

October 27, 2021

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

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

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on October 27, 2021

We wish to inform that the Board of Directors of the Company at its meeting held today i.e., October 27, 2021, approved the unaudited financial statements of the Company (both standalone and consolidated) prepared in accordance with Indian Accounting Standards (IndAS) for the quarter and half year that ended on September 30, 2021 and also declared an interim dividend of Rs.1.75/- per equity share of face value Rs.2/- for the financial year 2021-22. Record date for the purpose of interim dividend has been fixed on November 10, 2021 and the dividend will be paid on and after November 18, 2021 to the equity shareholders of the Company whose names appear in the Register of Members of the Company or in the records of Depositories as beneficial owners of shares as on the Record date fixed for the purpose.

Attached are copies of the financial results together with review reports, presentation to Investors and press release covering the results for the quarter.

Further, Mr. Rajendra Kumar Srivastava has been designated as "Lead Independent Director" with effect from October 27, 2021.

The Board meeting commenced at 9.00 pm and concluded at 9.30 pm.

This is for your information and records.

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



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



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
HAPPIEST MINDS TECHNOLOGIES LIMITED**

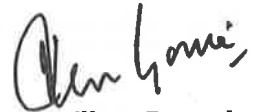
1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **HAPPIEST MINDS TECHNOLOGIES LIMITED** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), for the quarter and half year ended September 30, 2021 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Statement includes the interim financial results of the subsidiary company Happiest Minds Inc. (formerly known as PGS Inc) and Happiest Minds Technologies Share Ownership Plan Trust (the "ESOP trust").
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditor referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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6. We did not review the interim financial results of the ESOP trust included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 65,043 lakhs as at September 30, 2021 and, total revenue of Rs. Nil and Rs. Nil, total net profit after tax of Rs. 120 lakhs and Rs. 141 lakhs and total comprehensive income of Rs. 120 lakhs and Rs. 141 lakhs for the quarter and half year ended September 30, 2021, respectively, and net cash flows of Rs. 235 lakhs for the half year ended September 30, 2021, as considered in this Statement. The interim financial result has been reviewed by other auditor whose report have been furnished to us by the Company, and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of ESOP Trust, is based solely on the report of other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



Vikas Bagaria
Partner
(Membership No. 060408)
(UDIN: 21060408AAAADF7636)

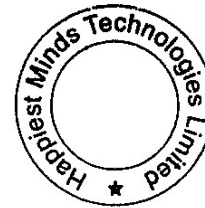
Place: Bengaluru
Date: October 27, 2021

(Rs. in lakhs)

Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2021

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	Refer Note 2	(Unaudited)	Refer Note 2	Refer Note 2
I. Revenue						
(a) Revenue from contracts with customers	26,453	24,461	18,284	50,914	35,986	77,341
(b) Other income	959	926	507	1,885	1,504	2,424
Total revenue	27,412	25,387	18,791	52,799	37,490	79,765
II. Expenses						
(a) Employee benefits expense (Refer note 9)	15,329	13,928	11,089	29,257	21,917	45,238
(b) Finance costs	243	164	160	407	346	697
(c) Depreciation and amortisation expense	834	723	512	1,557	1,024	2,274
(d) Other expenses	5,071	4,844	2,763	9,915	5,852	12,954
Total expenses	21,477	19,659	14,524	41,136	29,139	61,163
III. Profit before exceptional items and tax (I-II)	5,935	5,728	4,267	11,663	8,351	18,602
IV. Exceptional items (refer note 10)	-	609	-	609	-	-
V. Profit before tax	5,935	5,119	4,267	11,054	8,351	18,602
VI. Tax expense						
Current tax	1,512	1,551	682	3,063	1,533	3,527
Tax expense for earlier periods	-	44	-	44	-	-
Deferred tax charge / (credit)	(21)	(49)	177	(70)	(1,608)	(1,171)
Total Tax expense	1,491	1,546	859	3,037	(75)	2,356
VII. Profit for the period / year	4,444	3,573	3,408	8,017	8,426	16,246
VIII. Other comprehensive income, net of tax [(loss)/profit]						
(i) Item to be reclassified to profit or loss in subsequent periods / year						
Exchange difference on translating the financial statements of a foreign operation	(35)	160	-	125	4	22
Net movement on effective portion of cash flow hedges	231	(376)	603	(145)	1,116	1,236
Income tax effect	(59)	95	(151)	36	(97)	(127)
(ii) Item not to be reclassified to profit or loss in subsequent periods / year						
Re-measurement gains/ (losses) on defined benefit plans	(14)	(60)	66	(74)	(119)	(144)
Income tax effect	4	15	(17)	19	30	36
IX. Total comprehensive income for the period / year	4,571	3,407	3,909	7,978	9,360	17,269
X. Paid-up equity share capital (Rs. 2/- each)						2,837
X. Other equity						51,762
XI. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):						
Basic EPS (Rs.)	3.12	2.51	2.51	5.64	6.23	11.75
Diluted EPS (Rs.)	3.06	2.45	2.42	5.54	6.04	11.45

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Happiest Minds Technologies Limited

CIN : L72900KA2011PLC057931

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

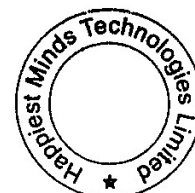
Website: www.happiestminds.com , Email: IR@happiestminds.com , Tel: +91 80 6196 0300

Unaudited Consolidated Statement of Assets and Liabilities as at September 30, 2021

(Rs. in lakhs)

SI No	Particulars	September 30, 2021 (Unaudited)	March 31, 2021 Refer Note 2
	ASSETS		
A	Non-current assets		
	Property, plant and equipment	86	69
	Capital work-in-progress	-	14
	Goodwill	7,742	7,644
	Other intangible assets	2,821	2,966
	Right-of-use assets	5,563	2,150
	Financial assets:		
	i. Investments	373	-
	ii. Other financial assets	769	2,458
	Income tax assets (Net)	1,031	1,408
	Other non-current assets	2	7
	Deferred tax assets (Net)	1,045	1,026
	Total non-current assets	19,432	17,742
B	Current assets		
	Financial assets		
	i. Investments	41,160	39,148
	ii. Trade receivables	16,064	12,192
	iii. Cash and cash equivalents	4,418	8,583
	iv. Bank balance other than (iii) above	9,205	5,935
	v. Loans	24	14
	vi. Other financial assets	8,983	7,248
	Other current assets	2,367	1,333
	Total current assets	82,221	74,453
	Total assets (A+B)	1,01,653	92,195
	EQUITY AND LIABILITIES		
C	Equity		
	Equity share capital	2,846	2,837
	Other equity	55,652	51,762
	Total Equity	58,498	54,599
D	Non-current liabilities		
	Financial liabilities		
	i. Borrowings	2,721	3,661
	ii. Lease liabilities	4,090	1,223
	iii. Other financial liabilities	2,620	2,455
	Provisions	1,706	1,653
	Deferred tax liabilities (Net)	628	725
	Non-current liabilities	11,765	9,717
E	Current liabilities		
	Contract liability	979	674
	Financial liabilities		
	i. Borrowings	11,927	12,969
	ii. Lease liabilities	1,848	1,422
	iii. Trade payables		
	(A) Total outstanding dues of micro and small enterprises	112	95
	(B) Total outstanding dues of creditors other than micro and small enterprises	6,558	4,404
	iv. Other financial liabilities	5,957	4,877
	Other current liabilities	2,163	1,930
	Provisions	1,708	1,508
	Income tax liabilities (Net)	138	-
	Total current liabilities	31,390	27,879
F	Total liabilities (D+E)	43,155	37,596
	Total equity and liabilities (C+F)	1,01,653	92,195

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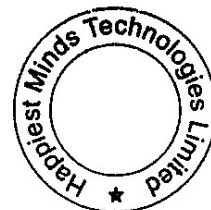


Unaudited Consolidated Statement of Cash Flows for the half year ended September 30, 2021

(Rs. in lakhs)

	September 30, 2021 (Unaudited)	September 30, 2020 Refer Note 2
A. Cash flow from operating activities		
Profit before tax	11,054	8,351
Adjustments to reconcile profits before tax to net cash flows:		
Depreciation and amortization expense	1,557	1,024
Share-based payment expense	147	157
Gain on investments carried at fair value through profit and loss	(560)	(462)
Gain on sale of investments carried at fair value through profit and loss	(349)	(4)
Interest income	(286)	(525)
Net unrealised foreign exchange loss / (gain)	326	(227)
Bad debts written off	-	199
Fair value loss on warrant liability	609	-
Rent concession	(198)	-
Impairment loss on financial assets	(7)	508
Finance costs	407	346
Operating profit before working capital changes	12,700	9,367
Movements in working capital		
(Increase)/ decrease in trade receivables	(3,803)	443
(Increase)/ decrease in loans	(10)	26
(Increase)/ decrease in non-financial assets	(1,030)	(681)
(Increase)/ decrease in financial assets	(1,982)	(810)
Increase/ (decrease) in trade payables	1,905	2,875
Increase/ (decrease) in financial liabilities	515	(169)
Increase/ (decrease) in provisions	179	507
Increase/ (decrease) in contract liabilities	476	(171)
Increase/ (decrease) in other non-financial liabilities	233	604
Cash generated from operating activities	9,183	11,991
Income tax paid	(2,592)	(453)
Net cash generated from operating activities (A)	6,591	11,538
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(40)	(18)
Purchase of intangible assets	(275)	(6)
Proceeds from subleasing the premises	-	7
Investments in fixed deposits, net	(1,485)	(969)
Investment in Equity instruments	(373)	-
Investments in mutual funds	(33,075)	(4,330)
Proceeds from sale of mutual funds	31,972	1,417
Interest received	160	306
Net cash used in investing activities (B)	(3,116)	(3,593)
C. Cash flow from financing activities		
Repayment of long-term borrowings	(1,016)	(401)
Repayment of short term borrowings, Net	(1,184)	(2,051)
Securities deposits given	-	(300)
Payment of principal portion of lease liabilities	(793)	(943)
Payment of interest portion of lease liabilities	(202)	(186)
Dividend paid	(4,311)	-
Proceeds from exercise of share options /(repayment of share options), Net	85	(47)
Proceeds from Initial Public Offerings (IPO) (net of offer expenses)	-	10,495
Interest paid	(197)	(155)
Net cash generated from/(used in) financing activities (C)	(7,618)	6,412
Net increase in cash and cash equivalents (A+B+C)	(4,143)	14,357
Net foreign exchange difference	(22)	5
Cash and cash equivalents at the beginning of the period	8,583	4,353
Cash and cash equivalents at the end of the period	4,418	18,715

[Handwritten Signature]



Happiest Minds Technologies Limited

CIN : L72900KA2011PLC057931

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

Notes to Statement of Unaudited Consolidated Financial Results for the quarter ended and half year ended September 30, 2021

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2021 ("Unaudited Consolidated Financial Results") of Happiest Minds Technologies Limited (the "Holding Company" or the "Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 27, 2021 and subjected to a limited review by the Statutory Auditors of the Company.

2. The financial results of the Group for quarter ended September 30, 2020, half year ended September 30, 2020 and year ended March 31, 2021 were subject to limited review/audit by M/s S.R.Batilboi & Associates LLP, Chartered Accountants, the predecessor auditor who have expressed an unmodified review conclusion / audit opinion respectively.

3. The Unaudited Consolidated Financial Results of the Group have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act 2013, as amended, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and SEBI Circular No.CIR/CFD/CMD/1/44/2019 dated March 29, 2019.

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

Particulars	(Rs. in lakhs)					
	Quarter ended			Half year ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	Refer Note 2	(Unaudited)	Refer Note 2	Refer Note 2
Total revenue (including other income)	26,002	23,968	18,791	49,970	37,410	78,438
Profit before tax	5,978	5,018	4,267	10,996	8,211	18,602
Profit for the period / year	4,448	3,501	3,408	7,949	8,286	16,193
Total comprehensive income for the period / year ended	4,610	3,175	3,909	7,785	9,216	17,193

5. The Board of Directors of the Company at their meeting held on October 27, 2021 has declared an interim dividend of Rs.1.75/- per equity share of face value Rs.2/- for the financial year 2021-22. Record date for the purpose of interim dividend has been fixed on November 10, 2021 and the dividend will be paid on and after November 18, 2021.

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

Segment wise revenue and results are as follows:

Particulars	(Rs. in lakhs)					
	Quarter ended			Half year ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	Refer Note 2	(Unaudited)	Refer Note 2	Refer Note 2
1. Segment revenue						
IMSS	5,747	5,251	3,959	10,998	7,600	16,421
DBS	8,046	7,569	4,710	15,615	9,308	21,288
PES	12,660	11,641	9,615	24,301	19,078	39,632
Total	26,453	24,461	18,284	50,914	35,986	77,341
2. Segment results						
IMSS	1,338	1,287	449	2,625	1,394	3,967
DBS	2,295	1,584	963	3,879	2,270	7,106
PES	4,856	4,512	1,713	9,368	5,770	15,924
Total	8,489	7,383	3,125	15,872	9,434	26,997
Unallocable other income	959	926	506	1,885	1,423	2,340
Unallocable finance cost	(243)	(164)	(157)	(407)	(343)	(690)
Unallocable depreciation and amortisation expenses	(834)	(723)	(487)	(1,557)	(999)	(2,198)
Other unallocable expenses	(2,436)	(2,303)	1,280	(4,739)	(1,164)	(7,847)
Tax (expense) / credit	(1,491)	(1,546)	(859)	(3,037)	75	(2,356)
Profit after tax	4,444	3,573	3,408	8,017	8,426	16,246

Segment wise assets and liabilities are as follows:

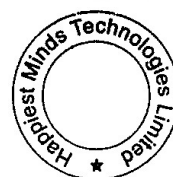
Particulars	(Rs. in lakhs)	
	As at	
	September 30, 2021	March 31, 2021
	(Unaudited)	Refer Note 2
1. Segment assets		
IMSS	6,743	4,282
DBS*	18,210	5,741
PES	11,012	8,284
Other unallocable assets*	65,688	73,888
Total assets	1,01,653	92,195
2. Segment liabilities		
IMSS	1,425	396
DBS*	12,495	1,874
PES	2,070	1,174
Other unallocable liabilities*	27,165	34,152
Total liabilities	43,155	37,596

* The assets and liabilities relating to acquired entity Happiest Minds Inc., (Erstwhile PGS Inc.,) is included under DBS segment as of September 30, 2021. The same was grouped under unallocable assets and liabilities as of March 31, 2021.

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

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

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Happiest Minds Technologies Limited
CIN : L72900KA2011PLC057931

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Notes to Statement of Unaudited Consolidated Financial Results for the quarter ended and half year ended September 30, 2021

9. Employee benefit expense includes INR 146 lakhs paid/payable to beneficiaries of 7 employees of the Group who lost their lives due to Covid, illness and accident pursuant to a discretionary benefit announced by the Group.

10. The Company had acquired 100% voting interest in Happiest Minds Inc. (erstwhile PGS Inc.) vide definitive agreements signed on January 27, 2021, for a total recorded consideration of US \$ 13.31 million (INR 9,720 lakhs), comprising cash consideration of US \$ 8.25 million (INR 6,025 lakhs) and fair-valued contingent consideration in the form of warrants of US \$ 5.06 million (INR 3,696 lakhs) payable over the next 3 years. The contingent consideration was classified as a financial liability within the scope of Ind AS 109 'Financial Instruments' and was measured at fair value. Ind AS 109 mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The Company carried out a fair valuation at the end of the reporting periods and an increase in the liability of Rs 609 lakhs as of June 30, 2021 has been recognized in the statement of profit and loss and disclosed as 'Exceptional Item'. There has been no changes in the fair valuation as of September 30, 2021.

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

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

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



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

A handwritten signature in black ink, appearing to read "Venkatraman Narayanan".

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347

Place: Bengaluru, India
Date: October 27, 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
HAPPIEST MINDS TECHNOLOGIES LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **HAPPIEST MINDS TECHNOLOGIES LIMITED** ("the Company"), for the quarter and half year ended September 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above and based on the consideration of the review report of the other auditor as referred in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Deloitte
Haskins & Sells**

5. We did not review the interim financial results of Happiest Minds Technologies Share Ownership Plan Trust (the "ESOP trust") included in the standalone unaudited financial results, whose interim financial results reflect total assets of Rs. 65,043 lakhs as at September 30, 2021 and, total revenue of Rs. Nil and Rs. Nil, total net profit after tax of Rs. 120 lakhs and Rs. 141 lakhs and total comprehensive income of Rs. 120 lakhs and Rs. 141 lakhs for the quarter and half year ended September 30, 2021, respectively, and net cash flows of Rs. 235 lakhs for the half year ended September 30, 2021, as considered in this Statement. The interim financial result has been reviewed by other auditor whose report have been furnished to us by the Company, and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of ESOP Trust, is based solely on the report of other auditors and the procedures performed by us as stated in paragraph 3 above

Our conclusion on the Statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



Vikas Bagaria
Partner
(Membership No. 060408)
(UDIN: 21060408AAAADE5378)

Place: Bengaluru
Date: October 27, 2021

(Rs. in lakhs)

Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2021

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	Refer Note 2	(Unaudited)	Refer Note 2	Refer Note 2
I. Revenue						
(a) Revenue from contracts with customers	25,043	23,041	18,284	48,084	35,986	76,096
(b) Other income	959	927	507	1,886	1,424	2,342
Total revenue	26,002	23,968	18,791	49,970	37,410	78,438
II. Expenses						
(a) Employee benefits expense (Refer note 8)	15,114	13,728	11,089	28,842	21,917	45,012
(b) Finance costs	242	163	160	405	346	692
(c) Depreciation and amortisation expense	619	509	512	1,128	1,025	2,063
(d) Other expenses	4,049	3,941	2,763	7,990	5,911	12,069
Total expenses	20,024	18,341	14,524	38,365	29,199	59,836
III. Profit before exceptional items and tax (I-II)	5,978	5,627	4,267	11,605	8,211	18,602
IV. Exceptional items (refer note 9)	-	609	-	609	-	-
V. Profit before tax	5,978	5,018	4,267	10,996	8,211	18,602
VI. Tax expense						
Current tax	1,477	1,493	682	2,970	1,533	3,527
Deferred tax charge / (credit)	53	24	177	77	(1,608)	(1,118)
Total tax expense	1,530	1,517	859	3,047	(75)	2,409
VII. Profit for the period / year	4,448	3,501	3,408	7,949	8,286	16,193
VIII. Other comprehensive income, net of tax [(loss)/profit]						
(i) Item to be reclassified to profit or loss in subsequent periods / year						
Net movement on effective portion of cash flow hedges	231	(376)	603	(145)	1,116	1,236
Income tax effect	(59)	95	(151)	36	(97)	(128)
(ii) Item not to be reclassified to profit or loss in subsequent periods / year						
Re-measurement gains/ (losses) on defined benefit plans	(14)	(60)	66	(74)	(119)	(144)
Income tax effect	4	15	(17)	19	30	36
IX. Total comprehensive income for the period / year	4,610	3,175	3,909	7,785	9,216	17,193
X. Paid-up equity share capital (Rs. 2/- each)						2,837
X. Other equity						51,830
XI. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters):						
Basic EPS (Rs.)	3.12	2.46	2.51	5.59	6.13	11.71
Diluted EPS (Rs.)	3.06	2.40	2.42	5.49	5.93	11.41

Adarsh



Happiest Minds Technologies Limited

CIN : L72900KA2011PLC057931

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

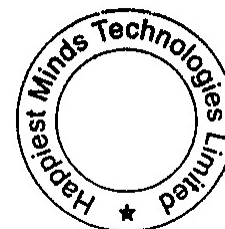
Website: www.happiestminds.com , Email: Investors@happiestminds.com , Tel: +91 80 6196 0300

Unaudited Standalone Statement of Assets and Liabilities as at September 30, 2021

(Rs. in lakhs)

SI No	Particulars	September 30, 2021 (Unaudited)	March 31, 2021 Refer Note 2
	ASSETS		
A	Non-current assets		
	Property, plant and equipment	83	67
	Capital work-in-progress	-	14
	Goodwill	611	611
	Other intangible assets	311	65
	Right-of-use assets	5,562	2,149
	Financial assets:		
	i. Investments	9,720	9,720
	ii. Loans	742	-
	iii. Other financial assets	769	2,458
	Income tax assets (Net)	1,031	1,408
	Other non-current assets	2	7
	Deferred tax assets (Net)	1,005	1,026
	Total non-current assets	19,836	17,525
B	Current assets		
	Financial assets		
	i. Investments	41,160	39,148
	ii. Trade receivables	15,626	11,610
	iii. Cash and cash equivalents	3,356	7,952
	iv. Bank balance other than (iii) above	9,205	5,935
	v. Loans	23	14
	v. Other financial assets	8,330	7,209
	Other current assets	2,333	1,302
	Total current assets	80,033	73,170
	Total assets (A+B)	99,869	90,695
	EQUITY AND LIABILITIES		
C	Equity		
	Equity share capital	2,846	2,837
	Other equity	55,527	51,830
	Total Equity	58,373	54,667
D	Non-current liabilities		
	Financial liabilities		
	i. Borrowings	2,721	3,661
	ii. Lease liabilities	4,090	1,223
	iii. Other financial liabilities	2,620	2,455
	Provisions	1,706	1,653
	Total non-current liabilities	11,137	8,992
E	Current liabilities		
	Contract liability	817	365
	Financial liabilities		
	i. Borrowings	11,927	12,969
	ii. Lease liabilities	1,848	1,422
	iii. Trade payables		
	(A) Total outstanding dues of micro and small enterprises	112	95
	(B) Total outstanding dues of creditors other than micro and small enterprises	5,826	3,876
	iv. Other financial liabilities	5,957	4,877
	Other current liabilities	2,164	1,924
	Provisions	1,708	1,508
	Total current liabilities	30,359	27,036
F	Total liabilities (D+E)	41,496	36,028
	Total equity and liabilities (C+F)	99,869	90,695

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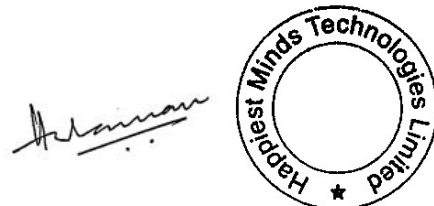
Happiest Minds Technologies Limited
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Unaudited Standalone Statement of Cash Flows for the half year ended September 30, 2021

(Rs. in lakhs)

	September 30, 2021 (Unaudited)	September 30, 2020 Refer Note 2
A. Cash flow from operating activities		
Profit before tax	10,996	8,211
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	1,128	1,025
Share-based payment expense	147	157
Gain on investments carried at fair value through profit and loss	(560)	(462)
Gain on sale of investments carried at fair value through profit and loss	(349)	(4)
Interest income	(286)	(525)
Net unrealised foreign exchange loss / (gain)	325	(113)
Fair value loss on warrant liability	609	-
Rent concession	(198)	-
Impairment loss on financial assets	(58)	567
Bad debts written off	-	199
Finance costs	405	346
Operating profit before working capital changes	12,159	9,401
Movements in working capital		
(Increase)/ decrease in trade receivables	(3,877)	441
(Increase)/ decrease in loans	(9)	(33)
(Increase)/ decrease in other assets	(1,026)	(678)
(Increase)/ decrease in financial assets	(1,387)	(810)
Increase/ (decrease) in trade payables	1,701	2,854
Increase/ (decrease) in financial liabilities	515	(169)
Increase/ (decrease) in provisions	179	507
Increase/ (decrease) in contract liabilities	623	(134)
Increase/ (decrease) in other liabilities	240	618
Cash generated from operating activities	9,118	11,997
Income tax paid	(2,593)	(453)
Net cash generated from operating activities (A)	6,525	11,544
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(40)	(18)
Purchase of intangible assets	(275)	(6)
Investments in fixed deposits, net	(1,485)	(969)
Loan to Subsidiary	(739)	-
Investments in mutual funds	(33,075)	(4,330)
Proceeds from sale of mutual funds	31,972	1,417
Interest received	160	306
Net cash used in investing activities (B)	(3,482)	(3,600)
C. Cash flow from financing activities		
Repayment of long-term borrowings	(1,017)	(401)
Repayment of short term borrowings, Net	(1,184)	(2,051)
Security deposits given	-	(300)
Payment of principal portion of lease liabilities	(793)	(939)
Payment of interest portion of lease liabilities	(202)	(186)
Dividend paid	(4,311)	-
Proceeds from exercise of share options /(repayment of share options), Net	85	(47)
Proceeds from Initial Public Offerings (IPO) (net of offer expenses)	-	10,495
Interest paid	(195)	(155)
Net cash generated from/(used in) financing activities (C)	(7,617)	6,416
Net increase in cash and cash equivalents (A+B+C)	(4,574)	14,360
Net foreign exchange difference	(22)	5
Cash and cash equivalents at the beginning of the period	7,952	4,350
Cash and cash equivalents at the end of the period	3,356	18,715



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Notes to Statement of Unaudited Standalone Financial Results for the quarter ended and half year ended September 30, 2021

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2021 ("Unaudited Standalone Financial Results") of Happiest Minds Technologies Limited (formerly known as "Happiest Minds Technologies Private Limited") (the "Company") has been reviewed by the Audit Committee, approved by the Board of Directors at their meeting held on October 27, 2021 and subjected to a limited review by the Statutory Auditors of the Company.

2. The financial results of the Company for quarter ended September 30, 2020, half year ended September 30, 2020 and year ended March 31, 2021 were subject to limited review/audit by M/s S.R.Batliboi & Associates LLP, Chartered Accountants, the predecessor auditor who have expressed an unmodified review conclusion / audit opinion respectively.

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

4. The Board of Directors of the Company at their meeting held on October 27, 2021 has declared an interim dividend of Rs.1.75/- per equity share of face value Rs.2/- for the financial year 2021-22. Record date for the purpose of interim dividend has been fixed on November 10, 2021 and the dividend will be paid on and after November 18, 2021.

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

Segment wise revenue and results are as follows:

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	Refer Note 2	(Unaudited)	Refer Note 2	Refer Note 2
1. Segment revenue						
IMSS	5,671	5,324	3,959	10,995	7,600	16,421
DBS	6,711	6,077	4,710	12,788	9,308	20,043
PES	12,661	11,640	9,615	24,301	19,078	39,632
Total	25,043	23,041	18,284	48,084	35,986	76,096
2. Segment results						
IMSS	1,262	1,360	449	2,622	1,394	3,967
DBS	2,196	1,198	881	3,394	2,188	7,194
PES	4,856	4,512	1,713	9,368	5,770	15,924
Total	8,314	7,070	3,043	15,384	9,352	27,085
Unallocable other income	959	927	506	1,886	1,423	2,340
Unallocable finance cost	(242)	(163)	(157)	(405)	(343)	(685)
Unallocable depreciation and amortisation expenses	(619)	(509)	(487)	(1,128)	(999)	(1,987)
Other unallocable expenses	(2,434)	(2,307)	1,362	(4,741)	(1,222)	(8,151)
Tax (expense) / credit	(1,530)	(1,517)	(859)	(3,047)	75	(2,409)
Profit After Tax	4,448	3,501	3,408	7,949	8,286	16,193

Segment wise assets and liabilities are as follows:

Particulars	As at	
	September 30, 2021	March 31, 2021
	(Unaudited)	Refer Note 2
1. Segment assets		
IMSS	6,743	4,282
DBS*	16,101	5,094
PES	11,012	8,284
Other unallocable assets*	66,013	73,035
Total assets	99,869	90,695
2. Segment liabilities		
IMSS	1,425	396
DBS*	10,836	1,049
PES	2,070	1,174
Other unallocable liabilities*	27,165	33,409
Total liabilities	41,496	36,028

* The assets and liabilities relating to acquired entity Happiest Minds Inc., (erstwhile PGS Inc.) is included under DBS segment as of September 30, 2021. The same was grouped under unallocable assets and liabilities as of March 31, 2021.

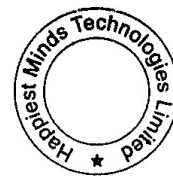
6. The full impact of COVID-19 still remains uncertain and could be different from the estimates considered while preparing these Unaudited Standalone Financial Results. The Company will continue to closely monitor any material changes to future economic conditions.

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

8. Employee benefit expense includes INR 146 lakhs paid/payable to beneficiaries of 7 employees of the Company who lost their lives due to Covid, illness and accident pursuant to a discretionary benefit announced by the Company.

9. The Company had acquired 100% voting interest in Happiest Minds Inc. (erstwhile PGS Inc.) vide definitive agreements signed on January 27, 2021, for a total recorded consideration of US \$ 13.31 million (INR 9,720 lakhs), comprising cash consideration of US \$ 8.25 million (INR 6,025 lakhs) and fair-valued contingent consideration in the form of warrants of US \$ 5.06 million (INR 3,696 lakhs) payable over the next 3 years. The contingent consideration was classified as a financial liability within the scope of Ind AS 109 'Financial Instruments' and was measured at fair value. Ind AS 109 mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The Company carried out a fair valuation at the end of the reporting periods and an increase in the liability of Rs 609 lakhs as of June 30, 2021 has been recognised in the statement of profit and loss and disclosed as 'Exceptional Item'. There has been no changes in the fair valuation as of September 30, 2021.

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Happiest Minds Technologies Limited
CIN : L72900KA2011PLC057931

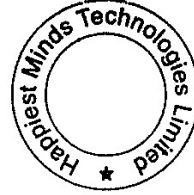
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Notes to Statement of Unaudited Standalone Financial Results for the quarter ended and half year ended September 30, 2021

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

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

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



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

A handwritten signature in black ink, appearing to read "Venkatraman Narayanan".

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347

Place: Bengaluru, India
Date: October 27, 2021

Investor Presentation & Fact sheet: Q2 FY 22

October 2021



This presentation may contain certain forward-looking statements, which involves risks and uncertainties that could cause our future results to differ materially from those in such forward-looking statements. The COVID-19 pandemic could decrease our customers' technology spend, delaying prospective customers' purchasing decisions, and impact our ability to provide services; all of which could adversely affect our future revenue, margin and overall financial performance. Our operations could also be negatively impacted by a range of external factors not within our control including those due to the pandemic. We do not undertake to update any of our forward-looking statements that may be made from time to time by us or on our behalf.

Next Generation Digital Transformation, Infrastructure, Security and Product Engineering Services Company



IPO
In September 2020

- Completed 10 years of existence in August 2021
- Strong Management Team & Corporate governance
- 560,000 investors
- Robust growth and profitability

Promoter



Ashok Soota

97%
Digital

'Born Digital. Born Agile'

Mission Statement
Happiest People. Happiest Customers

SMILES Values
Sharing, Mindful, Integrity, Learning, Excellence, Social Responsibility

93%
Agile

3,796 Happiest Minds

across **7 Countries**
Diversity 26.1%

186
Active clients

50 Fortune2000 / Forbes200 / Billion \$ corporations

87% of repeat business

Great Place To Work

- Ranked **#21** – India's Best Companies to work for 2021
- Ranked **#63** Asia's Best Workplaces 2021
- Top **50** Companies for Data Scientists to Work for 2021

33.8%
RoCE¹

27.5%
RoE

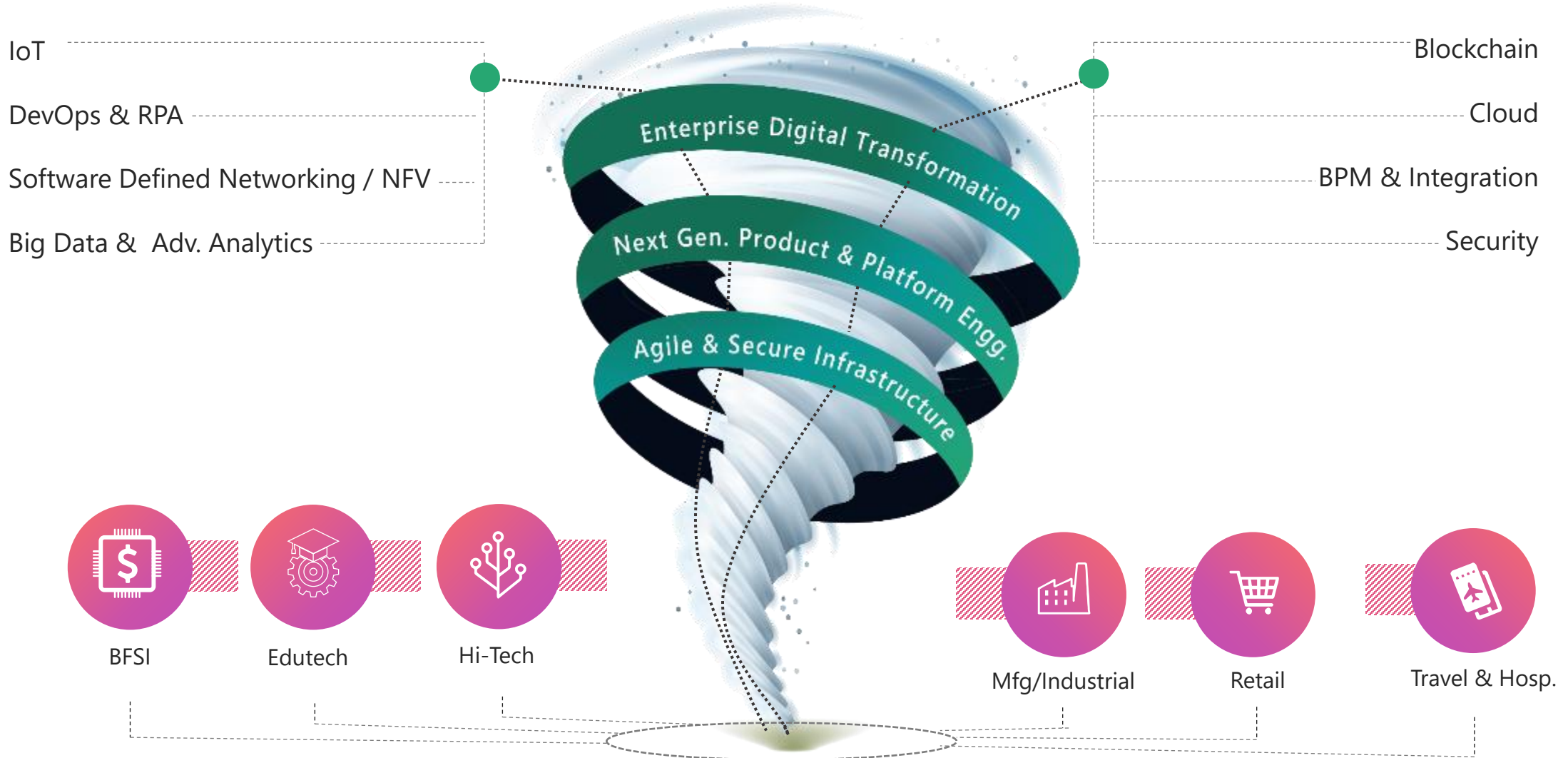
4.3
rating

on **Glassdoor**

#2 for Indian IT Services



2021 IBM Geography Excellence Award for APAC



Mission, Vision & Values

Our Values

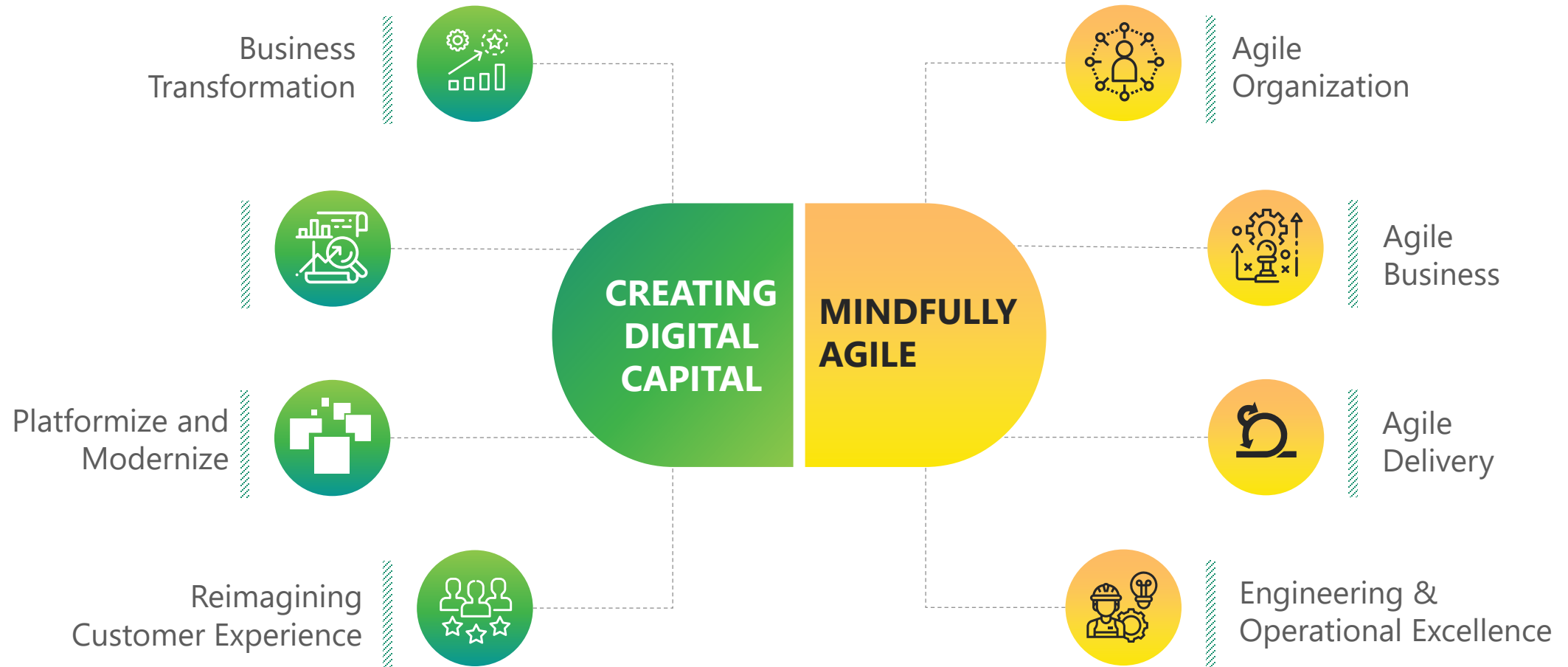


Happiest Minds is the first Indian IT firm to be
The Mindful IT Company

Our 2021-2031 Vision

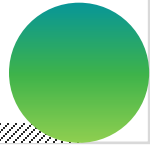
- 1 Design Happiest Minds for **Perpetuity**
- 2 **Accelerate** Profitable Growth
- 3 Build & Sustain a **World Class Team**
- 4 Be the **Ambassador of Happiness**
- 5 Be Recognized for **Thought Leadership** in our focus areas of Technology & Solutions
- 6 Be known for our **ESG** standards

Born Digital. Born Agile.

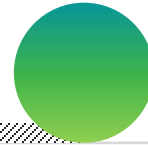


Key Project Wins

With a **Fortune 100** Healthcare provider, Happiest Minds has signed a large multi-year Managed Security Service Provider deal



For a **multi-billion-dollar supply chain industry leader**, Happiest Minds is helping them build their new SaaS based product



For a publicly traded **global leader in Information Security company**, Happiest Minds is building an offshore center to take end-to-end ownership for new features development alongside their Engineering team



For **one of the world's largest brokers of fine and decorative art, jewelry and collectibles**, Happiest Minds was chosen to transform their Financial Services lending processes



For a **large US retailer**, Happiest Minds is managing its infrastructure services and cloud platform



For a **Fortune 100 Health insurance company**, Happiest Minds is managing their Cloud Security



For a **global supplier of mechanical and electrical drive systems**, Happiest Minds is building a digital platform to enable their exponential revenue growth and excellent customer service



For a **global supplier of mechanical and electrical drive systems**, Happiest Minds is building a digital platform to enable their exponential revenue growth and excellent customer service



AWARDS



Ranked Among **India's Top 50 Best Workplaces For Women 2021** by Great Place to Work® Institute



Asiamoney Asia's Outstanding Companies Poll 2021

- Most Outstanding Company in India under Small / Mid-Caps category
- Most Outstanding IPO in India

Operational and Financial Metrics – Q2 FY22

Results Q2 FY 22

All amounts in ₹ Lakhs unless stated otherwise

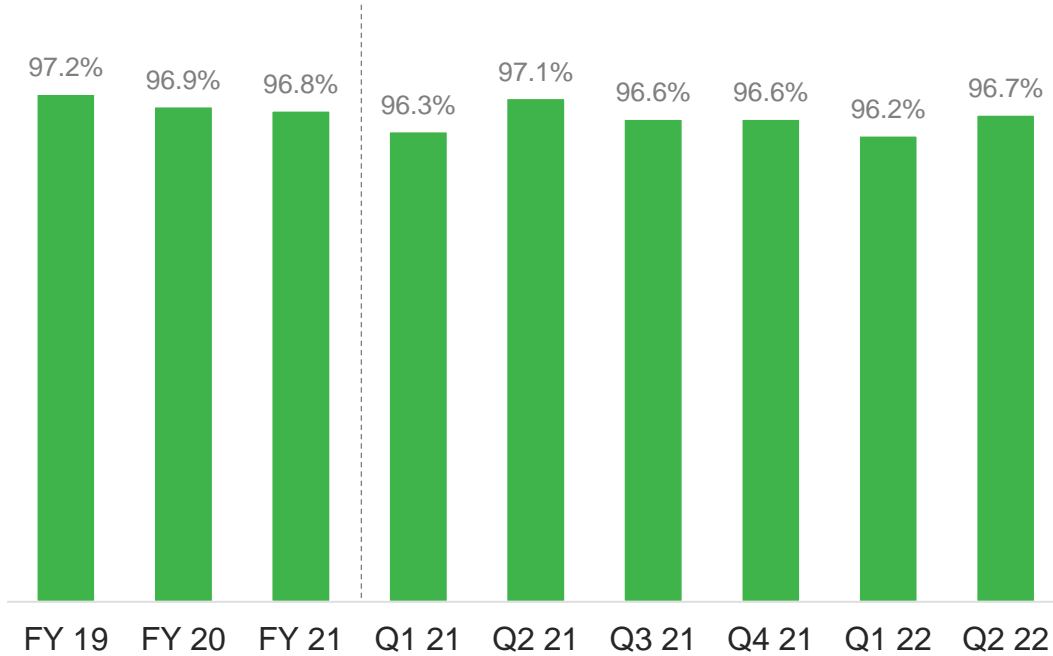
Particulars	Q2 FY 22	Q1 FY 22	QoQ	Q2 FY 21	YoY	H1 FY 22	H1 FY21	YoY
Revenues (\$'000)	35,809	33,152	8.0%	24,712	44.9%	68,961	48,156	43.2%
Revenues	26,453	24,461	8.1%	18,284	44.7%	50,914	35,986	41.5%
Other Income	959	926	3.6%	507	89.2%	1,885	1,504	25.3%
Total Income	27,412	25,387	8.0%	18,791	45.9%	52,799	37,490	40.8%
EBITDA	7,012	6,615	6.0%	4,939	42.0%	13,627	9,721	40.2%
%	25.6%	26.1%		26.3%		25.8%	25.9%	
PBT before Exceptional Item	5,935	5,728	3.6%	4,267	39.1%	11,663	8,351	39.7%
%	21.7%	22.6%		22.7%		22.1%	22.3%	
Exceptional Item*	-	(609)		-		(609)	-	
PBT	5,935	5,119	15.9%	4,267	39.1%	11,054	8,351	32.4%
%	21.7%	20.2%		22.7%		20.9%	22.3%	
Tax	1,491	1,546	(3.6)%	859	73.6%	3,037	(75)	
%	5.4%	6.1%		4.6%		5.8%		
PAT	4,444	3,573	24.4%	3,408	30.4%	8,017	8,426	(4.9)%
%	16.2%	14.1%		18.1%		15.2%	22.5%	

* Loss on Fair Valuation of Warrant Liability

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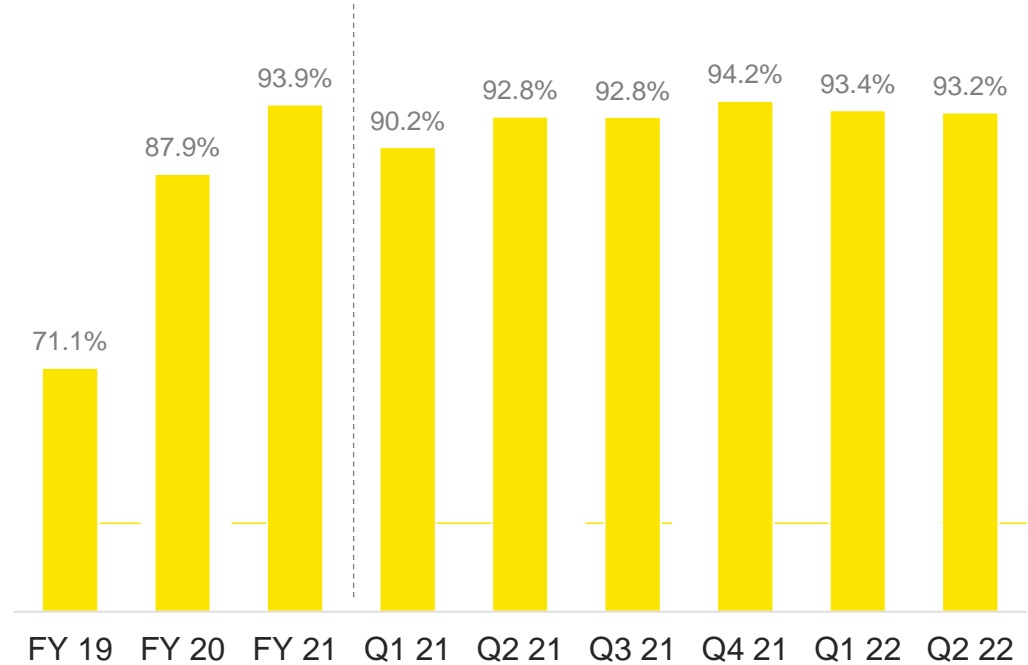
Digital

% of Revenue



Agile

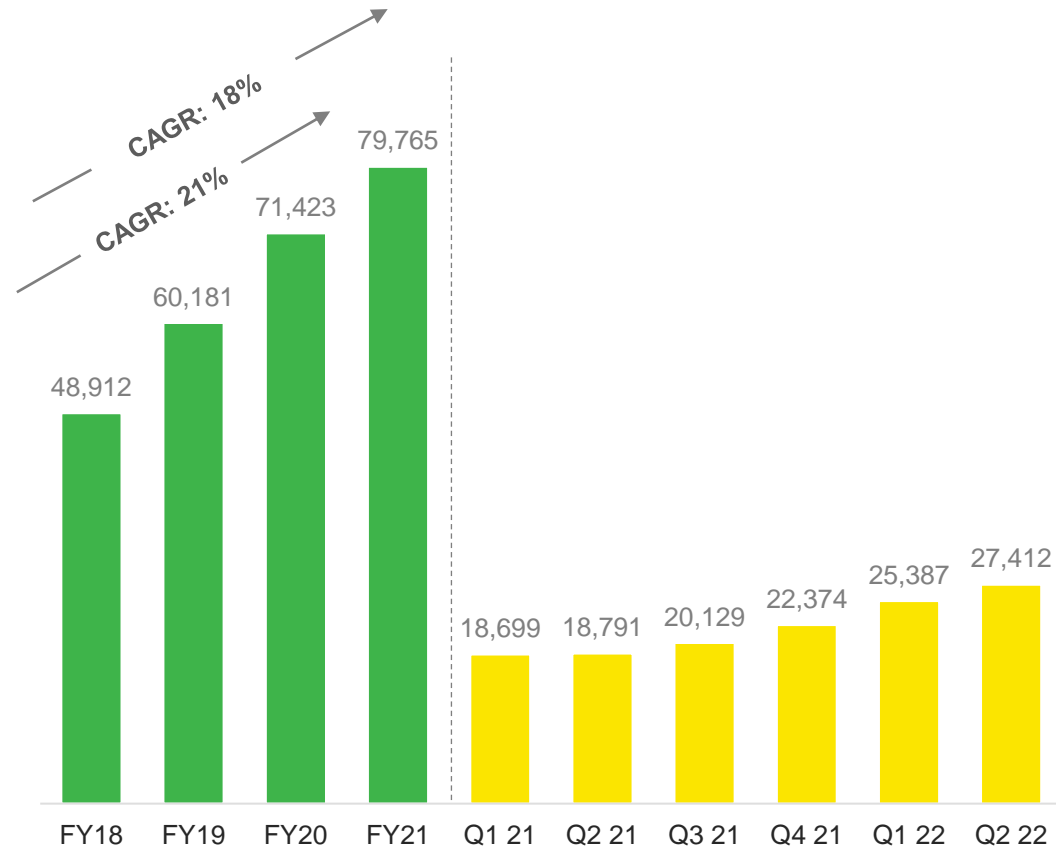
% of Revenue



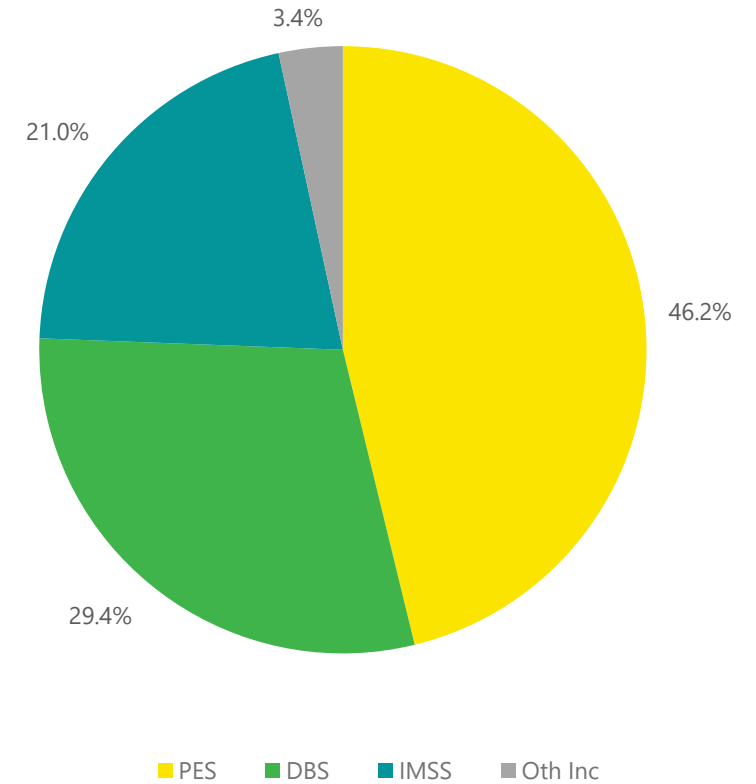
Operational & Financial Metrics

Revenue - Growth

Total Income (₹ Lakhs)

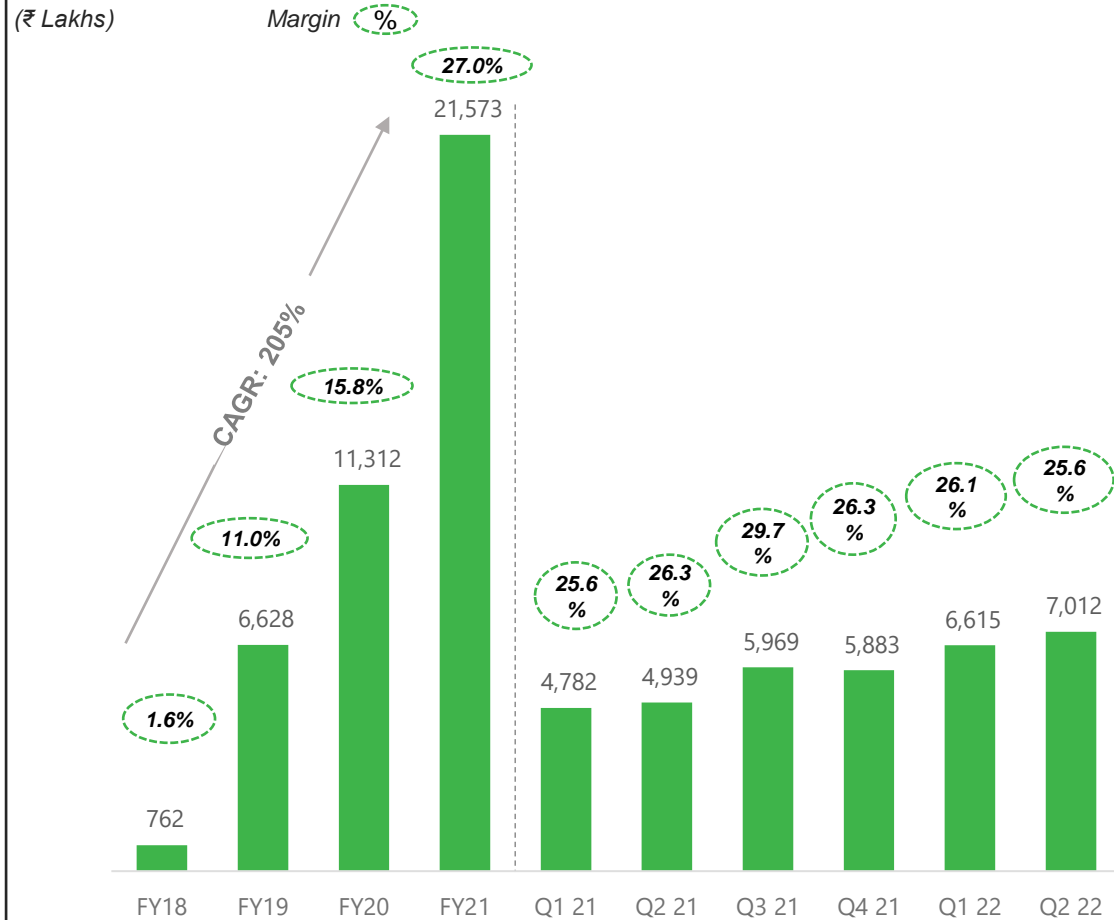


Revenue Share

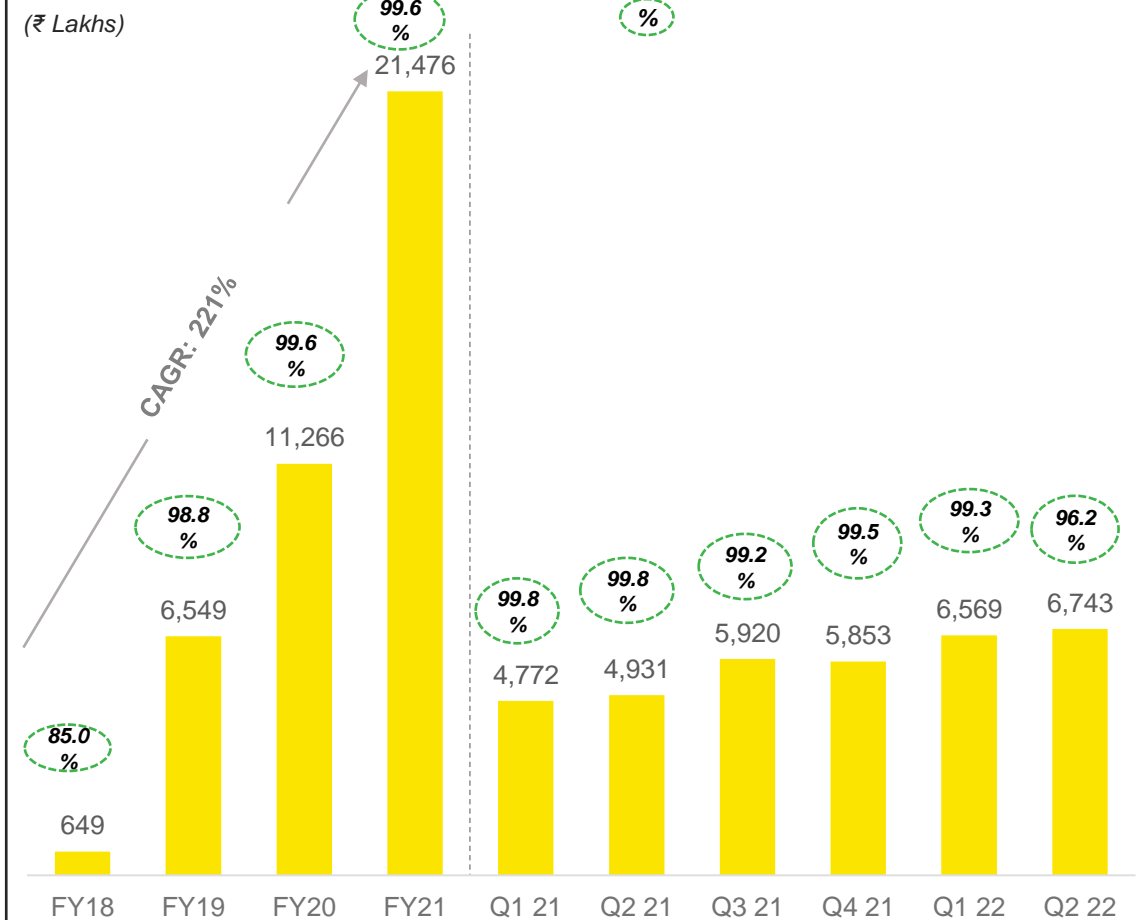


Operational & Financial Metrics (cont'd.)

EBITDA

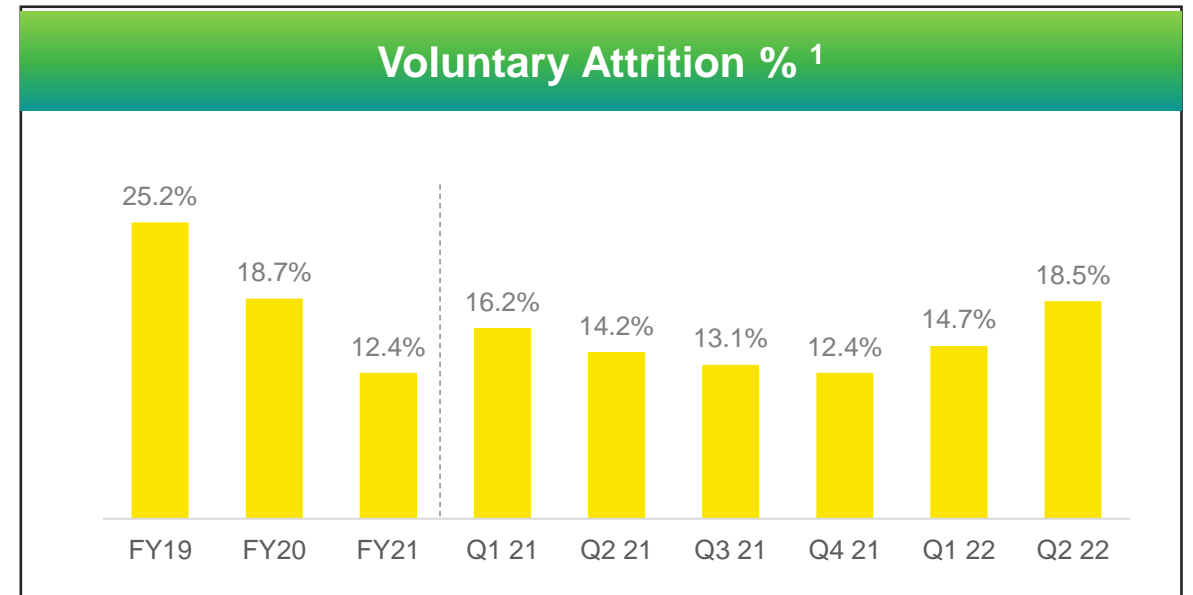
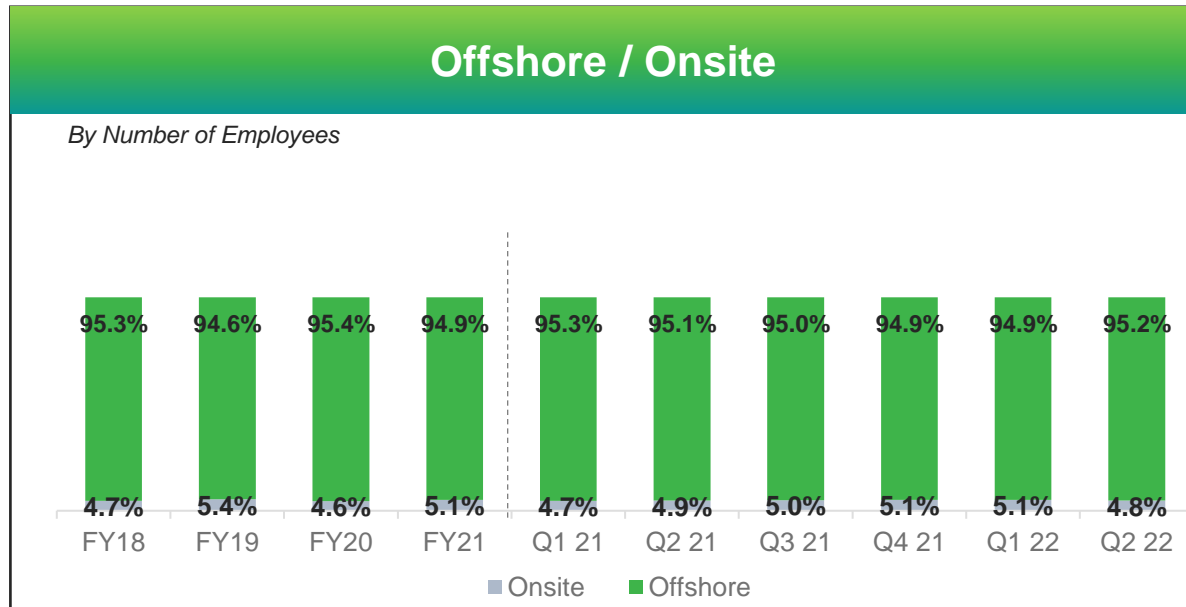
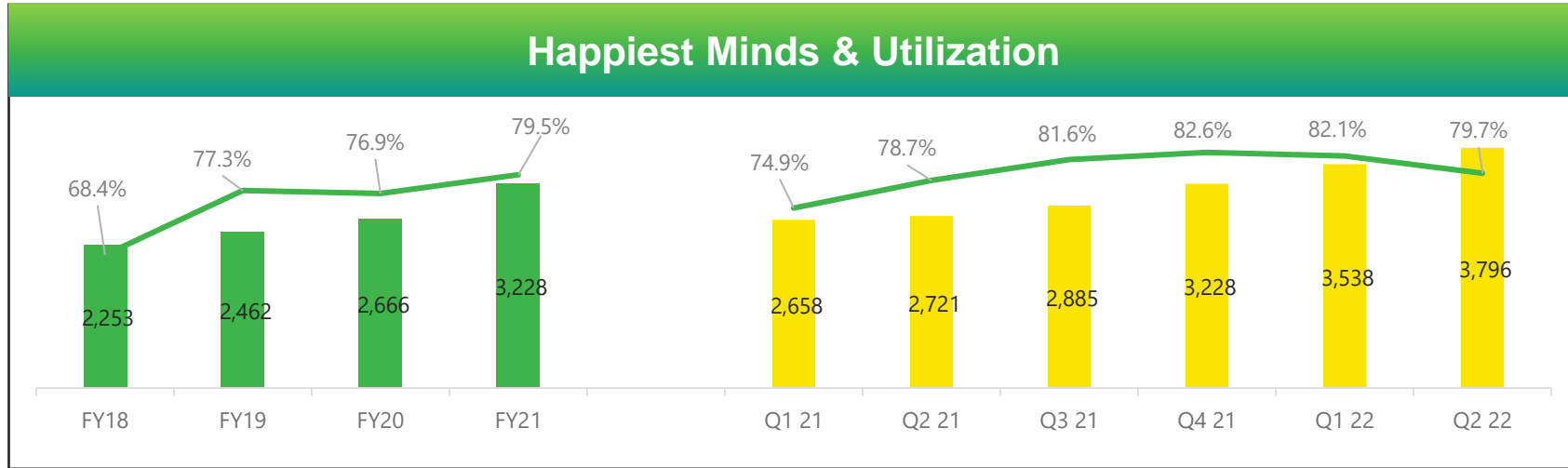


High FCF¹ conversion



Note: 1. FCF Conversion = FCF/EBITDA and FCF = EBITDA – Capex. (Non-GAAP Measure)

Operational & Financial Metrics (cont'd.)

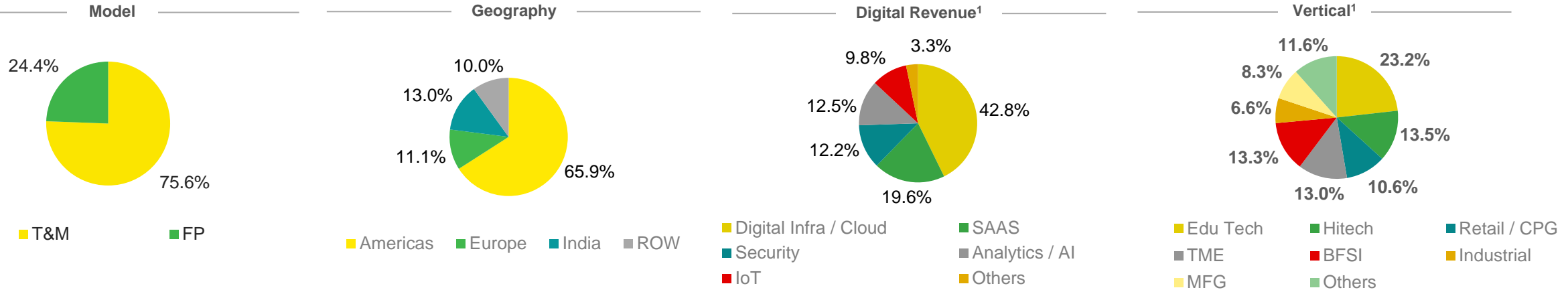


Note 1: Trailing 12 Months

Operational & Financial Metrics (cont'd.)

Revenue Model

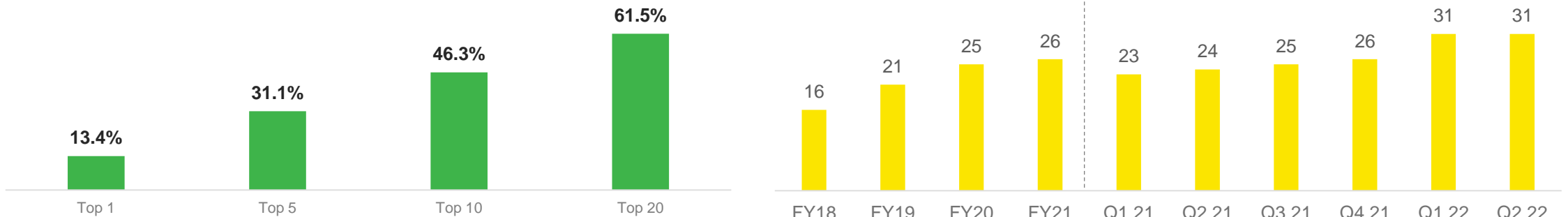
Q2 22



Revenue Concentration³ | Million \$ Customers²

(% Revenue)

(#)

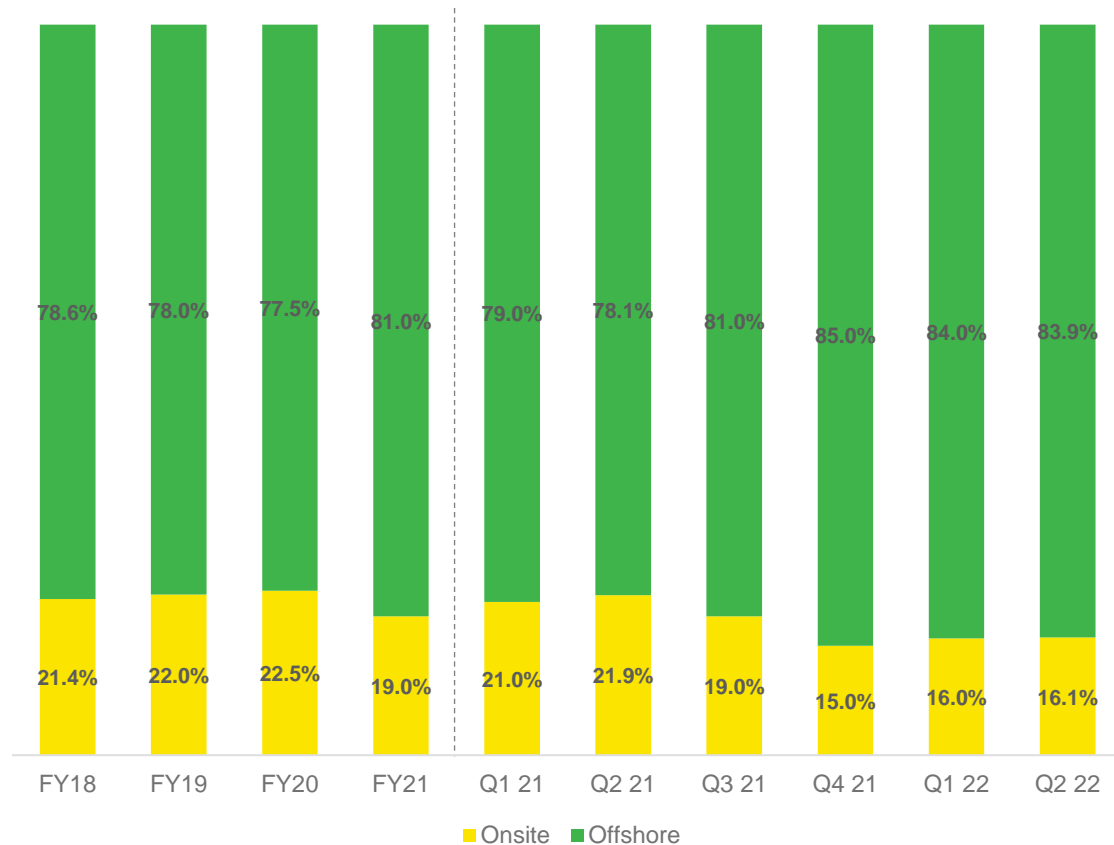


Notes: 1. TME: Travel, Media & Entertainment, 2. Based on quarterly revenues annualized. 3. Top 20 includes Top 1, 5 & 10

Operational & Financial Metrics (cont'd.)

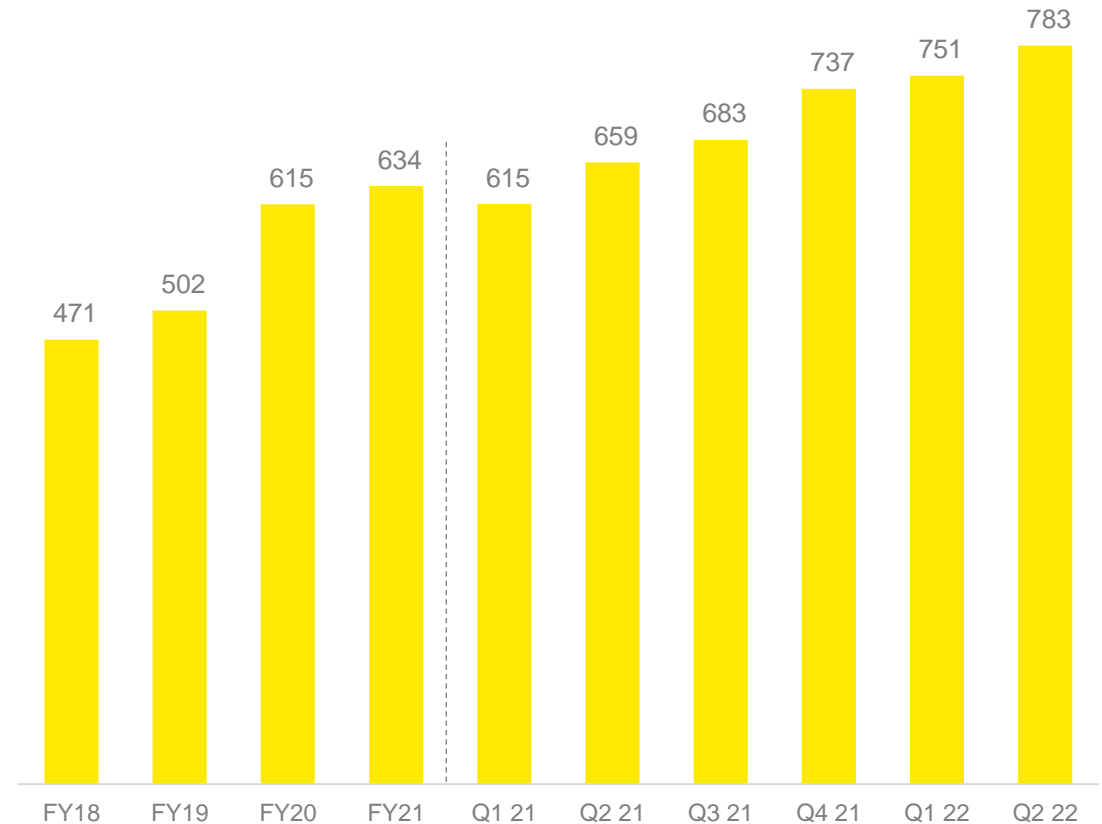
Onsite/Offshore

By Revenue



Average Annual Revenue / Active Customer

(USD '000)



Operational & Financial Metrics (cont'd.)

	FY18	FY19	FY20	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY21	FY22Q1	FY22Q2
Customer Industry group										
Edutech	18.0%	21.3%	21.3%	27.0%	27.0%	24.9%	24.1%	25.6%	23.4%	23.2%
Hitech	24.6%	21.0%	21.0%	20.5%	19.5%	20.2%	13.5%	18.2%	14.2%	13.5%
BFSI	17.9%	18.2%	17.5%	17.4%	16.3%	17.4%	14.8%	16.4%	13.4%	13.3%
Travel, Media and Entertainment (TME)	11.0%	13.8%	17.1%	12.9%	13.0%	14.4%	14.0%	13.6%	13.9%	13.0%
Retail / CPG	7.0%	6.9%	7.5%	5.7%	4.5%	2.2%	8.6%	5.4%	9.6%	10.6%
Industrial	6.2%	8.1%	7.0%	6.4%	6.9%	7.0%	7.7%	7.1%	7.1%	6.6%
Manufacturing	3.2%	3.8%	3.7%	5.7%	6.8%	6.9%	7.1%	6.6%	6.3%	8.3%
Others	12.3%	6.9%	4.9%	4.6%	6.0%	7.0%	10.2%	7.1%	12.0%	11.6%
Digital Service Offerings										
Digital infrastructure/Cloud	-	40.9%	31.2%	43.7%	41.1%	41.0%	44.2%	41.6%	42.3%	42.8%
SaaS	-	28.6%	29.4%	23.6%	24.6%	21.6%	20.9%	22.7%	20.2%	19.6%
Security Solutions	-	10.2%	14.9%	7.6%	7.4%	8.7%	9.1%	8.7%	11.0%	12.2%
Analytics/AI	-	9.1%	11.6%	12.1%	13.5%	14.4%	12.9%	13.3%	12.9%	12.5%
IoT	-	8.4%	9.8%	9.3%	10.5%	11.0%	9.5%	10.5%	9.9%	9.8%
Total	-	97.2%	96.9%	96.3%	97.1%	96.6%	96.6%	96.8%	96.2%	96.7%
Automation as a % of total revenue			20.7%	24.2%	24.3%	27.8%	24.4%	25.2%	23.9%	23.9%

Operational & Financial Metrics (cont'd.)

	FY18	FY19	FY20	FY21 Q1	FY21 Q2	FY21 Q3	FY21 Q4	FY 21	FY22 Q1	FY22 Q2
Location of external customer										
USA	73.5%	75.5%	77.5%	77.3%	77.3%	72.2%	68.4%	73.4%	67.8%	65.9%
India	11.7%	11.9%	11.9%	10.9%	10.9%	13.4%	11.7%	11.8%	12.4%	13.0%
Europe	11.4%	9.5%	7.2%	9.8%	9.2%	10.6%	11.6%	10.4%	10.4%	11.1%
ROW	3.4%	3.1%	3.4%	2.0%	2.6%	3.8%	8.4%	4.4%	9.4%	10.0%
Million \$ Customers¹										
\$ 10 M +		1	1	1	1	1	1	1	1	1
\$ 5M to \$ 10M	2	2	-	1	-	2	3	3	3	6
\$ 3M to \$ 5M	2	1	9	4	6	5	6	6	6	3
\$ 1M to \$ 3M	12	17	15	17	17	17	16	16	21	21
Total	16	21	25	23	24	25	26	26	31	31
Revenue Mix										
Onsite	21.4%	22.0%	22.5%	21.0%	21.9%	19.0%	15.0%	19.0%	16.0%	16.1%
Offshore ²	78.6%	78.0%	77.5%	79.0%	78.1%	81.0%	85.0%	81.0%	84.0%	83.9%
Revenue Model										
Fixed Price	18.4%	16.8%	19.0%	18.8%	19.3%	22.2%	26.0%	22.0%	26.0%	24.4%
Time and Material	81.6%	83.2%	81.0%	81.2%	80.7%	77.8%	74.0%	78.0%	74.0%	75.6%
Active customers										
# of active customers	173	163	157	148	152	155	173	173	180	186
Billion \$ corporation										
# of customers			37	36	39	38	46	46	53	50

Operational & Financial Metrics (cont'd.)

	FY18	FY19	FY20	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY21	FY22Q1	FY22Q2
Happiest Minds										
Onsite	105	132	123	124	133	145	166	166	180	182
Offshore	2,148	2,330	2,543	2,534	2,588	2,740	3,062	3,062	3,358	3,614
Total	2,253	2,462	2,666	2,658	2,721	2,885	3,228	3,228	3,538	3,796
Happiest Minds by delivery centres										
Onsite	4.7%	5.4%	4.6%	4.7%	4.9%	5.0%	5.1%	5.1%	5.1%	4.8%
Offshore	95.3%	94.6%	95.4%	95.3%	95.1%	95.0%	94.9%	94.9%	94.9%	95.2%
Utilization										
Utilization %	68.4%	77.3%	76.9%	74.9%	78.7%	81.6%	82.6%	79.5%	82.1%	79.7%
Diversity										
Women Happiest Minds	22.0%	23.0%	24.0%	23.4%	23.3%	24.0%	24.5%	24.5%	25.2%	26.1%
Days Sales Outstanding										
Billed	74	80	60	51	51	46	50	57	46	58
Unbilled	6	11	23	32	26	31	24	28	36	30
Total DSO	80	91	83	83	77	77	75	85	82	88
EPS ₹										
Diluted	-	-	5.36	3.72	2.42	2.94	2.48	11.45	2.45	3.06
Capital Return Ratios %										
RoCE			28.9%	50.9%	37.0%	41.9%	33.3%	31.2%	30.7%	33.8%
RoE			27.1%	62.9%	29.4%	33.2%	26.4%	29.8%	24.7%	27.5%

Operational & Financial Metrics (cont'd.)

(All figures in ₹ Lakhs)

	FY18		FY19		FY20		FY21Q1		FY21Q2		FY21Q3		FY21Q4		FY21		FY22Q1		FY22Q2	
Revenue by Business Units																				
Infrastructure Management & Security Services	9,862	20.2%	12,943	21.5%	15,361	21.5%	3,641	19.5%	3,959	21.1%	4,334	21.5%	4,487	20.1%	16,421	20.6%	5,251	20.7%	5,747	21.0%
Digital Business Services	15,403	31.5%	18,090	30.1%	19,167	26.8%	4,598	24.6%	4,710	25.1%	4,985	24.8%	6,995	31.3%	21,288	26.7%	7,570	29.8%	8,046	29.4%
Product Engineering Services	21,024	43.0%	28,003	46.5%	35,293	49.4%	9,463	50.6%	9,615	51.2%	9,965	49.5%	10,589	47.3%	39,632	49.7%	11,639	45.8%	12,661	46.2%
Total Revenue	46,289	94.6%	59,036	98.1%	69,821	97.8%	17,702	94.7%	18,284	97.3%	19,284	95.8%	22,071	98.6%	77,341	97.0%	24,460	96.4%	26,453	96.5%
Other income	2,623	5.4%	1,145	1.9%	1,602	2.2%	997	5.3%	507	2.7%	845	4.2%	303	1.4%	2,424	3.0%	926	3.6%	959	3.5%
Total income	48,912	100%	60,181	100%	71,423	100%	18,699	100%	18,791	100%	20,129	100%	22,374	100%	79,765	100%	25,387	100%	27,412	100.0%

Operational & Financial Metrics (cont'd.)

Summary Profit & Loss statement

(All figures in ₹ Lakhs)

	FY 18	FY 19	FY 20	FY 21 Q1	FY 21 Q2	FY 21 Q3	FY 21 Q4	FY 21	FY 22 Q1	FY 22 Q2
Income										
Operating revenue	46,289	59,036	69,821	17,702	18,284	19,284	22,071	77,341	24,461	26,453
Other income	2,623	1,145	1,602	997	507	845	303	2,424	926	959
Total income	48,912	60,181	71,423	18,699	18,791	20,129	22,374	79,765	25,387	27,412
Cost of revenue	32,652	36,987	42,927	9,978	10,401	11,155	12,849	44,382	14,661	15,864
Gross margin	13,637	22,049	26,894	7,724	7,884	8,129	9,222	32,959	9,800	10,589
%	29.5%	37.3%	38.5%	43.6%	43.1%	42.2%	41.8%	42.6%	40.1%	40.0%
SG&A	15,498	16,566	17,184	3,939	3,452	3,005	3,642	13,810	4,111	4,536
EBITDA	762	6,628	11,312	4,782	4,939	5,969	5,883	21,573	6,615	7,012
%	1.6%	11.0%	15.8%	25.6%	26.3%	29.7%	26.3%	27.0%	26.1%	25.6%
Depreciation	2,075	2,478	2,023	512	512	516	734	2,274	723	834
EBIT	(1,313)	4,150	9,289	4,270	4,427	5,453	5,149	19,299	5,892	6,178
%	-2.7%	6.9%	13.0%	22.8%	23.6%	27.1%	23.0%	24.2%	23.2%	22.5%
Finance cost	995	1,594	802	186	160	126	225	697	164	243
PBT before exceptional items/adjustments *	(2,308)	2,556	8,487	4,084	4,267	5,327	4,924	18,602	5,728	5,935
%	-4.7%	4.2%	11.9%	21.8%	22.7%	26.5%	22.0%	23.3%	22.6%	21.6%
Exceptional Items +	-	1,258	1,126	-	-	-	-	-	609	-
PBT *	(2,308)	1,298	7,361	4,084	4,267	5,327	4,924	18,602	5,119	5,935
%	-4.7%	2.2%	10.3%	21.8%	22.7%	26.5%	22.0%	23.3%	20.2%	21.6%
Current tax	-	-	190	851	682	1,105	889	3,527	1,595	1,512
Deferred tax	(61)	(123)	-	(1,785)	177	7	430	(1,171)	(49)	(21)
PAT *	(2,247)	1,421	7,171	5,018	3,408	4,215	3,605	16,246	3,573	4,444
%	-4.6%	2.4%	10.0%	26.8%	18.1%	20.9%	16.1%	20.4%	14.1%	16.2%

* FY18 & FY19 are restated as per IndAs, forming part of our offer documents.

+ Exceptional items for FY19 & FY20 relate to Impairment of Goodwill, for FY22 Q1 refers to Loss on Fair Valuation of Warrant Liability

Operational & Financial Metrics (cont'd.)

Condensed Balance Sheet

(All figures in ₹ Lakhs)

	31.03.2018	31.03.2019	31.03.2020	30.06.2020	30.09.2020	31.12.2020	31.03.2021	30.06.2021	30.09.2021
Assets									
Non-current Assets									
Property, plant and equipment	264	214	93	77	60	72	69	83	86
Goodwill	2,961	1,736	610	610	611	611	7,644	7,756	7,742
Financial & Other assets	7,685	6,003	5,598	6,266	5,788	5,040	10,029	18,033	11,604
Total non-current assets (A)	10,910	7,953	6,301	6,953	6,459	5,723	17,742	25,872	19,432
Current assets									
Financial & Other assets									
i. Trade receivable	9,437	12,927	11,487	9,851	10,302	9,765	12,192	12,431	16,064
ii. Cash & Cash equivalents, Investments & Other financial assets	16,928	19,610	31,967	39,196	52,387	54,286	60,928	60,476	63,790
iii. Other assets	1,424	862	1,060	1,308	1,721	1,531	1,333	1,117	2,367
Total current assets (B)	27,789	33,399	44,514	50,355	64,410	65,582	74,453	74,024	82,221
Total assets (A + B)	38,699	41,352	50,815	57,308	70,869	71,305	92,195	99,896	101,653
Equity and Liabilities									
Total equity (A)	(10,888)	(6,605)	26,531	31,901	46,380	50,836	54,599	58,125	58,498
Non-current liabilities									
Financial liabilities	5,797	3,814	1,863	1,674	1,518	1,248	7,339	10,775	9,431
Provisions & Deferred tax liability	935	940	1,255	1,508	1,513	1,662	2,378	2,325	2,334
Total non-current liabilities (B)	6,732	4,754	3,118	3,182	3,031	2,910	9,717	13,100	11,765
Current liabilities									
Financial & Contract liabilities									
i. Trade payable	2,498	2,878	3,442	3,600	6,307	3,781	4,101	4,913	6,670
ii. Others	38,866	38,591	15,947	15,907	12,402	10,931	20,340	20,090	20,711
Provisions & Other current liabilities	1,491	1,734	1,777	2,718	2,749	2,847	3,438	3,668	4,009
Total current liabilities (C)	42,855	43,203	21,166	22,225	21,458	17,559	27,879	28,671	31,390
Total liabilities (D = B + C)	49,587	47,957	24,284	25,407	24,489	20,469	37,596	41,771	43,155
Total equity and liabilities (A + D)	38,699	41,352	50,815	57,308	70,869	71,305	92,195	99,896	101,653

PRESS RELEASE

Happiest Minds reports yet another quarter of stellar performance.

US\$ denominated QoQ & YoY revenue growth of 8.0% & 44.9%.

Revenues at ₹ 274 Crores and Profit Before Tax at ₹ 59 Crores.

Declares Interim Dividend of ₹ 1.75 per equity share.

Bengaluru, India, San Jose, California and London, October 27, 2021: Happiest Minds Technologies Limited (NSE:HAPPSTMNDS), a 'Born Digital. Born Agile', digital transformation and IT solutions company, today announced its consolidated results today for the second quarter ended September 30, 2021 as approved by its Board of Directors.

All amounts in ₹ Lakhs unless stated otherwise

Particulars	Q2 FY 22	Q1 FY 22	QoQ	Q2 FY 21	YoY	H1 FY 22	H1 FY21	YoY
Revenues (\$'000)	35,809	33,152	8.0%	24,712	44.9%	68,961	48,156	43.2%
Revenues	26,453	24,461	8.1%	18,284	44.7%	50,914	35,986	41.5%
Other Income	959	926	3.6%	507	89.2%	1,885	1,504	25.3%
Total Income	27,412	25,387	8.0%	18,791	45.9%	52,799	37,490	40.8%
EBITDA	7,012	6,615	6.0%	4,939	42.0%	13,627	9,721	40.2%
%	25.6%	26.1%		26.3%		25.8%	25.9%	
PBT before Exceptional Item	5,935	5,728	3.6%	4,267	39.1%	11,663	8,351	39.7%
%	21.7%	22.6%		22.7%		22.1%	22.3%	
Exceptional Item*	-	(609)		-		(609)	-	
PBT	5,935	5,119	15.9%	4,267	39.1%	11,054	8,351	32.4%
%	21.7%	20.2%		22.7%		20.9%	22.3%	
Tax	1,491	1,546	(3.6)%	859	73.6%	3,037	(75)	
%	5.4%	6.1%		4.6%		5.8%		
PAT	4,444	3,573	24.4%	3,408	30.4%	8,017	8,426	(4.9)%
%	16.2%	14.1%		18.1%		15.2%	22.5%	

* Loss on Fair Valuation of Warrant Liability

Joseph Anantharaju, Executive Vice Chairman, Happiest Minds Technologies said, "We continue our growth momentum with, yet another quarter of stellar growth, driven by a strong demand environment. Given our strong brand recall as a 'Born Digital . Born Agile' company and razor-sharp focus on delivering high quality outcomes, we are able to win new logos and increase our wallet share across our existing customers"

Venkatraman N, MD & CFO, Happiest Minds Technologies talking on the financials said, “we have closed yet another good quarter with all-round performance. I am happy to state that during the first half of the year we added on a net basis, 568 happiest minds. We continue to show healthy cash flows and have improved on our capital return ratios prompting us to declare an interim dividend of ₹ 1.75 per equity share”

Financial highlights for

Quarter ended September 30, 2021

- Operating Revenues in US\$ terms stood at \$35.8 million (growth of 8.0% q-o-q; 44.9% y-o-y)
- Total Income of ₹ 27,412 lakhs (growth of 8.0% q-o-q; 45.9% y-o-y)
- EBITDA of ₹ 7,012 lakhs, 25.6% of Total Income (growth of 6.0 % q-o-q; 42.0% y-o-y)
- PAT of ₹ 4,444 lakhs (growth of 24.4 % q-o-q; 30.4% y-o-y)
- Free cash flows of ₹ 6,743 lakhs
- EPS (diluted) for the quarter of ₹ 3.06 (growth of 24.9% q-o-q; 26.4% y-o-y)

Half Year ended September 30, 2021

- Operating Revenues in US\$ terms stood at \$68.9 million (growth of 43.2% y-o-y)
- Total Income of ₹ 52,799 lakhs (growth 40.8% y-o-y)
- EBITDA of ₹ 13,627 lakhs, 25.8% of Total Income (growth of 40.2% y-o-y)
- PAT of ₹ 8,017 lakhs (decline of 4.9% y-o-y)
- Free cash flows of ₹ 13,312 lakhs
- EPS (diluted) for half year ₹ 5.54 (decline of 8.3% y-o-y)
- RoCE & RoE (half year annualized) of 33.8% and 27.5% respectively

Our Business:

Rajiv Shah, Member of the Executive Board, Happiest Minds Technologies said, “Enterprises continue to go full throttle in their digital journeys. Be it to enhance their end-user experience, driving operating efficiencies or recalibrating their business model through their cloud first initiatives. We are fully geared to capture opportunities in this space with our offerings that traverse the length and breadth of our customer’s digital journey”

Clients:

- 186 as of September 30, 2021
- 8 additions in the quarter

Our People - Happiest Minds:

- 3,796 Happiest Minds as of September 30, 2021 (net addition for the quarter **258**, half year **568**)
- Trailing 12 months attrition of 18.5%
- Utilization of 79.7%, from 82.1% in last quarter

Key Project Wins:

- For a multi-billion-dollar supply chain industry leader, Happiest Minds is helping them build their new SaaS based product
- For a publicly traded global leader in Information Security company, Happiest Minds is building an offshore center to take end-to-end ownership for new features development alongside their Engineering team
- For one of the world's largest brokers of fine and decorative art, jewelry and collectibles, Happiest Minds was chosen to transform their Financial Services lending processes
- With a Fortune 100 Healthcare provider, Happiest Minds has signed a large multi-year Managed Security Service Provider deal
- For one of the world's largest global facilities management companies, Happiest Minds was awarded the contract for building digital platforms to enable digital engagement
- For a large US retailer, Happiest Minds is managing its infrastructure services and cloud platform.
- For a Fortune 100 Health insurance company, Happiest Minds is managing their Cloud Security
- For a global supplier of mechanical and electrical drive systems, Happiest Minds is building a digital platform to enable their exponential revenue growth and excellent customer service

Awards:

- Happiest Minds Is ranked among India's Top 50 Best Workplaces for Women 2021 by Great Place to Work® Institute for the third consecutive year
- Happiest Minds wins two awards at Asiamoney Asia's Outstanding Companies Poll 2021
 - Most Outstanding Company in India under Small / Mid-Caps category
 - Most Outstanding IPO in India

Announcements:

- The Board of Directors of the Company at their meeting held on October 27, 2021 has declared an interim dividend of ₹ 1.75 per equity share of face value ₹ 2/- for the financial year 2021-22. Record date for the purpose of interim dividend has been fixed on November 10, 2021 and the dividend will be paid on and after November 18, 2021

For further details please refer to the Investors presentation hosted on the company website – [Investors section](#)

About Happiest Minds Technologies:

[Happiest Minds Technologies Limited](#) (NSE: HAPPSTMNDS), a Mindful IT Company, enables [digital transformation](#) for enterprises and technology providers by delivering seamless customer experiences, business efficiency and actionable insights. We do this by leveraging a spectrum of disruptive technologies such as: [artificial intelligence](#), [blockchain](#), [cloud](#), [digital process automation](#), [internet of things](#), robotics/drones, [security](#), [virtual/augmented reality](#), etc. Positioned as 'Born Digital . Born Agile', our capabilities span digital solutions, infrastructure, product engineering and security. We deliver these services across industry sectors such as automotive, BFSI, consumer packaged goods, e-commerce, EduTech, engineering R&D, healthcare, hi-tech, manufacturing, retail and travel/transportation/hospitality.

A Great Place to Work-Certified™ company, Happiest Minds is headquartered in Bangalore, India with operations in the U.S., UK, Canada, Australia and Middle East.

Safe harbor

This release may contain certain forward-looking statements, which involves risks and uncertainties that could cause our future results to differ materially from those in such forward-looking statements. The COVID-19 pandemic could decrease our customers' technology spend, delaying prospective customers' purchasing decisions, and impact our ability to provide services; all of which could adversely affect our future revenue, margin, and overall financial performance. Our operations could also be negatively impacted by a range of external factors not within our control including those due to the pandemic. We do not undertake to update any of our forward-looking statements that may be made from time to time by us or on our behalf.

For more information, contact:

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