

Board's Report

Dear Members,

Your Directors take pleasure in presenting the Eleventh 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, 2022.

Highlights of Financial Performance

Amount in ₹ Lacs

Description	Standalone		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenue from Operations	103,354	76,096	109,365	77,341
Other Income	3,771	2,342	3,710	2,424
Total Income	107,125	78,438	113,075	79,765
Employee benefits expense	61,210	45,012	62,000	45,238
Depreciation and amortization	2,423	2,063	3,288	2,274
Finance cost	830	645	995	649
Other expenses	17,577	12,116	21,598	13,002
Total expenses	82,040	59,836	87,881	61,163
Profit / (Loss) before Exceptional Items and Tax	25,085	18,602	25,194	18,602
Exceptional (Income) / Expense	-	-	609	-
Profit / (Loss) before Tax	25,085	18,602	24,585	18,602
Tax expense	6,437	2,409	6,465	2,356
Profit / (Loss) after Tax	18,648	16,193	18,120	16,246
Earnings per share (Basic)	13.21	11.71	12.84	11.75
Earnings per share (Diluted)	12.91	11.41	12.55	11.45
Attributable to:				
Shareholders of the Company	18,648	16,193	18,120	16,246
Opening balance of retained earnings	10,637	(5,457)	10,550	(5,597)
Dividend on equity shares	(6,830)	-	(6,830)	-
Other comprehensive income recognised directly in retained earnings	(73)	(108)	(73)	(108)
Transferred from share option outstanding reserve for options forfeited	6	9	6	9
Closing balance of retained earnings	22,388	10,637	21,773	10,550

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 including the impact of the COVID 19 pandemic had on your Company's business is detailed 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 ₹ 1.75/- per equity share in the Board meeting held on 27th October 2021 and are pleased to recommend a final dividend of ₹ 2/- per equity share for the financial year ended

March 31, 2022 i.e., the total dividend for the current financial year under review being ₹ 3.75/- per equity share (previous financial year - ₹ 3/- 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 ₹ 5507.38 Lacs.

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, 2022 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

Your Company has an active investment committee represented by two executive members of the Board who continuously evaluate M&A opportunities that can complement or augment capabilities in strategic focus areas, and also help the Company increase its geographic outreach in the chosen markets. Emphasis is given to capabilities that can help the Company further its digital vision for its customers. Your Company is selective about the type of opportunities that are pursued and innovative in modes of engagement with them.

During the year under review, your Company made a strategic investment into Tech4TH, a consulting led technology services company that exclusively focuses on the travel and hospitality segment. Tech4TH's vision is to empower travel and hospitality (T&H) enterprises with next generation of products, services, and drive superior customer experiences. The investment aligns with your Company's ten-year vision to be a thought leader in its focus areas of technology and solutions.

Subsidiary Company

As of March 31, 2022, your Company had one wholly-owned subsidiary company viz., Happiest Minds Inc., USA (formerly PGS Inc.). The statement under Section 129(3) of the Companies Act, 2013 in respect of the subsidiary 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 subsidiary 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

We are happy to inform that your Company and its executives have received the following recognitions during the year:

- Happiest Minds is ranked among India's Top 15 Best Workplaces in Health and Wellness 2021 by Great Place to Work® Institute. Happiest Minds also received a special recognition for supporting employees and their families during COVID-19 crisis.
- 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 is recognized as a GOLD partner of the Intel Network Builders Winners' Circle.
- Ashok Soota, Executive Chairman is among India's 100 Great People Managers 2021 by Great Manager Institute®.
- Priya Kanduri, Vice President & CTO - IMSS received the Women in Tech award at the 19th Edition of Asia Pacific HRM Congress & Awards.
- Preeti Menon, Senior Vice President & Global Delivery Head – PES is recognized among the Top 20 Female Cloud Leaders in 2021 by The Sociable.
- Kiran Veigas, General Manager – Corporate Marketing & Communications was awarded DMA Trailblazer Rising Star CMO 2021 award at the BrandMaster Award Nite.
- Happiest Minds' Digital Content Monetization (DCM) solution was featured in the NASSCOM Cloud Case study Compendium.
- Happiest Minds is featured in NASSCOM's report on India Cybersecurity Industry Services & Product Growth Story.
- Happiest Minds is recognized in Zinnov Zones as a Leader for Enterprise Software; Leader for ER&D (Small & Medium Service Providers) and Niche-Established for AI Engineering o Niche-Established for IoT Services.
- Happiest Minds is recognized as a 'Major Contender' in Everest Group PEAK Matrix for Digital Engineering.

Share Capital

During the year under review, your Company did not issue any shares. The paid-up equity share capital as on March 31, 2022 was ₹ 293,727,112/- consisting of 146,863,556 equity shares of ₹ 2/- each.

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, 2022, the Board of Directors of your Company comprised of six Directors, viz., three Executive Directors and three Independent Directors including two women 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. Ashok Soota (DIN 00145962) retires by rotation at the ensuing 11th AGM and being eligible, offers himself for re-appointment.

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

Ms. Anita Ramachandran (DIN 00118188), Mr. Rajendra Kumar Srivastava (DIN 07500741) and Ms. Shubha Rao Mayya (DIN No. 08193276) are the Independent Directors on the Board. 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 have 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

During the year under review, 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 Chairman.

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 2022-23 are as below:

1. To expand the Board/Committees with the induction of one Independent Director and one Executive Director.
2. To send a report to Board on material aspects as and when they occur.
3. To review Sustainability risk (ESG) and Strategic risk (Acquisitions).
4. To organize professional development programs for the Directors.

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 on Corporate Governance section forming part of the Annual Report.

Board Meetings

The Board of Directors of the Company met five times during the year under review. The details of these Board Meetings are provided in the Report on 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 8,25,563 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 Benefits) Regulations, 2014, 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 Benefits) Regulations, 2014, the applicable disclosures as on March 31, 2022 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.

Fixed Deposits

Your Company has not accepted any fixed 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 and 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.

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 transaction 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 7th July 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, 2022. 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, 2022 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 this Report.

Sustainability and Corporate Social Responsibility (CSR)

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 (EBE) Team 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, it 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 Customer Artifacts, Digital Assets (Code, database etc.,) or IP
- b. Privacy breach, sharing of sensitive data without requisite approvals
- c. Phishing, Malware and Ransomware attacks

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

Building a culture of innovation, collaboration, and being mindful of our members' needs are the key objectives of people practice. Induced by COVID-led disruptions, we saw the rapid adoption of digital technologies across industries leading to increased demand for tech talent. This led to a fiercely competitive global talent market, especially for experienced software engineers. Our work culture and people practices continued to be our key differentiators helping us attract and retain people in the highly challenging talent landscape. We continued to have an industry-leading Glassdoor rating of 4.4, a reflection of the perception of our members and alumni. In this competitive market, we added 950 members this financial year, leading to a headcount increase of 29% over last year. We continued to operate virtually for FY 2021-22, in order to protect our people from the different waves of coronavirus that emerged.

Open communication and a sense of belongingness were critical to creating a productive and conducive workplace. The People Practice team conducted multiple connect & team bonding programs, including the virtual town hall, leadership connects, benefits communication series, awareness programs and team building events.

Under the Care program, your Company launched many initiatives to support Happiest Minds and their families, including tele-doctor consultation, Mithra – for counselling support, COVID Leaves, leave donation program, ergonomics consultation, financial wellness, and multiple webinars on emotional, physical and mental wellbeing. To support the families of Happiest Minds who lost their lives in the past two years, your Company launched one of the unique benefits under the Compassionate & Caring Contribution Scheme, where the Company supported the grieving family in many ways, including support for the child's education, employment for the spouse, continuity of salary, an extension of medical insurance, etc.

Under the Agile program, your Company has diversified its hiring and has expanded its efforts into newer areas. We have undertaken our most extensive campus hiring plan, expanded hiring from newer locations, explored building campuses in new cities, increased women hiring, etc. Your Company has invested immensely in upskilling and cross-skilling initiatives. We are also building a comprehensive leadership succession development plan. People Practice has a representative present in each significant geography to support Happiest Minds. We conducted regular surveys and dipstick to take our members' input and create a detailed action plan based on survey outcomes.

Further, during the year under review, your Company received multiple industry accolades, including Rank 21 – Best Companies to Work for in India, Rank 63 - Best Companies to work for in Asia, all of these by the Great Place to Work(R) Institute. Top 15 India's Best Workplaces in Health and Wellness 2021 & Top 10 for supporting the team & their families during COVID-19. Furthermore, two women leaders received industry recognition, Priya Kanduri got the Women in Tech Award by Asia Pacific HRM Congress & Preeti Menon, was recognised as the Top 20 Female Cloud Leaders in The Sociable. In addition, your Company received a few more people and culture awards, which speak volumes about the people's practices of your Company.

Your Company continually strives to provide people with competitive and innovative compensation packages. We have recently restructured our compensation stack to offer a higher fixed payout and upside potential on the Company and individual performance. In addition, we work with leading industry partners and consultants to benchmark our compensation and benefits programs with the best organizations in the industry. Our compensation packages include a combination of fixed salary, variable pay, stock options, health insurance, and unique benefits like leave donation, flexi work, etc.

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”.

2. QMS Framework

Our strategy for continual quality improvement journey is derived on 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 towards digitization of internal processes. In addition, your Company is certified to Information Security standards like ISO 27001:2013, which guides our policies and procedures for protecting information security, our own software enablers and as well customers’ software enablers.

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 consistent/improving on the scores, year on 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. 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 line with our digital focus towards process 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. There are regular updates done to the system. Our projects that are adopting Agile methodologies are using JIRA Plan, Track and manage the projects to decrease the turnaround of the shippable products to our customers. The usage of JIRA in extensive to Plan epics, Plan sprints, manage sprints and to manage releases. We also have built Business Intelligence (BI) reports and Metrics Dashboard’s which help’s in taking proactive actions.

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 help us to deliver high quality outputs to our customers.

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 early feel on the products/solutions that they would be using and also help reducing the time for production release.

7. DevOps and automation

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 leverage 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 a better quality products.

8. Information Transparency

The accessibility, accuracy, and availability of quality, unfiltered data which is 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.

9. Continuous Learning

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

10. Delivery Methodologies

Our suite of delivery methodologies in the below mentioned areas demonstrates our thought leadership and execution capabilities viz., Agile methodologies, Service delivery lifecycle, Application Support and Maintenance life cycle, Embedded system software, Waterfall model for Software development and Hardware development life cycle. These methodologies along with our best practices help in providing value added services to our customers.

11. Involve to Evolve

We drive the continual improvement programs by actively engaging the team members across the organization. Focused groups will be formed to make the resources part of the continual improvement journey to bring in Agile community of practice, technical experts from Practice, estimation work group and 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, increase in productivity, adherence to schedules and budget, and significant added value, culminating in customer delight.

12. 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.

13. Customer Connect

Your Company has customer experience framework to understand the behaviors, 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.

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

Internal Control System

Your Company has deployed adequate Internal Control Systems in place to ensure a 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 Company's assets. The ERP system which the Company had 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 (earlier Section 217(1)(e) of the Companies Act, 1956), read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

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 Mn per financial year or ₹0.85 Mn per month, as the case may be, are set out in the 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 2021-22 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) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

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.

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

Your Company is committed to promote a safe and professional work environment, that fosters teamwork, diversity and trust across. Your Company has a gender neutral Anti-Sexual Harassment Policy at workplace which is also in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the applicable rules. Internal Committee has been set up to redress complaints received regarding sexual harassment. We have also appointed a lawyer as an external Internal Committee member, who specializes in Prevention of Sexual Harassment ("POSH") and Protection of Children against Sexual Offences Acts.

All employees regardless of position or contractual status, i.e., permanent, short-term contract, visitors and casual employees are covered under this Policy. The POSH awareness program is mandated to all Happiest Minds and every member going through the training will be provided with completion certificate. During the year under review, most of our employees were working remotely, communications and awareness mailers were sent on the applicability of the POSH during remote working times along with do's and don'ts under POSH.

During the year under review, there were no complaint with allegation of sexual harassment filed with Internal Committee.

Events Subsequent to the date of Financial Statements

As on the date of this Report, your Directors are not aware of any circumstances not otherwise dealt with in this Report or in the financial statements of your Company, which would render any amount stated in the Accounts of the Company misleading.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report, which would affect substantially the results, or the operations of your Company for the financial year in respect of which this report is made.

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
Bengaluru
Dated: May 30, 2022

Ashok Soota
Executive Chairman
DIN: 00145962

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
2	The date since when subsidiary was acquired	January 1, 2021
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2021 till March 31, 2022
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 - 75.7875
Financial Details as on March 31, 2022		Amount in ₹ Lacs
5	Share capital	76
6	Reserves and surplus	(3,328)
7	Total assets	4,827
8	Total Liabilities	8,080
9	Investments	762
10	Turnover	9,645
11	Profit before taxation	385
12	Provision for taxation	244
13	Profit after taxation	141
14	Proposed Dividend	-
15	Extent of shareholding (in percentage)	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, 2022

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: May 30, 2022

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, 2022 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	10%*	10.03
Mr. Venkatraman Narayanan	Managing Director & CFO	9%*	10.44
Mr. Joseph Vinod Anantharaju	Executive Vice Chairman	5%*	27.96
Mr. Rajendra Kumar Srivastava	Independent Director	NA	2.56
Mrs. Shubha Rao Mayya	Independent Director	NA	2.13
Mrs. Anita Ramachandran	Independent Director	NA	2.13
Mr. Praveen Kumar Darshankar	Company Secretary & Compliance Officer	25%	4.26

*The CTC increment was approved in the Board Meeting held on July 28, 2021

Note:

- (a) For the purpose of calculation of median, salary at global level with conversion rate as of March 31, 2022 has been considered. The median salary at global level of employment is ₹ 11,73,300 and at India level of employment is ₹ 1,144,100.
2. Percentage increase in the median remuneration of employees in the financial year ended March 31, 2022:
There was an increase in the median by 6.5%. This has been arrived by comparing the median remuneration of the cost-to-the Company as on March 31, 2022 as compared to previous year as on March 31, 2021.
3. No. of permanent employees on the rolls of Company as on March 31, 2022 was 3744.
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:
There was an increase of 21.2% in remuneration of employees other than managerial personnel against 12.3% increase in remuneration 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: May 30, 2022

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 2021-22.
(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 2021-22.
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(f) Date of approval by the Board	
(g) 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: May 30, 2022

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]

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	Joseph Vinod Anantharaju	Executive Director	Chairperson	2	2
2	Ashok Soota	Executive Director	Member	2	2
3	Shubha Rao Mayya	Independent Director	Member	2	2

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-FY2021-22.pdf>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in lacs)	Amount required to be set-off for the financial year, if any (in lacs)
1	2020-21	0	0
2	2021-22	11	11

6. Average net profit of the Company for last three financial year as per section 135(5):

Particulars	Amount in lacs
FY 2020-21	16,321
FY 2019-20	9,415
FY 2018-19	5,051
Average Net Profit of the Company for last three financial year	10,262

7. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

Particulars	Amount in lacs
Prescribed CSR Expenditure (2% Average net profit of the Company for last three financial year as per section 135(5))	205
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	11
Total CSR obligation for the financial year (7a+7b-7c)	194

8. Details of CSR spent during the financial year:

(a) CSR amount spent or unspent for the financial year:

Total Amount Spent	Amount Unspent (in ₹Lacs)				
	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 section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
215	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1 Sl. No.	2 Name of the Project	3 Item from the list of activities in schedule VII to the Act.	4 Local area (Yes/No).	5 Location of the project.		6 Amount spent for the project (in ₹ Lacs)	7 Mode of implementation Direct (Yes/No).	8 Mode of implementation Through implementing agency	
				State	District			Name	CSR Registration Number
1	The Akshaya Patra Foundation	Education	Yes	Karnataka	Bengaluru	110	Yes		
2	Lions Club of Bangalore West Trust	Healthcare	Yes	Karnataka	Bengaluru	5	Yes		
3	Sri Jayadeva Institute of Cardiovascular Sciences and Research	Healthcare	Yes	Karnataka	Bengaluru	100	Yes		

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹215 lacs

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹ Lacs)
i)	Two percent of average net profit of the Company as per section 135(5)	205
ii)	Total amount spent for the Financial Year (including 11 lacs excess spent for last financial year)	226
iii)	Excess amount spent for the financial year [(ii)-(i)]	21
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)]	21

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year: Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Nil

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

The Company has spent more than what is prescribed under the CSR regulation. Hence not applicable.

For and on Behalf of Board

Venkatraman N
Managing Director & CFO
 DIN: 01856347

Ashok Soota
Executive Chairman
 DIN: 00145962

Bengaluru

Dated: May 30, 2022

Annexure V to Board's Report

A. Conservation of Energy

Your Company is in a knowledge intensive industry, and does not operate industrial machinery, production facilities, or other such energy intensive operations. However, as a responsible corporate citizen, it continues to pursue and adopt appropriate energy conservation measures.

During the year under review, due to pandemic, since most of your employees/consultants were working from home, there was minimal or nil usage of energy at the office premises.

To affirm with commitment to Company's ESG Vision and to proactively reduce the carbon footprint, Company has invested in renewable energy project, specifically rooftop based solar energy for office spaces. Furthermore, your Company is in the process to set up electric vehicle charging infrastructure to promote the use of alternate use of fuel and energy.

B. Technology Absorption

Your Company continues to track trends and latest developments in various technology areas, including those related to mobility, big data analytics, security, cloud computing, IoT, unified communications. Your Company has taken major initiatives and upped its leadership in Low-Code Application Platforms and Analytics Space. Your company developed solutions in Digital Process Automation leveraging intelligent process automation tools and technologies. It has also deepened in partnership with Microsoft for the Azure Implementations, Power Platform, Business Applications and with 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 which are of higher value. Your Company started to invest in emerging technologies like Metaverse, Web3.0, Low Code Platforms, OT Security, Marketing Analytics and strengthening capabilities in Deep Neural Networks (Computer Vision), Blockchain, Drones, Edge computing etc. 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 IoT, Mobility, Big Data & Analytics, Security and Cloud Technologies that will have a major impact on the global technology landscape with the objective of increasing the sales volumes and improving delivery capability. Your Company continued developing capabilities and creating solutions in newer technologies like Metaverse, Web3.0, 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 - Compliance 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.

(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 acquiring new customers in the focus geographies and increased the 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, Digital process automation, Security and Customer Experience. Your Company continues to develop solutions in new disruptive technologies of Metaverse, Web3.0, Marketing Analytics, OT Security 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 2021-22 was ₹1,383 Lacs as against ₹ 1,450.20 Lacs during FY 2020-21.

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

	March 31, 2022	March 31, 2021
Foreign exchange earnings	86,666	66,758
Foreign exchange outgo	21,485	16,627

For and on Behalf of Board

Venkatraman N
Managing Director & CFO
 DIN: 01856347

Ashok Soota
Executive Chairman
 DIN: 00145962

Bengaluru
 Dated: May 30, 2022

Annexure VI to Board's Report

Particulars of employees pursuant to Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 and forming part of the Board's Report for the financial year ended March 31, 2022.

Name	Designation in the Company	Qualification	Remuneration for Fiscal 2022 (in ₹)	Percentage of equity shares on fully diluted basis	Experience (Years)	Age	Date of Joining	Last Employment
Ashok Soota	Executive Chairman & Director	Electrical Engineer & Master in Business Management	11,475,753	53.12% (including shares held thru LLP)	55	79	April 1, 2011 (re-appointed from August 1, 2019)	Mindtree Limited
Aurobinda Nanda	President – PES	Post Graduate in Computer Applications	11,379,188	0.58%	29	53	Aug 1, 2011	Mindtree Limited
Venkatraman Narayanan	Managing Director & CFO	Chartered Accountant & Law graduate	12,515,933	0.44%	27	51	April 23, 2015	Sonata Software Limited

Note:

- All the employees included in the table above are permanent employees of the Company and their appointments are non-contractual.
- None of the above employees are relative of any Directors.

For and on Behalf of Board

Venkatraman N
Managing Director & CFO
 DIN: 01856347

Ashok Soota
Executive Chairman
 DIN: 00145962

Bengaluru
 Dated: May 30, 2022

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, 2022. 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 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

Place: Bengaluru
Date: May 05, 2022

F.C.S. 11323; C.P.No. 17024
UDIN:F011323D000271121

Annexure VIII to Board's Report

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, 2022

To,
The Members,
Happiest Minds Technologies Limited,
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). 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, 2022 (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, 2022 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 Foreign Direct Investment and Overseas Direct Investment. There was no 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 **(Not Applicable to the Company during the Audit Period);**
 - 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, 2009 **(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. Other laws applicable specifically to the Company namely:
- Information Technology Act, 2000 and the rules made thereunder
 - Software Technology Parks of India rules and regulations

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 sent at least seven days in advance 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 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 of para 3 of this report.

We further report that during the year under review, there were no events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, etc.,

For V. Sreedharan & Associates
Company Secretaries

Devika Sathyanarayana
Partner

F.C.S. 11323; C.P.No. 17024

UDIN:F011323D000270912

Peer Review Certificate No.: 589/2019

Place: Bengaluru

Date: May 05, 2022

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:

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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.
7. Due to Covid-19 pandemic situation, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing Secretarial Audit Report (Form No. MR-3).

For V. Sreedharan & Associates
Company Secretaries

Devika Sathyanarayana
Partner

F.C.S. 11323; C.P.No. 17024
UDIN:F011323D000270912

Peer Review Certificate No.: 589/2019

Place: Bengaluru
Date: May 05, 2022