits

Your Company has not accepted any deposits during the year under review and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Significant & Material Orders passed by the Regulators or Courts or Tribunals

During the year under review, your Directors confirm that there were no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its future operations.

Loans, Guarantees and Investments

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations, disclosure on particulars relating to Loans, Advances, Guarantees, and Investments are provided as part of the financial statements. Further, your Directors have sought your approval at the ensuing AGM to enhance the limits provided under the said Section.

Related Party Transactions

The Policy on related party transactions is available at <https://www.happiestminds.com/investors/policy-documents/>

Particulars of the Contracts or Arrangements with related parties referred to in Section 188(1) in the format specified as Form AOC-2 forms part of this Report as Annexure III. Further details of related party transactions are provided in Notes to Financial Statements (both Standalone and Consolidated).

All the Related Party Transactions entered by your Company with the Related Parties are in the ordinary course of business and are carried out at arm's length pricing.

Details of the transaction(s) of your Company with the entity(ies) belonging to the promoter/promoter group which hold(s) more than 10% shareholding in the Company as required under Para A of Schedule V of the Listing Regulations are provided as part of the financial statements.

Auditors & Auditors' Report

The current Statutory Auditors of the Company are M/s. Deloitte Haskins & Sells (ICAI registration number 008072S) who have been appointed at the 10th AGM of the Company held on July 07, 2021 to hold office for a term of 5 years i.e., till the conclusion of the 15th AGM.

The Auditors' Report does not contain any qualification, reservation, or adverse remark on the financial statements for the financial year ended March 31, 2024. The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed M/s. V Sreedharan & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report issued by them for the financial year ended March 31, 2024, is attached as Annexure VIII to this Report. The Secretarial Audit Report does not contain any qualifications, reservations, or adverse remarks.

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in his Report.

Sustainability and Corporate Social Responsibility (CSR)

The Company's Sustainability, Environment, Social and Governance Reporting is provided separately as part of the Annual Report.

The annual report on CSR including a brief outline of the CSR Policy and the activities undertaken during the year under review is enclosed as Annexure IV to this Report. The CSR policy is available at <https://www.happiestminds.com/investors/policy-documents/>

Risk Management

Your Company under the supervision of the Executive Board has established a well-defined framework and procedures on organization wide risk and its management. The framework encompasses significant risk in areas of Information security, operations, delivery, and key support functions. Under the framework and procedures, detailed risk management guidelines have been prescribed and implemented covering Risk Identification, Analysis, Response, Tracking, and Management Discussion and Mitigation. Risk registers are maintained by respective functions and project teams. These are centrally reviewed and periodically monitored by compliance and governance teams identified as the owner for the area of risk. The Chief Information Security Officer (CISO), Chief Information Officer (CIO) and Engineering and Business Excellence Team (EBE) work together with the Executive Board in achieving the above.

The Executive Board with the assistance of the CISO, CIO and EBE follows a process covering the steps below in identifying areas of risk in the Company. The process covers:

- Identification of key risk areas
- Assessment of key risks for probability and impact
- Prioritization
- Formulation of response
- Identification of Owners
- Participation by Owners in outlining mitigation plans
- Reporting on adequacy and effectiveness
- Acceptance of residual risk

Your Company while designing its strategy in drawing up of its long-term business plan, makes provision to accommodate broader/higher level of risk than it expects/envisages so that Company is prepared to sustain in the eventuality of unforeseen level of risk.

Significant risks areas which have been identified and are constantly monitored are:

1. **Financial Risks:**
 - a. Foreign currency fluctuation
 - b. Customer credit
 - c. Profitability and sustenance of the business
 - d. Availability of credit and liquidity management
2. **Business Risks:**
 - a. Concentration of revenues
 - b. New, emerging disruptive technologies and their impact on business, and delivery
 - c. Shrinking product development cycles
 - d. Customers insourcing
3. **Operational Risks:**
 - a. Data privacy, social media
 - b. Talent availability and timely staffing of projects
 - c. Optimal resource utilization
 - d. Contractual commitments and project delivery challenges
 - e. Business continuity
 - f. COVID 19 Pandemic
4. **Legal and Regulatory:**
 - a. Compliance with local legislation in the geographies we operate in
 - b. Dynamic and ever-changing immigration and travel laws
5. **Projects Delivery related risk**
 - a. Related to change meeting timelines, estimated effort
 - b. Quality of deliverables

6. Information Security Risks

- a. Loss of Happiest Minds' or Customer Intellectual Property (Assets, Code, documents etc..)
- b. Privacy breach, sharing of sensitive data without requisite approvals
- c. Phishing, Malware and Ransomware attacks
- d. New tech adoption e.g. AI and Generative AI

Oversight of the framework is provided by the Risk Management Committee of the Board of Directors. A Risk Management Policy has also been adopted based on this framework, copy of the policy is available at <https://www.happiestminds.com/investors/policy-documents/>

People Practices

Guided by the 8C Model, which emphasizes well-being, happiness, and innovation, our People Practices team has effectively established a standout brand identity amidst a year marked by intense talent competition, business shifts, and market adjustments within the IT sector. Despite these challenges, we achieved a net increase in team members, with our attrition rate impressively falling to 13.01%—well below our targeted 18%. This achievement is a testament to our forward-thinking adoption of technology and best practices, which not only kept us ahead in a dynamic environment but also bolstered our brand, making us a preferred employer. Our efforts are reflected in our Glassdoor rating, where members and alumni have recognized us with a commendable score of 4, showcasing the positive impact of our strategies and initiatives.

This year, our focus was centered around five strategic pillars aimed at strengthening our organization and enhancing our workforce capabilities.

Firstly, we concentrated on building our organization for scale, aiming to develop a global and distributed workforce. This effort encompassed enhancing our people practice capabilities across various domains such as benefits, engagement processes, and compliance, while also preparing for future mergers and acquisitions to ensure a seamless integration of operations, personnel, and culture. A key aspect of this pillar was the emphasis on strengthening our compensation framework, particularly for our IMSS and US operations, and customizing benefits to cater to different employee segments to boost retention rates. Initiatives like completing the SMI Integration and launching tailored compensation frameworks for our Centre of Excellence were integral to our comprehensive approach to organizational design and talent management.

In our pursuit of digital transformation and people analytics, we introduced the MySmiles HRMS and focused on leveraging technology through automation and the application of AI in our HR practices. These measures aimed to enhance efficiency, provide insights, and create a more engaging and seamless experience for our employees from their onboarding through their career development.

Developing leadership and people capabilities was another critical area of focus. Through programs like the I3 Talent Transformation and the Global Leadership Development Program (GLDP), complemented by Hogan Assessments, we invested in cultivating a robust leadership pipeline and enhancing talent across the organization. Initiatives such as executive mentoring programs and the creation of specialized tracks for sales enablement and managerial development demonstrated our commitment to nurturing leadership and talent.

Our culture-building strategy emphasized happiness evangelism, health and well-being, and the alignment of our organizational purpose and vision with employee aspirations. By expanding happiness touchpoints, enhancing participation in volunteering activities, and strengthening our listening programs like Mithra and Little Mithra, we aimed to foster a supportive and engaged community.

Our talent engagement initiatives focused on promoting diversity and inclusion, plans to launch a Women Mentoring Program by H1 FY'25 and execute various gender diversity initiatives. This pillar also aimed at reintroducing clubs and committees, enhancing workforce diversity through PWD hiring, and conducting a gender pay parity exercise. By creating more engaging office spaces and fostering camaraderie across locations, we committed to creating an inclusive and dynamic work environment.

Thanks to our focused efforts this year, we achieved remarkable successes across various domains of our operations.

In the area of Talent Management, we launched the I3 Talent Transformation program in collaboration with NIIT and Hogan, benefiting 25 Business Analysts, 27 Delivery Managers, and 36 Architects. This initiative demonstrates our commitment to talent enhancement. Additionally, the introduction of the GLDP, which included a Hogan workshop for 42 senior leaders, marks our investment in the future leadership of our organization.

Our approach to Compensation & Benefits underwent a thorough review, particularly in the UAE, where we integrated a competitive US compensation framework. Innovations like onsite salary advances, enhanced travel allowances, improved life insurance covers, and expanded corporate partnerships reflect our strategic intent to offer a competitive and comprehensive benefits package.

In the realm of Wellness Programs, our dedication to employee wellness was underscored by the successful execution of 36 Total Wellness Events, with participation from 2868 employees and an outstanding satisfaction rating of 4.5 out of 5. The launch of Ekincare, a health and wellness app, along with the completion of 58 annual health check-ups, showcases our holistic approach to employee health and engagement.

Our Happiness Evangelism efforts, through initiatives such as Mithra and the introduction of resources like the Seven Spokes of Happiness, Mindfulness Matters, and the Happiness Compass magazine, have nurtured a culture emphasizing mental and emotional well-being. The launch of Little Mithra for younger minds and the engagement of 15,652 participants with an 85% happiness rate on the Happometer since January 2023 further highlight our dedication to this cause.

Celebrations, Roadshows, and Connects have been pivotal in our engagement strategy. We organized 24 PoSH Awareness Roadshows, launched MySmiles HRMS through dedicated roadshows, and held impactful Leadership Connects for 500 new hires. Celebratory events like Potluck, Biryani Bash, Mango Mania, and the Happiest Minds Run, engaging over 1000 participants across four cities, significantly contributed to a vibrant workplace community.

Our Recognition & Rewards & Engagement initiatives were showcased during the 10th anniversary of Happiest Minds with a gala dinner, celebrating our journey alongside our members and their families. The Glitz 2023 Annual Awards and the release of a 10-year milestone coffee table book were significant in recognizing our team's contributions. Additionally, our Gratitude Week, featuring 9000+ messages sent to over 2800 members, underscored the culture of appreciation within our organization.

Operational Excellence was evident in our high onboarding satisfaction rates, robust audit compliance, and the efficient resolution of 89.9% of PP tickets within a day. The successful introduction of four key modules in the partner management system underlines our dedication to continuous improvement and operational integrity.

In Diversity & Inclusion (D&I), we proudly maintained a 28% gender diversity rate and expanded our Aura team to over 1596 members. Our focus on disability inclusion, high parental leave returns, and comprehensive D&I training for 3308 members illustrates our commitment to an inclusive environment where everyone feels valued.

Our Circle of Happiness initiative, through significant donations to Akshaya Patra, Idayangal Trust, and Daan Utsav for various NGOs, reflects our commitment to community welfare and extending the circle of happiness beyond our organization.

This year marked our participation and recertification in the Great Place to Work (GPTW) survey, a testament to our enduring commitment to excellence. Furthermore, Happiest Minds has been honoured with numerous awards over the past year, highlighting our standing as a premier organization in various domains. We were named among the Top 50 India's Best Workplaces™ in Health and Wellness 2023 and Top 50 India's Best Workplaces™ in IT & IT-BPM 2023 by GPTW, alongside being listed in the 100 Best Companies for Women in India 2023 by Avtar and Seramount, and also recognized as one of the Top 50 India's Best Workplaces for Women™ 2023 by GPTW. Our achievements in innovation were spotlighted as we received the 'Digital Transformation of the Year' award at the IReC Awards 2023.

Our commitment as a leading IT organization and market leader is further illustrated through accolades such as the 'Best Tech for Security' Award at the 3rd Edition of the IDEA Awards, and our recognition by Zinnov Zones as a 'Niche & Established' player in Gen-AI Engineering Services. Additionally, our distinction as one of the 'Top Firms to Work for in AI & Analytics' and the recognition of Mr. Sridhar Mantha as the 'AI Leader of the Year' at the 3AI ACME Awards, alongside being acknowledged as a Rising Star in the ISG's Provider Lens™ Digital Engineering Services US Report 2023, underscores our commitment to innovation and leadership in the IT sector.

As we move forward, the People Practice Team remains dedicated to pushing the boundaries of what's possible, leveraging technology, fostering leadership, and nurturing a culture that aligns with our organizational values and aspirations. This strategic approach has not only contributed to our remarkable achievements in FY 2023-24 but also positions us for sustained success and impact in the years to come.

The People Practice Team's achievements in FY 2023-24 highlight our strategic and holistic approach to HR management, emphasizing well-being, innovation, and inclusivity. Our efforts have solidified our position as an employer of choice in the IT industry, setting a benchmark for excellence and strategic HR management. As we look to the future, we are committed to continuing our

journey towards operational excellence, talent development, and cultural enrichment, ensuring that Happiest Minds remains at the forefront of the IT industry.

Quality Management System (QMS)

1. Quality Policy

“Happiest Minds will consistently strive for customer happiness. We are committed to deliver excellence in our services by continually improving processes and systems, aiding in creating value to all our stake holders”. Our Quality Policy is in alignment with our Mission statement.

Your Company this year has ventured into Medical device domain as part of the Healthcare Industry Group and has defined Quality Policy for Medical Devices.

We are committed to deliver Excellence in our services and enable the realization of safe, secure and clinically effective Medical Devices for its intended use, by adopting a risk-based process approach and continually improving processes and systems, aiding in creating value to all our stakeholders and ensuring regulatory compliance, leveraging our core technical competencies in hardware and software development.

2. QMS Framework

Our strategy for continual quality improvement is derived from our Vision, business needs, technology changes, customer feedback, suggestions, and process performance. Our quality processes are derived from industry best practices and are continually improved based on our experience, and our processes have been assessed by external accredited agencies. Your Company has received accreditation on international quality and process models, including ISO 9001:2015. In December 2021, your Company was recertified for ISO 9001:2015 with the external auditors applauding our focus on the digitization of internal processes. There was surveillance audit for ISO 9001:2015 in December 2022. In addition, your Company is certified to Information Security standards like ISO 27001:2013 and privacy standards like ISO 27701:2019 which guides our policies and procedures for protecting information security, our own software enablers and customers’ software enablers. To enhance our business capabilities and grow our business in the medical devices domain we have undergone year long journey of aligning QMS framework for Medical devices which also included aligning towards medical device standards of ISO 13485:2016. This would also help us align our process with medical regulatory standards of various regions. During the year under review, your Company got itself certified for ISO 13485:2016 standard.

To enhance our process towards various IT services provided by us to our customers we have started our journey of enhancing our QMS to align to ISO 20000:2018 standard. We plan for getting certified for this standard in the financial Year 2024-2025.

3. Engineering Practices.

Engineering practices form the crux of successful delivery. Our engineering practices help your Company deliver high-quality software to its customers as per the planned timelines and consistently earn their trust and enable customer happiness. We measure the satisfaction levels of our customers every year and have been consistently improving on the scores, year after year since inception. Our digital driven engineering practices have been well accepted by our customers with some of them adopting these practices in their internal processes. In this Financial year to enhance our data driven engineering practices we have started our journey towards integrating the measures captured by various tools by Integrated Metric dashboard which would help our teams to take quicker decisions and deliver with Agility.

We have adopted Agile practices to support our Mission of “Born Digital . Born Agile”.

4. Systems Driven

Our projects are managed using systems to track project management practices and engineering practices for projects managed within your Company. This is in line with our digital focus on processes and practices. Our Integrated Project Management system helps the delivery to have an end-to-end view of the project at all levels of the management to provide enhanced delivery value to our customers.

This year we have upgraded our Project management system to the latest platform including moving our entire setup to cloud. This enhanced system will help cater to our 10-year vision along with providing a platform for more Agile processes and practices. Along with our well established Business Intelligence (BI) platform which helps us to provide reports and Dashboards for well informed decision making we have also added No code low code platforms to automate processes and bring in controls for enhanced delivery.

5. Code Quality

Apart from regular code reviews process our projects extensively use Code Quality tools to check the code on various parameters. We have defined Code Quality Index based on the Code Quality metrics and this helps us to deliver high-quality outputs to our customers. We have created groups for focused code review and critical codes will be undergoing this code review. To enhance coding practices, we have introduced new repository system which helps to manage code in more structured and secure way.

6. Rapid Iteration and Experimentation

Fail fast and learn quickly - Agile teams develop solutions through fast cycles of field testing and learning from mistakes. Products and solutions are developed iteratively using minimum viable products i.e., minimum set of features needed to test and learn. This also helps our customers to get an early feel for the products/solutions that they will be using and also help reduce the time for production release. To enhance our testing practices, we have introduced new process and tools.

Your Company has deployed DevOps practices which include building pipelines for continuous integration, code analysis, testing and deployment of software solutions developed. Some of the practices like continuous deployment, pushing a new release into production based on passing of all the tests, checking code and software quality in the build pipeline and leveraging the build pipeline to get feedback on the health of their software, etc. help your Company to decrease the turnaround to the customers and build better-quality products.

7. Information Transparency

The accessibility, accuracy, and availability of quality, unfiltered data which are critical for organizational agility is deployed across the organization. Various data pipelines and reports are built to enable team members to easily share their ideas and results of their work with those who might benefit from the information.

8. Continuous Learning

At your Company, continuous learning happens on both the individual and organizational levels. At the organizational level, structured processes and tools have been enabled to share knowledge. This helps the information learned through experimentation and experience is available across the organization. There various platforms created to ideate and share the learning withing the organization.

9. Involve to Evolve

We drive continual improvement programs by actively engaging team members across the organization. Focused groups will be formed to make the resources part of the continual improvement journey to bring in the Agile community of practice, technical experts from practice, the estimation work group and the internal audit community. The continuous measurement of benefits accrued from your Company’s process improvement initiatives has brought to light a significant reduction in rework, an increase in productivity, adherence to schedules and budget, and significant added value, culminating in customer delight. We have also piloted an excellent framework named “My Customer Happy Customer” (MCHC) which provides balanced view of projects rolled up to customers on various aspects.

10. Rewards and Recognitions

The team members/teams are rewarded for their exemplary work towards process improvements and customer delight with awards such as Code excellence award, Service Delivery excellence award, etc.

11. Customer Connect

Your Company has a customer experience framework to understand the behaviours, needs and expectations of individual customers which helps in developing a roadmap for continuous engagement and enriching the customer relationship. As part of this framework, we conduct Customer Happiness Survey, Customer Pulse, bringing Value Adds, etc. We also make sure we have regular reviews with our customers to provide status on current engagement and discuss how we could further help our customers in their IT journey.

Along with feedback we also have introduced feedforward mechanisms to understand various needs of customers as part of our Customer Happiness Survey and hence better align our strategies towards customer needs.

Whenever there is a customer escalation related to delivery or staffing, the manager concerned will raise the escalation in the project management system. An action item for the same is created and assigned to the respective team member to track and monitor the status of the escalation. The closure of the escalation is communicated back to the customer.

Internal Control System

Your Company has deployed adequate Internal Control Systems in place to ensure the smooth functioning of its business. The processes and the systems are reviewed constantly and changed to address the changing regulatory and business environment. The Control Systems provide a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of the Company's assets. The ERP system which the Company implemented has helped in further strengthening the internal control systems that are in place.

The existing Internal Control Systems and their adequacy are frequently reviewed and improved upon to meet the changing business environment. The Statutory Auditors as well as the Internal Auditors periodically review the Internal Control Systems, Policies and Procedures for their adequacy, effectiveness and continuous operation for addressing risk management and mitigation strategies.

Conservation of Energy, Research and Development, Foreign Exchange Earnings and Outgo

Your Company has made the necessary disclosures in Annexure V to this Report in terms of Section 134(3) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

Employees' Remuneration

As per the proviso to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement containing the names and other details of employees drawing more than ₹ 10.2 million per financial year or ₹ 0.85 million per month, as the case may be, are set out in Annexure VI to the Board's Report. Further, as per the proviso to Rule 5(3) of the said Rules, the particulars of employees posted and working outside India not being Directors or their relatives, need not be included in the statement but, such particulars shall be furnished to the Registrar of Companies. Accordingly, the statement included in this Report does not contain the particulars of employees who are posted and working outside India. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) Accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year 2023-24 and of the profit or loss of the Company for that financial year.
- (iii) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Annual Accounts have been prepared on a going concern basis.
- (v) Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operate effectively.
- (vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

Secretarial Standards

During the year under review, your Company has duly complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Cost Audit

The provisions of Companies (Cost Records and Audit) Rules, 2014 are not applicable to your Company.

Insolvency and Bankruptcy Code

During the year, there was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 hence the requirement to disclose the details of application made or proceeding pending at the end of financial year is not applicable.

Disclosure under Rule 8(5)(xii) of the Companies (Accounts) Rules, 2014

During the year, there were no instances where your Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act")

The POSH Act stands as a crucial legislation in India dedicated to preventing sexual harassment. It was put in place to ensure a safe and secure working environment for women and to deter harassment in the workplace. We believe that POSH Act has played a significant role in promoting teamwork, diversity and trust within our Company. At Happiest Minds, we are committed to fostering a safe and professional work setting. In addition to maintaining a gender-neutral Anti-Sexual Harassment Policy, we comply with the regulations of the POSH Act. To address complaints related to sexual harassment, we have established an Internal Committee. Further, to support our Internal Committee, we have appointed a legal expert specializing in the subject matter.

Following steps have been taken as a part of the ensuring that we comply to the statutory nature of the POSH Act this year:

POSH Committee: From the inception of the POSH Act, your Company has been compliant with the establishment of the POSH Committee. Complaints of sexual harassment at work will be dealt with judiciously and expeditiously by this committee. The committee comprises female and male members, of whom more than 50% are women. The committee is headed by the Presiding officer and representatives from each business and location.

Training: Based on the requirement of the POSH Act, we have initiated training and certification for all our employees and partners to create awareness about sexual harassment in the workplace and the POSH Act. We have ensured that all our employees and partners who join us have been trained on the POSH Act in India through our online module. All employees and partners completing one year in the Organisation will go through the refresher training. POSH Training is a mandatory training at Happiest Minds and the following are some of the modules that have been covered.

- Walk through of the POSH Act
- What is covered under sexual harassment
- Gender based scenarios under POSH
- Sexual Harassment during remote working
- How to raise a complaint
- Investigation procedure

Please Note: A POSH Refresher is conducted once every two years at Happiest Minds. Failure to complete the mandatory training within the suggested time limit will be reflected under the Performance review of the concerned employee or partner as non-complaint.

Complaints: We have received no POSH complaints during the year under review. Regardless of no complaints, we have ensured that we have created awareness of POSH through our various outreach programs.

Disciplinary action: No disciplinary action was taken as there was no complaint registered during the year under review.

Compliance: As required under POSH Act, we have filed an Annual Report with the competent authorities. All required documents in compliance with the POSH Act have been filed. There have been no non-conformities or observations identified by our competent authorities.

Other Action taken to create awareness: During the year under review, majority of our employees and partners have transitioned to working from the office after operating in a hybrid mode for most of last year. We maintained consistent communication by sharing information and guidelines on POSH compliance. Additionally, we conducted a POSH awareness month, featuring roadshows, posters, and speeches to educate employees and partners about POSH regulations. To reinforce compliance, we prominently displayed POSH posters alongside the statutory boards. All senior leaders have completed training on POSH, showcasing their dedication to nurturing a workplace culture that is free from harassment.

All members of the POSH Committee have been trained, certified and are compliant to the POSH Act's needs to be a part of the Committee.

Full Disclosure Statement: While the provision of the POSH Act covers and protects the women members who are subjected to sexual harassment, we have taken cognizance to expand the scope of our sexual harassment policy to cover all employees and partners irrespective of gender, contractual status, caste, class, race, ethnicity or affinity, however, within the confines of the POSH Act. Company's Policy also applies to visitors, and casual employees. Additionally, all complaints (if any) received by the Internal Committee are reviewed and kept confidential.

Acknowledgements

Your Directors have pleasure in recording their appreciation for all the guidance and co-operation received from all its customers, Members, investors, vendors, partners, bankers, government authorities and other stakeholders for their consistent support to your Company in its operations. Your Directors take this opportunity to place on record their sincere appreciation of the dedication, contribution and commitment of all Happiest Minds in Company's growth.

For and on Behalf of Board

Venkatraman N
Managing Director & CFO
DIN: 01856347

Ashok Soota
Executive Chairman
DIN: 00145962

Bengaluru
Dated: June 5, 2024

Annexure I to Board's Report

Form AOC-1

(Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1	Name of the subsidiary	Happiest Minds Inc	Sri Mookambika Infosolutions Private Limited
2	The date since when subsidiary was acquired	January 01, 2021	January 01, 2023
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April 1, 2023 to March 31, 2024	April 1, 2023 to March 31, 2024
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Currency – USD Exchange Rate – 83.40	Reporting currency - INR

	Financial Details as on March 31, 2024	Amount in ₹ Lakhs	Amount in ₹ Lakhs
5	Share capital	83	10
6	Reserves and surplus	(372)	1,826
7	Total assets	4,717	2,826
8	Total Liabilities	5,006	990
9	Investments	-	-
10	Turnover	11,293	9,073
11	Profit before taxation	3,128	2,526
12	Provision for taxation	513	705
13	Profit after taxation	2,614	1,821
14	Proposed Dividend	-	-
15	Extent of shareholding (in percentage)	100%	100%

Notes:

- Names of subsidiaries which are yet to commence operations- Nil
- Names of subsidiaries which have been liquidated or sold during the year- Nil
- Part B of the Annexure is not applicable as there are no Associate Companies / Joint Ventures of the Company as on March 31, 2024

For and on behalf of Board

Venkatraman N
Managing Director & CFO
DIN: 01856347

Ashok Soota
Executive Chairman
DIN: 00145962

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

Bengaluru
Dated: June 5, 2024

Annexure II to Board's Report

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each Director and Key Managerial Personnel to the median remuneration of the employees of the Company for the financial year ended March 31, 2024, and percentage increase in remuneration compared to last financial year:

Director/ KMP	Designation	% increase in remuneration compared to last FY	Ratio to median remuneration of employees
Mr. Ashok Soota	Executive Chairman	50%*	13.17
Mr. Venkatraman Narayanan	Managing Director & CFO	35%*	12.34
Mr. Joseph Vinod Anantharaju	Executive Vice Chairman	9%*	28.59
Mr. Rajendra Kumar Srivastava	Lead Independent Director	NA	1.99
Mrs. Shuba Rao Mayya	Independent Director	NA	1.67
Mrs. Anita Ramachandran	Independent Director	NA	1.67
Mr. Praveen Kumar Darshankar	Company Secretary & Compliance Officer	9.5%	4.47

*The increments were approved in the Board Meeting held on October 17, 2023

Note:

For the purpose of calculation of median, salary at global level with conversion rate as of March 31, 2024, has been considered. The median salary at global level of employment is ₹ 15,00,900/- and at India level of employment is ₹ 14,64,650/-

2. Percentage increase in the median remuneration of employees in the financial year ended March 31, 2024: 11.2%
3. No. of permanent employees on the rolls of Company as on March 31, 2024, was 4,884
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- 11% increase in remuneration in salaries of employees other than managerial personnel against 26% increase in salary of managerial personnel. There has been no exceptional remuneration increase for managerial personnel.
5. Affirmation that the remuneration is as per the remuneration policy of the Company:
- Your Company affirms that the remuneration of Directors and Key Managerial Personnel was as per the Remuneration Policy of the Company.

For and on Behalf of Board

Venkatraman N
Managing Director & CFO
DIN: 01856347

Ashok Soota
Executive Chairman
DIN: 00145962

Bengaluru
Dated: June 5, 2024

Annexure III to Board's Report

FORM NO. AOC.2

Details of Related Party Transaction

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a) Name(s) of the related party and nature of relationship	Not Applicable.
(b) Nature of contracts/arrangements/transactions	There were no transactions or arrangements which were not at arm's length, and which were not in the ordinary course of business during financial year 2023-24.
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship	Not Applicable.
(b) Nature of contracts/arrangements/transactions	There were no material contracts or arrangements with related parties during financial year 2023-24.
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Date of approval by the Board	
(f) Amount paid as advances, if any:	

For and on Behalf of Board

Venkatraman N
Managing Director & CFO
DIN: 01856347

Ashok Soota
Executive Chairman
DIN: 00145962

Bengaluru
Dated: June 5, 2024

Annexure IV to Board's Report

Annual Report on CSR

[Pursuant to Section 134(3)(o) of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 and amendments thereof]

1. Brief outline on CSR Policy of the Company:

The CSR policy has been instituted based on the Corporate Social Responsibility (CSR) philosophy of your Company and is committed to undertake CSR activities in accordance with the CSR Regulations. Your Company conducts its business in a sustainable and socially responsible manner. This principle has been an integral part of the Company's corporate values and believes that corporate growth and development should be inclusive, and every company must be responsible and shall contribute towards betterment of the society. Your Company is committed to the safety and health of the employees, protecting the environment and the quality of life in all regions in which your Company operates. Further, with respect to the Company's CSR philosophy, the Board has constituted the "CSR Committee" as its core CSR team, as a means of fulfilling this commitment.

The CSR activities of the Company are as per the provisions of Schedule VII of the Companies Act, 2013 and CSR Policy gives an overview of the projects and programmes which are proposed to be undertaken by the Company in the coming years.

2. The Composition of the CSR Committee:

Sl. No.	Name of the Director	Nature of Directorship	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shuba Rao Mayya	Independent Director	Chairperson	1	1
2	Ashok Soota	Executive Director	Member	1	1
3	Joseph Vinod Anantharaju	Executive Director	Member	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

- CSR Committee: <https://www.happiestminds.com/investors/disclosures/Board-and-Board-Committees.pdf>
- CSR Policy: <https://www.happiestminds.com/investors/policy-documents/Corporate%20Social%20Responsibility%20Policy.pdf>
- CSR projects approved by the Board: <https://www.happiestminds.com/investors/disclosures/CSR-projects-approved-by-the-Board-for-FY-24.pdf>

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

- Average net profit of the Company as per sub-section (5) of section 135: ₹22,322 Lakhs
- Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ 446 Lakhs
- Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: 0
- Amount required to be set-off for the financial year, if any: ₹ 31 Lakhs
- Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 446 Lakhs

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

Ongoing Project : ₹ 54.31 Lakhs

Other than ongoing projects: ₹ 171.95 Lakhs (Refer Annexure IV(a))

b) Amount spent in Administrative Overheads: NIL

c) Amount spent on Impact Assessment, if applicable: Not Applicable

d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 226.27 Lakhs

e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹ Lakhs)	Amount Unspent (in ₹ Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the fund	Amount	Date of Transfer
226.27	223.72	April 29, 2024	NA	NA	NA

f) Excess amount for set-off, if any

Sl. No.	Particular	Amount (in ₹ Lakhs)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	446
(ii)	Total amount spent for the Financial Year	226.27
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹ Lakhs)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹ Lakhs)	Amount Spent in the Financial Year (in ₹ Lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection(5) of section 135, if any	Deficiency, if any
					Amount (in ₹ Lakhs)	Date of Transfer		
1	FY-20-21	-	-	-	-	-	-	-
2	FY-21-22	-	-	-	-	-	-	-
3	FY-22-23	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: NA

For and on Behalf of Board

Venkatraman N
Managing Director & CFO
DIN: 01856347

Ashok Soota
Executive Chairman
DIN: 00145962

Bengaluru
Dated: June 5, 2024

Annexure IV (a)

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project		Allotment (in ₹ Lakhs)	Amount spent for the project (in ₹ Lakhs)	Mode of implementation Direct (Yes/No).	Mode of implementation Through implementing agency	
				State	District				Name	CSR Registration Number
1	Tree Plantation - Social Impact Project (Exclusive Adoption)	Environmental sustainability	Yes	Delhi/ Maharashtra	Delhi/ Nagpur	50	50	Yes	-	-
2	Meal donation under PM POSHAN Programme	Promoting education and eradicating hunger	Yes	Karnataka	Bengaluru	100	100	No	The Akshaya Patra Foundation	CSR00000286
3	Percolation Wells under 'One Billion Drops' Project	Environmental sustainability	Yes	Karnataka	Bengaluru	16.55	16.55	No	United Way of Bengaluru	CSR00000324
4	Creating Access to Safe Drinking Water	Environmental sustainability	Yes	Karnataka	Bengaluru	23	23	No	United Way of Bengaluru	CSR00000324
5	Siddalhatta-Social forestry	Environmental sustainability	Yes	Karnataka	Chikkaballapur district	10	10	No	United Way of Bengaluru	CSR00000324
6	Building Climate Resilient Communities, Training Rural Women as Solar Engineers and Electrifying Villages	Environmental sustainability	Yes	Odisha	Mayurbhanj	4.77	4.77	No	Empbindi International Association	CSR00011699
7	Safe Drinking Water	Health and Sanitation	Yes	Odisha	Bhubaneswar	0.54	0.54	Yes	-	-
8	Donation of insulin for under privileged children with Type-1 diabetes	Healthcare	Yes	Karnataka	Bengaluru	20	20	No	Idhayangal Charitable Trust	CSR00003135
9	Tree Plantation	Environmental sustainability	Yes	Karnataka	Bengaluru	1.41	1.41	No	Think Good Foundation	CSR00028312
Total						226.27	226.27			

For and on Behalf of Board

Venkatraman N
Managing Director & CFO
DIN: 01856347

Ashok Soota
Executive Chairman
DIN: 00145962

Bengaluru
Dated: June 5, 2024

Annexure V to Board's Report

A. Conservation of Energy

Your Company recognizes the importance of sustainable practices in driving long-term value for its stakeholders and clients. Over the past year, your Company has implemented several initiatives aimed at reducing its energy consumption and environmental footprint. Through the optimization of production processes, installation of energy-efficient equipment, and implementation of smart technology solutions, your Company has achieved significant gains in energy efficiency across its operations. Most of the office facilities have moved from fluorescent lamps to LED lamps, the IT infrastructure is predominantly on cloud, than in the conventional server racks which consume more power. We also promote responsible use of water through sensor & flow regulated taps. The office facilities are equipped with percolation wells which help in rainwater harvesting thereby storing the water in the water table. We do not use single use disposables.

Overall energy consumption is 39,69,007 KWh, out of which 4,92,559 KWh of energy is generated through our roof top solar initiative which contributes to an increase of 10% of renewable energy compared to last year.

These efforts not only align with our corporate responsibility goals but also contribute to cost savings and operational resilience. As we continue to prioritize sustainability in our business practices, we remain committed to driving positive environmental impact while delivering value to our investors.

B. Technology Absorption

Your Company continues to track trends and latest developments in various technology areas, including those related to Gen AI, Mobility, Big Data Analytics & AI, Cyber Security, Cloud Computing, IoT. Your Company has taken major initiatives and upped its leadership in Low-Code Application Platforms, Analytics/AI & Gen AI space. Your Company developed solutions in Digital Process Automation leveraging intelligent process automation tools and technologies. It has also deepened its partnership with Microsoft for Azure Implementations, Power Platform, Business Applications and Amazon AWS as consulting partner.

Your Company has also entered in Health & Life Sciences, Manufacturing/Automotive space, which helps increase the knowledge base within your Company and enhances the ability of your Company to undertake larger and more complex projects that are of higher value. Your Company started to invest in emerging technologies like Large Language Models (ChatGPT, CoPilot etc.), Low Code Platforms, OT & Hybrid cloud Security, Marketing Analytics, Quantum Computing and strengthening capabilities in Deep Neural Networks (Computer Vision), Blockchain, Drones, Edge Computing etc. Your Company invested in core research team to work on Gen AI related technologies, specifically in the areas of LLM, both text and images.

Your Company has also embarked on the journey of training all its employees on Gen AI fundamentals and exploring the possibility of using Gen AI in productivity enhancements. Your Company also undertakes continuous quality improvement programs, training programs, deployment and use of tools and technologies for monitoring projects, etc., to help increase efficiencies and productivity.

Research and Development

(i) Specific Areas of Research and Development

During the year under review, your Company continued building technology in Gen AI, IoT, Mobility, Big Data & Analytics, Cyber Security, Quantum Computing and Cloud Technologies that will have a major impact on the global technology landscape with the objective of increasing sales volumes and improving delivery capability. Your Company continued developing capabilities and creating solutions in newer technologies like Zero Trust, AI Governance, DevSecOps, OpenAI GPT-x LLM, Open Source LLM, RAG based solutions - PDF reader (opensource and licensed), Embedding models, Web 3.0, Low-Code Platform, Digital Process Automation, AI, Blockchain, Robotics & Drones leveraging Computer Vision, Edge Computing etc. Your Company has created additional solutions like Cognitive QA to help customers with efficient testing. Your Company has developed IP & Solutions and new services through R&D investment and has built and added new capabilities in the existing solutions – Cyber Risk Prevention & Protection, Identity Vigil, Threat Vigil, Ellipse – Infrastructure Management, Digital Content Monetization, Pro-RITE Test Automation Solution, UniVu-University Insights Solution and Thing Center – Consumer IoT platform, Connected Product Solution, Power Platform CoE, Conversational Chatbot, accelerators around Pimcore etc. and embarked its journey in development of Patient Engagement Platform as a solution to address Healthcare industry's need.

(ii) Benefits derived as a result of the above R&D

Your Company has gained considerable mind share in the industry by venturing into IP led state-of-the-art solutions as mentioned above. These concerted efforts also helped your Company in creation of new BU – GBS that focuses exclusively on Gen AI related services and has started working with multiple customers on their Gen AI journey, acquire new customers in the focus geographies, receive multiple accreditations, industry recognitions & analyst mentions and increase its share of IP-led revenues for the Company.

(iii) Future Plan of Action

Your Company is continuing to leverage its efforts on digital technologies including increased efforts on IoT, Data Engineering and Analytics/AI, Digital Process Automation, Security and Customer Experience. Your Company continues to expand Gen AI research into Google & AWS Gen AI services along with further R&D on open source LLM, fine tuning of LLM/SLM, multi modal Gen AI specifically around voice and image. Your Company continues to develop solutions in the new disruptive technologies of Quantum Computing, Web 3.0, Marketing Analytics, OT Security, Zero Trust, NW segmentation and reusable components on Low-Code Platform.

(iv) Expenditure on R&D

R&D is carried on by the Company as a part of the ongoing software development activity and expenditure thereof is considered as part of operating expenditure. Total expenses on R&D during FY 2023-24 was ₹ 1,842.90 Lakhs as against ₹ 1,712.40 Lakhs during FY 2022-23.

C. Foreign Exchange Earnings and Outgo:

i. Activities relating to exports, initiatives taken to increase exports, development of new export market for services and export plans

During the year under review, your Company has taken various initiatives to expand its presence into new geographies by engaging consultants and business partners and been successful in building visibility about our services and offering to key clients. Your Company is also continuing to invest in online media and social networking to build its brand visibility.

ii. Foreign exchange used and earned

	(Amount in ₹ Lakhs)	
	March 31, 2024	March 31, 2023
Foreign exchange earnings	1,20,664	1,12,270
Foreign exchange outgo	34,000	30,284

For and on Behalf of Board

Venkatraman N
Managing Director & CFO
DIN: 01856347

Ashok Soota
Executive Chairman
DIN: 00145962

Bengaluru
Dated: June 5, 2024

Annexure VI to Board's Report

Particulars of Top 10 employees in terms of salary drawn during the financial year 23-24 and who, being employed throughout the financial year, received salary of Rs. 102 Lakhs, for the financial year ended March 31, 2024, in terms of Section 134 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014:

SL. no	Name of Employee	Date of Joining (-MM-DD-YYYY)	Gross Remuneration	Qualification	Age	Experience (Yrs.)	Last employment	Designation	% of equity shares held within the meaning of clause (iii) of sub-rule (2) of Rule 5
1	Joseph Anantharaju	November 04, 2020	4,17,89,579*	B.E. & PGDM	53	25	Mindtree Limited	Executive Vice Chairman and CEO-PDES	0.28
2	Aurobinda Nanda	August 01, 2011	1,62,23,190	Post Graduate in Computer Applications	55	31	Mindtree Limited	President & COO- PDES	0.49
3	Ashok Soota	April 01, 2011	1,55,25,563	Electrical Engineering & Master in Business Management	81	57	Mindtree Limited	Executive Chairman & Director	50.13
4	Venkatraman N	April 23, 2015	1,54,71,485	Chartered Accountant & Law graduate	53	29	Sonata Software Limited	Managing Director & CFO	0.37
5	Rajesh Sogasu	January 23, 2023	1,17,13,863	B.E	55	32	Microland Group (Microland Limited)	Senior Vice President	0.00
6	Vivek Manu	February 01, 2021	1,08,56,805	B.E Computer Science	49	26	Syncrasy Technologies Pvt Ltd	Senior Vice President PDES	0.00
7	Ganapathi T B	September 05, 2011	1,00,21,308	B.E in Computer Science	53	31	Mindtree Limited	Executive Vice President-IMSS	0.21
8	Sundar Ramaswamy	August 17, 2020	96,05,835	Computer Science and Engineering & Master in Business Management	50	26	Antuit India Pvt. Ltd.	Senior Vice President & Head CoE - Analytics	0.00
9	Vijay Bharti	March 21, 2012	89,96,917	B.E Applied Electronics and Instrumentation	49	27	Wipro Technologies	Senior Vice President-IMSS	0.06
10	Subhasis Bandyopadhyay	September 26, 2022	89,75,585	MBA	56	32	Mindtree	Vice President-PDES	0.00

* Converted to INR from USD

Note:

- All the employees included in the table above are permanent employees of the Company and their appointments are non-contractual.
- In terms of proviso to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of employees posted and working in a country outside India, not being Directors or their relatives, have not been included in the above statement.
- None of the above employees are relative of any Directors.
- There were no employees who were employed for a part of the financial year who received monthly salary of Rs. 8.5 Lakhs or above

For and on Behalf of Board

Venkatraman N
Managing Director & CFO
DIN: 01856347

Ashok Soota
Executive Chairman
DIN: 00145962

Bengaluru
Dated: June 5, 2024

Annexure VII to Board's Report-

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L72900KA2011PLC057931

Nominal Capital : ₹ 58,90,00,000/-

To

The Members of Happiest Minds Technologies Limited

We have examined all the relevant records of **Happiest Minds Technologies Limited** for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2024. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has complied with items C and E.

For V Sreedharan & Associates

Company Secretaries

Devika Sathyanarayana

Partner

FCS 11323; C.P.No.17024

UDIN: F011323F000204219

Place: Bengaluru

Date: April 22, 2024

Annexure VIII to Board's Report-MR-3

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year Ended March 31, 2024

To

The Members

Happiest Minds Technologies Limited

CIN: L72900KA2011PLC057931

53/1-4, Hosur Main Road, Madivala

(Next to Madivala Police Station)

Bengaluru - 560068

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Happiest Minds Technologies Limited** (the Company) having a CIN: L72900KA2011PLC057931. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment. There was no Foreign Direct investments and External Commercial Borrowing by the Company during the period under review;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Company during the Audit Period);
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period) and
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- vi. We have relied on the representations made by the Company and its officers for compliance under other laws specifically applicable to the industry to which the Company belongs, as under subject to the explanation given below.
- Information Technology Act, 2000 and the rules made thereunder
 - Software Technology Parks of India rules and regulations

Based on the review of systems and processes adopted by the Company and the Statutory Compliance self-certification by the Managing Director of the Company which was taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as per the list of such laws as mentioned above in point no. vi.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
- Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were duly sent in respect of all the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

We further report that during the audit period the following events / actions were having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

- Issue and allotment of 4,500 (Four thousand five hundred) rated, listed, negotiable, unsecured, redeemable non-convertible debentures of the nominal value of ₹ 1,00,000/- (One Lakh Only) each to Citibank N.A. India on private placement basis as approved by the Board of Directors in their meeting held on 8th May 2023.
- Issue and allotment of 3,500 (Three Thousand Five Hundred) rated, listed, negotiable, unsecured, redeemable non-convertible debentures of the nominal value of ₹ 1,00,000/- (Rupees One Lakh) each to Citibank N.A. India on private placement basis as approved by the Board of Directors in their meeting held on 26th September, 2023.
- The fund-raising committee of the Company has allotted 54,11,255 equity shares of face value of ₹2 each of the Company (the "Equity Shares") aggregating to 500/- Crores to Qualified Institutional Buyers (QIB) on private Placement Basis.
- The Board has approved the Scheme of Amalgamation of Sri Mookambika Infosolutions Private Limited (Wholly Owned Subsidiary – Transferor Company) with Happiest Minds Technologies Limited (Holding Company - Transferee Company) and their respective shareholders and creditors, as per Section 230 to 232 and other relevant provisions of the Companies Act, 2013.

For V Sreedharan & Associates
Company Secretaries

Devika Sathyanarayana
Partner
FCS 11323; C.P.No.17024
UDIN: F011323F000203614

Place: Bengaluru
Date: April 22, 2024

This report (i.e., Form No. MR-3) is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

To,
The Members,
Happiest Minds Technologies Limited,
53/1-4, Hosur Main Road, Madivala,
(Next to Madivala Police Station),
Bengaluru – 560068

Our report of even date is to be read along with this letter:

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V Sreedharan & Associates
Company Secretaries

Place: Bengaluru
Date: April 22, 2024

Devika Sathyanarayana
Partner
FCS 11323; C.P.No.17024
UDIN: F011323F000203614

Management Discussion and Analysis

Company Overview

Being a Mindful IT Company, we enable 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 across Product & Digital Engineering Services (PDES), Generative AI Business Services (GBS) and Infrastructure Management & Security Services (IMSS). We deliver these services across industry groups: Banking, Financial Services & Insurance (BFSI), EdTech, Healthcare & Life Sciences, Hi-Tech and Media & Entertainment, Industrial, Manufacturing, Energy & Utilities, and Retail, CPG & Logistics. The Company has been recognized for its excellence in Corporate Governance practices by Golden Peacock and ICSI. A Great Place to Work-Certified™ company, Happiest Minds is headquartered in Bengaluru, India with operations in the U.S., UK, Canada, Australia and the Middle East.

Industry overview

In 2023, Generative AI (GenAI) and ChatGPT sparked a global revolution, with the AI Software & Services market now valued at approximately \$100 billion. Indian tech giants and mid-scale players are investing in GenAI solutions, positioning India as a top-5 nation in AI talent. The IT services sector is expected to grow by 2% in FY-2025, as per NASSCOM estimates. This growth is driven by increased demand for infrastructure management, networking services, cloud-based software testing, and consulting services. The Engineering Research & Development (ER&D) segment is projected to expand at 7.4%, emphasizing digital engineering.

Business overview

Our business is divided into 3 Business units.

- Infrastructure Management & Security Services (IMSS):** Happiest Minds' comprehensive suite of IT Infrastructure and Security Services is empowering businesses to leverage technology effectively, drive innovation, and protect their digital assets against evolving threats. With a customer-centric approach and a focus on innovation, we continue to be a trusted partner for organizations seeking to embark on their digital transformation journey while ensuring the highest levels of security and reliability. Our deep expertise and large pool of experienced professionals and frameworks based on best industrial practices, which help us in addressing the next gen needs of our customers with agility, flexibility, and cost-effectiveness. Happiest Minds IT Infrastructure Management and Security Services offer life-cycle services right from advisory, transformation, operations to management phases spanning across various domains, business size and regions.
- Digital Business Services (DBS):** DBS offerings are aimed at (i) driving digital modernization and transformation for our customers through digital application development and application modernization for an improved customer experience, enhanced productivity and better business outcomes; (ii) Implementation of solutions and development, capabilities for improving data quality of the customer's platform, assistance in designing and testing of operations and management of platform and modernization of digital practices; and (iii) consulting and domain led offerings such as digital roadmap, mindful design thinking and migration of on-premise applications to cloud.
- Product Engineering Services (PES):** PES aims to help our customers capitalize on the transformative potential of 'digital' by building products and platforms that are smart, secure and connected. We provide our customers with a blend of hardware and embedded software knowledge which combines with our software platform engineering skills to help create high quality, scalable and secure solutions. Our offerings extend across the development lifecycle from strategy to final roll out while ensuring quality. We get our clients started on this journey with our digital foundry that allows us to build rapid prototypes for our customers and provide a scalable Minimum Viable Product (MVP). We embrace a cloud and a mobile friendly approach along with an agile model that is supported by test automation to help our clients accelerate their time to market and build a competitive advantage.

The Company re-structured its Business Units by establishing new business unit Generative AI Business Services (GBS) and merging DBS, PES into new Business Unit called Product and Digital Engineering Services (PDES). The other Business Unit IMSS continues to operate. For more information refer page 40-53.

Our business units are supported by the following Centers of Excellence (CoEs):

- Internet of Things (IoT):** Our IoT offering includes consulting led digital strategy creation, device/edge/platform engineering, end-to-end system integration on industry standard IoT platforms, IoT security, and IoT enabled managed services, implementing IoT roadmap, deriving insights from connecting assets, connecting manufacturing, supply chain, products and services to deliver IoT led business transformation and new business models aimed at enhancing our customers' operations and customer experience.
- Analytics / Artificial Intelligence (AI):** Our analytics/AI offering includes implementation of advanced analytics using artificial intelligence, machine learning and statistical models, engineering big data platforms to deal with large volume of data, creating actionable insights with data warehousing, modernization of data infrastructure and process automation through AI.
- Digital Process Automation (DPA):** Our DPA offering includes consulting led digital transformation through process automation of core business applications, products and infrastructure landscape of our customers, leveraging various intelligent process automation tools and technologies including Robotic Process Automation (RPA), Intelligent Business Process Management (iBPMS) and cognitive automation using AI & machine learning based models.

Significant matters affecting our operations

Customer relationships

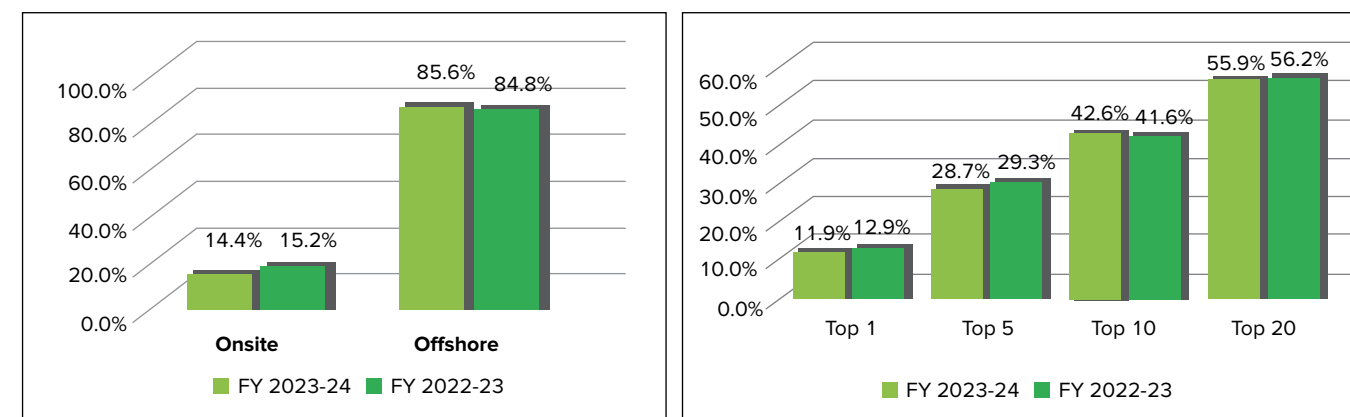
Customer relationships are the core of our business. During FY 2024, we increased average count of our active customers to 250 from 237 in FY 2023. Our ability to grow our customer base and drive market adoption of our software is affected by the pace at which organizations digitally transform. We expect that our revenue growth will be primarily driven by the pace of adoption of our offerings. We believe the degree to which prospective customers recognize the need for our offerings to maximize their business process would lead to a higher budget allocation by such prospective customers for engaging our services. This will drive our ability to acquire new customers and increase sales to existing customers, which in turn, will affect our future financial performance.

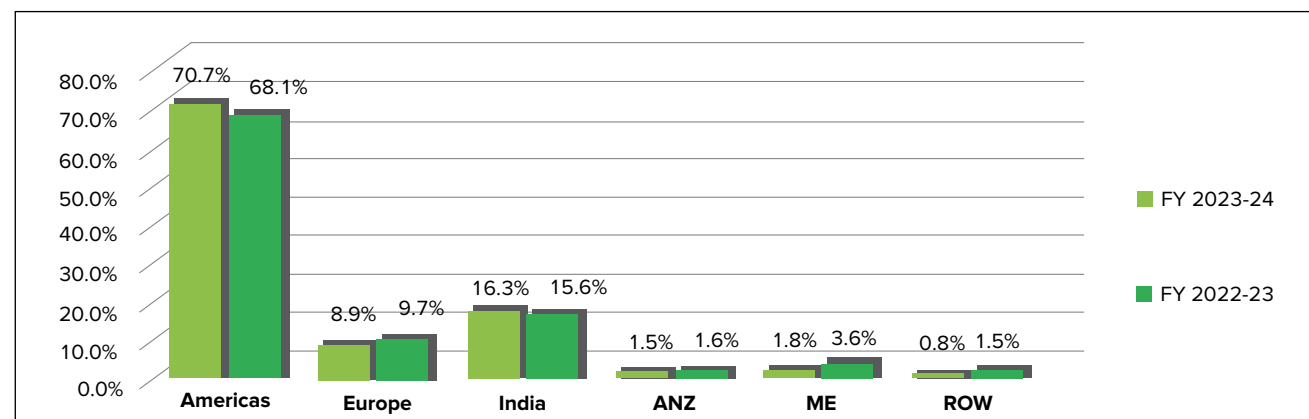
We believe that we have benefited from growth in the global software development services industry. Growth in the industry is driven by major corporations' need, to maintain and upgrade the technology and services required to operate cost-efficiently. Software companies are also increasingly outsourcing work to IT service providers to streamline and reduce the cost of the software development process. The Indian software development services market is growing rapidly due to its large pool of skilled IT professionals, robust infrastructure and strong government support and incentives.

We believe we have a substantial opportunity to grow our customer base. We have invested, and intend to continue to invest, to drive sales to new customers. We have made, and plan to continue to make, investments to enhance the expertise of our sales and marketing organization within our business verticals of focus namely Edutech, HiTech, BFSI, Industrial/Manufacturing, and Retail.

We go deeper into our customers through our cross-selling and upselling of services. Our wide spectrum of service offerings and philosophy of account growth through a 'land and expand strategy' makes this possible. Our ability to increase sales to existing customers depends on several factors, including the size of our sales force, professional services teams, customers' satisfaction with our services, economic conditions and our customers' spending budget. We believe that our ability to establish and strengthen customer relationships and expand the scope of our services remain an important factor in growth and ability to generate profits.

Revenue composition





Management of Employees and Employee Costs

Our ability to recruit, train, retain and deploy our workforce of IT professionals influence our profit margins and the results of our operations. We ended March 31, 2024, with a headcount of 4,726 IT professionals. This number was 4,498 as of March 31, 2023. Attrition of IT professionals showed a decreasing trend during the year.

Business growth requires us to ramp up our head count at the same time. Balancing these factors of recruitment and attrition requires quite a bit of fine balancing and planning. If we recruit too many, utilization will drop leading to margin erosion and if we recruit too less, we lose revenues. Attrition and its costs to business are very clear. Thus, our success largely depends on our ability to attract, train and retain our Happiest Minds, particularly our highly skilled engineering and IT professionals.

Our employee costs consist of salaries, wages and bonus, contribution to provident fund and other funds, employee stock compensation expense, compensated absences, gratuity and staff welfare. Salaries and wages in India, especially in the services industry, have historically been lower than those in the United States, Europe and other developed economies. However, if these costs in India continue to increase at a rate faster than rate in the United States, Europe and other developed economies due to competitive pressures, we may experience a greater increase in our employee costs, thereby eroding one of our principal cost advantages over competitors in the United States, Europe and other developed economies.

In addition, our ability to manage our employee costs will also be heavily impacted by our international and domestic resource mix. For example, any increases in visa fees or healthcare insurance costs for employees located in developed countries such as USA and Canada, would increase our employee costs. Training is an imperative and a key cost element. The ability to train our people on the right technology, invest in them ahead of time is a very important element to manage their deployment into projects and also motivating them to stay engaged. All the above aspects of people and its correct management is critical to the continuous success of the Company.

Foreign currency fluctuations

Since most of our revenue is in foreign currency, we carry foreign exchange risks on transactions and translations. Although our foreign currency expenses partly provide a natural hedge, we are exposed to foreign exchange rate risk in respect of revenue, or expenses entered into a currency where corresponding expenses or revenue are denominated in different currencies. Major currencies in which we have exposures are US Dollars, Euro, British Pound Sterling, Emirati Dirham, Australian Dollars, Canadian Dollars and Swedish Krone. We have put in place an active foreign exchange hedging policy to mitigate the risks arising out of foreign exchange fluctuations. In addition, the overall competitiveness of the Indian IT industry in the global market is also significantly dependent on favorable exchange rates.

Financial conditions

Assets

1. Tangible and intangible assets

₹ Lakhs

	FY 2023-24	FY 2022-23
Property, plant, and equipment	13,778	13,278
Right-of-use assets	5,698	5,786
Capital work-in-progress	9	185
Other intangible assets	7,786	10,182
Intangible assets under development	22	81
Goodwill	14,032	13,913
Total	41,325	43,425

Property, plant, and equipment:

Property, plant, and equipment has increased to ₹ 13,778 Lakhs as of March 31, 2024, from ₹ 13,278 Lakhs as of March 31, 2023. The increase is mainly due to, as a go green initiative, installation of solar panels to generate electricity at our facilities in Bengaluru and re-structuring of own building at Electronic city to increase the seating capacity.

Right-of-use assets:

Right of use assets have been recognized at ₹ 2,571 Lakhs in FY 24. These assets are primarily related to office premises occupied by the Group across locations in India, laptops purchased on lease and motor vehicles bought on lease. The increase in Right of Use assets is due to leasing of new premises in Pune and expansion of facility center in Noida. Also, new laptops were purchased to cater to increase in head count. These expansions and additions are in line with overall growth.

Other intangible assets:

Other intangible assets as on March 31, 2024 is ₹ 7,786 Lakhs. These other intangible assets include i) intangible assets such as trademark, non-compete, Customer relationships, non-compete, exclusive license which are acquired in a business combination. These are initially recorded at fair value on the date of acquisition and are amortised over estimated useful life (refer table below for use life of other intangible assets) and ii) software licenses which are bought for perpetual use. Decrease in other intangible assets during FY 24 is on account of amortization of intangible assets which are acquired in business combination of SMI.

Below is the useful life of other intangible assets:

Assets	Useful life
Computer software	2.5-3 years
Non-compete fees	3 years
Customer relations	3-7 years
Trademark	2-3 years
Exclusive license	2 years

Goodwill:

The carrying value of goodwill as on March 31, 2024 is ₹ 14,032 Lakhs. This includes ₹ 611 Lakhs relating to the business acquisition of Cupola Technology Private Limited, ₹ 8,017 Lakhs relating to the business acquisition of Happiest Minds Inc. (formerly known as PGS Inc.) and ₹ 5,404 Lakhs relating to business acquisition of Sri Mookambika Infosolutions Private Limited (SMI).

This goodwill is tested for impairment annually by the Company.

2. Trade receivables

Trade receivables amounted to ₹ 25,444 Lakhs (net of provision for doubtful debt of ₹ 1,157 Lakhs) as on March 31, 2024 in comparison to ₹ 21,319 Lakhs (net of provision for doubtful debt of ₹ 781 Lakhs) as on March 31, 2023.

Days Sales Outstanding has continued to remain at 87 days as on March 31, 2024.

3. Other current and non-current assets

₹ Lakhs

	FY 2023-24			FY 2022-23		
	Current	Non-Current	Total	Current	Non-Current	Total
Other Financial assets	13,850	2,480	16,330	12,237	9,389	21,626
Other assets:						
Income tax assets (net)	-	1,529	1,529	-	1,310	1,310
Deferred tax assets (net)	-	1,636	1,636	-	1,246	1,246
Loans	37	-	37	64	-	64
Other assets	4,793	32	4,825	4,495	119	4,614
Total other assets	4,830	3,197	8,027	4,559	2,675	7,234
Total	18,680	5,677	24,357	16,796	12,064	28,860

Other financial assets majorly include unbilled revenue (unbilled revenue for fixed price contract included in other assets), fixed deposit with maturity period more than 12 months (this is classified as non-current other financial assets), interest accrued on fixed deposits and cash flow hedges on foreign currency forward contract & cross currency interest rate swap.

Total Other financial assets decreased to ₹ 16,330 Lakhs as on March 31, 2024, from ₹ 21,626 Lakhs as on March 31, 2023, mainly on account of fixed deposits with maturity over 12 months, in FY 2023, was classified under other financial assets (non-current). In FY 2024, these deposits are classified under Bank and bank balance other than cash and cash equivalents as maturity period is less than 12 months. Days of sales outstanding of unbilled revenue (including that classified as non-financial asset) is 29 days as on March 31, 2024, compared to 31 days as on March 31, 2023.

Other assets majorly include unbilled revenue for fixed price contract and prepaid expenses. As required under Ind AS 115 'revenue from contracts with customers', unbilled revenue for fixed-price contracts, where the contractual right to consideration is dependent on completion of contractual milestones and not upon passage of time, is classified as non-financial asset.

Other assets increased to ₹ 8,027 Lakhs as on March 31, 2024 from ₹ 7,234 Lakhs as on March 31, 2023 mainly on account of prepaid expenses.

4. Investments, cash and cash equivalents

	₹ Lakhs	
	FY 2023-24	FY 2022-23
Other financial assets - non-current	1,699	8,851
Bank balances other than cash and cash equivalent	1,22,183	62,184
Cash and cash equivalent	11,470	6,999
Total	1,35,352	78,034

The Company has classified fixed deposits and margin money deposits: i) with maturity date more than 12 months under 'Other financial assets – non current' and ii) with maturity date less than 3 months under 'Bank balances other than cash and cash equivalent'

The Company has invested in fixed deposits ₹ 1,23,882 Lakhs as on March 31, 2024 as against ₹ 71,035 Lakhs as on March 31, 2023. The weighted average rate of interest for FY 24 is 7.28 %.

Cash and cash equivalents include both rupee accounts and foreign currency accounts with banks. The bank balances in overseas accounts are maintained to meet the expenditure of the overseas operations.

Bank balances other than cash and cash equivalent are term deposits, in rupee having maturity of more than 3 months.

Liabilities

1. Share capital

	₹ Lakhs	
	FY 2023-24	FY 2022-23
Authorised:		
22,93,00,000 equity shares of ₹2/- each (Previous year: 22,93,00,000 equity shares)	4,586	4,586
Issued, subscribed and fully paid up:		
14,93,54,426 equity shares of ₹2/- each (Previous year: 14,31,88,555 equity shares of ₹2/- each)	2,987	2,866
Total	2,987	2,866

During the year, The Group raised capital of ₹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 ₹2 each to eligible investors at a price ₹924 per equity share (including a premium of ₹922 per equity share)

2. Other equity

Other equity at the end of March 31, 2024 stood at ₹ 1,45,037 Lakhs as against ₹ 81,016 Lakhs as at March 31, 2023. The increase primarily attributes to increase in security premium on account of capital raised through Qualified Institutions Placement ("QIP") of equity shares (refer note under "Share capital" above). The increase in retained earnings from ₹ 39,064 Lakhs as at March 31, 2023 to ₹ 55,042 Lakhs as at March 31, 2024 on account of net profit for the year, reduced by dividend paid.

	₹ Lakhs	
	FY 2023-24	FY 2022-23
Securities premium	90,318	41,556
Retained earnings	55,042	39,064
Other reserves	(323)	396
Total	1,45,037	81,016

3. Financial liabilities

	₹ Lakhs			₹ Lakhs		
	FY 2023-24			FY 2022-23		
	Current	Non-Current	Total	Current	Non-Current	Total
Borrowings	33,792	10,445	44,237	35,477	11,278	46,755
Lease liabilities	2,412	4,570	6,982	1,859	4,761	6,620
Other financial liabilities	5,810	401	6,211	7,428	1,996	9,424
Trade payables	7,915	-	7,915	7,052	-	7,052
Total	49,929	15,416	65,345	51,816	18,035	69,851

Total borrowings as of March 31, 2024, is ₹ 44,237 Lakhs as against ₹ 46,755 Lakhs as of March 31, 2023. The decrease in borrowings is on account of repayment of Foreign currency loan (PCFC) and foreign currency term loan.

Total lease liabilities as of March 31, 2024, is ₹ 6,982 Lakhs as against ₹ 6,620 Lakhs as of March 31, 2023. The increase in lease liabilities is majorly on account of expansion of facility center in Pune and Noida.

Other financial liabilities include contingent consideration measured at fair value, hedge reserve and employee related liabilities such as provision for variable pay.

4. Other liabilities

	₹ Lakhs			₹ Lakhs		
	FY 2023-24			FY 2022-23		
	Current	Non-Current	Total	Current	Non-Current	Total
Provisions	2,136	3,338	5,474	1,775	2,466	4,241
Deferred tax liabilities (net)	-	1,303	1,303	-	2,060	2,060
Income tax liabilities (net)	12	-	12	517	-	517
Contract liabilities	1,825	-	1,825	1,157	-	1,157
Other current liabilities	2,796	-	2,796	2,375	-	2,375
Total	6,769	4,641	11,410	5,824	4,526	10,350

Provisions comprise of employee benefits on account of compensated absences and post-retirement benefits such as gratuity. Total provision as of March 31, 2024, stood at ₹ 5,474 Lakhs as against ₹ 4,241 Lakhs as on March 31, 2023. The main reason for increase being head count additions made during the year.

Contract liabilities include unearned revenue and other current liabilities include statutory dues payable to government authorities like TDS, PF, professional tax etc.

Results of our consolidated operations

	FY 2023-24		FY 2022-23	
	₹ Lakhs	% of total income	₹ Lakhs	% of total income
Income				
Revenue from contracts with customers	1,62,466	95.0%	1,42,929	98.5%
Other income	8,537	5.0%	2,111	1.5%
Total income	1,71,003	100.0%	1,45,040	100.0%
Expenses				
Employee benefits expense	1,01,469	59.3%	80,681	55.6%
Depreciation and amortisation	5,829	3.4%	4,191	2.9%
Finance costs	4,227	2.5%	2,186	1.5%
Other expenses	27,412	16.0%	26,362	18.2%
Total expenses	1,38,937	81.2%	1,13,420	78.2%
Profit before exceptional items and tax	32,066	18.8%	31,620	21.8%
Exceptional items	1,402	0.8%	(634)	(0.4)%
Profit before tax	33,468	19.6%	30,986	21.4%
Tax expense	8,629	5.0%	7,887	5.4%
Profit for the year	24,839	14.5%	23,099	15.9%
Other comprehensive income for the year, net of tax	(875)	(0.5)%	(349)	(0.2)%
Total comprehensive income for the year	23,964	14.0%	22,750	15.7%
Profit for the year	24,839		23,099	
Attributable to:				
Equity holders of the parent	24,839		23,099	
Non-controlling interests				
Total comprehensive income for the year	23,964		22,750	
Attributable to:				
Equity holders of the parent	23,964		22,750	
Non-controlling interests				
Earnings per equity share				
Equity shares of par value ₹ 2/- each				
Basic	₹ 16.73		₹ 16.13	
Diluted	₹ 16.73		₹ 16.01	

Comparison between FY 2024 and FY 2023

1. Income

a. Revenue from contracts with customers

	FY 2023-24	FY 2022-23
Sale of service	1,62,179	1,42,605
Sale of licenses (net)	287	324
	1,62,466	1,42,929

During the year revenue from contracts with customers grew by 13.7 % from ₹ 142,929 Lakhs in FY 2022-23 to ₹ 1,62,466 Lakhs in FY 2023-24. Main factors that led to the increase in revenue are i) Favorable exchange rate: In FY 24 USD to ₹ rate depreciated by, on an average, by 3% during the year. This contributed to the portion of increase in revenue ii) Improved billing rates: During the year we could bill our customers at a better rate than FY 23. iii) Increase in volume: Due to the increase in head count, we had additional volume to generate additional revenue.

Our revenue from contract with customers are generated from three business units, namely:

1. Infrastructure Management & Security Services (IMSS):

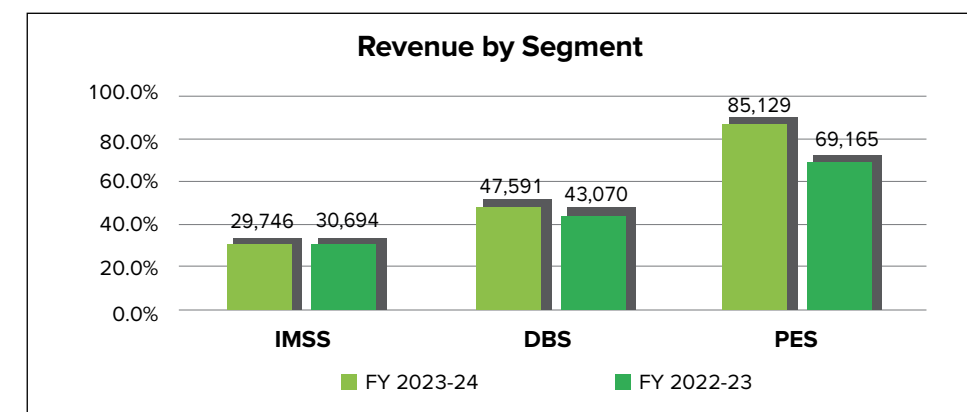
IMSS delivers integrated end-to-end infrastructure and security solutions with specialization in cloud, virtualization and mobility across many industry verticals and geographies. This group provides advisory, transformation, managed and hosted services, and secure intelligence solutions to our customers. This group has unique productized solution platforms for smart infrastructure and security solutions provides quick to deploy, mature service delivery over Global SOC/NOC. This improves efficiency and serviceability, reduces cost and drives innovation.

2. Digital Business Services (DBS):

DBS delivers high value, cost-effective enterprise applications and customized solutions that enable organizations to be smarter and accelerate business transformations. This group provides advisory, design and architecture, custom-app development, package implementation, testing and on-going support services to IT initiatives. The business drivers for these applications are increasing market share, enhancing customer engagement, improving agility and efficiency of internal operations, reducing cost, driving differentiation and standardizing business processes.

3. Product Engineering Services (PES):

PES business unit assists software product companies in building robust products and services that integrate mobile, cloud and social technologies. This group helps our customers understand the impact of new technologies and incorporate these technologies into their product roadmap. This group focuses on technology depth, innovation and solution accelerators which allow us to deliver time-to-market, growth and cost benefits to our customers



Our revenue from Infrastructure Management & Security Services decreased by 3.1% from ₹ 30,694 Lakhs in FY 2022-23 to ₹ 29,746 Lakhs in FY 2023-24. Revenue from Digital Business Services increased by 10.5% from ₹ 43,070 Lakhs in FY 2022-23 to ₹ 47,591 Lakhs in FY 2023-24. Revenue from Product Engineering Services increased by 23.1% from ₹ 69,165 Lakhs in FY 2022-23 to ₹ 85,129 Lakhs in FY 2023-24.

b. Other income

	FY 2023-24	FY 2022-23
Interest income	7,958	2,610
Gain on sale of investments measured at FVTPL	18	803
Exchange gain / (loss)	459	(1,433)
Rent concession	-	71
Miscellaneous income	102	60
Total other income	8,537	2,111

Other income consists of income from investment, foreign exchange gain / (loss) and miscellaneous income. During the FY 2023-24, other income increased to ₹ 8,537 Lakhs from ₹ 2,111 Lakhs in FY 2022-23.

Income from investment:

Income from investment primarily includes interest on fixed deposits in various banks. Interest from fixed deposits is higher in FY 2023-24 compared to interest in FY 2022-23 mainly on account of increased investments in fixed deposits. As rate of return is higher from fixed deposits than from mutual funds, all the amounts from mutual funds were invested in fixed deposits from beginning of FY 2023-24.

Foreign exchange gain / (loss):

To mitigate our foreign exchange risk, we have a long-term hedging policy. We hedge exposures in major currencies such as the US dollar and the GBP. Our hedging policy runs on a net exposure basis, typically on rolling 12 months basis. These hedges provide for payments by banks to us in the situations where the spot exchange rate on maturity is lower than the rate at which hedges were entered and payment by us to the banks in situations where the spot exchange rate on maturity is higher than the rate at which the hedges were entered. Our foreign exchange gain has increased to ₹ 459 Lakhs for FY 2023-24 as against loss of ₹ 1,433 Lakhs in FY 2022-23. This is mainly due to INR depreciation during the year resulting in increased realized and un-realized gains. The Company further availed benefit of better average hedge rates during the year as compared to the previous year.

2. Expenses:

a. Employee benefits expense

	₹ Lakhs	
	FY 2023-24	FY 2022-23
Salaries, wages and bonus	94,291	74,999
Contribution to provident fund	4,675	3,768
Employee stock compensation expense	47	120
Gratuity expense	876	559
Compensated absences	1,025	831
Staff welfare expenses	555	404
Total employee benefits expense	1,01,469	80,681

Employee benefit expenses includes salaries (including overseas); staff welfare; contributions to provident and other funds, and gratuity funds. Our employee benefit expenses increased by 25.8% to ₹ 1,01,469 Lakhs for the FY 2023-24 from ₹ 80,681 Lakhs for the FY 2022-23. The increase is on account of the increase in employee count in line with business growth, changes to employee mix and increments. This has also resulted in higher contributions to the provident and other funds, social security and payroll taxes.

b. Depreciation and amortization

	₹ Lakhs	
	FY 2023-24	FY 2022-23
Depreciation of property, plant and equipment	495	248
Amortisation of intangible assets	2,675	1,417
Depreciation of right-of-use assets	2,659	2,526
Total depreciation and amortisation expense	5,829	4,191

Tangible and intangible assets including Right of Use assets are amortized over periods corresponding to their estimated useful lives. Our depreciation and amortization expense increased by 39.1% to ₹ 5,829 Lakhs for the FY 2023-24 from ₹ 4,191 Lakhs for the FY 2022-23. The increase is primarily due to amortization of intangible assets which were recognized on consolidation of subsidiary, Sri Mookambika Infosolution Private Limited ("SMI"). In FY 23, SMI was consolidated from January 01, 2023. So only 3 months amortization cost was there. However, in FY 24 it includes full 12 months amortization cost. Also, during the year, new facility centers were opened at Pune and Noida, because of which there is an increase in depreciation of right-of-use assets.

c. Finance costs

	₹ Lakhs	
	FY 2023-24	FY 2022-23
Interest on borrowings	2,460	1,548
Interest on non-convertible debenture	948	10
Interest on lease liabilities	614	544
Unwinding of interest in contingent consideration	205	84
Total finance costs	4,227	2,186

Finance cost consists of interest on borrowing (both long term and short term), interest on non-convertible debentures, interest on lease liabilities and unwinding interest in contingent consideration. During the FY 2023-24 finance cost increased to ₹ 4,227 Lakhs from ₹ 2,186 Lakhs in FY 2022-23. The increase is primarily because of the issue of additional non-convertible debentures during the year and increased interest cost on PCFC.

d. Other expenses

	₹ Lakhs	
	FY 2023-24	FY 2022-23
Power and fuel	567	441
Subcontractor charges	12,851	14,916
Repairs and maintenance	886	595
Rent expenses	549	349
Advertising and business promotion expenses	873	655
Commission	45	46
Communication costs	266	234
Insurance	138	118
Legal and professional fees	1,040	550
Audit fees	104	88
Loss on property, plant and equipment sold / scrapped, net	1	1
Software license cost	4,775	3,946
Rates and taxes	91	55
Recruitment charges	787	982
Impairment loss allowance on trade receivables	536	(59)
Impairment loss allowance on unbilled revenue	(6)	59
Commission & Sitting fees to non-executive directors	95	80
CSR expenditure	470	336
Travelling and conveyance	2,753	2,366
Postage and courier	40	86
Training expense	413	379
Miscellaneous expenses	138	139
Total finance costs	27,412	26,362

Other expenses primarily comprise of (i) subcontractor charges, (ii) software license cost, (iii) travelling and conveyance, (iv) Recruitment charges and (v) Advertisement and business promotion expenses. During the year other expenses increased by 4.0% from ₹ 26,362 Lakhs in FY 2022-23 to ₹ 27,412 Lakhs in FY 2023-24. The increase was due to higher travel costs, recruitment charges and increase in CSR spend.

3. Profit before exceptional items and tax:

Our profit before exceptional items and tax increased by 1.4% to ₹ 32,066 Lakhs for the FY 2023-24 from ₹ 31,620 Lakhs for the FY 2022-23.

4. Exceptional items:

FY 2023-24:

(i) 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 ₹ 13,694 Lakhs, comprising cash consideration of ₹ 11,132 Lakhs and fair-value of contingent consideration of ₹ 2,562 Lakhs payable over the next 2 years subject to achievement of set targets. The Company paid the cash consideration of ₹ 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 ₹ 5,404 Lakhs and other intangible assets of ₹ 8,259 Lakhs. The Group has consolidated SMI w.e.f January 1, 2023.

The contingent consideration was classified as a financial liability as per Ind AS 109 'Financial Instruments' and was measured at fair value. The Accounting Standard mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The total consideration for acquisition of SMI includes a contingent consideration payable over a period of 2 years ending December 31, 2024. The Group has re-measured the fair value of the liability and the change in fair value of INR 143 Lakhs (March 31, 2023: Nil) is recognized as gain on derecognition of contingent consideration in the statement of profit and loss and disclosed as an 'Exceptional Item' for the year ended March 31, 2024.

(ii) 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 (₹ 9,720 Lakhs), comprising cash consideration of US \$ 8.25 million (₹ 6,025 Lakhs) and fair-valued contingent consideration in the form of warrants of US \$ 5.06 million (₹ 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 has re-measured the fair value of the liability and the change in fair value has been recognised in the statement of profit and loss and disclosed as an 'Exceptional Item' for the quarter and year ended March 31, 2024. The Group has re-measured the fair value of the liability and the change in fair value of INR 1,259 Lakhs (March 31, 2023: INR -634 Lakhs) is recognized as gain on derecognition of contingent consideration in the statement of profit and loss and disclosed as an 'Exceptional Item' for the year ended March 31, 2024.

FY 2022-23:

The Group 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 (₹ 9,720 Lakhs), comprising cash consideration of US \$ 8.25 million (₹ 6,025 Lakhs) and fair-valued contingent consideration in the form of warrants of US \$ 5.06 million (₹ 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 Group carried out a fair valuation during the year and there was increase in the liability basis increasing expectation of payout. The said increase amounting to ₹ 634 Lakhs has been recognized in the statement of profit and loss and disclosed as 'Exceptional Item'.

5. Profit before tax:

Our profit before tax increased by 8.0% to ₹ 33,468 Lakhs for the FY 2023-24 from ₹ 30,986 Lakhs for the FY 2022-23.

6. Tax expense:

Income tax expense comprises current tax and deferred tax. Current tax is the amount expected to be paid to the tax authorities in accordance with the applicable tax laws in relevant jurisdictions. Deferred tax assets and liabilities reflect the impact of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements as well as other deferred tax assets recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available. During the year current tax expense increased to ₹ 9,518 for the FY 2023-24 from ₹ 8,508 Lakhs for the FY 2022-23 mainly on account of increase in profit.

7. Profit for the year:

As a result of the foregoing factors, our net profit increased by 7.5% to ₹ 24,839 Lakhs for the FY 2023-24 from ₹ 23,099 Lakhs for the FY 2022-23.

Liquidity

The Company continues to maintain a healthy liquidity position for the year, meeting the cash requirements through its internal accruals, funds received through QIP and from the issue of non-convertible debentures. Apart from cash and cash equivalents, the Company's overall investment position in mutual funds and bank deposits has increased to ₹ 1,23,882 Lakhs as on March 31, 2024 from ₹ 71,035 Lakhs as on March 31, 2023.

The table below summarizes our consolidated cash flows.

	₹ Lakhs	
	FY 2023-24	FY 2022-23
Net cash flows from operating activities	21,256	20,717
Net cash flows used in investing activities	(46,641)	(35,102)
Net cash flows from/(used) in financing activities	36,347	7,207
Net increase / (decrease) in cash and cash equivalents	10,962	(7,178)
Cash and cash equivalents at the beginning of the period	6,999	6,735
Effect of exchange differences on translation of foreign currency cash and cash equivalents	55	323
Less : Bank overdraft at the beginning of the year	(7,119)	-
Cash and cash equivalents at the end of the period	10,897	(120)

1. Operating activities

Our net cash flows from operating activities was ₹ 21,256 Lakhs in FY 2024. Our operating cash flow before working capital changes was ₹ 34,561 Lakhs in FY 2024, which was primarily adjusted by depreciation/amortisation of property, plant and equipment, intangibles and right-of-use assets of ₹ 5,829 Lakhs, Gain on derecognition of contingent consideration of ₹ 1,402 Lakhs and finance cost of ₹ 4,227 Lakhs, partially offset by interest income of ₹ 7,958 Lakhs. Our movements in working capital primarily consisted of increase in trade receivables of ₹ 4,533 Lakhs, increase in trade payables of ₹ 823 Lakhs, increase in financial assets of ₹ 1,240 Lakhs and an increase in non-financial liabilities of ₹ 411 Lakhs.

2. Investing activities

Net cash flows used in investing activities was ₹ 46,641 Lakhs. This was primarily due to investment in fixed deposit for ₹ 52,847 Lakhs, purchase of property, plant and equipment ₹ 823 Lakhs which is partially offset by interest income of ₹ 7,214 Lakhs.

3. Financing activities

Net cash from financing activities was ₹ 36,347 Lakhs. This was primarily due to proceeds from issue of shares through QIP of ₹ 48,556 Lakhs, proceeds from Non-convertible debenture of ₹ 8,000 Lakhs which was partially offset by payment of dividend of ₹ 8,604 Lakhs, payment of lease liability amounting to ₹ 2,161 Lakhs, payment of contingent consideration of ₹ 1,659 Lakhs.

Internal Control

Happiest Minds has established a framework for internal controls, commensurate with the size and nature of its operations. Process has been set up for periodically appraising the senior management and the Audit Committee of the Board about internal audit observations of the Company with respect to internal controls and status of statutory compliances. Business heads and support function heads are responsible for establishing effective internal controls within their respective functions. Standard operating procedures and internal control manuals are defined and continuously updated. The Company has laid down internal financial controls as detailed in the Companies Act, 2013. These have been established across the levels and are designed to ensure compliance to internal control requirements, regulatory compliance, and appropriate recording of financial and operational information. The internal audit team periodically conducts audits across the Company, which include review of operating effectiveness of internal controls. The Audit Committee oversees internal audit function.

Risk and mitigation approaches

Organization level risks and mitigation approaches are covered under section "Ensuring effective risk management" Risks and Opportunities.

Corporate Governance Report

I. Brief Statement on Company's Philosophy on Code of Corporate Governance

Happiest Minds' philosophy on Corporate Governance is to create and conduct sustainable growing business with highest standards of integrity, transparency, and accountability to maximize stakeholders' value while duly complying with all applicable laws and regulations.

Happiest Minds firmly believes that Corporate Governance is critical to success of its business and its governance practices are reflected in its strategy, plan, culture, policies and relationship with stakeholders.

II. Board of Directors

The Board of Directors of Happiest Minds as on March 31, 2024, comprised of six (6) Directors with optimum combination of Executive and Non-Executive Directors i.e., three Executive Directors and three Non-Executive Independent Directors including two-woman Directors and each of them are professionals in their respective areas of specialization and have held/holding eminent positions. The Board Members are not related to each other and the number of Directorships/Committee memberships held by Executive and Non-Executive Independent Directors are within the permissible limits under SEBI (LODR), Regulations, 2015 and Companies Act, 2013.

(a) Composition of Board of Directors

The composition and category of Directors as on March 31, 2024:

Sl. No.	Name of the Director	Category	Number of other Directorships held in other public Companies	Number of Committee membership held in other public companies (limited to only Audit and Stakeholders' Relationship Committees)		No and % of Equity Shares held in the Company
				As Chairperson	As Member	
1	Mr. Ashok Soota	Promoter & Executive Director	Nil	Nil	Nil	7,63,31,061 (50.13%) ¹
2	Mr. Joseph Anantharaju	Executive Director	Nil	Nil	Nil	425,000 (0.28%)
3	Mr. Venkatraman Narayanan	Executive Director	Nil	Nil	Nil	5,50,000 (0.37%)
4	Mrs. Anita Ramachandran	Non-Executive Independent Director	8	3	8	Nil
5	Mr. Rajendra Kumar Srivastava	Non-Executive Independent Director	1	Nil	Nil	Nil
6	Mrs. Shuba Rao Mayya	Non-Executive Independent Director	3	1	5	Nil

1. Including shares held in the name of Ashok Soota Medical Research LLP

Directorship in other listed entities as on March 31, 2024:

Sl. No.	Name of the Director	Directorship in other listed entities	Category of Directorship
1	Ashok Soota	Nil	NA
2	Joseph Anantharaju	Nil	NA
3	Venkatraman Narayanan	Nil	NA
4	Anita Ramachandran	1. Grasim Industries Limited 2. Metropolis Healthcare Limited 3. FSN E-Commerce Ventures Limited 4. Ujjivan Small Finance Bank Limited 5. Blue Star Limited	Independent Director Independent Director Independent Director Independent Director Independent Director
5	Rajendra Kumar Srivastava	Solara Active Pharma Sciences Limited	Independent Director
6	Shuba Rao Mayya	Stove Kraft Limited	Independent Director

During the financial year 2023-24, seven (7) meetings of the Board were held and the gap between two meetings did not exceed one hundred and twenty days. The Board Meetings are prescheduled, and adequate notice is given to the Board members. Board Meetings are generally held at the registered office of the Company either through video conference or through physical presence.

These Board Meetings were held on May 08, 2023; August 08, 2023; September 22, 2023; September 26, 2023; October 17, 2023; January 17, 2024 and March 13, 2024. The necessary quorum was present for all the meetings.

(b) Core Skills/Expertise/Competencies of the Board of Directors

The Directors of the Company bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision-making process. The following are the core skills, expertise and competencies identified for effective functioning of the Board and the names of Directors who have such skills/expertise/competence:

Name of the Director	Interpersonal skills and personal qualities/values	Information Technology business & industry knowledge	Legal, regulatory, and financial knowhow	Strategic and analytical mindset	Leadership, Management & Governance
Ashok Soota	✓	✓	✓	✓	✓
Joseph Anantharaju	✓	✓	✓	✓	✓
Venkatraman Narayanan	✓	✓	✓	✓	✓
Anita Ramachandran	✓	✓	✓	✓	✓
Rajendra Kumar Srivastava	✓	✓	✓	✓	✓
Shuba Rao Mayya	✓	✓	✓	✓	✓

(c) Attendance of Directors at the Board Meetings and Annual General Meeting (AGM) held during the financial year 2023-24:

Name of the Director	Board Meetings entitled to attend	Board Meetings attended	Whether present at AGM held on July 17, 2023
Ashok Soota	7	5	Yes
Joseph Anantharaju	7	7	Yes
Venkatraman Narayanan	7	7	Yes
Anita Ramachandran	7	6	Yes
Rajendra Kumar Srivastava	7	7	Yes
Shuba Rao Mayya	7	7	Yes

(d) Independent Directors

The Board is of the opinion that the Independent Directors fulfil the conditions specified in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and that they are independent of the management.

During the financial year 2023-24, three (3) meetings of the Independent Directors were held on May 08, 2023, September 22, 2023 and March 20, 2024, interalia to review the Audit strategies, performance of the Board, Risk and administrative matters and succession planning, and the meeting was attended by all the Independent Directors.

The familiarization program and other disclosures as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company's website at <https://www.happiestminds.com/investors/disclosures/HappiestMinds-Details-of-Familiarization-Programme.pdf>

No Independent Director had resigned during the financial year 2023-24.

(e) CEO/CFO Certification

As required under Regulation 17 (8) of SEBI (LODR) Regulations, CEO/CFO have certified to the Board that the Financial Statements for the financial year ended March 31, 2024, do not contain any untrue statement and that these statements represent a true and fair view of the Company's affairs and other matters as specified thereunder. A copy of the Certificate is attached as Annexure I to this Report.

(f) Code of Conduct for Directors and Senior Management

The Company has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel to ensure that the business of the Company is conducted with the highest standards of ethics and values in accordance with the applicable laws, regulations and rules and is critical to the success of the Company. The Code is available on the Company's website at <https://www.happiestminds.com/investors/policy-documents/>

All the Board Members and Senior Management Personnel have affirmed compliance with the Code. A declaration signed by the CEO/CFO to this effect is enclosed as part of Annexure I to this Report.

III. Audit Committee

(a) Terms of Reference

The Audit Committee has interalia the following mandate:

1. Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee.
3. Approval of payments to Statutory Auditors for any other services rendered by the Statutory Auditors of the Company.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Qualifications/modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
8. Formulating a policy on related party transactions, which shall include materiality of related party transactions.
9. Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed.
10. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.
11. Scrutiny of inter-corporate loans and investments.
12. Valuation of undertakings or assets of the company, wherever it is necessary.

13. Evaluation of internal financial controls and risk management systems.
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
16. Discussion with internal auditors of any significant findings and follow up there on.
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
18. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
19. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
20. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services.
21. Reviewing the functioning of the whistle blower mechanism.
22. Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate.
23. Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws.
24. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.
25. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances; and
26. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
27. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
28. Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

(b) Number of Meetings: During the financial year 2023-24, six (6) meetings were held i.e., on May 08, 2023; August 08, 2023; October 17, 2023; November 10, 2023; January 17, 2024 and March 13, 2024.

(c) Composition of the Committee and Meetings attended by each member:

Name of the Member	Category	Position	Meetings	
			Held	Attended
Shuba Rao Mayya	Independent Director	Chairperson	6	6
Anita Ramachandran	Independent Director	Member	6	6
Venkatraman Narayanan	Executive Director	Member	6	6

IV. Nomination, Remuneration and Board Governance Committee

(a) Terms of Reference

The Nomination, Remuneration and Board Governance Committee has interalia the following mandate:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board.

3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report.
5. Analysing, monitoring and reviewing various human resource and compensation matters.
6. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment and determining remuneration packages of such directors.
7. Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary).
8. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.
9. Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
10. Perform such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021.
11. Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme").
12. Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme.
13. Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time.
14. Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination, Remuneration and Board Governance Committee.
15. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

(b) Number of Meetings: During the financial year 2023-24, two (2) meetings were held i.e., on October 17, 2023 and January 17, 2024.

(c) Composition of the Committee and Meetings attended by each member:

Name of the Member	Category	Position	Meetings	
			Held	Attended
Rajendra Kumar Srivastava	Independent Director	Chairperson	2	2
Anita Ramachandran	Independent Director	Member	2	2
Shuba Rao Mayya	Independent Director	Member	2	2
Ashok Soota	Executive Director	Member	2	2

(d) Performance evaluation criteria for the Independent Directors

The indicative criteria for evaluation of performance of the Independent Director that are provided in their terms of appointment are as under:

- (i) Attendance and contribution at Board and Committee meetings.
- (ii) Appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- (iii) Knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes, and corporate governance.

- (iv) Ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- (v) Effective decision-making ability.
- (vi) Ability to open channels of communication with executive management and other colleagues on Board to maintain high standards of integrity and probity.
- (vii) His/her global presence, rational, physical, and mental fitness, broader thinking, vision on corporate social responsibility etc.
- (viii) His/her ability to monitor the performance of management and satisfy himself/herself with integrity of the financial controls and systems in place by ensuring the right level of contact with external stakeholders.
- (ix) His/her contribution to enhance overall brand image of the Company.

V. Administrative and Stakeholders Relationship Committee

(a) Terms of Reference

The Administrative and Stakeholders Relationship Committee has interalia the following mandate:

1. Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints.
2. Reviewing of measures taken for effective exercise of voting rights by shareholders.
3. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures, or any other securities.
4. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures, and other securities from time to time.
5. Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
6. Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services.
7. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

(b) Number of Meetings: During the financial year 2023-2024, three (3) meetings were held i.e., on May 08, 2023; October 17, 2023 and January 17, 2024.

(c) Composition of the Committee and Meetings attended by each member:

Name of the Member	Category	Position	Meetings	
			Held	Attended
Anita Ramachandran	Independent Director	Chairperson	3	3
Shuba Rao Mayya	Independent Director	Member	3	3
Venkatraman Narayanan	Executive Director	Member	3	3

(d) Name and designation of compliance officer: Mr. Praveen Kumar Darshankar, Company Secretary & Compliance Officer.

(e) Details of shareholders' complaints:

- (i) Number of shareholders complaints received upto March 31, 2024: 104
- (ii) Number of shareholders complaints resolved upto March 31, 2024: 104
- (iii) Number of pending complaints as on March 31, 2024: Nil

VI. Corporate Social Responsibility Committee

(a) Terms of Reference

The Corporate Social Responsibility Committee has interalia the following mandate:

- To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board.
- To Identify corporate social responsibility policy partners and corporate social responsibility policy programmes.
- To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company.
- To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities.
- To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act.

(b) **Number of Meetings:** During the financial year 2023-24, one (1) meeting was held i.e., on May 08, 2023.

(c) Composition of the Committee and Meetings attended by each member:

Name of the Member	Category	Position	Meetings	
			Held	Attended
Shuba Rao Mayya	Independent Director	Chairperson	1	1
Ashok Soota	Executive Director	Member	1	1
Joseph Anantharaju	Executive Director	Member	1	1

VII. Risk Management Committee

(a) Terms of Reference

The Risk Management Committee has interalia the following mandate:

- To assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of strategic, operational and external environment risks.
- Formulating, monitoring and overseeing the risk management plan and policy of the Company.
- Review the Cyber Security Functions of the Company on regular intervals.
- Approve/recommend to the Board for its approval/review the policies, risk assessment models, strategies, and associated frameworks for the management of risk.
- To perform such other duties and functions as the Board may require or as may be prescribed by applicable law, from time to time.

(b) **Number of Meetings:** During the financial year 2023-24, three (3) meetings were held on May 08, 2023; September 22, 2023 and January 17, 2024.

(c) Composition of the Committee and Meetings attended by each member:

Name of the Member	Category	Position	Meetings	
			Held	Attended
Joseph Anantharaju	Executive Director	Chairperson	3	3
Anita Ramachandran	Independent Director	Member	3	3
Shuba Rao Mayya	Independent Director	Member	3	3
Venkatraman Narayanan	Executive Director	Member	3	3

VIII. Strategic Initiatives Committee

(a) Terms of Reference

The Strategic Initiatives Committee has interalia the following mandate:

- Strategic planning;
- New strategic projects and initiatives;
- Mergers, acquisitions and joint ventures;
- Asset management (including physical infrastructure and information technology);
- Strategic human resources and other matters;
- To perform such other duties and functions as the Board may require from time to time.

(b) **Number of Meetings:** During the financial year 2023-24, two (2) meetings were held i.e., on September 22, 2023 and January 17, 2024.

(c) Composition of the Committee and Meetings attended by each member:

Name of the Member	Category	Position	Meetings	
			Held	Attended
Rajendra Kumar Srivastava	Independent Director	Chairperson	2	2
Anita Ramachandran	Independent Director	Member	2	2
Ashok Soota	Executive Director	Member	2	2
Venkatraman Narayanan	Executive Director	Member	2	2
Joseph Anantharaju	Executive Director	Member	2	2

IX. Senior Management

The Board of Directors of the Company has classified the Business Units Heads, Chief Technology Officer, Chief Information Security Officer, Chief Information Officer, Chief People Officer, Chief Financial Officer and Company Secretary of the Company as the Senior Management Personnel (SMP) for the purpose of disclosure under Regulation 30 of SEBI (LODR) Regulation, 2015.

Particulars of the SMP of the Company during the year are mentioned below. There were no changes to the SMP since the close of the previous financial year.

Sl. No.	Name of the SMP	Category
1	Joseph Anantharaju	Head of PDES Business Unit
2	Rajiv Shah	Head of GBS Business Unit
3	Ram Mohan C	Head of IMSS Business Unit
4	Sridhar Mantha	Chief Technology Officer
5	Vijay Bharti	Chief Information Security Officer
6	Sajith S Kumar	Chief Information Officer
7	Sachin Khurana	Chief People Officer
8	Venkatraman Narayanan	Chief Financial Officer
9	Praveen Kumar Darshankar	Company Secretary

X. Remuneration to Directors:

(a) Criteria of making payments to Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending the Meetings of the Board and of Committees of which they are members at the rate of ₹ 1,00,000/- (Rupees One Lakh Only) per meeting and commission based on their performance provided however that the aggregate remuneration including commission, so paid to such Directors in a financial year shall not exceed 1% of the net profits of the Company.

(b) Criteria of making payments to Executive Directors

The Executive Directors are paid as per the remuneration approved by the Shareholders at the time of their appointment, which is in line with the statutory requirements and the Company's policies. A revision in remuneration, if any, is recommended by the Nomination Remuneration and Board Governance Committee to the Board for its consideration by taking into account their individual performance and as well the performance of the Company in a given year. Perquisites, performance-linked incentives and retirement benefits are paid in accordance with the Company's compensation policies, as applicable to all employees, which also details the criteria for such payments. As per the current terms of their appointment, none of the Executive Directors are entitled to commission on the net profits of the Company.

(c) Details of Remuneration paid to Directors for the financial year 2023-24

Name of the Director	Salary (In ₹ Lakhs)		Perquisites (In Lakhs)	Sitting Fees & Commission (In Lakhs)	Shares Issued under ESOPs	Total Remuneration paid (In Lakhs)	Details of Service Contracts, Notice Period & Severance fees
	Fixed	Variable					
Ashok Soota	118	32	5	NIL	NIL	155	Appointed as Executive Chairman and Director for a period of 5 years from April 01, 2019, till March 31, 2024. Re-appointed for further period of 5 years subject to members approval at the ensuing AGM. All other terms as per employment agreement. Three months' notice period and no severance fees.
Joseph Anantharaju	308	89	20	NIL	NIL	417	Appointed as a Whole-time Director of the Company designated as Executive Vice Chairman, for a period of five years from November 4, 2020, to November 3, 2025. All other terms as per employment agreement. Three months' notice period and no severance fees.
Venkatraman Narayanan	100	32	21	NIL	NIL	154	Appointed as the Managing Director and Chief Financial Officer of the Company, for a period of five years from November 4, 2020, to November 3, 2025. All other terms as per employment agreement. Three months' notice period and no severance fees.
Anita Ramachandran	Nil	Nil	Nil	25	Nil	25	NA
Rajendra Kumar Srivastava	Nil	Nil	Nil	30	Nil	30	NA
Shuba Rao Mayya	Nil	Nil	Nil	25	Nil	25	NA

XI. General Body Meetings

Annual General Meetings (AGM)

The Annual General Meetings of the Company were held at the Registered Office of the Company through video conference mode. Details of last three AGMs held are as below:

Financial Year	Date	Time (IST)	Mode of Meeting
2020-2021	July 7, 2021	4:00 p.m.	Video Conference
2021-2022	June 30, 2022	4:00 p.m.	Video Conference
2022-2023	July 17, 2023	4.00 p.m.	Video Conference

All resolutions moved at the Annual General Meetings were passed through remote e-voting by the requisite majority of members. The following are the special resolutions passed at the previous three AGMs:

AGM held on	Summary of Special Resolutions
July 7, 2021	<ol style="list-style-type: none"> Appointment of Mr. Joseph Vinod Anantharaju as Whole-time Director of the Company designated as Executive Vice Chairman, for a period of five years from November 4, 2020, to November 3, 2025 Appointment of Mr. Venkatraman Narayanan as Managing Director and Chief Financial Officer of the Company, for a period of five years from November 4, 2020, to November 3, 2025. Ratification and approval of the 'Happiest Minds Employee Stock Option Scheme 2020', formulated and approved prior to the Initial Public Offering of the Company.
June 30, 2022	There were no special resolutions proposed/passed in this meeting.
July 17, 2023	There were no special resolutions proposed/passed in this meeting.

Extra-Ordinary General Meetings (EGM)

During the year under review there were no Extra-Ordinary General Meeting held.

Postal Ballot

No special resolution was passed through postal ballot during the last year under review.

XII. Means of Communication

(a) Financial Results and Newspaper Publication

Quarterly and annual financial results are filed with stock exchanges and displayed on stock exchanges' websites and are also made available on the Company's website. The results are also normally published in The Financial Express (English newspaper – all India edition) and Vishwavani (Regional Newspaper – Karnataka edition).

(b) Website

The Company maintains an active website at <https://www.happiestminds.com/investors/> wherein all the information relevant for the Shareholders are displayed.

(c) Press Releases and Analysts/Investors Presentations

The official news releases, meetings scheduled with analysts and detailed presentations made to analysts are disseminated to stock exchanges and as well displayed on the Company's website at <https://www.happiestminds.com/investors/>. The management participates in the analyst/earnings call every quarter, after the announcement of results. The audio recording of analyst calls and transcripts are posted on the Company's website.

(d) Annual Report

Annual Report containing audited standalone and consolidated financial statements together with Board's Report, Auditors' Report and other reports/information forming part of it are circulated to members entitled thereto and is also made available on the Company Website at <https://www.happiestminds.com/investors/>.

XIII. General Shareholders Information

General shareholder information is provided under "Shareholders Information" section attached as Annexure II to this Report.

XIV. Other Disclosures

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

During the financial year ended March 31, 2024, there were no materially significant related party transactions that had potential conflict with the interest of the Company at large.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

The Company became a listed company from September 17, 2020. No penalty or stricture has been imposed by the Stock Exchanges or SEBI or any other authority since the date of listing, except for a penalty of ₹ 10,000/- levied by BSE Limited for delayed compliance of Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended June, 2023.

(c) Vigil Mechanism/Whistle-Blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as required under Regulation 22 of the SEBI (LODR) Regulations, the details of which have been provided in the Board's Report. The Company affirms that no personnel have been denied access to the Audit Committee.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the applicable mandatory requirements of SEBI (LODR) Regulations. Details of adoption of non-mandatory requirements are provided in Clause XVI below.

(e) Weblink for Policy on determination of Material Subsidiary and Policy on Related Party Transactions

Both the policies can be accessed at <https://www.happiestminds.com/investors/policy-documents/>

(f) Disclosure of Commodity price risks and commodity hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to SEBI (LODR) Regulations is not applicable.

(g) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year 2023-24, the Company had raised funds through issue of equity shares via Qualified Institutional Placement (QIP) to Qualified Institutional Buyers for an aggregate amount of ₹ 500 crores. The use/ application of proceeds/funds raised from the QIP are reviewed by Audit Committee as part of quarterly review of financial results and the details are also filed with the Stock Exchanges on a quarterly basis, pursuant to Regulation 32 of the SEBI Listing Regulations. During the year under review, the Company has utilized ₹318.97 Crs (including ₹14 Crs towards issue expenses) and balance amount has been kept in fixed deposits. With regard to funds of ₹ 125 crores that was raised pursuant to the issue of Non-Convertible Debentures on a private placement basis, the Company has utilized the entire amount during the year under review.

(h) Certificate from Practicing Company Secretary on Non-Disqualification of Directors

The Company has obtained a certificate from a Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority in accordance with SEBI (LODR) Regulations. Copy of the Certificate is attached as Annexure III.

(i) Recommendation of Committees

During the financial year ended March 31, 2024, the Board of Directors of the Company had accepted recommendation of all the committees of the Board, which were mandatorily required.

(j) Auditors' Remuneration

The details of total fees for all services paid by the Company during FY 2023-24, to the Statutory Auditors are as follows:

Particulars	Amount (In ₹ Lakhs)
Payment to Statutory Audit fees (including out of pocket expenses)	98

(k) Disclosures as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a gender neutral Anti-Sexual Harassment Policy at workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the applicable rules, the details of which have been provided in the Boards' Report.

Details of sexual harassment complaints received:

- (i) No. of complaints received during financial year 2023-24: Nil
- (ii) No. of complaints disposed of during financial year 2023-24: NA
- (iii) No. of complaints pending as on end of the financial year 2023-24: NA

(l) Disclosure of Loans and advances in the nature of loans to firms/companies in which Directors are interested:

During the Financial Year ended March 31, 2024, there were no loans or advances provided by the Company and its subsidiaries to firms/companies in which Directors are interested.

(m) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

The Company does not have any material subsidiary during the period under review and hence the disclosures required are not applicable.

XV. Non-compliance of Regulations relating to Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any

The Company is fully compliant with SEBI (LODR) Regulations and there are no such non-compliances to report.

XVI. Discretionary Requirements

The Company has adopted the following discretionary requirements as provided in the SEBI (LODR) Regulations:

(a) Modified opinion(s) in Audit Report

The Company is in the regime of unmodified opinions on financial statements and that the Auditors of the Company have issued Audit Reports with unmodified opinion on the standalone and consolidated financial statements for the financial year ended March 31, 2024.

(b) Reporting of Internal Auditor

The Internal Auditors of the Company report directly to the Audit Committee and are invited to be present as invitees at the Audit Committee meetings held every quarter.

XVII. Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account

The Company does not have any unclaimed shares and hence the disclosure pursuant to SEBI (LODR) Regulations is not applicable.

XVIII. Disclosure of certain types of agreements binding listed entities

There are no agreements impacting management or control of the Company or imposing any restriction or create any liability upon the Company which require disclosure under Clause 5A of Para A of Part A of Schedule III of the Listing Regulations.

XIX. Compliance

The Company is in compliance with all the mandatory requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR), Regulations, 2015 as applicable with regards to Corporate Governance.

The Company has obtained a certificate from a Practicing Company Secretary in compliance with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations. A copy of the Certificate is attached to the Boards' Report.

ANNEXURE I TO CG REPORT

CEO / CFO CERTIFICATION

May 06, 2024
The Board of Directors
Happiest Minds Technologies Limited
Bengaluru

We, Joseph Anantharaju, Executive Vice Chairman & CEO-PDES, Rajiv Shah, Executive Board Member & CEO-GBS, Ram Mohan C, Executive Board Member & CEO-IMSS and Venkatraman Narayanan, Managing Director & CFO of Happiest Minds Technologies Limited to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the quarter and financial year ended March 31, 2024 and confirm that:
 - (i) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these financial statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;
- (b) There is, to the best of our knowledge and belief, no transaction entered into by the Company during the quarter and financial year ended March 31, 2024, which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit committee that for the quarter and financial year ended March 31, 2024, that there were:

- (i) no significant changes in Internal Control over financial reporting;
- (ii) no significant changes in accounting policies and that the same have been disclosed in the notes to the financial statement; and
- (iii) no instances of significant fraud of which we have become aware and there has been no involvement therein of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

We further declare that all the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct in respect of the financial year ended March 31, 2024.

**Executive Vice Chairman
President & CEO-PDES**
Seattle, USA

**Executive Board Member
& CEO-GBS**
Boston, USA

**Executive Board Member
& CEO-IMSS**
Seattle, USA

MD & CFO
Bengaluru, India

ANNEXURE II TO CG REPORT

SHAREHOLDERS INFORMATION

1. Annual General Meeting (AGM) of the Company

Date: Friday, the June 28, 2024
Time: 4.00 pm (IST)
Venue: Through Video Conference. For details, please refer to Notice of this AGM.

2. Financial Year

The financial year of the Company was from April 1, 2023 to March 31, 2024. The quarterly results for the financial year were announced as follows:

For the quarter ended June 30, 2023	August 08, 2023
For the quarter ended September 30, 2023	October 17, 2023
For the quarter ended December 31, 2023	January 17, 2024
For the quarter and Financial Year ended March 31, 2024	May 06, 2024

Company's tentative calendar (subject to change) for the announcement of quarterly results & AGM during the financial year 2024-25 would be as below:

For the quarter ended June 30, 2024	July, 2024
For the quarter ended September 30, 2024	October, 2024
For the quarter ended December 31, 2024	January, 2025
For the quarter and financial year ended March 31, 2025	April, 2025
For Annual General Meeting of the Company	June, 2025

3. Dividend Payment

The Board of Directors of the Company has recommended a final dividend of ₹ 3.25/- per equity share of face value of ₹ 2/- each, for the financial year ended March 31, 2024, subject to the approval of the shareholders at the ensuing AGM.

The Register of Members of the Company will be closed from Saturday, June 15, 2024 to Friday, June 28, 2024, (both days inclusive) for the purpose of the AGM, annual closing and for determining entitlement of members for the final dividend for FY'24. The record date for payment of the final dividend would be Friday, June 14, 2024.

The final dividend, if approved, will be paid on or after July 05, 2024.

4. Stock Exchanges

The Company's equity shares are listed on following Stock Exchanges as on March 31, 2024:

Name of the Exchange and Stock Code	Address & Contact details
BSE Limited ("BSE") Stock Code: 543227	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra, India Tel: +91 22 22721233/34; Fax: +91 22 22721919
National Stock Exchange of India Limited ("NSE") Symbol: HAPPSTMNDS	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra, India Tel: +91 22 26598100-14; Fax: +91 22 26598120

The Company hereby confirms that it has duly paid the listing fees for the financial year 2024-25 to both BSE and NSE. It further confirms that the equity shares of the Company have never been suspended from trading either by the BSE or NSE from the time it has been listed.

5. Stock Market Price Data

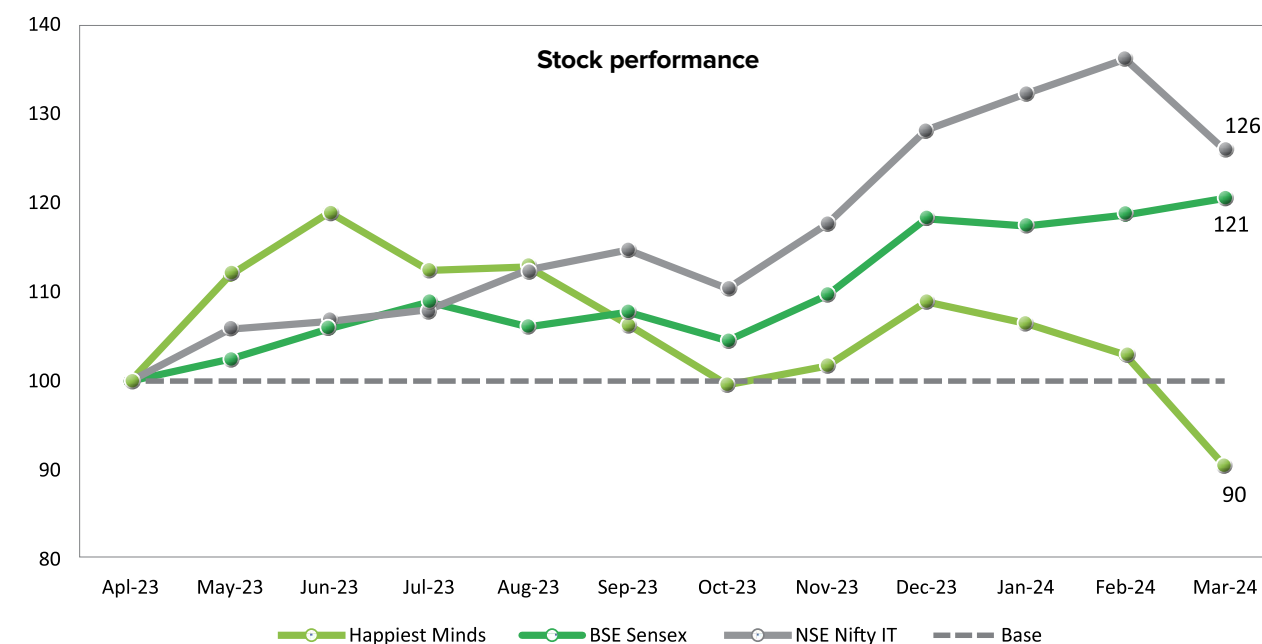
High and Low (based on daily closing prices) and volume (total number of equity shares traded) during each month in the last financial year ended March 31, 2024, is as follows:

Month	BSE			NSE		
	High (Amt in ₹)	Low (Amt in ₹)	Total Volume (in Lakhs)	High (Amt in ₹)	Low (Amt in ₹)	Total Volume (in Lakhs)
April, 2023	823.85	773.25	3.1	824.00	771.10	25.95
May, 2023	930.00	820.45	7.16	933.55	821.20	76
June, 2023	1022.30	900.65	10.92	1,023.00	902.10	89.91
July, 2023	1019.40	911.00	8.7	1,020.00	916.05	120
August, 2023	943.75	887.25	6.82	944.20	888.00	64.98
September, 2023	969.95	866.20	17.30	970.00	862.00	147.42
October, 2023	882.35	798.05	7.73	879.40	798.20	56.75
November, 2023	876.50	806.00	4.94	875.75	806.00	55.47
December, 2023	954.75	835.55	10.24	954.85	835.60	165.34
January, 2024	959.95	850.55	12.22	961.00	851.50	118.79
February, 2024	895.90	815.00	8.15	895.50	814.40	96.19
March, 2024	864.55	738.05	7.61	863.60	741.00	66.02

6. Stock Performance

Performance of the Company's equity shares (closing share price on last trading day of each month) on NSE in comparison to BSE Sensex and NSE Nifty IT during the financial year ended March 31, 2024, is as follows:

Month	Happiest Minds	BSE Sensex	NSE Nifty IT
April, 2023	822.75	6112.44	27708.2
May, 2023	920.5	62622.24	29319.75
June, 2023	978.5	64718.56	29563
July, 2023	924.85	66527.67	29928.45
August, 2023	928.25	64831.41	31164.9
September, 2023	874.8	65828.41	31784.4
October, 2023	819.3	63874.93	30582.25
November, 2023	836.65	66988.44	32582.2
December, 2023	896.05	72240.26	35515
January, 2024	876.05	71752.11	36638.4
February, 2024	846.95	72500.3	37720.4
March, 2024	744.4	73651.35	34898.15



7. Registrars and Transfer Agents (RTA)

All work related to Share Registry, both in physical and electronic form, are handled by the Company's Registrar and Share Transfer Agent, whose name and contact details are as given below:

M/s. KFin Technologies Limited

Unit: Happiest Minds Technologies Limited

"Selenium" Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, India
Tel. No. + 91 - 1 - 800-309-4001; E-mail: einward.ris@kfintech.com
Website: <https://www.kfintech.com/>

8. Share Transfer System

Pursuant to Regulation 40 (1) of SEBI (LODR) Regulations, effective from April 1, 2019, transfer of shares in physical mode has been discontinued and accordingly the Company has not processed transfer of shares in physical mode (except in case of request received for transmission or transposition of shares) from the time the said Regulation was applicable and all the transfer of shares would be carried out only in dematerialized form by the respective Depository Participants of the shareholders.

Accordingly, shareholders holding shares in physical form are urged to have their shares dematerialized at the earliest so that they can transfer them in dematerialized form and participate in various corporate actions.

9. Distribution of Shareholding

(a) Distribution of equity shareholding as on March 31, 2024:

Category (No. of Shares)	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1 - 5,000	7,50,036	99.80	3,85,29,173	25.30
5,001 - 10,000	703	0.09	24,99,155	1.64
10,001 - 20,000	360	0.05	26,24,060	1.72
20,001 - 30,000	124	0.02	15,24,266	1.00
30,001 - 40,000	57	0.01	10,08,486	0.67
40,001 - 50,000	32	0.01	7,43,559	0.49
50,001 - 100,000	65	0.01	23,92,643	1.57
100,001 & above	95	0.01	10,29,53,469	67.61
Total	7,51,472	100	15,22,74,811	100

(b) Shareholding pattern:

Category of Shareholders	As on March 31, 2024*				As on March 31, 2023*			
	No of Shareholders	% of Total Share holders	Total Shares	% of Total Shares	No of Shareholders	% of Total Share holders	Total Shares	% of Total Shares
Promoters and Promoter group	6	0.00	76,500,511	50.24	6	0.00	78,193,080	53.24
Body corporates	842	0.11	6,205,378	4.08	808	0.11	5,696,614	3.88
FII's/NRI's/FPI's	8,311	1.14	10,686,888	7.02	7,759	1.09	9,783,028	6.66
Mutual funds/ Banks/ FI's/ QIB	24	0.00	3,929,618	2.58	15	0.00	1,147,570	0.78
Clearing Members	3	0.00	329	0.00	69	0.01	28,309	0.02
Trust	5	0.00	1,649	0	4	0.00	865	0.00
Public	723,061	98.75	5,20,30,053	34.16	702,906	98.79	4,83,39,089	32.92
ESOP Trust	1	0.00	29,20,385	1.92	1	0.00	36,75,001	2.50
Total	732,253	100.00	152,274,811	100.00	711,568	100.00	146,863,556	100.00

*Post consolidation of multiple folios/client IDs

10. Dematerialization of shares and liquidity

99.86% of the Company's shares are in dematerialized form as on March 31, 2024, held with both the Depositories viz., the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') and the break-up is as follows:

Description	March 31, 2024			March 31, 2023		
	No of Holders	No. of Shares	% to Total Shares	No of Holders	No. of Shares	% to Total Shares
NSDL	171,068	120,134,978	78.89	171,585	119,045,277	81.06
CDSL	580,373	31,923,584	20.96	558,754	26,316,877	17.92
Physical	31	216,249	0.14	147	1,501,402	1.02
Total	751,472	152,274,811	100.00	730,486	146,863,556	100.00

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE419U01012.

11. Outstanding Global Depository Receipts (GDR) or American Depository Receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity

The Company has no outstanding GDR / ADR / warrants or any convertible Instruments as of March 31, 2024.

12. Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to SEBI (LODR) Regulations is not applicable. For a detailed discussion on foreign exchange risk and hedging activities with regard to the Company's revenue in foreign currency, please refer to the Management Discussion and Analysis Report forming part of the Annual Report.

13. Locations

The registered office address and the branch locations along with the contact details have been provided separately in the Annual Report and the details are also available at <https://www.happiestminds.com/location/>.

14. Address for Correspondence

Shareholders can send their correspondence with respect to their shares, dividend, request for annual reports and grievances, if any to the Company's RTA as per contact details provided in Sl.No.7 above. They can also correspond with the Company as per below contact details:

Mr. Praveen Kumar Darshankar
Company Secretary & Compliance Officer
Happiest Minds Technologies Limited
#53/1-4, Hosur Main Road, Madivala, Bengaluru-560068,
Karnataka, India; Tel No.: +91 80 61960300
Email: investors@happiestminds.com

The Company has also designated a person for addressing queries relating to results/analyst calls viz., Mr. Sunil Gujjar, Head of Investor Relations and he can be contacted at the above address and through email at IR@happiestminds.com.

15. Credit Ratings

The following are the credit ratings of the Company issued by India Ratings and Research (Ind-Ra) and Care Ratings Limited for the loans and debt instruments issued by the Company. The instrument-wise ratings outlook and action are as follows:

India Ratings and Research (Ind-Ra):

Instruments	Size of Issue (₹ Crore)	Rating assigned along with Outlook	Rating	Rating action
Term loan	34.84	WD	'IND AA-/Stable	Upgraded and withdrawn
Fund-based working capital limits:	230			
a. Long-term rating		WD	'IND AA-/Stable	Upgraded and withdrawn
b. Short term rating		WD	'IND A1+'	Affirmed and withdrawn

Care Ratings Limited:

Instrument type	Size of Issue (₹ Crore)	Rating Outlook	Rating action
Long-term/Short-term Bank Facilities	315	CARE AA-; Stable / CARE A1+ (Double A Minus; Outlook: Stable / A One Plus)	Assigned
Non-convertible debenture	125	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Long term bank facilities	125	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed

Annexure III to CG Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
HAPPIEST MINDS TECHNOLOGIES LIMITED
53/1-4, Hosur Main Road, Madivala
(Next to Madivala Police Station)
Bengaluru - 560068

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HAPPIEST MINDS TECHNOLOGIES LIMITED**, having CIN - L72900KA2011PLC057931 and having registered office at # 53/1-4, Hosur Main Road, Madivala (Next to Madivala Police Station), Bengaluru - 560068 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

Details of Directors:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Mrs. Anita Ramachandran	00118188	04/06/2020
2.	Mr. Ashok Soota	00145962	01/04/2011
3.	Mr. Venkatraman Narayanan	01856347	16/01/2018
4.	Mr. Rajendra Kumar Srivastava	07500741	04/06/2020
5.	Mrs. Shuba Rao Mayya	08193276	04/06/2020
6.	Mr. Joseph Vinod Anantharaju	08859640	04/11/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V SREEDHARAN & ASSOCIATES

Company Secretaries

Devika Sathyanarayana

Partner
FCS: 11323; CP No. 17024

Place: Bengaluru

Date: April 22, 2024

UDIN: F011323F000204175

Business Responsibility & Sustainability Reporting

Section A: GENERAL DISCLOSURES

I. Details of the listed entity

- Corporate Identity Number (CIN) of the Listed Entity:** L72900KA2011PLC057931
- Name of the Listed Entity:** Happiest Minds Technologies Limited
- Year of incorporation:** March 30, 2011
- Registered office address:** 53/1-4, Hosur, Main Road, Madivala, Bengaluru-560068, Karnataka
- Corporate address:** 53/1-4, Hosur, Main Road, Madivala, Bengaluru-560068, Karnataka
- E-mail:** legal@happiestminds.com
- Telephone:** 08061960300
- Website:** www.happiestminds.com
- Financial year for which reporting is being done:** FY 2023-24
- Name of the Stock Exchange(s) where shares are listed:** National Stock Exchange of India/Bombay Stock Exchange
- Paid-up Capital:** ₹ 30,45,49,622
- Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:** Aurobinda Nanda, President - Operations (Legal@happiestminds.com), Telephone - 08061960300
- Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):** Disclosures made in this report are on a standalone basis and pertain only to Happiest Minds Technologies Ltd.
- Name of assurance provider:** Not Applicable as the Company does not fall under the purview of External Assurance as per SEBI Requirements
- Type of assurance obtained:** -

II. Product/Services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Information and communication	Computer programming, consultancy and related activities	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Computer programming and related activities	6201	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	Not Applicable	7	7
International	Not Applicable	14	14

19. Markets served by the entity

a. Number of locations

Location	Number
National (No. of States)	5
International (No. of Countries)	7

b. What is the contribution of exports as a percentage of the total turnover of the entity?

83.59%

c. A brief on types of customers

Happiest Minds Technologies specializes in harnessing emerging technologies such as artificial intelligence, automation, and cloud computing to digitally transform organizations across various industries. The company's objective is to establish itself as a reliable digital advisor. They take the time to comprehend each client's unique needs and priorities before proposing tailored solutions that utilize AI, automation, cloud, and other advanced technologies. The aim is to cultivate enduring partnerships, not just achieve immediate successes, moreover by taking into account factors like client loyalty and IT spending, Happiest Minds strives to deliver high-impact transformation that provides lasting value across industries ranging from automotive and banking to consumer goods and travel.

IV. Employees

20. Details as of the end of financial year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
EMPLOYEES						
1.	Permanent(D)	4884	3540	72%	1344	28%
2.	Other than Permanent (E)	284	197	69%	87	31%
3.	Total employees (D+E)	5168	3737	72%	1431	28%
WORKERS						
4.	Permanent(F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	110	99	90%	11	10%
6.	Total workers (F+G)	110	99	90%	11	10%

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent(D)	6	3	50%	3	50%
2.	Other than Permanent (E)	2	1	50%	1	50%
3.	Total employees (D+E)	8	4	50%	4	50%
DIFFERENTLY ABLED WORKERS						
4.	Permanent(F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F+G)	0	0	0	0	0

21. Participation/Inclusion/Representation of women:

	Total (A)	Number and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	6	2	33%
Key Management Personnel	1	0	0%

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2024			FY 2023			FY 2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.38%	12.03%	13.01	20.33%	18.33%	19.79%	23.42%	20.60%	22.71%
Permanent Workers	Not Applicable								

V. Holding, Subsidiary and Associate companies (including joint ventures)

23. a. Names of holding/ subsidiary/ associate companies/ joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Happiest Mind Inc	Wholly Owned Subsidiary	100%	Yes
2.	Sri Mookambika Infosolutions Private Limited (SMI)	Wholly Owned Subsidiary	100%	Yes

VI. CSR Details

24.

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in ₹): 1,47,288 Lakhs
- (iii) Net worth (in ₹): 1,47,370 Lakhs

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	NA	0	0	NA	NIL	NA	-
Investors (other than shareholders)	NA	0	0	NA	NIL	NA	-
Shareholders	YES	104	0	NA	191	NIL	-
Employees and workers	YES	0	0	NA	NIL	NA	-
Customers	YES	19	1	NA	14	NIL	-
Value Chain Partners	NA	0	0	NA	NIL	NA	-
Other (please specify)	NA	0	0	NA	NIL	NA	-

26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change, emissions & energy	R, O	Risk: Physical risk from extreme weather events, climate-related policy and regulatory risks. Reputational risk from perceived inaction to climate change Opportunity: Differentiated product offering, improved brand image, opportunities for collaboration & partnership, reduced carbon footprint	The Company is dedicated to minimizing its environmental footprint and contributing towards positive climate change. It has set a target to achieve 100% reduction in Scope 1 and 2. The Company also promotes sustainable supply chain by adapting to green sourcing	Yes
2	Resource management	R,O	Risk: Can lead to resource scarcity, disruption in supply chain, fluctuation in pricing and reputational loss. Opportunity: Proper resource management can lead to cost savings, efficiency gains, proactiveness in managing resources and long-term sustainability.	The Company aims to optimize resource usage across its operations to minimize waste generation and promote circular economy principles. Happiest Minds targets to reduce water consumption and waste generation to a significant value by 2030.	Yes
3	Biodiversity	R,O	Risk: Can lead to habitat loss and fragmentation, pollution, impact on ecosystem Opportunity: Investing in bio-diversity conservation, reduce business vulnerability, Implementing sustainable practices.	The Company promotes conservation of biodiversity across operations through responsible land management and habitat preservation and promoting bio-diversity-friendly practices.	No
4	Innovation	O	Opportunities: Innovation can create new market opportunities, it can lead to cost optimization and efficiency, supports new market penetration, sustainable innovation can help address environmental challenges.	We are Born Digital . Born Agile We are exploring business opportunities in sustainable technologies.	Yes
5	Cyber security and data privacy	R,O	Risk: Ransomware/Malware threat Opportunity: To address the Data subject rights of the employees	The Company has implemented stringent controls to prevent and restrict spreading of any malware across the environment / critical application. Employee notification process is defined to ensure Happiest Minds' employees data subject rights are identified and required actions are taken to enable these rights.	Yes

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Systemic risk management	O	Opportunity: To enhance the risk assessment process for critical business functions.	The Risk assessment process has been revised to include the impact on confidentiality, integrity, availability, and privacy aspects of the information security. This helps to design and implement effective controls focusing on the area of impact	Yes
7	Business capability & resilience	R	Risk: Loss of data / Impact to business & functions	While the Company practices a matured Business resilience model, its critical to test the approach periodically to ensure that it meets the business and security expectations, and hence the Company performs security incident tests and tabletop exercises regularly. These tests help to identify the practical challenges which may be faced during real time situations and hence helps to improve the current resilience capability of Business and IT processes.	Yes
8	Social Responsibility	O	Opportunity: Being socially responsible boosts employee morale and improves brand reputation and creates brand value within communities	Our CSR initiatives primarily concentrates on environment related projects (Vasundhara) like rural electrification through solar, building percolation wells to improve ground water, social forestry and habitat restoration. More than 6.9 million meals have been distributed through our 'Annapurna' initiative. We also encourage employees to participate in our volunteering programs.	No
9	Responsible supply chain	R, O	Risk: Supply chain disruption due to natural disasters, compliance issues with sustainability standards, increased complexity. Opportunity: Enhanced supply chain resilience, access to new markets, diverse suppliers, differentiated products.	Happiest Minds strives to promote sustainability throughout the supply chain by working with suppliers who share the same commitment to environmental responsibility. The Company has taken certain key initiatives to ensure at least 50% of its top vendors adhere to sustainability standards by 2028.	Yes

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Customer engagement and satisfaction	O	Opportunity: Customer Engagement and Satisfaction, along with the CHS survey, offer vital opportunities for clients at Happiest Minds to provide feedback. These tools serve as direct channels for clients to communicate their experiences, expectations, and areas of improvement. This feedback is crucial as it enables Happiest Minds to gauge the effectiveness of their service delivery, identify areas needing enhancement, and recognize opportunities to innovate and improve.	Every year Happiest Minds conducts the CHS survey where all our existing clients are asked to give a feedback. The testament to our robust customer engagement is prevalent from the NPS score of 65. Any feedback that we receive from the survey is actioned by having a conversation between delivery team and the client and is closed within the prescribed TAT.	Yes
11	Human Rights	Opportunity	Opportunity: Providing employees with a direct line to senior management where they can submit inquiries, seek clarifications, and express concerns creates a unique opportunity for open and responsive communication. This facilitates a dialogue where employees feel valued and heard, enhancing engagement and trust within the organization. Moreover, having a specific channel to address and resolve issues related to discrimination or workplace violations emphasizes the organization's commitment to fairness and equal treatment. This availability encourages employees to voice their concerns without fear, knowing they will be taken seriously and addressed promptly. These opportunities are pivotal in cultivating a transparent, inclusive, and accountable workplace culture.	'Ask EB - Just Ask' is your direct line to our Executive Board and Functional Heads, providing a platform where members can pose questions, seek insights, and raise concerns, assured of a response within 24 hours. Any instances of discrimination or violations of equal opportunity can be reported via the WE HEAR portal or directly to the D&I Council. The council, led by the Chief People Officer and guided by the Whistle-blower Policy, ensures a transparent and prompt resolution.	No

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Employee health, safety & well-being	O	Opportunity: Implementing robust practices in employee health, safety, and well-being offers a prime opportunity to foster a supportive and productive work environment. By prioritizing comprehensive wellness programs, proactive safety protocols, and mental health resources, Happiest Minds plans to enhance employee satisfaction, and boost overall performance. This strategic focus not only protects members but also promotes a culture of health awareness and personal well-being that attracts and retains top talent, ultimately driving organizational success.	At Happiest Minds, our wellness program is aptly named 'HappiZest', encapsulating the motto, "Experience the joy of living." The name was selected through an internal naming contest involving all our members. Within Happiest Minds, the HappiZest Council plays a pivotal role in conceptualizing and driving key wellness initiatives. This council is a diverse assembly, representing various levels, locations, age groups, and business units within our organization.	Yes
13	Diversity, Equity & Inclusion	O	Opportunity: Advancing practices in Diversity, Equity, and Inclusion (DEI) presents a significant opportunity to cultivate a richer, more dynamic organizational culture. By embedding DEI principles into every facet of the organization, from hiring and training to leadership development and decision-making, businesses can harness a diverse range of perspectives and experiences. This approach not only enriches problem-solving and innovation but also enhances employee engagement and loyalty. Embracing DEI as a core operational strategy is pivotal in building a resilient and adaptable workforce, ready to meet the challenges of a global marketplace.	Our organization maintains a gender diversity ratio of 28.1% and supports diversity and inclusion through initiatives like the Women Mentoring Program, PWD hiring, Women in Break Hiring, D&I Summit, Train & Hire Model (Oorja). To foster equity and inclusion, we encourage everyone to be champions of diversity, resulting in inclusive leaders, stronger businesses, and more fulfilling lives. The Diversity and Inclusion Council (DEIB), composed of individuals from diverse backgrounds and various organizational levels, leads these efforts. A core team of business leaders provide guidance and sets targets across the Executive Board, Business Unit CEOs, and COOs. The Council spearheads initiatives like Women Care, Women Development, and Hiring Women in Tech to promote balanced leadership and empower people of all abilities.	No

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
14	Talent attraction & retention	Opportunity	Opportunity: In our Business of Information Technology services, Skilled Talent members of the organisation are differentiators for organisation growth and sustenance. Hence Attraction and retention are key focus areas at all levels	<p>Organisation has dedicated applicant tracking system for enabling prospective candidates to reach Talent Acquisition team through various channels. The common sourcing channels are Career Portal, Job portals managed by third parties, Member Referrals and dedicated partners who work with us. Prospective candidates do experience quality assessment methods and selected members are offered on par or better benefits compared to the industry.</p> <p>A continuous learning process are enabled in the organisation, that includes engaging onboarding, Information shared through dedicated member portals and also technical and professional learning courses. The trainings are both instructor lead and online. We have tie-up with global learning platforms whose access and learning content are provided as supporting knowledge gainers for required members. Keeping skill updated and relevant to our client requirements are foremost importance to us. Overall average learning hours achieved for this year is 33.08 over a target of 30 hours.</p>	Yes
15	Disclosure & Compliance	R	Risk: Changes in regulatory compliances, corporate governance and disclosure requirements increase the cost of compliance if they are not identified and complied with on a timely basis	<p>- Intimation of mandatory as well as non-mandatory information to the stock exchanges and dissemination of the same on the website on timely basis</p> <p>- Frequent communication with investors through various channels such as quarterly post-result calls, investor/analyst meets, email communication etc</p> <p>- Using a tech enabled Compliance Management System, to track all compliances and to assist in proactive Governance, Risk Management and Compliance (GRC)</p>	In terms of opportunity cost, while initial investments are required to design and implement a compliance management system, the potential financial benefits that arise by way of cost reduction and risk mitigation by avoiding fines and penalties, can outweigh these costs over time.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
16	Economic performance	R / O	<p>Risk: Economic fluctuations can adversely impact businesses.</p> <p>Opportunity: Economic growth creates favorable conditions for business expansion.</p>	<ul style="list-style-type: none"> - Monitor macroeconomic indicators - Analyze industry-specific trends through various Industry forums and reports - Well diversified geo business ensures geopolitical risks are well managed - Innovate products/services aligned with economic trends - Leverage technological advancements 	<ul style="list-style-type: none"> - Increased revenue, market share, and profitability - Potential cost savings through efficiency gains
17	Corporate Governance & Ethics	R	Risk: Inefficiency in upholding the corporate governance principles will lead to dissatisfaction in stakeholders at large including the employees, clients, investors etc. that will have a direct impact on the operations.	<ul style="list-style-type: none"> - Commitment to a robust corporate governance mechanism has been ensured by adopting various policies, codes and processes, which in turn, has led to a transparent, ethical and responsible business conduct and regulatory compliance - Mandate for promoters to hold 40% stake to ensure perpetuity in the Company's vision and culture - Well-established Code of Conduct, Integrity Policy, Disciplinary Policy, Anti-bribery Policy, Vigil Mechanism Policy and such other policies to promote and maintain an ethical business behaviour at all times 	<p>Quantifiable Financial impact would be penalties imposed by SEBI, Stock exchanges.</p> <p>Non-quantifiable financial impact would be reputational loss, fall in the share price of the Company etc.</p>

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web link of the policies, if available	https://www.happiestminds.com/investors/policy-documents/Business%20Responsibility%20Policy.pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners?	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> ISO 9001:2015: Quality Management System ISO 27001:2013: Information Security Management System ISO 27701: 2019: Privacy Information Management System CREST: Penetration Testing Operating in EMEA ISO 13485:2016: Medical Device Quality Management System 								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ol style="list-style-type: none"> Attain carbon neutrality in the Company's operations by 2030. Implement and promote sustainable practices for electricity consumption and water conservation. Introduce volunteering initiatives and engage in community outreach activities involving at least 20% of the Company's workforce. Collaborate with NGOs to enhance food and nutrition standards, promote environmental sustainability, and facilitate access to healthcare in the community. Ensure disclosure standards rank within the top decile among comparable and leading entities listed in India. 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<ol style="list-style-type: none"> Currently about 10% of our energy utilization is through solar , plan to become 100% renewable by the specified target year 100% of waste water generated at our leased facility is recycled via STP and re-used for garden and washrooms. Community outreach activities are planned throughout the year. So far around 7 volunteering activities like tree plantations, blood donation camps, supporting visually, mentally challenged, etc has been done. 6.97 million meals provided to government school children in tie up with Akshaya Patra Foundation. 								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Understanding the increasing importance of ESG, we have integrated ESG factors into our business strategies. This helps us identify and mitigate risks, discover cost-saving measures through energy efficiency and waste reduction, stay compliant with existing regulations, anticipate future regulatory changes, enhance brand reputation, attract investors, and foster customer satisfaction.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	VENKATRAMAN NARAYANAN Managing Director & CFO (DIN: 01856347)								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The ESG Committee at Happiest Minds is responsible for overseeing corporate governance, ethics, and sustainability practices. This Committee is led by a senior management team member and plays a key role in integrating sustainability into business decisions and operations. It ensures the implementation of Happiest Minds' ESG strategy and compliance with targets, as well as focuses on improving disclosures to communicate the Company's ESG commitment to stakeholders. By bringing together members from different functions, the Committee identifies ESG risks and their potential financial impacts on the company. Regular quarterly meetings are held to assess progress and performance in ESG initiatives.								

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other-please specify								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No) If yes provide name of the agency. **No, the Company has not carried out an external assurance.**

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated: **Not Applicable**

SECTION C: PRINCIPAL WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year.**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	0	-	-
Key Managerial Personnel	0	-	-
Employees other than BoD and KMPs	71	P1, P2, P3, P4, P5, P6, P7, P8, P9	96%
Workers	0	NA	NA

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Not Applicable as there were no cases of fines/penalties/punishments from any regulatory body for the reporting period.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in case where monetary or non-monetary action has been appealed.**

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Trust and integrity are fundamental values ingrained in the culture of Happiest Minds. As detailed in the Integrity Policy of the Company, Happiest Minds is dedicated to upholding the highest ethical standards in all business operations. This extends beyond mere compliance to genuinely embodying the principles of honesty, transparency, and ethical conduct. The Anti-Bribery Policy explicitly prohibits any type of bribery. Happiest Minds will neither offer nor accept any kickbacks, inappropriate gifts, or illicit payments with the intention of gaining an unfair advantage. This policy applies to all parties involved, ranging from directors and partners to employees and consultants. Happiest Minds strives to establish partnerships based on trust and mutual gain, rather than focusing on immediate gains. The Company ensures that its policies are easily accessible to eliminate any ambiguity regarding its firm stance against corruption. By implementing robust policy, it is the objective of Happiest Minds Technologies Limited to Promote a corporate culture that facilitates ethical commercial activities, enables principled business operations and sustains upright organizational practices over an extended time period. The web link to access the policies is mentioned below:

- <https://www.happiestminds.com/investors/policy-documents/>
- <https://www.happiestminds.com/investors/policy-documents/Integrity%20Policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024	FY 2023
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2024		FY 2023	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024	FY 2023
Number of days of accounts payables	29	31

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024	FY 2023
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA

Parameter	Metrics	FY 2024	FY 2023
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	NA	NA
	b. Number of dealers distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	NA	NA
	b. Sales (Sales to related parties/ Total Sales)	2.1%	0.8%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	NA	NA
	d. Investments (Investments in related parties/ Total Investments made)	NA	NA

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

The Company has not conducted any awareness programmes for its value chain partners in the current year, however, shall look to do so in the forthcoming reporting periods.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If yes, provide details of the same.

Yes, Happiest Minds has processes in place to avoid and manage conflicts of interest involving members of the board and the senior management. The Company's Code of Conduct for Directors and Senior Management requires the Board members and Senior Management of the Company to abstain themselves from discussion, voting, or otherwise influencing a decision on any matter in which they have or may have a conflict of interest; to disclose the circumstances that could create the potential conflicts of interests; to restrict themselves from serving as a Director of any Company that is in direct competition with the Company or must take prior approval from the Company's Board of Directors before accepting such position; to avoid holding any positions or jobs or engage in outside business or other interests that adversely affect the performance of duties. The Policy also covers the Independent Directors and mandates them to inform the Board of any changes in their interest which impacts their independence or that may interfere with their ability to perform their duties objectively. Managerial Excellence and Development of Agile Leaders (MEDAL) covers the training program on avoiding conflicts with employee categories C7 and above (around 120 employees). The 'WE HEAR' tool is the mechanism followed by the Company where the matter of conflict can be raised and sent by email to the CPO directly. Later, a team is formed to resolve the conflict. The Company ensures that the operations must be done in compliance with the applicable laws, regulations, and rules, and the introduction of the Happiest Minds Code of Conduct serves as crucial to the success of the Company.

PRINCIPLE 2: Business should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024	FY 2023	Details of improvements in environmental and social impacts
R&D	NA	NA	
Capex	14.0%	0.8%	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

21%

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for

NA, as we are a service-based Company and do not deliver any product to the customer that can be re-claimed or recycled-

- (a) Plastics (including packaging)
- (b) E-waste
- (c) Hazardous waste
- (d) Other waste

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable owing to the nature of business.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The Company has not conducted Life Cycle Assessment for any of its products.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not Applicable owing to the nature of business.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.

Not Applicable owing to the nature of business.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable owing to the nature of business.

PRINCIPLE 3: Business should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent employees											
Male	3540	3540	100%	3540	100%	NA	NA	3540	100%	3540	100%
Female	1344	1344	100%	1344	100%	1344	100%	NA	NA	1344	100%
Total	4884	4884	100%	4884	100%	1344	28%	3540	72%	4884	100%
Other than Permanent employees											
Male	197	74	38%	74	38%	NA	NA	NA	NA	197	100%
Female	87	48	55%	48	55%	87	100%	NA	NA	87	100%
Total	284	122	43%	12	43%	87	31%	NA	NA	284	100%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent workers											
Male	NA	NA		NA		NA		NA		NA	
Female	NA	NA		NA		NA		NA		NA	
Total	NA										
Other than Permanent workers											
Male	99	5	5%	5	5%	0	0	0	0	0	0
Female	11	0	0	0	0	0	0	0	0	0	0
Total	110	5	4.5%	5	4.5%	0	0	0	0	0	0

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-

	FY 2024	FY 2023
Cost incurred on well-being measures as a % of total revenue of the Company	1.5%	1%

All expenditures related to staff welfare includes Employee Insurance, Benefits, Rewards, Reimbursement and other staff related expenditures, excludes salary/wages.

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2024			FY 2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	0.45%	95%	Y	0.4%	NA	Y
Others – please specify	Not Applicable					

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Happiest Minds Technologies places a high priority on creating inclusive and accessible office spaces. The Company's amenities include handrails, ramps, and restrooms. These provisions are designed to support employees with disabilities and special needs, enabling all team members to fully engage and contribute. Happiest Minds' office layout demonstrates the dedication to promoting diversity, equity, and inclusion in the workplace.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

As a Company dedicated to fostering equality, Happiest Minds embraces and encourages the recruitment, growth, and retention of individuals with disabilities. We are firmly committed to upholding disability rights legislation and establishing workplaces that are accessible and inclusive, enabling our disabled employees to grow professionally.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	98%	100%	NA	NA
Total	99%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Happiest Minds' internal tool 'We Hear' is an online platform empowering employee to raise concerns, including discrimination or sexual harassment, directly to senior leadership. The Internal Committee (IC) promptly addresses these issues, ensuring effective resolution. Additionally, the Audit Committee establishes a vigil mechanism, providing all employees with a platform to voice their concerns and maintain transparency within the organization.
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

While the Company does not have any employee / worker unions, it does recognise the right to freedom of association and collective bargaining.

Category	FY 2024			FY 2023		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	NA	NA	-	NA	NA	-
Female	NA	NA	-	NA	NA	-
Total Permanent Worker						
Male	NA	NA	-	NA	NA	-
Female	NA	NA	-	NA	NA	-

8. Details of training given to employees and workers:

Category	FY 2024					FY 2023				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	3540	Nil	Nil	2795	79%	4884	1,996	58%	1,553	45%
Female	1344	Nil	Nil	1120	83%	1,308	623	48%	581	44%
Total	4884	Nil	Nil	3915	80%	4,743	2,619	55%	2,134	45%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024			FY 2023		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	3540	3326	94%	3,074	3,074	100%
Female	1344	1283	95%	1,159	1,159	100%
Total	4884	4609	94%	4,233	4,233	100%
Workers						
Male	Not Applicable					
Female						
Total						

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes, Happiest Minds Technologies has in place a robust Occupational Health and Safety Management System that applies to all aspects of the Company's operations, including trainees, employees, consultants, vendors, partners, and retainers. The 'Health and Safety Policy' has been developed to encompass all operations, further outlining our principles and dedication to effectively managing critical elements of Environment, Health, and Safety, both actively and passively.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company upholds strict health and safety protocols to protect employees as follows:

- Close collaboration with agencies and industry partners ensures the Company leads in safety practices and continuous improvement.
- All staff undergo comprehensive training on protocols and maintaining a secure workplace.
- Regular reviews of records ensure compliance with regulatory standards, demonstrating legal commitment.
- The Company advocates health and safety best practices among vendors, contractors and partners.
- Periodic confirmations and reviews reaffirm adherence to HSE guidelines, underscoring dedication to employee wellbeing and excellence.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Since the nature of our business being IT services, there are no adverse work related/health hazards identified. We ensure the basic safety of employees and use Personal Protective Equipment wherever required.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)-

The Company has partnered with reputable hospitals to offer employees 24/7 teleconsulting services. Additionally, Happiest Minds also provides comprehensive benefits such as Medical Insurance, Voluntary Parental Insurance, and Salary Advances & Compassionate Loans for Medical Emergencies. The Company's commitment to employee well-being extends to offering medical teleconsultation services for employees and their families, ensuring access to quality healthcare whenever needed.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024	FY 2023
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company places a strong emphasis on prioritizing the safety and well-being of all personnel, including contractors working on its premises. This commitment is evident through the implementation of Personal Protective Equipment (PPE) and adherence to safety protocols outlined in Standard Operating Procedures (SOP). Additionally, annual fire drills are meticulously planned and conducted across all company locations to ensure preparedness and response in the event of an emergency. By maintaining a secure and healthy working environment, the Company underscores its dedication to the welfare of its workforce and upholds industry standards for safety.

13. Number of Complaints on the following made by employees and workers:

	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	NIL	NIL	NIL
Health & Safety	0	0	Nil	NIL	NIL	NIL

14. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	0
Working Conditions	0

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers(Y/N).

A) Employees - Yes, the Care & Compassionate Scheme provides comprehensive benefits, including salary continuity for up to two years, accelerated vesting of options, and educational support for children. Medical insurance coverage is extended to the spouse, children, and parents for five years. Benefits range from ₹ 15 Lakhs to ₹ 50 Lakhs Lakhs in India, ensuring robust assistance for families.

(B) Workers(Y/N) - We don't have blue collared workers as a part of Happiest Minds Payroll

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Based on the nature of goods or service, TDS is being deducted for the suppliers wherever applicable.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment: - Not Applicable

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024	FY 2023	FY 2024	FY 2023
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)-

The Company does not have a defined retirement age.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working conditions	NA

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Business should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Happiest Minds Technologies engages in a consultative process with management to identify key stakeholders. The prioritized roster includes customers, employees, shareholders, investors, government and regulatory authorities, communities and NGOs, staffing agencies, alliance partners, and vendors. In compiling this report, Happiest Minds conducts stakeholder engagement with both internal and external parties. The feedback obtained on expectations and concerns aids in shaping the Company's strategy, policies, and action plans concerning environmental, economic, and social priorities. Happiest Minds values a variety of stakeholder viewpoints to guide its approach to sustainability and corporate citizenship thoughtfully.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers		Project-related calls, and meetings; project management reviews; relationship meetings and reviews; executive meetings and briefings; customer visits; responses to RFIs/RFPs; sponsored events; mailers; newsletters; brochures, Company website; social media (LinkedIn, Instagram, YouTube, Threads, X, Facebook); Customer Happiness Surveys; sponsored community events	Continuous/ Annually	
People		Town halls; project or operations reviews; video conferences; audio conference calls; PEP; Yammer (employee forum); one-on-one counselling; iAppreciate (Portal for employee appreciation); Leave donation scheme (Donating Leave for fellow Employees in need); Wellness programs; Employee Engagement programs; Annual reviews; Employee Committees	Continuous/ Annually	
Shareholders & Investors		Press releases and press conferences; email advisories; in-person meetings; investor conferences; disclosure; social and environmental sustainability, financial statements in IND AS and IFRS; earnings call; exchange notifications; press conferences; Investors page, on our website Annual General Meeting; Annual Report	Continuous/ Annually	
Alliance Partners		Meetings/calls; visits; Partner events; Conference calls; Business reviews	Others-as needed	
Community		Presentations; Project meetings; Reviews; calls and meetings; surveys; consultative sessions; field visits; due diligence; conferences and seminars; surveys; press releases; press conferences; sponsored events; contribute time and financial resources in a social cause, actively engage, participate and support social and environmental causes and associate with organizations working towards this goal	Others-as needed	
Vendors		Meetings, Audits, Self-assessments	Others-as needed	
Government and Regulatory Bodies		Inputs towards drafting new policies, rules & regulations	Others-as needed	

Leadership Indicator

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board-
Not Applicable
2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.
Not Applicable
3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups. -
Not Applicable

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024			FY 2023		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	4,884	4,884	100%	4,589	4,589	100%
Other than permanent	284	284	100%	328	328	100%
Total Employees	5,168	5,168	100%	4,917	4,917	100%
Workers						
Permanent	Not Applicable					
Other than permanent						
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024					FY 2023				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	4,884	NA	NA	4,884	100%	4,589	94	2%	4,495	98%
Male	3,540	NA	NA	3,540	100%	3,337	55	2%	3,282	98%
Female	1,344	NA	NA	1,344	100%	1,252	39	3%	1,213	97%
Other than Permanent	284	41	14%	74	26%	328				
Male	197	23	12%	50	25%	233				
Female	87	18	21%	24	28%	95				
Workers										
Permanent	Not Applicable									
Male										
Female										
Other than Permanent										
Female										

3. Details of remuneration/ salary/ wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	19773600	0	0
Key Managerial Personnel	1	6406850	0	0
Employees other than BoD and KMP	3244	1700000	1248	1074600
Workers	Not Applicable			

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024	FY 2023
Gross wages paid to females as % of total wages	21%	21%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Employee well-being takes precedence at Happiest Minds, with concerns addressed comprehensively by the Chief People Officer (CPO) and the People Practice team. Augmenting this support, the Happiness Evangelism team is dedicated to understanding and addressing employee concerns, nurturing a positive workplace culture. Furthermore, the internal Mithra team offers vital counselling services, ensuring all employees have access to the guidance and care necessary for their well-being.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Happiest Minds upholds robust Human Rights and Grievance Redressal Policies, complemented by two open communication initiatives: "Ask EB" and "Just Ask." "Ask EB" empowers employees to pose questions to the Executive Board or department heads, with responses guaranteed within 24 hours. Additionally, the "We Hear" portal facilitates reporting of discrimination or equal opportunity violations, ensuring transparency, fairness, and open dialogue across the organization.

6. Number of Complaints on the following made by employees and workers:

	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024	FY 2023
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complaint in discrimination and harassment cases.

Happiest Minds Technologies aims to provide a safe and inclusive workplace and prohibits any form of discrimination, harassment or retaliation. The Company has a POSH (Prevention of Sexual Harassment) policy to prohibit such occurrences and ensure no adverse consequences when an employee reports a complaint. The Company also conducts regular mandatory training sessions on POSH for all employees, including new hires during induction. Happiest Minds places a strong emphasis on promoting women's participation across levels through specialized programs and interventions. Guidelines are in place to create a workplace supportive of women. An Internal Committee (IC) has been constituted to prevent adverse consequences in harassment complaints and govern employee conduct on these matters. Happiest Minds is committed to building a diverse, equitable and harassment-free workplace for all.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Happiest Minds Technologies Limited mandates adherence to its Code of Conduct in all business interactions. Respecting fundamental human rights principles is an essential prerequisite for any entity to engage in commercial activities with Happiest Minds. Upholding basic human rights is embedded in the Company's policies for vendor and partner relationships.

10. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others-please specify	0

11. Provide details of any corrective actions taken or underway to address significant risks/ concerning arising from the assessments at Question 10 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No business processes have been revised or introduced, as our comprehensive human rights and redressal policies already encompass all necessary provisions. This strong framework ensures that any new measures align with existing guidelines, safeguarding the rights and needs of our workforce

2. Details of the scope and coverage of any Human rights due diligence conducted.

The Company has implemented a Code of Conduct policy to ensure responsible adherence to all human rights measures throughout its operations.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the Happiest Minds office is accessible to all as per the requirements of the Rights of Persons with Disabilities Act, 2016

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	NA
Forced/involuntary labour	NA
Sexual harassment	NA
Discrimination at workplace	NA
Wages	NA
Others-please specify	NA

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 23-24	FY 22-23
From renewable sources			
Total electricity consumption (A)	GJ	1773.2124	510.96
Total fuel consumption (B)	GJ	NA	-
Energy consumption through other sources (C)		NA	-
Total energy consumed from renewable sources (A+B+C)	GJ	1773.212	510.96
From non-renewable sources			
Total electricity consumption (D)	GJ	14288.43	10822.54
Total fuel consumption (E)	GJ	1764.47	929.00
Energy consumption through other sources (F)		NA	NA
Total energy consumed from non-renewable sources (D+E+F)		16052.90	11,751.54
Total energy consumed (A+B+C+D+E+F)		17826.11	12262.49
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)		0.00	0.092
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)		2.71	2.105
Energy intensity in terms of physical output		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessments by external agency has been done

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable owing to the nature of business.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024	FY 2023
Water withdrawal by source (in kilolitres)		
(i) Surface Water		-
(ii) Ground Water	6336.206	2,005
(iii) Third Party Water	2868	2,168
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	9204.206	4,173
Total volume of water consumption (in kilolitres)		
Total volume of water consumption (in kilolitres)	9204.206	4,173
Water intensity per rupee of turnover (Total Water consumption / Revenue from operations)	0.062	0.031
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)	1.429	0.716
Water intensity in terms of physical output	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No external assurance done

4. Provide the following details related to water discharged:

Parameter	FY 2024	FY 2023
Water discharge by destination and level of treatment (in kilolitres)		
i) To Surface Water		-
- No treatment		-
- With treatment-please specify level of treatment (STP)	Not Applicable as no water was discharged after treatment	2,433.28
ii) To Groundwater		-
- No treatment		-
- With treatment-please specify level of treatment		-
iii) To Seawater		-
- No treatment		-
- With treatment-please specify level of treatment		-
iv) Sent to Third-parties		-
- No treatment		-
- With treatment-please specify level of treatment		-
v) Others		-
- No treatment		-
- With treatment-please specify level of treatment		-
Total water discharge (in kilolitres)	0	2,433.28

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No, the Company has not conducted any external assurance.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We have a mechanism of zero liquid discharge which is recycling.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024	FY 2023
NOx	Mg/Nm3	15	46
SOx	Mg/Nm3	7.5	9
Particulate matter (PM)	µg/m3	32.6	36
Persistent organic compounds (POP)	µg/m3	25.3	20
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	µg/m3	5.6	5.8
Others-please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company has not conducted any external assurance.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024	FY 2023
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1242	57.37
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2842	2374.95
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MTCO2e	0.0003	0.18
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.000006	0.418
Total Scope 1 and Scope 2 emissions intensity in terms of physical output	NA	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company is undertaking efforts to reduce its GHG emissions to the extent possible and shall continue to do so in the future.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024	FY 2023
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	1.5	0.645
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	82.5	45.35
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other hazardous waste. Please specify, if any. (G)	0	0.51
Other non-hazardous waste generated (H). (Dry Paper waste)	3.96	5.04
Total (A+B + C + D + E + F + G + H)	87.96	51.545
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0006	0.0003
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.014	0.008
Waste intensity in terms of physical output	NA	NA
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i) Recycled	NA	-
ii) Re-used	NA	-
iii) Other recovery operations	NA	NA
Total	NA	NA
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
i) Incineration	NA	NA
ii) Landfilling	NA	NA
iii) Other disposal operations	3.96	NA
Category1 (wet waste/food waste)	NA	NA
Category2 (dry waste/paper waste)	0	5.04
Total	3.96	5.04

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No External assurance done

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company efficiently repurposes wastewater recycled through its Sewage Treatment Plant (STP) for gardening and washroom purposes. E-Waste is disposed of in accordance with PCB norms, ensuring responsible management. Food waste undergoes decomposition and is utilized as organic manure, promoting sustainability. Furthermore, the Company adheres to strict protocols to prevent the production of toxic or hazardous chemical wastes, prioritizing environmental stewardship.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The Company does not have any operations in ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

Yes, the Company is in compliance with the relevant laws and regulations.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- i) Name of the area
- ii) Nature of operations
- iii) Water withdrawal, consumption and discharge in the following format:

Not Applicable, as the Company's operations do not fall under water stress areas.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024	FY 2023
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	3295	NA
Total Scope 3 emissions per rupee of turnover	Metric tonnes of Co2 equivalent	0.00	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-No external assurance has been done.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct&indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Not Applicable

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, Happiest Minds Technologies Limited has a Business Continuity Management (BCM) framework a robust strategy to ensure the smooth operation of critical business services and to swiftly recover from any challenges. The Company regularly assesses the potential impact of various events such as natural disasters, pandemics, cyberattacks, or administrative decisions on its operations.

<https://www.happiestminds.com/whitepapers/BCP-and-DR-plan-with-NAS-solution.pdf>

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The Company has not assessed the impacts arising from the operations of the value chain on the environment.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Happiest Minds is currently in the process to assess the top vendors based on business volume for their environmental impacts.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

4

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of India Industries (CII)	National
2	National Association of Software and service Companies (NASSCOM)	National
3	Federation of Karnataka Chambers of Commerce and Industry (FKCCI)	State
4	Indo-German Chamber of Commerce	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

There are no orders from regulatory authorities on any issues of anti-competitive conduct.

Leadership Indicators

1. Details of public policy positions advocated by the entity

The Company did not undertake any public policy advocacy positions during the reporting period.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable as per the relevant laws.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

Not applicable to us as we currently work with the community through our partner NGOs.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024	FY 2023
Directly sourced from MSMEs/ small producers	18%	13.29%
Directly from within India	51%	58%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024	FY 2023
Rural	0	0
Semi-urban	0	0
Urban	0	0
Metropolitan	100%	100%

Numbers mentioned above are specific to India geography.

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
1	Karnataka	Raichur	2,299,500

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable group? (Yes/ No)

Covered under supplier diversity and will be implemented in the coming years.

b. From which marginalized /vulnerable groups do you procure?

Not Applicable

c. What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Safe drinking water for draught region	42000	100%
2	One billion drop project	3200	
3	Social forestry, soil & water conservation		100%
4	Rural electrification	100 Households	100%
5	Project Puthri	20	100%
6	Providing Insulin to Type-1 diabetes	30	100%
7	Akshaya Patra Foundation	6.97 million	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential indicator

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Happiest Minds has a framework to understand customer needs and expectations. This helps create plans for ongoing engagement and strengthen customer relationships as follows:

- Early warning systems provide alerts to help Happiest Minds make necessary course corrections and deliver high-quality services.
- Tools to frequently review customer perceptions:
 1. Weekly project team meetings to evaluate engagement status.
 2. Monthly governance meetings between sales/delivery leaders and account executives to review risks and develop mitigation plans.
 3. Quarterly governance meetings between BU heads and customer leadership to discuss relationship growth, and new initiatives, and address issues.
- The aim is to proactively gather customer insights, address concerns early, and build strong long-term partnerships.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Not Applicable

3. Number of consumer complaints in respect of the following:

	FY 2024			FY 2023		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0		NIL	NIL	-
Advertising	0	0		NIL	NIL	-
Cyber Security	1	1		NIL	NIL	-
Delivery of essential services	0	0		NIL	NIL	-
Restrictive Trade Practices	0	0		NIL	NIL	-
Unfair Trade Practices	0	0		NIL	NIL	-
Other	18	0		14	0	All complaints were resolved in a timely manner

4. Details of instances of product recalls on account of safety issues:

Not Applicable owing to the nature of business.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Happiest Minds Technologies has established a robust information and cybersecurity framework certified under ISO 27701 to safeguard its data assets. The board-approved policy outlines comprehensive processes for adequate protection of business information through appropriate controls. An internal governance committee oversees the cybersecurity program to detect and rapidly respond to potential threats across the Company's network, applications, and infrastructure. Proactive measures enable Happiest Minds to identify risks early and take steps to prevent any breaches or attacks. With strong detection, response, and recovery capabilities in place, the security framework assures customers and stakeholders that their data is protected. Regular reviews ensure the program is continuously strengthened to mitigate emerging risks as technology and threat landscapes evolve. Happiest Minds is committed to maintaining robust cyber resilience to support business continuity and customer trust. <https://www.happiestminds.com/privacy-policy/>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

The Company adheres to ISO 27001 and ISO 27701 to ensure compliance to cyber security and privacy requirements along with further GDPR and PIMS requirements for data privacy.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches: 0
- b. Percentage of data breaches involving personally identifiable information of customers: 0
- c. Impact, if any, of the data breaches: Not Applicable

Leadership Indicator

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to all the products and services provided by Happiest Minds is available on the Company's website, <https://www.happiestminds.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

Not Applicable owing to the nature of business.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

Not Applicable owing to the nature of business.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

- Owing to the nature of business, the Company does not display any product information over its products.
- Yes, the Company carries out Annual Customer Happiness Survey to understand the level of satisfaction and receive feedback around the same.

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