

November 10, 2023

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

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

Dear Sir/Madam,

Sub: Report of the Monitoring Agency

Pursuant to Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Regulation 173A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed herewith Monitoring Agency Report dated November 10, 2023 in respect of utilization of proceeds of QIP for the quarter ended September 30, 2023, issued by M/s. CARE Ratings Limited, Monitoring Agency.

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



No. CARE/HO/GEN/2023-24/1010

Shri Sriranganarayana Krishnamacharya
Vice President (Finance)
Happiest Minds Technologies Limited
No 53/1-4, Hosur Main Road, Madivala, Next to Madivala Police Stn,
Bengaluru
Karnataka 560068

November 10, 2023.

Dear Sir,

Monitoring Agency Report for the quarter ended September 30, 2023 - in relation to the Qualified Institutional Placement (QIP) of equity shares of Happiest Minds Technologies Limited ("the Company")

We write in our capacity of Monitoring Agency for the) for the fresh issue of 54,11,255 equity shares for the amount aggregating to Rs.500.00 crore of the Company and refer to our duties cast under 82 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended September 30,2023 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated August 04, 2023.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,



Hitesh Avachat

Associate Director

Hitesh.avachat@careedge.in

Report of the Monitoring Agency

Name of the issuer: Happiest Minds Technologies Limited.

For quarter ended: September 30, 2023.

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Hitesh Avachat

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

Name of the issuer : Happiest Minds Technologies Limited
 Name of the promoter : Mr Ashok Soota
 Industry/sector to which it belongs : Information Technology.

2) Issue Details

Issue Period : July 11, 2023 to July 14, 2023.
 Type of issue : Qualified Institutional Placement
 Type of specified securities : Equity shares
 IPO Grading, if any : Not applicable
 Issue size (in Rs. crore) : Rs.500.00 crore of fresh issue (Note 1)

Note 1:

Particulars	Remarks
Total shares issued and subscribed as part of Fresh issue (@ Rs 924 per share)	54,11,255
Total proceeds received from fresh issue (in Rs. crore)	500.00
Details of expenses incurred related to fresh issue (in Rs. crore)	14.00
Net proceeds available for utilisation (in Rs crore)	486.00

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3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Information/Documents needed	Yes/No	Provide source of information/ certifications substantiating the utilisation	Comment by Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document? If yes, then please share	Yes	Chartered Accountant Certificate * Bank statement	Nil	Yes
Whether shareholder approval has been obtained in case of material deviations* from expenditures disclosed in the Offer Document? If yes, then please share	NA	NA	NA	NA
Whether the means of finance for the disclosed objects of the issue has changed? If yes, then please share	No	NA	NA	No
Is there any major deviation observed over the earlier monitoring agency reports? If yes, then please share	First report	NA	NA	First Report
Whether all Government/statutory approvals related to the object(s) have been obtained? If yes, then please share	NA	NA	NA	NA
Whether all arrangements pertaining to technical assistance/collaboration are in operation? If yes, then please share	NA	NA	NA	NA
Are there any favourable/unfavourable events improving the viability of these object(s)? If yes, then please share	No	NA	NA	No
Is there any other relevant information that may materially affect the decision making of the investors? If yes, then please share	No	NA	NA	No

*Chartered Accountant Certificate from Adithya & Vishwas dated November 08, 2023

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised.
- b) Deviation in the amount of funds utilized by more than 10% of the amount projected in the offer documents.



4) Details of objects to be monitored:

i Cost of objects –

Sr. No	Item Head	Provide source of information/certifications substantiating the utilisation	Original cost (as per the Offer Document) Rs. Cr	Revised Cost Rs Cr	Comments of Monitoring Agency	Comments of the Board of Directors		
						Reasons for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Investment in Subsidiaries	Placement document/Bank statements	25.00	25.00	Nil	Nil	Nil	Nil
2	Working Capital requirement	Placement document/Bank statements	300.00	300.00	Nil	Nil	Nil	Nil
3	Inorganic Growth	Placement document/Bank statements	50.00	50.00	Nil	Nil	Nil	Nil
4	General Corporate Purpose	Placement document/Bank statements	111.00	111.00	Nil	Nil	Nil	Nil
Total			486.00	486.00				

* Chartered Accountant certificate from M/s Adithya & Vishwas dated November 08, 2023.

ii. Progress in the objects –

Sr. No	Item Head	Provide source of information/certifications substantiating the utilisation	Amount as proposed in the Offer Document	Amount utilized in Rs. Crore			Comments of the monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter		Reasons for idle funds	Proposed course of action
1	Investment in Subsidiaries	Placement document/Bank statements	25.00	-	-	-	-	Nil	Nil
2	Working Capital requirement	Placement document/Bank statements	300.00	-	172.67	172.67	Refer Note 2	Nil	Nil
3	Inorganic Growth	Placement document/Bank statements	50.00	-	-	-	-	Nil	Nil
4	General Corporate Purpose	Placement document/Bank statements	111.00	-	58.33	58.33	Refer Note 2	Nil	Nil
Total			486		231.00	231.00			

* Chartered Accountant certificate from M/s Adithya & Vishwas dated November 08, 2023.

Note 2

On July 17, 2023, amount of Rs 486.00 crore is transferred from the ESCROW account to the Axis bank QIP monitoring account. On July 18, 2023, Rs 361.00 crore is transferred from the QIP monitoring account to working capital account of the company. In addition, the company has also created two fixed deposits worth Rs 70.00 crore and Rs 53.00 crore with Axis Bank.



CARE Ratings Limited

 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
 Phone: +91-22-6754 3456 • Email: care@careedge.in • www.careedge.in

CIN-L67190MH1993PLC071691

Out of the amount transferred to Overdraft account, the company has created five fixed deposits totalling to Rs 321.00 crore with different expiry buckets and the remaining Rs 40.00 crore is utilized for payment of overdraft account. The working capital account was used for payment of employee salaries and other working capital requirements of the company and at the time of maturity the FD was utilised to pay the outstanding amount in working capital account.

(iii) Deployment of unutilised IPO proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter*
1	Fixed deposit with SBI	32.00	28/11/23	0.45	6.85%	NA
	Fixed deposit with SBI	100.00	28/12/23	1.45	7.05%	NA
	Fixed deposit with Axis	70.00	30/10/23	0.99	6.80%	NA
	Fixed deposit with Axis	53.00	28/11/23	0.77	7.05%	NA
Total		255.00				

* Where the market value is not feasible, provide NAV/NRV/Book Value of the same

The unutilized funds are currently places in fixed deposits with various banking partners of the company.

(iv) Delay in implementation of the object(s)

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual*		Reason of delay	Proposed course of action
Working Capital requirement	FY 2025	On schedule	NA	Nil	Nil
Inorganic Growth	FY 2024	On schedule	NA	Nil	Nil
General Corporate Purpose	FY 2025	On schedule	NA	Nil	Nil

*In case of continuing object(s), please specify latest/revised estimate of the completion date.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head	Amount	Provide source of information/certifications substantiating the utilisation	Comments by Monitoring Agency	Comments by Board of Directors
1	General Corporate Purpose	58.33	Bank statement	Nil	No Comments.
Total		58.33			

* Chartered Accountant certificate from M/s Adithya & Vishwas dated November 08, 2023.

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