

Board's Report

Dear Members,

Your Directors take pleasure in presenting the Fourteenth 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, 2025.

Highlights of Financial Performance

(Amount in ₹ Lakhs)

Description	Standalone		Consolidated	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Revenue from Operations	1,48,137	1,47,288	2,06,084	1,62,466
Other Income	16,757	11,126	10,138	8,537
Total Income	1,64,894	1,58,414	2,16,222	1,71,003
Employee benefits expense	1,01,794	94,772	1,36,534	1,01,469
Depreciation and amortization	3,719	3,430	8,870	5,829
Finance cost	9,168	4,227	9,948	4,227
Other expenses	26,542	23,632	34,108	27,412
Total expenses	1,41,223	1,26,061	1,89,460	1,38,937
Profit / (Loss) before Exceptional Items and Tax	23,671	32,353	26,762	32,066
Exceptional (Income) / Expense	2,344	-143	1,216	-1,402
Profit / (Loss) before Tax	21,327	32,496	25,546	33,468
Tax expense	4,471	7,923	7,080	8,629
Profit / (Loss) after Tax	16,856	24,573	18,466	24,839
Earnings per share (Basic)	11.19	16.55	12.26	16.73
Earnings per share (Diluted)	11.19	16.55	12.26	16.73
Net Worth as per Section 2(57) of the Companies Act, 2013	1,55,405	1,47,235	1,58,070	1,48,347

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

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

Management Discussion and Analysis

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

Dividend & Transfer to Reserves

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

In accordance with the said policy, your Directors declared an interim dividend of ₹ 2.50/- per equity share in the Board meeting held on November 13, 2024, and are pleased to recommend a final dividend of ₹ 3.50/- per equity share for the financial year ended March 31, 2025, i.e., the total dividend for the current financial year under review being ₹ 6.00/- per equity share (previous financial year - ₹ 5.75/- 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 ₹ 9,136.49 Lakhs.

Your Directors do not propose to transfer any amounts to the general reserves of the Company, instead have recommended to retain the entire profits for the financial year ended March 31, 2025, in the profit and loss account.

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

Mergers & Acquisitions

A strategic and targeted M&A program aligned with the Company’s long-term objectives is in place, overseen by an investment committee comprising two executive Directors. The Company adopts a programmatic M&A approach, focusing on acquiring companies that are of strategic value and significant size and scale.

The current M&A priorities are:

- Strengthening our geographical presence in the USA, Europe and Middle East regions.
- Delve deeper into our focus industry groups, seeking specialized offerings in verticals such as Retail & Consumer Packaged Goods (CPG), Travel, Media & Entertainment (TME), Industrial & Manufacturing.
- Enhance the length and breadth of our technology offerings. Examples include Cyber Security, ServiceNow, Salesforce, Snowflake/Data Brick Partners and getting into adjacent areas for building capabilities in SAP S/4HANA.
- Enhance our global alliances and partnerships by acquiring companies who specialize in providing services on Microsoft®, ServiceNow® and Salesforce® platform.

During the year under review, your Company acquired the following:

- 100% stake in Happiest Minds Edutech Private Limited (formerly known as Macmillan Learning India Private Limited / Intellus Software India Private Limited);
- 100% stake in PureSoftware Technologies Private Limited, India (“PureSoftware”);
- 100% stake in AureusTech Systems LLC (through Happiest Minds Inc., USA – Wholly-owned Subsidiary)
- 100% stake in InnovazIT Technologies LLC, Dubai;
- 100% stake in GAVS Technologies LLC, Oman and;
- 100% stake in GAVS Technologies Saudi Arabia for Telecommunications and Information Technology, Saudi Arabia.

Subsidiary Companies

During the year under review, your Company has twenty one (21) subsidiaries (including step-down subsidiaries) as mentioned below:

- Happiest Minds Inc., USA (formerly PGS Inc.),
 - o AureusTech Systems LLC (till December 31, 2024)
 - o AureusTech Systems Canada Ltd
 - o AureusTech Systems Private Limited ("Aureus")
- Sri Mookambika Infosolutions Private Limited, India (“SMI”),
- Happiest Minds Edutech Private Limited, ("formerly known as Macmillan Learning India Private Limited / Intellus Software India Private Limited)
- PureSoftware Technologies Private Limited, India (“PureSoftware”),
 - o PureSoftware Pte Limited (Singapore)
 - o PureSoftware Africa Limited (Kenya)
 - o PureSoftware Private Limited (UK)
 - o PureSoftware Technologies Romania SRL (Romania)
 - o PureSoftware Corp (USA)

- o Pure Conference Private Limited (India)
- o PureSoftware Sdn. Bhd. (Malaysia)
- o PureSoftware Private Limited (Nepal)
- o PureSoftware Pty (Australia)
- o PureSoftware Technology S. De.R.L. De. C.V., (Mexico)
- o PureSoftware HK Limited (Hongkong)
- InnovazIT Technologies LLC, Dubai,
- GAVS Technologies LLC, Oman,
- GAVS Technologies Saudi Arabia for Telecommunications and Information Technology, Saudi Arabia

The statement under Section 129(3) of the Companies Act, 2013 in respect of the subsidiaries in Form AOC-1 is attached as Annexure I. The Consolidated Accounts of your Company duly audited by the Statutory Auditors are presented as part of this Report.

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

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

Recognitions

Please refer to pages 24-25 of the Integrated Annual Report of 2024-25.

Share Capital and Debentures

During the year under review, your Company did not issue any shares. The paid-up equity share capital as on March 31, 2025, was ₹ 304,549,622/- consisting of 152,274,811 equity shares of ₹ 2/- each.

During the year under review, your Company did not issue any Debentures. However, out of earlier issued Debentures, your Company has exercised the call option to redeem 4,500 rated, listed, negotiable, unsecured, redeemable non-convertible debentures (bearing ISIN INE419U08017) of the nominal value of ₹ 1,00,000/- each which were listed on the Bombay Stock Exchange (BSE).

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

Directors and Key Managerial Personnel

As on March 31, 2025, the Board of Directors of your Company comprised of eight Directors, viz., four Executive Directors and four Independent Directors including two women Independent Directors. As per the Articles of Association of the Company, one third of the Directors (other than Independent Directors) are liable to retire by rotation at the Annual General Meeting ("**AGM**") of the Company, every year. Mr. Ashok Soota (DIN: 00145962) retires by rotation at the ensuing 14th AGM and being eligible, offers himself for re-appointment.

Mr. Rajiv Shah (having DIN No. 06752608) and Mr. Mittu Sridhara (having DIN No. 09247644) are appointed as Executive Director and Independent Director respectively on the Board with effect from August 5, 2024, whose appointments were approved by the members through Postal Ballot (including e-Voting) conducted in the month of September, 2024. Your Board of Directors at its meeting held on March 20, 2025, has (a) ratified re-designation of Mr. Ashok Soota (having DIN No.00145962) from Executive Chairman to Chairman & Chief Mentor; and (b) ratified re-designation of Mr. Joseph Anantharaju (having DIN No. 08859640) from Executive Vice Chairman to Co-Chairman & CEO.

Mr. Ashok Soota (having DIN 00145962-Chairman & Chief Mentor), Mr. Joseph Anantharaju (having DIN 08859640-Co-Chairman & CEO), Mr. Venkatraman Narayanan (having DIN 01856347-Managing Director), and Mr. Rajiv Shah (having DIN 06752608-Executive Director) are Executive Directors on the Board.

Ms. Anita Ramachandran (DIN 00118188), Mr. Rajendra Kumar Srivastava (DIN 07500741), Ms. Shuba Rao Mayya (DIN No. 08193276) and Mr. Mittu Sridhara (DIN 09247644) are the Independent Directors on the Board with Mr. Rajendra Kumar Srivastava being designated as the “Lead Independent Director”. Pursuant to the provisions of Section 149 of the Companies Act, 2013 the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company. In the opinion of the Board, the Independent Directors possess the requisite integrity, experience, expertise, and proficiency required under all applicable laws and the policies of the Company.

The term of appointments of Ms. Anita Ramachandran (DIN 00118188), Mr. Rajendra Kumar Srivastava (DIN 07500741), Ms. Shuba Rao Mayya (DIN No. 08193276) has expired on June 3, 2025, and being eligible, they have offered themselves for re-appointment for a second term of 5 years at the forthcoming AGM.

Policy on Nomination and Remuneration of Directors

This policy on the nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated by the Nomination, Remuneration and Board Governance 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/disclosure/HappiestMinds-Details-of-Familiarization-Programme.pdf>

Board Evaluation

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

During the year under review, the questionnaire was circulated to all the Board Members of the Company in a transparent and confidential manner and based on their responses, a detailed report was presented to the Board on an anonymous basis to give an understanding of its working dynamics, highlight areas of strength/improvement and proposed the suggested action plan to improve the Board’s overall performance and effectiveness. The management has taken note of all the suggested action plans for implementation and some of the key suggestions were:

- Plan and dedicate more time to review business risks, long term viability, acquisitions we should pursue etc.
- Organize periodical meetings with the Board and next level leaders and have open and transparent discussions.

- The Board should conduct a thorough review of acquisitions, posing critical questions such as why the acquisition is being pursued, what long-term value it is expected to bring, and how it has performed historically. Additionally, the Board must ensure accountability if an acquisition does not meet expectations and regularly seek updates on progress toward its strategic objectives.
- The Board should establish a mechanism to monitor the progress of its succession plan and regularly review whether the organization is providing the appropriate training and investing adequately in employee development.
- The Board should reassess the overall mandates of certain committees, including the Risk Management Committee and the Strategic Initiatives Committee.

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

Corporate Governance

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

A Certificate from M/s. V Sreedharan & Associates, a firm of Company Secretaries in practice, confirming the compliance with the conditions of Corporate Governance as stipulated under the said Regulations is attached as Annexure VI 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 Board of Directors at its meeting held on April 02, 2025, based on recommendation of Nomination, Remuneration and Board Governance Committee, approved to grant 109,070 Options to some of its senior executives.

During the year under review, your Company facilitated the transfer of 6,94,066 Equity Shares of ₹ 2/- each by the Happiest Minds Technologies Share Ownership Plans Trust to the employees who exercised their options under the old schemes.

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

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

As required under the SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021, the applicable disclosures as on March 31, 2025, are uploaded on the website of the Company at <https://www.happiestminds.com/investors/disclosures/>

Code for Prevention of Insider Trading

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

Vigil Mechanism

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

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

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

Annual Return

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

Software Technology Park

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

Deposits

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

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

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

Loans, Guarantees and Investments

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations, disclosure on particulars relating to Loans, Advances, Guarantees, and Investments are provided as part of the financial statements.

Related Party Transactions

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

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

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

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

Auditors & Auditors' Report

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

The Auditors' Report does not contain any qualification, reservation, or adverse remark on the financial statements for the financial year ended March 31, 2025. 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, 2025, is attached as Annexure VII to this Report. The Secretarial Audit Report does not contain any qualifications, reservations, or adverse remarks.

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

Sustainability and Corporate Social Responsibility (CSR)

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

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

Risk Management

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

The Executive Board with the assistance of the CISO, CIO and EBE follows a process covering the steps below in identifying areas of risk in the Company. The process covers (a) Identification of key risk areas (b) Assessment of key risks for probability and impact (c) Prioritization (d) Formulation of response (e) Identification of Owners (f) Participation by Owners in outlining mitigation plans (g) Reporting on adequacy and effectiveness and (h) Acceptance of residual risk.

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

Significant risks areas which have been identified and are constantly monitored are (a) **Investment Risks** - Failure to provide expected returns for defined objectives and risk such as underperforming to the stated objectives and/or benchmarks (b) **GCC Risks** - Shift in Customer Business towards GCC; Loosing key people from select accounts to Client GCC and ask to work from Customer GCC (c) **People's Risk** - Inability to attract and retain quality people, Inadequate succession planning; Inappropriate work culture and ethics; Inefficient whistle blower mechanism; Inappropriate policy for woman safety at workplace (d) **Legal and Regulatory Risks** - Legal/commercial rights and obligations are not clearly defined or misunderstood; Commercial interests not adequately protected by legal agreements (e) **Compliance Risks** - Non-conformance with or inability to comply with rules, regulations, prescribed practices, internal policies and procedures or ethical standards; Compliance of Acquired companies and any prior period issues (f) **Sustainability Risk** - Actions causing environmental damage; Compromising human rights or labor rights; Threatening occupational health and safety (g) **Cyber security risk** - Loss of Company's or customer artifacts, digital assets (code, database etc.) or IP; Sharing of personally identifiable information without requisite approvals; and Ransomware attacks.

People Practices

FY 2024–25 marked a transformative chapter for the People Practices function as we continued to operate at the intersection of enterprise agility, member well-being, and talent capability building. Grounded in the proprietary 8C Model—Care, Connect, Capability, Communication, Compliance, Culture, Collaboration, and Change—our strategy was recalibrated to reflect the evolving expectations of a multi-generational, globally distributed workforce. This reorientation enabled us to manage increasing complexity in talent ecosystems while remaining sharply aligned with Happiest Minds' broader business priorities.

At the structural level, we reinforced organizational agility by completing the integration of our subsidiaries SMI and Aureus, followed by the harmonization of compensation and organizational design for our Centre of Excellence. These efforts brought uniformity, fairness, and scalability to our operating model. Our benefits architecture evolved to reflect this same philosophy, with enhancements such as location-specific Joy Fund allocations, broadened access to health check-ups, and expanded car lease benefits. The introduction of a Fixed Term Engagement model ensured equitable access to benefits for project-based talent—demonstrating our commitment to balancing workforce fluidity with inclusive experience.

Digital transformation remained central to our operating rhythm. We deepened the integration of our HRMS ecosystem to create a more seamless people experience, while Power BI-enabled dashboards provided real-time visibility into talent movement for

leadership teams. A full-scale validation of people master data reinforced system-wide compliance and data fidelity. These capabilities, paired with a robust governance framework, enabled us to successfully conclude five critical audits—ISO 9001, 27701, 20000, and PIMS—demonstrating our ongoing commitment to operational transparency and global audit readiness.

In line with our strategic talent development priorities, the i3 Talent Transformation Program was expanded to deliver curated growth tracks for Business Analysts, Delivery Managers, and Architects. Simultaneously, the Global Leadership Development Program was fortified to deepen leadership readiness and contextual learning. A significant milestone was the launch of a Reverse Mentoring initiative, which enabled junior people to mentor senior leaders on digital fluency and generational shifts—driving a two-way exchange that bridged perspectives and accelerated innovation.

Our cultural evolution continued to center around systemic listening and Happiness Evangelism. Platforms such as the Happometer captured over 13,000 check-ins, revealing an 87% happiness score among people. Initiatives like Seven Spokes of Happiness, Mindfulness Matters, and Little Mithra enriched the emotional well-being architecture of the organization and the Mithra contributed over 1,300 hours of support. Through our MVV and mindfulness inductions, more than 2,500 new people were immersed in the cultural ethos of Happiest Minds, reinforcing emotional presence and shared purpose from Day One.

Listening to people sentiment continued to guide our engagement strategy. The Happiest People Pulse Survey (HPPS) reflected high pride and happiness levels, particularly among new joiners, while also highlighting improvement areas such as team integration and promotion clarity. In response, we introduced targeted actions including appreciation campaigns across functions, simplified promotion clinics, and onboarding cohorts that enhanced early-stage belonging. Real-time feedback from Dipstick surveys further shaped interventions around leadership visibility and change navigation, ensuring responsive, data-informed engagement.

Cultural participation evolved into a deeper social fabric. Events like Potlucks, Biryani Bash, Mango Mania, and the Happiest Minds Run engaged over 1,000 people and fostered informal belonging. We commemorated key festivals and global observances—Navratri, Women’s Day, Independence Day, and the International Day of Happiness—by welcoming children from Mala Smriti Home and visually impaired performers, reinforcing our commitment to inclusion in every shared experience. The launch of Career Shorts, a platform to capture and celebrate people narratives, further deepened cultural continuity and internal storytelling.

Our benefits portfolio underwent strategic reimagination. We introduced flexible insurance options, refreshed partnerships across wellness touchpoints—hospitals, fitness centers, salons, and educational institutions—and introduced symbolic gestures such as tree-planting childbirth gifts. Insurance coverage was extended to bereaved families, and we operationalized our Leave Donation Program to enable targeted support in times of need. We institutionalized the Harmony-Benevolent Fund—a values-driven, member-funded initiative offering financial support to Happiest Minds and their families facing critical medical crises beyond insurance coverage. Anchored in collective compassion, the fund reinforces our culture of empathy and trust, and will be scaled as a core pillar of our holistic well-being ecosystem. Global benefit harmonization efforts were completed across the UK, UAE, and Germany, ensuring consistency of experience for our international teams.

Diversity, Equity, and Inclusion (DEI) efforts matured into systemic behaviours. We sustained a 26.6% gender diversity ratio, trained over 3,300 people on inclusive practices, and accelerated our disability hiring program. We also laid the groundwork for our upcoming Women Mentorship Program, poised to launch in FY 2025–26. The Aura network continued to expand—now 1,650+ strong—offering a vibrant platform for peer learning, identity celebration, and psychological safety.

Our social impact agenda came to life through the Circle of Happiness platform. During Daan Utsav alone, we raised ₹14.5 lakh, directly impacting four NGOs and fulfilling over 2,500 people wishes. Our ongoing partnership with Akshaya Patra supported the distribution of 2.1 million meals, while culturally enriching initiatives such as pottery, caricature workshops, and wellness helpdesks reinforced the bond between care, creativity, and community.

Recognition for our efforts was widespread. Happiest Minds was named among India’s Top 50 Best Workplaces™ in Health & Wellness and IT & IT-BPM, and featured on the Best Workplaces for Women™ list. We were also honoured by Avtar & Seramount as one of the Top 100 Best Companies for Women in India. Our continued investments in innovation earned us accolades for Digital Transformation of the Year, Best Tech for Security, and Top Firm in AI & Analytics. Recognition of our leadership by 3AI and ISG further endorsed our positioning as a purpose-led, future-forward organization.

Looking ahead to FY 2025–26, our People Practices strategy will focus on enabling a digitally empowered, deeply human experience. Our priorities include building intelligent, people-first systems; designing hyper-personalized growth journeys; institutionalizing a Culture OS grounded in micro-moments of inclusion; advancing predictive workforce analytics; and embedding holistic well-being

into leadership performance metrics. Through these levers, we aim not just to support the business but to be a source of sustainable competitive advantage—fueling performance, resilience, and belonging.

As we look to the future, our commitment remains unwavering: to shape an environment where every person thrives—personally, professionally, and purposefully—and where Happiest Minds continues to set the benchmark for people excellence in the global technology landscape.

Quality and Service Management System (QMS, SMS)

1. Quality Policy

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

Happiest Minds this year has defined a Service Management standard for Infrastructure and Security services, aligning service delivery with industry standards.

Our new **SMS policy** is.

“Happiest Minds will consistently strive for Customer Happiness. We are committed to excellence by delivering reliable and consistent services to our customers as per the service agreements and contractual requirements by Continually improving the processes and systems; Optimizing the required capacity and availability of services; and Aiding in creating value to all our stakeholders”

2. Management Framework

Our strategy towards continual quality improvement is derived from our Vision, business needs, technology changes, customer feedback, suggestions, and process performance. Our quality processes, based on industry best practices, are continually refined through experience and external assessments. 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. We have undergone recertification audit in December 2024 updating our new IG based organization structure. External auditors have also appreciated our effort towards getting new climate changes as part of ISO. We also updated our Information Security standards to ISO 27001:2022 and privacy standards to ISO 27701:2022. This guides our policies and procedures for protecting information security, our own software enablers and customers’ software enablers.

To enhance our Quality standards towards service delivery we have undergone year long journey of creating service management system which also included aligning towards Service Management system standards of ISO 20000-1:2018. During the year under review, your Company got itself certified for ISO 20000-1:2018 standard.

3. Engineering Practices

Our engineering practices ensure high-quality software delivery, earning consistent customer trust. We measure the satisfaction levels of our customers annually and have been consistently improving on the scores, year after year since inception. Our digital driven engineering practices have been well accepted by our customers with some of them adopting these practices in their internal processes. To enhance our data driven engineering practices we have integrated the measures captured by various tools and have built Integrated Metric dashboard which would help our teams to take quicker decisions and deliver with Agility. This Financial year we have started our journey towards improving developer productivity by adopting new industry acclaimed Gen- AI tools for various development phases. We are in process in capturing productivity improvement metrics and showcase this quantitative productivity improvement gained by leveraging these tools.

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

4. Systems Driven Approach

Our projects are managed using systems to track project management practices and engineering practices for projects managed within your Company. This is in line with our digital focus on processes and practices. Our Integrated Project Management system provides an end-to-end view of projects, enhancing delivery value.

We continually enhance our systems to align with industry best practices and organizational changes. Along with this our well-established Business Intelligence platform supports informed decision-making, and we have added no-code/low-code platforms to automate processes and enhance delivery. This financial year we have enhanced our platforms to provide lead indicators to the teams to take proactive actions and mitigate risks early.

5. Quality First

Apart from regular code reviews process our projects extensively use Code Quality tools to check the code on various parameters. Our Code Quality Index based on the Code Quality metrics helps us to measure and deliver high-quality outputs to our customers. We have focused groups for critical code reviews and have enhanced our repository system for structured and secure code management. Metrics from code quality tools and repository systems are integrated into our dashboard, providing early warnings and helping teams take corrective actions.

6. Rapid Iteration and Experimentation

Our Agile teams develop solutions through fast cycles of testing and learning. We use minimum viable products to test and learn quickly, allowing customers to experience early versions of products and reducing the time to production release. We have introduced new testing processes and tools, with metric-based monitoring to deliver predictive quality.

Our DevOps practices include continuous integration, code analysis, testing, and deployment, helping us decrease turnaround times and build better-quality products.

This year we have focused towards using Gen-Ai based productivity improvement tools in each of our software development phases which would help in faster Quality delivery and enhance our Agile delivery practices.

7. Information Transparency

We ensure the accessibility, accuracy, and availability of quality data across the organization. Various data pipelines and reports enable team members to share ideas and results easily. This year, we integrated more SaaS-based systems and introduced API-based data pipelines for timely data access.

8. Continuous Learning

Continuous learning occurs at both individual and organizational levels. We have structured processes and tools for knowledge sharing, ensuring that information learned through experimentation and experience is available across the organization. This year, we focused on enabling teams to use Gen-AI tools for productivity improvement, and this focus will continue next year.

9. Involve to Evolve

We engage team members in continual improvement programs, forming focused groups to drive the improvement journey. Our initiatives have significantly reduced rework, increased productivity, adhered to schedules and budgets, and added value, resulting in customer delight. Our "My Customer Happy Customer" (MCHC) framework provides a balanced view of projects from the customer's perspective.

This financial year we also have started working closing with customers and have created offerings to help in improve and enhance their delivery process and help them visualize outputs using various measurement frameworks.

10. Rewards and Recognitions

Team members are rewarded for exemplary work in process improvements and customer delight with awards such as the Code Excellence Award and Service Delivery Excellence Award.

11. Customer Connect

Our 7C framework helps us understand customer behaviors, needs, and expectations, guiding continuous engagement and enriching customer relationships. We conduct Customer Happiness Surveys and Customer Pulse reviews, and hold regular reviews with customers to discuss current engagements and future needs. We have introduced feedforward mechanisms to better align our strategies with customer needs.

This year, we used Gen-AI tools to analyze customer feedback and take appropriate actions.

Customer escalations are tracked and managed through our project management system, ensuring timely resolution and communication.

Internal Control System

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

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

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

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

Employees' Remuneration

As per the proviso to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement containing the names and other details of employees drawing more than ₹ 10.2 million per financial year or ₹ 0.85 million per month, as the case may be, are set out in a separate Annexure forming the part of Board's Report. However, in terms of Section 136(1) of the Act, this report is being shared excluding the aforesaid Annexure and is available for inspection. 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 Board's Report but, such particulars shall be furnished to the Registrar of Companies. Accordingly, this Report does not contain the particulars of employees who are posted and working outside India. If any Member is interested in obtaining the aforesaid information, 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 2024-25 and of the profit or loss of the Company for that financial year.
- (iii) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Annual Accounts have been prepared on a going concern basis.
- (v) Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operate effectively.
- (vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

Secretarial Standards

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

Cost Audit

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

Insolvency and Bankruptcy Code

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

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

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

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

The PoSH Act remains a vital legislation in India, ensuring safe and respectful workplaces by preventing sexual harassment. It serves as a cornerstone in fostering a secure environment where members can work with dignity. At Happiest Minds, we are deeply committed to upholding the principles of the Act and promoting a culture of trust, inclusivity, and professionalism. Along with our gender-neutral Anti-Sexual Harassment Policy, we fully comply with the provisions of the PoSH Act. We have ensured that all our acquired entities are also PoSH compliant. To address and resolve complaints effectively, we have an Internal Committee (IC) in place, further supported by a legal expert specializing in workplace harassment laws. Through continuous awareness initiatives and training, we reinforce our zero-tolerance stance and commitment to a safe workplace for all.

The following steps have been implemented to ensure compliance with the statutory requirements of the PoSH Act:

PoSH Committee:

Since the inception of the PoSH Act, Happiest Minds has remained fully compliant with its mandate by establishing a dedicated PoSH Internal Committee. The primary responsibility of this committee is to ensure that all complaints of workplace sexual harassment are handled fairly, promptly, and with utmost confidentiality. The committee is led by a Presiding Officer and consists of both male and female members, with at least 50% representation from women. It also includes representatives from each business unit and location, ensuring comprehensive coverage and accessibility for all members. With the integration of new entities, we have prioritized adequate representation from all the acquired organizations as well.

Training: In compliance with the PoSH Act, we have implemented structured training programs to raise awareness about workplace sexual harassment and the Act’s provisions. All members, including partners, are required to complete PoSH training through an online module. At Happiest Minds, PoSH training is mandatory, covering key modules such as:

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

Please Note: To reinforce learning, a PoSH Annual Refresher Training is conducted for all Happiest Minds. Failure to complete the mandatory training within the stipulated timeframe is recorded as non-compliance in the concerned member’s or partner’s performance review.

Complaints: We have not received any PoSH complaints during the year under review. Although no complaints were raised under PoSH in FY 25, we ensured that PoSH awareness was created through our various outreach programs.

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

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

Other Action taken to create awareness:

During the year under review, with most members working from office under a structured hybrid model, we reinforced our commitment to PoSH compliance and awareness. Through consistent communication, we shared guidelines, conducted training, and organized PoSH Awareness Month, ensuring a workplace culture that remains safe, inclusive, and free from harassment. To reinforce compliance, we prominently displayed PoSH posters alongside the statutory boards. Both senior leadership and senior managers have successfully completed their PoSH training, demonstrating their commitment to fostering a safe, respectful, and harassment-free workplace culture.

Training has been provided to PoSH Committee members in accordance with the PoSH Act, and we remain committed to further strengthening compliances.

Full Disclosure Statement:

While the PoSH Act primarily safeguards women from workplace sexual harassment, we have proactively expanded the scope of our Sexual Harassment Policy to ensure protection for all members and partners, regardless of gender, contractual status, caste, class, race, ethnicity, or affinity, while remaining aligned with the provisions of the Act.

Our policy also extends to visitors and casual employees, reinforcing our commitment to a safe and inclusive work environment. Additionally, all complaints received by the Internal Committee (if any) are thoroughly reviewed and handled with the utmost confidentiality.

Disclosure under Maternity Benefits Act, 1961

Your Company complies with the provisions of the Maternity Benefits Act, 1961, ensuring eligible women members receive their statutory entitlements, including up to 182 days of fully paid maternity leave and additional provisions in cases of medical complications or pregnancy loss. These benefits reflect our commitment to creating a compliant, inclusive, and supportive workplace that prioritizes the health and well-being of expecting and new mothers.

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
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

Bengaluru
Dated: June 30, 2025

Annexure I to Board’s Report

Form AOC-1

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

Part A Subsidiaries

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

1	Name of the subsidiary	Happiest Minds Inc	Sri Mookambika Infosolutions Private Limited
2	The date since when subsidiary was acquired	January 1, 2021	January 1, 2023
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April 1, 2024, to March 31, 2025	April 1, 2024, to March 31, 2025
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- 85.47)	Reporting currency - ₹
Financial Details as on March 31, 2025		Amount in ₹ Lakhs	Amount in ₹ Lakhs
5	Share capital	85.47	10
6	Reserves and surplus	2,377.41	1,410
7	Total assets	15,067.62	3,133
8	Total Liabilities	12,604.74	1,713
9	Investments	-	-
10	Turnover	9,882.78	10,396
11	Profit before taxation	3,691.92	4,008
12	Provision for taxation	559.71	1,029
13	Profit after taxation	3,132.21	2,979
14	Proposed Dividend	-	-
15	Extent of shareholding (in percentage)	100%	100%

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

1	Name of the subsidiary	PureSoftware Technologies Private Limited(Consolidated)	Happiest Minds Edutech Private Limited(Macmillan)
2	The date since when subsidiary was acquired	May 22, 2024	April 19, 2024
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April 1, 2024, to March 31, 2025 (Consolidated from May 22, 2024)	April 1, 2024, to March 31, 2025 (Consolidated from April 19, 2024)
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting currency - ₹	Reporting currency - ₹
Financial Details as on March 31, 2025		Amount in ₹ Lakhs	Amount in ₹ Lakhs
5	Share capital	324	1
6	Reserves and surplus	3,850	465
7	Total assets	16,765	845
8	Total Liabilities	12,591	350
9	Investments	-	-
10	Turnover	40,043	874
11	Profit before taxation	7,929	-
12	Provision for taxation	2,064	8
13	Profit after taxation	5,865	-8
14	Proposed Dividend	-	-
15	Extent of shareholding (in percentage)	100%	100%

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

1	Name of the subsidiary	InnovazIT Technologies LLC	GAVS Technologies LLC
2	The date since when subsidiary was acquired	February 01, 2025	February 01, 2025
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	February 01, 2025 till March 31, 2025	February 01, 2025 till March 31, 2025
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting currency – AED (Exchange Rate: 23.26)	Reporting currency – OMR (Exchange Rate: 221.93)
Financial Details as on March 31, 2025		Amount in ₹ Lakhs	Amount in ₹ Lakhs
5	Share capital	190.73	554.81
6	Reserves and surplus	141.58	95.43
7	Total assets	1,919.75	1,038.81
8	Total Liabilities	1,587.44	388.56
9	Investments	-	-
10	Turnover	550.18	188.7
11	Profit before taxation	-32.77	50.31
12	Provision for taxation	-	-
13	Profit after taxation	-32.77	-9.33
14	Proposed Dividend	-	-
15	Extent of shareholding (in percentage)	100%	100%

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

1	Name of the subsidiary	GAVS Technologies Saudi Arabia for Telecommunications and Information Technology
2	The date since when subsidiary was acquired	February 01, 2025
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	February 01, 2025 till March 31, 2025
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting currency – SAR (Exchange Rate: 22.78)
Financial Details as on March 31, 2025		Amount in ₹ Lakhs
5	Share capital	22.78
6	Reserves and surplus	-44.97
7	Total assets	82.84
8	Total Liabilities	105.03
9	Investments	-
10	Turnover	-
11	Profit before taxation	-33.96
12	Provision for taxation	3.74
13	Profit after taxation	-37.7
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, 2025

For and on behalf of Board

Venkatraman N
Managing Director
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

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

Bengaluru
Dated: June 30, 2025

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, 2025, 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
Ashok Soota	Chairman & Chief Mentor	0.00%	11.65
Venkatraman Narayanan	Managing Director & CFO	0.00%	10.91
Joseph Anantharaju	Co – Chairman & CEO	0.00%	25.91
Rajiv Shah	Executive Director	0.00%	22.32
Rajendra Kumar Srivastava	Lead Independent Director	NA	1.76
Shuba Rao Mayya	Independent Director	NA	1.47
Anita Ramachandran	Independent Director	NA	1.47
Mittu Sridhara	Independent Director	NA	1.47
Praveen Kumar Darshankar	Company Secretary & Compliance Officer	11.01%	4.19

Note: For the purpose of calculation of median, salary at global level with conversion rate as of March 31, 2025, has been considered. The median salary at global level of employment is ₹ 16,97,760/- and at India level of employment is ₹ 16,36,950/-

2. Percentage increase in the median remuneration of employees in the financial year ended March 31, 2025: 13.12%
3. No. of permanent employees on the rolls of Company as on March 31, 2025, was 5,039
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:

9.06% increase in remuneration in salaries of employees other than managerial personnel against 0.56% increase in salary of managerial personnel. There has been no remuneration increase for Board members.

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
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

Bengaluru
Dated: June 30, 2025

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 2024-25.
(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 2024-25.
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Date of approval by the Board	
(f) Amount paid as advances, if any:	

For and on Behalf of Board

Venkatraman N
Managing Director
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

Bengaluru
Dated: June 30, 2025

Annexure IV to Board's Report

Annual Report on CSR

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

1. Brief outline on CSR Policy of the Company:

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

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

2. The Composition of the CSR Committee:

Sl. No.	Name of the Director	Nature of Directorship	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee eligible to attend during the year
1	Anita Ramachandran ¹	Independent Director	Chairperson	1	1
2	Rajendra Kumar Srivastava ²	Lead Independent Director	Member	1	1
3	Shuba Rao Mayya ³	Independent Director	Member	1	1
4	Ashok Soota ³	Executive Director	Member	1	1
5	Joseph Anantharaju ³	Executive Director	Member	1	1
6	Rajiv Shah ²	Executive Director	Member	1	1
7	Venkatraman Narayanan ²	Executive Director	Member	1	1

¹Inducted as Chairperson w.e.f. August 5, 2025

²Inducted as Member w.e.f. August 5, 2025

³Ceased to be Member w.e.f. August 5, 2025

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/disclosure/Board-and-Board-Committees.pdf>
- CSR Policy: <https://www.happiestminds.com/investors/policy-document/Corporate-Social-Responsibility-Policy.pdf>
- CSR projects approved by the Board: <https://www.happiestminds.com/investors/disclosure/HM-CSR-FY25.pdf>

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

- Average net profit of the Company as per sub-section (5) of section 135: ₹ 27,930 Lakhs
- Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ 559 Lakhs
- Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: 0
- Amount required to be set-off for the financial year, if any: 0
- Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 559 Lakhs

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

Ongoing Project : ₹ 126 Lakhs

Other than ongoing projects: ₹ 296 Lakhs (Refer Annexure IV(a))

- Amount spent in Administrative Overheads: NIL
- Amount spent on Impact Assessment, if applicable: Not Applicable
- Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 422 Lakhs
- CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹ Lakhs)	Amount Unspent (in ₹ Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer	Name of the fund	Amount	Date of Transfer
422	137	April 30, 2025	NA	NA	NA

f) Excess amount for set-off, if any

Sl. No.	Particular	Amount (in ₹ Lakhs)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	559
(ii)	Total amount spent for the Financial Year	422
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0

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

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹ Lakhs)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹ Lakhs)	Amount Spent in the Financial Year (in ₹ Lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection(5) of section 135, if any	Deficiency, if any
					Amount (in ₹ Lakhs)	Date of Transfer		
1	FY-21-22	-	-	-	-	-	-	-
2	FY-22-23	-	-	-	-	-	-	-
3	FY-23-24	223.72	0	223.72	NA	NA	NA	-

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

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

For and on Behalf of Board

Venkatraman N
Managing Director
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

Bengaluru
Dated: June 30, 2025

Annexure IV (a)

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project		Allotment (in ₹ Lakhs)	Amount spent for the project (in ₹ Lakhs)	Mode of implementation Direct (Yes/No).	Mode of implementation Through implementing agency	
				State	District				Name	CSR Registration Number
1	Trees for Farmers	Environmental sustainability	Yes	Tamil Nadu	Krishnagiri	100	100		Grow-Trees	
2	Percolation Wells under 'One Billion Drops' Project	Environmental sustainability	Yes	Karnataka	Bengaluru	116.1	116.1	No	United Way of Bengaluru	CSR00000324
3	Siddalghatta Social forestry	Environmental sustainability	Yes	Karnataka	Chikkaballapur	10	10	No	United Way of Bengaluru	CSR00000324
4	Seed ball Making activity	Environmental sustainability	Yes	Karnataka	Bengaluru	1.3	1.3	No	United Way of Bengaluru	CSR00000324
5	Employee Engagement - Tree planting	Environmental sustainability	Yes	Uttar Pradesh, Maharashtra, Orissa, Karnataka	Noida, Pune, Bhubaneswar, Bengaluru	3.5	3.5	No	EAGL Livelihood Foundation (EAGL)	CSR00000988
6	Tree plantation project	Environmental sustainability	Yes	Uttar Pradesh	Noida	5.1	5.1	No	Think Good Foundation	CSR00028312
7	Project - Mathuram (benefit of poor deserving children with insulin needing Type 1 diabetes)	Healthcare	Yes	Karnataka	Bengaluru	24	24	No	Idhayangal Charitable Trust	CSR00003135
8	Meal donation under PM POSHAN Programme	Promoting education and eradicating hunger	Yes	Karnataka	Bengaluru	140	140	No	The Akshaya Patra Foundation	CSR00000286
9	Skill bridge: building future - Ready girls	Special Education	Yes	Karnataka	Bengaluru	10	10	No	K.C. Mahindra Education Trust	CSR000005110
10	Musical production	Special Education	Yes	Karnataka	Bengaluru	12	12	No	Bethany Education Board	
Total						422	422			

For and on Behalf of Board

Venkatraman N
Managing Director
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

Bengaluru
Dated: June 30, 2025

Annexure V to Board’s Report

A. Conservation of Energy

We recognize that sustainable practices are essential for creating long-term value for our stakeholders and clients. We have undertaken several initiatives to reduce our energy consumption and environmental impact over the past year. By optimizing production processes, installing energy-efficient equipment, and integrating smart technology solutions, we have significantly improved energy efficiency across our operations.

Most of our office facilities have transitioned from fluorescent lighting to LED, and our IT infrastructure now predominantly operates on cloud platforms rather than traditional server racks, resulting in lower energy consumption. To promote responsible water use, we have installed sensor-based and flow-regulated taps. Additionally, our office premises feature percolation wells that aid in rainwater harvesting, helping to replenish groundwater reserves. We also avoid the use of single-use disposables.

Our total energy consumption stands at 40,11,397 KWh, of which 4,86,719 KWh, approximately 12.13% is generated through our rooftop solar initiative, marking a notable contribution to our use of renewable energy.

These initiatives not only support our corporate responsibility goals but also lead to cost savings and enhance operational resilience. As we continue to embed sustainability into our business practices, we remain committed to generating a positive environmental impact while delivering lasting value to our investors.

B. Technology Absorption

Your Company continues to track trends and latest developments in various technology areas, including those related to Gen AI, Mobility, Data Platform, Analytics & AI, Cyber Security, Cloud Computing and IoT. Your Company has started new focus in Industry Cloud Platform to deliver value to the customers. Your Company has taken major initiatives and upped its leadership in Analytics/AI by adding Quantum Machine Learning in focus area & in Gen AI space, Agentic AI way of working. Your Company developed solutions in Digital Process Automation leveraging intelligent process automation tools and technologies. It has also deepened its partnership with Microsoft for Azure Implementations, Power Platform and Business Applications, AWS as consulting and implementation partner and other partnership includes ServiceNow, Fivetran and PIMCore.

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

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

Research and Development

(i) Specific Areas of Research and Development

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

(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 newly created GBS BU to acquire new customer in focused geography and also deploy Gen AI based solutions in production rapidly and building use cases thus achieving multiple accreditations, industry recognitions & analyst mentions and increase its share of IP-led revenues for the Company.

(iii) Future Plan of Action

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

(iv) Expenditure on R&D

R&D is carried on by the Company as a part of the ongoing software development activity and expenditure thereof is considered as part of operating expenditure. Total expenses on R&D during FY 2024-25 was ₹ 2,047 Lakhs as against ₹ 1,842.90 Lakhs during FY 2023-24.

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 financial year, your Company continued to strengthen its position in global markets through a combination of strategic client engagements, digital transformation offerings, and delivery excellence. A significant portion of the Company's revenue was derived from exports to North America, Europe, Middle Eastern and Asia-Pacific regions. To further enhance export performance, the Company undertook several initiatives including:

- Investment in emerging technologies such as Gen AI, cybersecurity to cater to evolving global demand.
- Participation in international trade fairs and industry forums to increase brand visibility and attract new clients.
- Forging strategic alliances and local partnerships.

Looking ahead, the Company aims to deepen its presence in high-growth sectors such as BFSI, healthcare and hi-tech, with a strong emphasis on innovation and customer-centric solutions. Your Company will continue to invest in online media and social networking to enhance its brand visibility.

ii. Foreign Exchange Used and Earned

	(Amount in ₹ Lakhs)	
	March 31, 2025	March 31, 2024
Foreign exchange earnings	1,76,556	1,20,664
Foreign exchange outgo	70,665	34,000

For and on Behalf of Board

Venkatraman N
Managing Director
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

Bengaluru
Dated: June 30, 2025

Annexure VI 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, 2025. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

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

Place: Bengaluru
Date: May 12, 2025

For **V Sreedharan & Associates**
Company Secretaries

V. Sreedharan
Partner
FCS 2347; C.P.No.833
UDIN: F002347G000316716
Peer Review Certificate No. 5543/2024

Annexure VII to Board’s Report-MR-3

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

For the Financial Year Ended March 31, 2025

To
The Members
Happiest Minds Technologies Limited
CIN: L72900KA2011PLC057931
53/1-4, Hosur Main Road, Madivala
(Next to Madivala Police Station)
Bengaluru - 560068

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 (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, 2025 according to the provisions of:

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

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Company during the Audit Period);
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period) and
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. Other laws specifically applicable to the Company namely:
- a. Information Technology Act, 2000 and the rules made thereunder
 - b. Software Technology Parks of India rules and regulations

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
- ii. 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We further report that based on the review of the compliance reports/ certificates of the Company Secretary which were 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.

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

- a. Mr. Rajiv Indravadan Shah was appointed as Whole Time Director w.e.f. 05.08.2024
- b. Mr. Seshashayee Sampathiyengar Sridhara was appointed as Independent Director w.e.f. 05.08.2024

- c. The Board of Directors of the Company has approved the Scheme of Amalgamation of Happiest Minds Edutech Private Limited (Wholly Owned Subsidiary – Transferor Company) with Happiest Minds Technologies Limited (Holding Company - Transferee Company) and their respective shareholders and creditors, as per Section 230 to 232 and other relevant provisions of the Companies Act, 2013.
- d. The Board of Directors of the Company has approved the composite scheme of Arrangement of PureSoftware Technologies Private Limited Wholly Owned Subsidiary – Transferor Company) with Happiest Minds Technologies Limited (Holding Company - Transferee Company) and their respective shareholders and creditors, as per Section 230 to 232 and other relevant provisions of the Companies Act, 2013.
- e. The Company has entered into Share Purchase agreement dated February 04, 2025, to acquire 100% Equity interest of AureusTech Systems Private Limited.
- f. The Company has entered into Share Purchase agreement dated February 01, 2025, with Gavs Technologies Limited to acquire 100% of business interest of their Middle East business by acquiring viz., InnovazIT Technologies LLC, Dubai; Gavs Technologies LLC, Oman and Gavs Technologies Saudi Arabia for Telecommunications and Information Technology, Saudi Arabia.
- g. The scheme of merger of Sri Mookambika Infosolutions Private Limited, a wholly owned subsidiary of the Company, with Happiest Minds Technologies Limited was initiated during the financial year 2023–24 is currently pending approval from the Hon'ble National Company Law Tribunal, Bengaluru Bench.

For **V Sreedharan & Associates**
Company Secretaries

V. Sreedharan
Partner

FCS 2347; C.P.No.833
UDIN: F002347G000317002
Peer Review Certificate No.: 5543/2024

Place: Bengaluru
Date: May 12, 2025

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.

For **V Sreedharan & Associates**
Company Secretaries

V. Sreedharan
Partner
FCS 2347; C.P.No.833
UDIN: F002347G000317002
Peer Review Certificate No.: 5543/2024

Place: Bengaluru
Date: May 12, 2025

Management Discussion and Analysis

Company Overview

Being a Mindful IT Company, we enable digital transformation for enterprises and technology providers by delivering seamless customer experiences, business efficiency and actionable insights. We do this by leveraging a spectrum of disruptive technologies such as artificial intelligence, blockchain, cloud, digital process automation, internet of things, robotics/drones, security, virtual/augmented reality, etc. Positioned as ‘Born Digital. Born Agile’, our capabilities span Product & Digital Engineering Services (PDES), Infrastructure Management & Security Services (IMSS) and Generative AI Business Services (GBS). We deliver these services across industry groups: Industrial, Manufacturing and Energy & Utilities, Healthcare & Life Sciences, Retail, CPG & Logistics, Banking, Financial Services and Insurance (BFSI), Hi-Tech and Media & Entertainment, and EdTech. The Company has been recognized for its excellence in Corporate Governance practices by Golden Peacock and ICSI. A Great Place to Work-Certified™ Company, Happiest Minds is headquartered in Bengaluru, India with operations in the U.S., UK, Canada, Australia and the Middle East.

Industry Overview (FY 2025-26 Outlook)

FY 2025-26 marks a pivotal phase for the Indian IT/ITeS sector as it continues to reinforce its global leadership in digital transformation, AI-led innovation, and advanced technology services. According to NASSCOM, the industry is projected to **surpass US\$ 300 billion in revenue, growing at 6%**, building on FY 2024-25’s robust export performance of **US\$ 210 billion**.

The global technology landscape has been significantly reshaped by the emergence of Generative AI (GenAI) platforms such as ChatGPT, propelling the AI Software & Services market beyond US\$ 100 billion. Indian IT firms both large and mid-sized are scaling GenAI capabilities at speed, positioning India as a global AI talent hub.

Growth in FY 2025-26 is expected to be driven by the following key themes:

- **Generative AI Adoption:** Enterprise-scale deployment for automation, code generation, customer service and analytics, with over **97% of large enterprises** exploring GenAI integration.
- **Digital Engineering & ER&D:** Strong demand for software-defined products, embedded systems, and platform engineering, with the segment projected to grow at **7%**.
- **Quantum Computing:** Gaining strategic traction through early-stage investments by tech firms and government support under the National Quantum Mission.
- **Cybersecurity:** Increased focus on zero-trust frameworks, endpoint protection, and compliance-driven security, amid growing digital risk exposure.
- **Cloud Services & Infrastructure Management:** Continued acceleration in cloud migration, hybrid infrastructure, and managed services.
- **Technology Consulting:** Rising demand for advisory services around IT modernization, GenAI implementation, and business-aligned digital strategies.
- **Domestic Tech Spend:** Projected to reach **US\$ 160 billion**, growing at **9.3% YoY**, driven by sectors like **BFSI, healthcare, and manufacturing**.
- **Global Demand for Cost-Efficient Talent:** India’s deep talent pool in AI, cloud, and cybersecurity continues to attract global enterprises navigating cost and capability challenges.

With cumulative FDI equity inflows of US\$ 98 billion and strong policy backing through initiatives such as **the India AI Mission and National Quantum Mission**, India is well-positioned to lead the next wave of global digital and deep-tech innovation in FY 2025-26 and beyond.

Business overview

Our business is divided into 3 Business units.

- Product and Digital Engineering Services (PDES):** PDES is focused on delivering engineering excellence to customers that are building next-generation products and platforms and to enterprises that are carrying out large scale digital transformation programs. Our approach is supported by three foundational elements:
 - Engineering DNA** – utilizing a sharp engineering mindset to help customers develop products and platforms that build sustainable momentum in today’s hyper-competitive marketplace.
 - Integrated Disruptive Technologies** – driving transformation through a holistic approach that leverages Artificial Intelligence, GenAI, Analytics, Hyper automation, Cyber Security and more.
 - Digital Transformation** – reengineering products and experiences to enhance business fluidity and deepen customer engagement.

We bring deep expertise in platform development, device engineering, quality assurance, experience engineering and technology acceleration to provide smart, secure and scalable engineering services across industries. Our experience in enabling large-scale digital transformation programs helps unlock new business value and unprecedented operational efficiencies.

- Infrastructure Management & Security Services (IMSS):** Happiest Minds delivers comprehensive IT Infrastructure and Security services, encompassing advisory, transformation, and managed operations. We empower businesses to navigate complexity, accelerate digital transformation, and fortify their defenses against evolving cyber threats, all while leveraging innovative technologies like Gen AI. From initial infrastructure assessments and cloud migration strategies to continuous security monitoring and AI-driven threat response, we provide end-to-end solutions.
- Generative AI Business Services (GBS):** GBS delivers high-impact, cost-effective solutions that enable enterprises to accelerate transformation, enhance operational efficiency, and make smarter decisions. We offer end-to-end support across the AI lifecycle, including strategic consulting, custom engineering, rigorous testing, and infrastructure management. Backed by successful implementations across healthcare, energy, travel, and insurance sectors, GBS empowers organizations to scale Generative AI responsibly and achieve tangible business value.

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

- Analytics / Artificial Intelligence (AI):** Our analytics/AI offering includes implementation of advanced analytics using artificial intelligence, machine learning and statistical models, engineering big data platforms to deal with large volume of data, creating actionable insights with data warehousing, modernization of data infrastructure and process automation through AI.
- Digital Process Automation (DPA):** Our DPA offering includes consulting led digital transformation through process automation of core business applications, products and infrastructure landscape of our customers, leveraging various intelligent process automation tools and technologies including Robotic Process Automation (RPA), Intelligent Business Process Management (iBPMs) and cognitive automation using AI & machine learning based models.

Significant Matters Affecting our Operations

Customer relationships

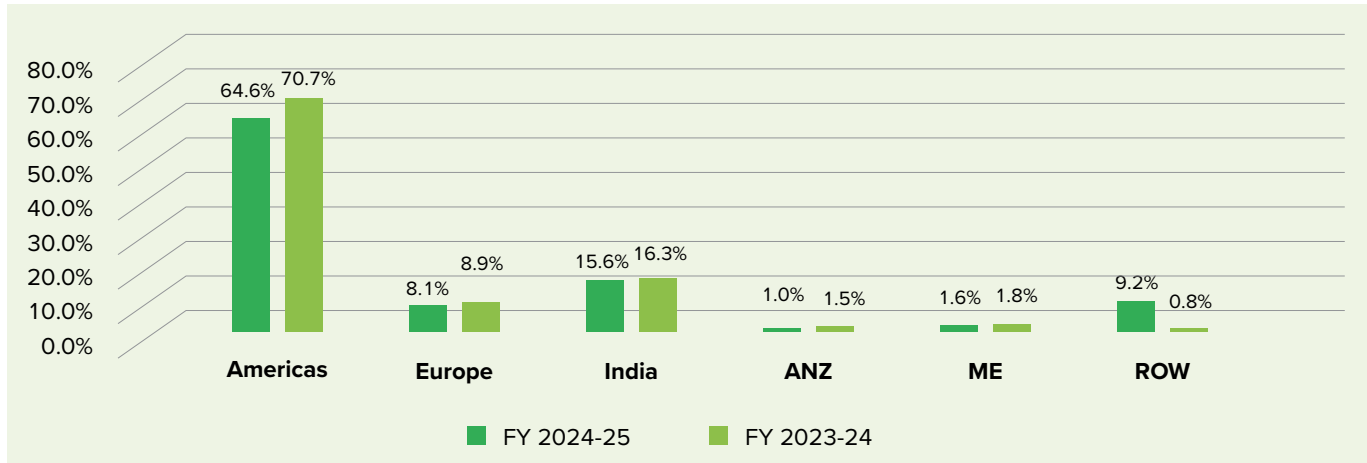
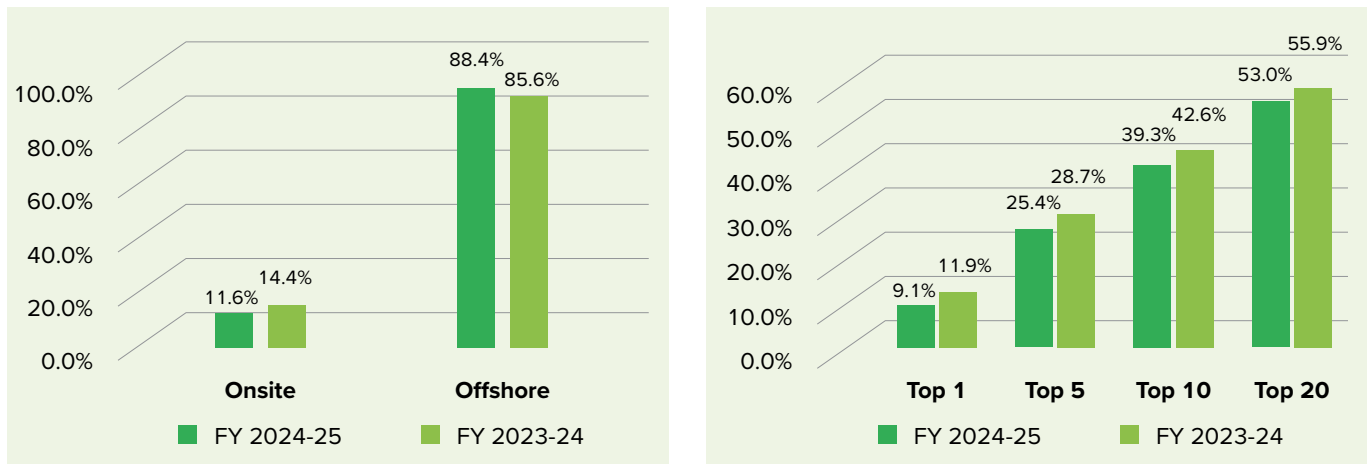
Customer relationships are the core of our business. During FY 2024-25, we increased average count of our active customers to 281 from 250 in FY 2023-24. Our ability to grow our customer base and drive market adoption of our software is affected by the pace at which organizations digitally transform. We expect that our revenue growth will be primarily driven by the pace of adoption of our offerings. We believe the degree to which prospective customers recognize the need for our offerings to maximize their business process would lead to a higher budget allocation by such prospective customers for engaging our services. This will drive our ability to acquire new customers and increase sales to existing customers, which in turn, will affect our future financial performance.

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

We believe we have a substantial opportunity to grow our customer base. We have invested, and intend to continue to invest, to drive sales to new customers. We have made, and plan to continue to make, investments to enhance the expertise of our sales and marketing organization within our business verticals of focus namely BFSI, EdTech, Healthcare & Life Sciences, Hi-Tech, Industrial/Manufacturing, and Retail, CPG & Logistics.

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

Revenue composition



Management of Employees and Employee Costs

Our ability to recruit, train, retain and deploy our workforce of IT professionals influences our profit margins and the results of our operations. We ended March 31, 2025, with a headcount of 6,632 IT professionals. This number was 5,168 as of March 31, 2024. Attrition of IT professionals showed a slight increasing trend during the year.

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

Our employee costs consist of salaries, wages and bonuses, contribution to provident and other funds, employee stock compensation expense, compensated absences, gratuity and staff welfare. Salaries and wages in India, including in the services industry, have historically been lower than those in the United States, Europe and other developed economies. However, if these costs in India continue to increase at a rate faster than in the United States, Europe and other developed economies due to competitive pressures,

we may experience a greater increase in our employee costs, thereby eroding one of our principal cost advantages over competitors in the United States, Europe and other developed economies.

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

Foreign Currency Fluctuations

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

Financial Conditions

Assets

1. Tangible and Intangible Assets

	₹ lakhs	
	FY 2024-25	FY 2023-24
Property, plant, and equipment	14,096	13,778
Right-of-use assets	6,958	5,698
Capital work-in-progress	0	9
Other intangible assets	23,831	7,786
Intangible assets under development	18	22
Goodwill	76,230	14,032
Total	1,21,133	41,325

Property, Plant, and Equipment:

Property, plant, and equipment has increased to ₹ 14,096 lakhs as of March 31, 2025, from ₹ 13,778 lakhs as of March 31, 2024. The increase is mainly due to, re-structuring of building at Madivala, Bengaluru, to increase the seating capacity.

Right-of-use Assets:

Right of use assets have been recognized at ₹ 566 lakhs as on March 31, 2025. These assets are primarily related to office premises of the acquired entities, laptops purchased on lease and motor vehicles bought on lease. These expansions and additions are in line with overall growth.

Other Intangible Assets:

Other intangible assets as on March 31, 2025, is ₹ 23,831 lakhs. These other intangible assets include i) intangible assets such as trademark, non-compete, customer relationships, exclusive license which are acquired in a business combination. These are initially recorded at fair value on the date of acquisition and are amortized over estimated useful life (refer table below for use life of other intangible assets) and ii) software licenses which are bought for perpetual use. Increase in other intangible assets during FY 2024-25 is on account of recognizing intangible in business combination of PureSoftware, Aureus and GAVS Tech (ME).

Below is the useful life of other intangible assets:

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

Goodwill:

The carrying value of goodwill as on March 31, 2025, is ₹ 76,230 lakhs. This includes ₹ 611 lakhs relating to the business acquisition of Cupola Technology Private Limited, ₹ 8,216 lakhs relating to the business acquisition of Happiest Minds Inc. (formerly known as PGS Inc.), ₹ 5,404 lakhs relating to the business acquisition of Sri Mookambika Infosolutions Private Limited (SMI), ₹ 56,742 lakhs of PureSoftware, ₹ 4,896 lakhs of Aureus and ₹ 361 lakhs pertaining to GAVS Technologies.

This goodwill is tested for impairment annually by the Company and during the year there is no impairment of goodwill.

2. Trade Receivables

Trade receivables amounted to ₹ 35,813 lakhs (net of provision for doubtful debt of ₹ 2,635 lakhs) as on March 31, 2025, in comparison to ₹ 25,444 lakhs (net of provision for doubtful debt of ₹ 1,157 lakhs) as on March 31, 2024. Increase in provision for doubtful debt is because we had a sudden reneging on payment obligations by one of our customers, having business with government agencies in the U.S., requiring us to make a provision for bad and doubtful debts of about ₹ 1,244 lakhs. Days Sales Outstanding is at 88 days as on March 31, 2025, as compared to 87 days as on March 31, 2024.

3. Other Current and Non-Current Assets ₹ lakhs

	FY 2024-25			FY 2023-24		
	Current	Non-Current	Total	Current	Non-Current	Total
Other Financial assets	17,726	7,358	25,084	13,850	2,480	16,330
Other assets:						
Income tax assets (net)		3,537	3,537		1,529	1,529
Deferred tax assets (net)	-	3,613	3,613	-	1,636	1,636
Loans	12	-	12	37	-	37
Other assets	5,682	170	5,852	4,793	32	4,825
Total other assets	5,694	7,320	13,014	4,830	3,197	8,027
Total	23,420	14,679	38,098	18,680	5,677	24,357

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

Total Other financial assets increased to ₹ 25,084 lakhs as on March 31, 2025, from ₹ 16,330 lakhs as on March 31, 2024, mainly on account of increase in margin money deposits and increase in unbilled receivables. Days of sales outstanding of unbilled revenue (including that classified as non-financial asset) is 28 days as on March 31, 2025, compared to 29 days as on March 31, 2024.

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

Other assets increased to ₹ 13,014 lakhs as on March 31, 2025, from ₹ 8,027 lakhs as on March 31, 2024, mainly on account of prepaid expenses.

4. Investments, Cash and Cash Equivalents

	₹ lakhs	
	FY 2024-25	FY 2023-24
Other financial assets - non-current	6,324	1,699
Investment in mutual funds	35,039	-
Bank balances other than cash and cash equivalent	93,911	122,183
Cash and cash equivalent	11,912	11,470
Total	1,47,186	1,35,352

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

The total investment in mutual funds ₹ 35,039 lakhs as on March 31, 2025, by liquidating fixed deposits. The weighted average rate of return for FY 2024-25 is 8.20 % as against 7.28% in FY 2023-24.

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

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

Liabilities

1. Share Capital

	₹ lakhs	
	FY 2024-25	FY 2023-24
Authorised:		
22,93,00,000 equity shares of ₹ 2/- each	4,586	4,586
(Previous year: 22,93,00,000 equity shares)		
Issued, subscribed and fully paid up:		
15,00,46,867 equity shares of ₹ 2/- each	3,001	2,987
(Previous year: 14,93,54,426 equity shares of ₹ 2/- each)		
Total	3,001	2,987

2. Other Equity

	₹ lakhs	
	FY 2024-25	FY 2023-24
Securities premium	90,582	90,318
Retained earnings	64,487	55,042
Other reserves	(612)	(323)
Total	1,54,457	1,45,037

Other equity at the end of March 31, 2025, stood at ₹ 1,54,457 lakhs as against ₹ 1,45,037 lakhs as at March 31, 2024. The retained earnings increased to ₹ 64,487 lakhs as at March 31, 2025, from ₹ 55,042 lakhs as at March 31, 2024, on account of net profit for the year, reduced by dividend paid.

3. Financial Liabilities

	FY 2024-25			FY 2023-24		
	Current	Non-Current	Total	Current	Non-Current	Total
Borrowings	82,554	33,537	116,090	33,792	10,445	44,237
Lease liabilities	3,258	5,010	8,268	2,412	4,570	6,982
Other financial liabilities	14,526	8,330	22,856	5,810	401	6,211
Trade payables	10,481	-	10,481	7,915	-	7,915
Total	1,10,818	46,877	1,57,695	49,929	15,416	65,345

Total borrowings as of March 31, 2025, is ₹ 1,16,090 lakhs as against ₹ 44,237 lakhs as of March 31, 2024. The increase is on account of the amount borrowed for acquisitions.

Total lease liabilities as of March 31, 2025, is ₹ 8,268 lakhs as against ₹ 6,982 lakhs as of March 31, 2024. The increase in lease liabilities is majorly on account of the expansion of facility centers in Noida, Hyderabad and Chennai.

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

4. Other Liabilities

	FY 2024-25			FY 2023-24		
	Current	Non-Current	Total	Current	Non-Current	Total
Provisions	3,519	5,940	9,459	2,136	3,338	5,474
Deferred tax liabilities (net)	-	4,841	4,841	-	1,303	1,303
Income tax liabilities (net)	422	-	422	12	-	12
Contract liabilities	2,194	-	2,194	1,825	-	1,825
Other current liabilities	3,836	-	3,836	2,796	-	2,796
Total	9,972	10,781	20,753	6,769	4,641	11,410

Provisions comprise of employee benefits on account of compensated absences and post-retirement benefits such as gratuity. Total provision as of March 31, 2025, stood at ₹ 9,459 lakhs as against ₹ 5,474 lakhs as on March 31, 2024. The main reason for increase being head count additions made during the year.

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

Results of Our Consolidated Operations

	FY 2024-25		FY 2023-24	
	₹ lakhs	% of total income	₹ lakhs	% of total income
Income				
Revenue from contracts with customers	2,06,084	95.3%	1,62,466	95.0%
Other income	10,138	4.7%	8,537	5.0%
Total income	2,16,222	100.0%	1,71,003	100.0%
Expenses				
Employee benefits expense	1,36,534	63.1%	1,01,469	59.3%
Depreciation and amortization	8,870	4.1%	5,829	3.4%
Finance costs	9,948	4.6%	4,227	2.5%
Other expenses	34,108	15.8%	27,412	16.0%
Total expenses	1,89,460	87.6%	1,38,937	81.2%
Profit before exceptional items and tax	26,762	12.4%	32,066	18.8%
Exceptional items: charge / (credit)	1,216	0.6%	(1,402)	(0.8)%
Profit before tax	25,546	11.8%	33,468	19.6%
Tax expense	7,080	3.3%	8,629	5.0%
Profit for the year	18,466	8.5%	24,839	14.5%
Other comprehensive income for the year, net of tax	(609)	(0.3)%	(875)	(0.5)%
Total comprehensive income for the year	17,857	8.5%	23,964	14.5%
Profit for the year	18,466		24,839	
Attributable to:				
Equity holders of the parent	18,466		24,839	
Non-controlling interests	-		-	
Total comprehensive income for the year	17,857		23,964	
Attributable to:				
Equity holders of the parent	17,857		23,964	
Non-controlling interests	-		-	
Earnings per equity share				
Equity shares of par value ₹ 2/- each				
Basic	₹ 12.26		₹ 16.73	
Diluted	₹ 12.26		₹ 16.73	

Comparison between FY 2024-25 and FY 2023-24

1. Income

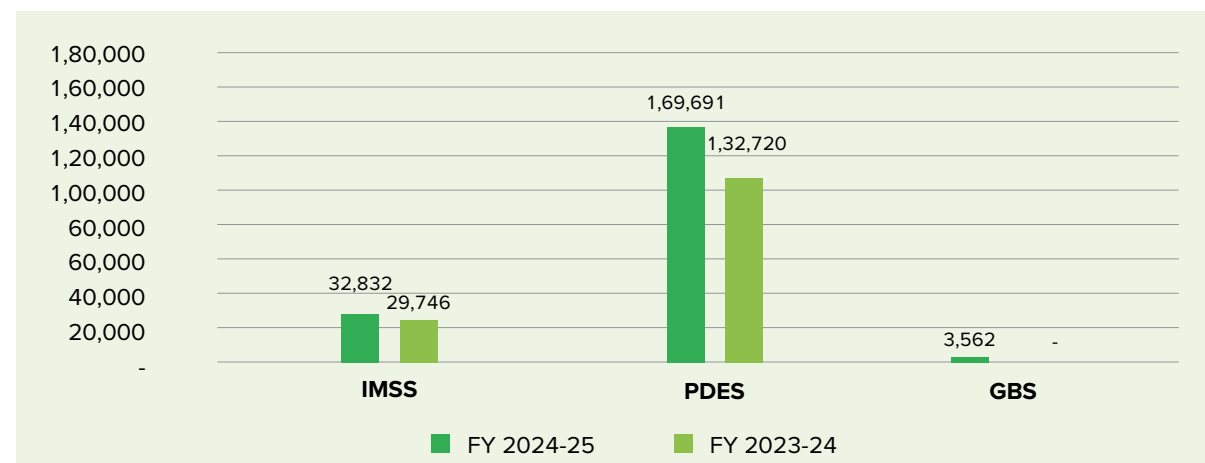
a. Revenue from Contracts with Customers

	₹ lakhs	
	FY 2024-25	FY 2023-24
Sale of service	2,03,584	1,62,179
Sale of licenses (net)	2,500	287
Total	2,06,084	1,62,466

During the year revenue from contracts with customers grew by 26.8 % from ₹ 1,62,466 lakhs in FY 2023-24 to ₹ 2,06,084 lakhs in FY 2024-25. Main factors that led to the increase in revenue are i) Favorable exchange rate: In FY 2024-25 US\$ to ₹ rate depreciated on an average, by 3% during the year. This contributed to the portion of the increase in revenue ii) Improved billing rates: During the year we could bill our customers at a better rate than FY 2023-24. iii) Increase in volume: Due to the increase in head count, we had additional volume to generate additional revenue iv) Also, acquisitions made during the year contributed to revenue growth.

Our revenue from contracts with customers is generated from three business units, namely: Product and Digital Engineering Services (PDES), Infrastructure Management & Security Services (IMSS), Generative AI Business Services (GBS). For Details Refer Business Overview section.

Revenue by Segment



Our revenue from Infrastructure Management & Security Services increased by 10.4% from ₹ 29,746 lakhs in FY 2023-24 to ₹ 32,832 lakhs in FY 2024-25. Revenue from Product and Digital Engineering Services increased by 27.9% from ₹ 132,720 lakhs in FY 2023-24 to ₹ 169,691 lakhs in FY 2024-25. Revenue from Generative AI Business Services is ₹ 3,562 lakhs in FY 2024-25.

b. Other Income

	₹ lakhs	
	FY 2024-25	FY 2023-24
Interest income	8,976	7,958
Gain on sale of investments measured at FVTPL	1,240	18
Exchange gain / (loss)	(338)	459
Rent concession	-	-
Miscellaneous income	260	102
Total other income	10,138	8,537

Other income consists of income from investment, foreign exchange gain / (loss) and miscellaneous income. During the FY 2024-25, other income increased to ₹ 10,138 lakhs from ₹ 8,537 lakhs in FY 2023-24.

Income from Investment:

Income from investment primarily includes interest on fixed deposits in various banks. Interest from fixed deposits is higher in FY 2024-25 compared to interest in FY 2023-24 mainly on account of increased investments in fixed deposits. As rate of return is higher from fixed deposits than from mutual funds, all the amounts from mutual funds were invested in fixed deposits from beginning of FY 2024-25.

Foreign Exchange Gain / (Loss):

To mitigate our foreign exchange risk, we have a long-term hedging policy. We hedge exposures in major currencies such as the US dollar and the GBP. Our hedging policy runs on a net exposure basis, typically on a rolling 12 months basis. These hedges provide payments by banks to us in the situations where the spot exchange rate on maturity is lower than the rate at which hedges were entered and payment by us to the banks in situations where the spot exchange rate on maturity is higher than the rate at which the hedges were entered. Our foreign exchange gain decreased to a loss of ₹ 279 lakhs for FY 2024-25 as against gain of ₹ 459 lakhs in FY 2023-24. This is mainly due to ₹ depreciation during the year resulting in increased realized and unrealized gains. The Company further availed benefit of better average hedge rates during the year as compared to the previous year.

2. Expenses

a. Employee Benefits Expense

	₹ lakhs	
	FY 2024-25	FY 2023-24
Salaries, wages and bonus	127,226	94,291
Contribution to provident fund	5,882	4,675
Employee stock compensation expense	-	47
Gratuity expense	1,280	876
Compensated absences	1,485	1,025
Staff welfare expenses	660	555
Total employee benefits expense	136,534	101,469

Employee benefit expenses comprise salaries (including overseas); staff welfare; contributions to provident and other funds, and gratuity funds. Our employee benefit expenses increased by 34.6% to ₹ 1,36,534 lakhs for the FY 2024-25 from ₹ 1,01,469 lakhs for the FY 2023-24. The increase is on account of the increase in employee count in line with business growth, changes to employee mix and increments. This has also resulted in higher contributions to the provident and other funds, social security and payroll taxes.

b. Depreciation and Amortization

	₹ lakhs	
	FY 2024-25	FY 2023-24
Depreciation of property, plant and equipment	863	495
Amortisation of intangible assets	4,827	2,675
Depreciation of right-of-use assets	3,180	2,659
Total depreciation and amortisation expense	8,870	5,829

Tangible and intangible assets including Right of Use assets are amortized over periods corresponding to their estimated useful lives. Our depreciation and amortization expense increased by 52.2% to ₹ 8,870 lakhs for the FY 2024-25 from ₹ 5,829 lakhs for the FY 2023-24. The increase is primarily due to amortization of intangible assets which were recognized on consolidation of subsidiaries.

c. Finance Costs

	₹ lakhs	
	FY 2024-25	FY 2023-24
Interest on borrowings	7,260	2,460
Interest on non-convertible debenture	1,125	948
Interest on lease liabilities	727	614
Unwinding of interest in contingent consideration	526	205
Unwinding interest on OCRPS	311	-
Total finance costs	9,948	4,227

Finance costs consist of interest on borrowing (both long term and short term), interest on non-convertible debentures, interest on lease liabilities and unwinding interest in contingent consideration. During FY 2024-25 finance cost increased to ₹ 9,948 lakhs from ₹ 4,227 lakhs in FY 2023-24. The increase is primarily because of the amount borrowed for acquisitions and unwinding interest on contingent considerations payable to subsidiaries.

d. Other Expenses

	₹ lakhs	
	FY 2024-25	FY 2023-24
Power and fuel	514	567
Subcontractor charges	13,826	12,851
Repairs and maintenance	789	886
Rent expenses	631	549
Advertising and business promotion expenses	1,018	873
Commission	73	45
Communication costs	278	266
Insurance	182	138
Legal and professional fees	2,309	1,039
Audit fees	178	104
Loss on property, plant and equipment sold / scrapped, net	-	1
Software license cost	6,092	4,775
Rates and taxes	217	91
Recruitment charges	763	787
Impairment loss allowance on trade and unbilled receivables	1,590	530
Commission & Sitting fees to Non-Executive Directors	125	95
CSR expenditure	655	470
Travelling and conveyance	3,957	2,753
Postage and courier	58	40
Training expense	445	413
Miscellaneous expenses	408	138
Total Expenses	34,108	27,412

Other expenses primarily comprise of (i) subcontractor charges, (ii) software license cost, (iii) travelling and conveyance, (iv) Recruitment charges and (v) Advertisement and business promotion expenses. During the year other expenses increased by 24.4% to ₹ 34,108 lakhs in FY 2024-25 from ₹ 27,412 lakhs in 2023-24. The increase was due to higher travel costs, recruitment charges, provision for doubtful debts and an increase in CSR spend.

3. Profit Before Exceptional Items and Tax:

Our profit before exceptional items and tax decreased by 16.5% to ₹ 26,792 lakhs for the FY 2024-25 from ₹ 32,066 lakhs for the FY 2023-24.

4. Exceptional Items:

FY 2024-25:

On May 22, 2024, the Group acquired 100% equity interest of PureSoftware Technologies Private Limited ('PSTPL'). The Group paid the cash consideration of ₹ 63,742 lakhs and ₹ 118 lakhs on May 22, 2024 and August 19, 2024 respectively, and the shares were transferred on May 28, 2024. As a result of this acquisition, the Group has recorded goodwill of ₹ 56,373 lakhs and other intangible assets of ₹ 15,553 lakhs, and a contingent consideration of ₹ 10,814 lakhs. Costs incurred on the acquisition of about ₹ 605 lakhs has been grouped under "Other expenses".

The Group has re-measured the fair value of the contingent consideration and the change in fair value of ₹ 2,344 lakhs has been recognized in the statement of profit and loss and disclosed as an 'Exceptional Item' for the quarter and year ended March 31, 2025.

On May 24, 2024, the Group acquired 100% membership interest in Aureus Tech Systems LLC ('Aureus'). The Group paid cash consideration of ₹ 6,608 lakhs and ₹ 525 lakhs on May 24, 2024 and September 4, 2024 respectively, and the membership interest in Aureus were transferred on May 27, 2024. As a result of this acquisition, the Group has recorded goodwill of ₹ 4,783 lakhs and other intangible assets of ₹ 4,398 lakhs, and a contingent consideration of ₹ 2,425 lakhs. The Group incurred acquisition cost of ₹ 38 lakhs and it is grouped under "Other expenses".

The Group has re-measured the fair value of the contingent consideration and the change in fair value of ₹ (1,128) lakhs has been recognized in the statement of profit and loss and disclosed as an 'Exceptional Item' for the quarter and year ended March 31, 2025.

FY 2023-24:

The fair value of contingent consideration payable to the shareholders of Sri Mookambika Infosolutions Private Limited ('SMI') over a period of 2 years ended December 31, 2024 has been re-measured and the change in fair value amounting to ₹ 143 lakhs has been recognised in the statement of profit and loss and disclosed as an 'Exceptional Item' for the quarter ended and year ended March 31,2024 respectively.

The fair value of contingent consideration payable to shareholders of Happiest Minds Inc. (erstwhile PGS Inc.) has been re-measured and the change in fair value amounting to ₹ 1,259 lakhs has been recognised in the statement of profit and loss and disclosed as an 'Exceptional Item' for the quarter and year ended March 31, 2024.

5. Profit Before Tax:

Our profit before tax decreased by 23.7% to ₹ 25,546 lakhs for the FY 2024-25 from ₹ 33,468 lakhs for the FY 2023-24.

6. Tax Expenses:

Income tax expense comprises current tax and deferred tax. Current tax is the amount expected to be paid to the tax authorities in accordance with the applicable tax laws in relevant jurisdictions. Deferred tax assets and liabilities reflect the impact of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements as well as other deferred tax assets recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available. During the year, current tax expense decreased to ₹ 7,080 for the FY 2024-25 from ₹ 8,629 lakhs for the FY 2023-24 mainly on account of decrease in profit.

7. Profits for the Year:

As a result of the foregoing factors, our net profit decreased by 25.7% to ₹ 18,466 lakhs for the FY 2024-25 from ₹ 24,839 lakhs for the FY 2023-24.

Liquidity

The Company continues to maintain a healthy liquidity position for the year, meeting the cash requirements through its internal accruals. Apart from cash and cash equivalents, the Company's overall investment position in mutual funds and bank deposits stands at ₹ 1,34,893 lakhs as on March 31, 2025 in comparison to ₹ 1,26,057 lakhs as on March 31, 2024. The table below summarizes our consolidated cash flows.

	₹ lakhs	
	FY 2024-25	FY 2023-24
Net cash flows from operating activities	23,642	21,256
Net cash flows used in investing activities	(76,216)	(46,641)
Net cash flows from/(used) in financing activities	49,945	36,347
Net increase / (decrease) in cash and cash equivalents	(2,628)	10,962
Cash and cash equivalents at the beginning of the period	11,470	6,999
Effect of exchange differences on translation of foreign currency cash and cash equivalents	19	55
Cash acquired on acquisition of subsidiary	3,624	-
Less : Bank overdraft at the beginning of the year	(573)	(7,119)
Cash and cash equivalents at the end of the period	11,912	10,897

1. Operating activities

Our net cash flows from operating activities was ₹ 23,642 lakhs in FY 2025. Our operating cash flow before working capital changes was ₹ 36,833 lakhs in FY 2025, which was primarily adjusted by depreciation/amortisation of property, plant and equipment, intangibles and right-of-use assets of ₹ 8,870 lakhs, Loss on derecognition of contingent consideration of ₹ 1,216 lakhs and finance cost of ₹ 9,948 lakhs, partially offset by interest income of ₹ 8,976 lakhs. Our movements in working capital primarily consisted of increase in trade receivables of ₹ 2,114 lakhs, increase in trade payables of ₹ 937 lakhs, increase in financial assets of ₹ 2,686 lakhs and a decrease in non-financial liabilities of ₹ 1,020 lakhs.

2. Investing activities

Net cash flows used in investing activities was ₹ 76,216 lakhs. This was primarily due to acquisition of subsidiaries for ₹ 73,121 lakhs, net investment in Mutual funds of ₹ 33,798 lakhs which is partially offset by maturities of fixed deposit for ₹ 23,647 lakhs and interest income of ₹ 8,657 lakhs.

3. Financing activities

Net cash from financing activities was ₹ 49,945 lakhs. This was primarily due to proceeds from short-term borrowings of ₹ 53,322 lakhs and proceeds from long-term borrowings of ₹ 24,061 lakhs which was partially offset by payment of dividend of ₹ 8,588 lakhs, payment of interest of ₹ 8,401 lakhs and payment of lease liability amounting to ₹ 3,899 lakhs.

Internal Control

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

Risk and Mitigation Approaches

Organization level risks and mitigation approaches are covered under section “Ensuring effective risk management”.

Corporate Governance Report

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

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

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

II. Board of Directors

The Board of Directors of Happiest Minds as on March 31, 2025, comprised of eight (8) Directors with optimum combination of Executive and Non-Executive Directors i.e., four Executive Directors and four Non-Executive Independent Directors including two-woman Directors and each of them are professionals in their respective areas of specialization and have held/holding eminent positions. The Board Members are not related to each other, and the number of Directorships/Committee memberships held by Executive and Non-Executive Independent Directors are within the permissible limits under SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

(a) Composition of Board of Directors

The composition and category of Directors as on March 31, 2025:

Sl. No.	Name of the Director	Category	Number of other Directorships held in other public Companies	Number of Committee membership held in other public companies (limited to only Audit and Stakeholders’ Relationship Committees)		No and % of Equity Shares held in the Company (%)
				As Chairperson	As Member	
1	Mr. Ashok Soota	Promoter & Executive Director	Nil	Nil	Nil	6,71,94,571 (44.13%) ¹
2	Mr. Joseph Anantharaju	Executive Director	Nil	Nil	Nil	3,75,000 (0.25%)
3	Mr. Venkatraman Narayanan	Executive Director	Nil	Nil	Nil	2,75,000 (0.18%)
4	Mr. Rajiv Shah	Executive Director	Nil	Nil	Nil	1,20,000 (0.079%)
5	Mrs. Anita Ramachandran	Non-Executive Independent Director	9	2	8	Nil
6	Mr. Rajendra Kumar Srivastava	Non-Executive Independent Director	1	Nil	1	Nil
7	Mrs. Shuba Rao Mayya	Non-Executive Independent Director	3	1	5	Nil
8	Mr. Mittu Sridhara	Non-Executive Independent Director	2	1	2	Nil

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

Directorship in other listed entities as on March 31, 2025:

Sl. No.	Name of the Director	Directorship in other listed entities	Category of Directorship
1	Ashok Soota	Nil	NA
2	Joseph Anantharaju	Nil	NA
3	Venkatraman Narayanan	Nil	NA
4	Rajiv Shah	Nil	NA
5	Anita Ramachandran	1. Grasim Industries Limited 2. Ultratech Cements Limited 3. FSN E-Commerce Ventures Limited 4. Ujjivan Small Finance Bank Limited 5. Blue Star Limited 6. Aditya Birla Sun Life AMC Ltd	Independent Director Independent Director Independent Director Independent Director Independent Director Independent Director
6	Rajendra Kumar Srivastava	Solara Active Pharma Sciences Limited	Independent Director
7	Shuba Rao Mayya	1. Stove Kraft Limited 2. Le Travenues Technology Limited	Independent Director
8	Mittu Sridhara	FSN E-Commerce Ventures Limited	Independent Director

During the financial year 2024-25, ten (10) meetings of the Board were held and the gap between two meetings did not exceed one hundred and twenty days. The Board Meetings are prescheduled, and adequate notice is given to the Board members. Board Meetings are generally held at the registered office of the Company either through video conference or through physical presence.

These Board Meetings were held on April 16, 2024; April 22, 2024; May 06, 2024; August 05, 2024; August 12, 2024; October 17, 2024; November 13, 2024; January 21, 2025; February 04, 2025 and March 20, 2025. The necessary quorum was present for all the meetings.

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

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

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

(c) Attendance of Directors at the Board Meetings and Annual General Meeting (AGM) held during the financial year 2024-25:

Name of the Director	Board Meetings entitled to attend	Board Meetings attended	Whether present at AGM held on June 28, 2024
Ashok Soota	10	10	Yes
Joseph Anantharaju	10	9	Yes
Venkatraman Narayanan	10	10	Yes
Rajiv Shah ¹	6	6	NA
Anita Ramachandran	10	10	Yes
Rajendra Kumar Srivastava	10	10	Yes
Shuba Rao Mayya	10	10	Yes
Mittu Sridhara ²	6	3	NA

¹Appointed as Executive Director w.e.f. August 5, 2024

²Appointed as Independent Director w.e.f. August 5, 2024

(d) Independent Directors

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

During the financial year 2024-25, two (2) meetings of the Independent Directors were held on January 20, 2025 and March 19, 2025, interalia to review the Audit strategies, performance of the Board, Risk and administrative matters and succession planning, and the meeting was attended by all the Independent Directors.

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

No Independent Director had resigned during the financial year 2024-25.

(e) CEO/CFO Certification

As required under Regulation 17(8) of SEBI (LODR) Regulations, CEO/CFO have certified to the Board that the Financial Statements for the financial year ended March 31, 2025, do not contain any untrue statement and that these statements represent a true and fair view of the Company's affairs and other matters as specified thereunder. A copy of the Certificate is attached as Annexure I to this Report.

(f) Code of Conduct for Directors and Senior Management Personnel

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

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

III. Audit Committee

(a) Terms of Reference

The Audit Committee has interalia the following mandate:

- Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee.

3. Approval of payments to Statutory Auditors for any other services rendered by the Statutory Auditors of the Company.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Qualifications/modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Formulating a policy on related party transactions, which shall include materiality of related party transactions.
9. Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed.
10. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.
11. Scrutiny of inter-corporate loans and investments.
12. Valuation of undertakings or assets of the company, wherever it is necessary.
13. Evaluation of internal financial controls and risk management systems.
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
16. Discussion with internal auditors of any significant findings and follow up there on.
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
18. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
19. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

20. Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services.
21. Reviewing the functioning of the whistle blower mechanism.
22. Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
24. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.
25. Establishing a vigil mechanism for Directors and employees to report their genuine concerns or grievances; and
26. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
27. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
28. Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

(b) Number of Meetings: During the financial year 2024-25, five (5) meetings were held i.e., on May 06, 2024; August 12, 2024; October 17, 2024; November 13, 2024, and February 04, 2025.

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

Name of the Member	Category	Position	Meetings	
			Held	Attended
Shuba Rao Mayya	Independent Director	Chairperson	5	5
Anita Ramachandran	Independent Director	Member	5	5
Rajendra Kumar Srivastava ¹	Independent Director	Member	4	4
Venkatraman Narayanan	Executive Director	Member	5	5

¹Inducted as Member w.e.f. August 5, 2024

IV. Nomination, Remuneration and Board Governance Committee

(a) Terms of Reference

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become Directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report.
5. Analysing, monitoring and reviewing various human resource and compensation matters.
6. Determining the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment and determining remuneration packages of such Directors.
7. Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary).

8. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.
9. Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
10. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
11. Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme").
12. Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme.
13. Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time.
14. Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination, Remuneration and Board Governance Committee.
15. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

(b) Number of Meetings: During the financial year 2024-25, two (2) meetings were held i.e., on August 05, 2024 and March 20, 2025.

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

Name of the Member	Category	Position	Meetings	
			Held	Attended
Anita Ramachandran ¹	Independent Director	Member/Chairperson	2	2
Rajendra Kumar Srivastava ²	Independent Director	Chairperson/Member	2	2
Shuba Rao Mayya	Independent Director	Member	2	2
Mittu Sridhara ³	Independent Director	Member	1	1
Ashok Soota	Executive Director	Member	2	2

¹Elevated as Chairperson w.e.f. August 5, 2024

²Ceased to be Chairperson w.e.f. August 5, 2024

³Inducted as Member w.e.f. August 5, 2024

(d) Performance evaluation criteria for the Independent Directors

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

- (i) Attendance and contribution at Board and Committee meetings.
- (ii) Appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- (iii) Knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes, and corporate governance.
- (iv) Ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- (v) Effective decision-making ability.
- (vi) Ability to open channels of communication with executive management and other colleagues on Board to maintain high standards of integrity and probity.

- (vii) His/her global presence, rational, physical, and mental fitness, broader thinking, vision on corporate social responsibility etc.
- (viii) His/her ability to monitor the performance of management and satisfy himself/herself with integrity of the financial controls and systems in place by ensuring the right level of contact with external stakeholders.
- (ix) His/her contribution to enhance overall brand image of the Company.

V. Administrative and Stakeholders Relationship Committee

(a) Terms of Reference

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

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

(b) Number of Meetings: During the financial year 2024-2025, two (2) meetings were held i.e., on April 22, 2024; and November 13, 2024.

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

Name of the Member	Category	Position	Meetings	
			Held	Attended
Shuba Rao Mayya ¹	Independent Director	Member/Chairperson	2	2
Anita Ramachandran ²	Independent Director	Chairperson/Member	2	2
Joseph Anantharaju ³	Executive Director	Member	1	1
Venkatraman Narayanan	Executive Director	Member	2	2

¹Elevated as Chairperson w.e.f. August 5, 2024

²Ceased to be Chairperson w.e.f. August 5, 2024

³Inducted as Member w.e.f. August 5, 2024

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

(e) Details of shareholders' complaints:

- (i) Number of shareholders complaints received upto March 31, 2025: **101**
- (ii) Number of shareholders complaints resolved upto March 31, 2025: **101**
- (iii) Number of pending complaints as on March 31, 2025: **Nil**

VI. Corporate Social Responsibility Committee

(a) Terms of Reference

The Corporate Social Responsibility Committee has interalia the following mandate:

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

(b) Number of Meetings: During the financial year 2024-25, two (2) meetings were held i.e., on May 06, 2024 and January 21, 2025.

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

Name of the Member	Category	Position	Meetings	
			Held	Attended
Anita Ramachandran ¹	Independent Director	Chairperson	1	1
Rajendra Kumar Srivastava ²	Independent Director	Member	1	1
Shuba Rao Mayya ³	Independent Director	Member	1	1
Ashok Soota ³	Executive Director	Member	1	1
Joseph Anantharaju ³	Executive Director	Member	1	1
Rajiv Shah ²	Executive Director	Member	1	1
Venkatraman Narayanan ²	Executive Director	Member	1	1

¹Inducted as Chairperson w.e.f. August 5, 2024

²Inducted as Member w.e.f. August 5, 2024

³Ceased to be Member w.e.f. August 5, 2024

VII. Risk Management Committee

(a) Terms of Reference

The Risk Management Committee has interalia the following mandate:

- To assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks, in particular including financial, sectoral, sustainability (particularly, ESG related risks) or any other risk as may be determined by the Committee.
- Formulating, monitoring, and overseeing the risk management plan and policy of the Company.
- Review the Cyber Security Functions of the Company on regular intervals.
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity

- Approve/recommend to the Board for its approval/review the policies, risk assessment models, strategies, and associated frameworks for the management of risk.
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- To perform such other duties and functions as the Board may require or as may be prescribed by applicable law, from time to time.

(b) Number of Meetings: During the financial year 2024-25, two (2) meetings were held on August 14, 2024 and January 21, 2025.

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

Name of the Member	Category	Position	Meetings	
			Held	Attended
Rajendra Kumar Srivastava ¹	Independent Director	Chairperson	2	2
Anita Ramachandran	Independent Director	Member	2	2
Mittu Sridhara ²	Independent Director	Member	2	2
Shuba Rao Mayya	Independent Director	Member	2	2
Joseph Anantharaju	Executive Director	Member	2	2
Venkatraman Narayanan	Executive Director	Member	2	2

¹Inducted as Chairperson w.e.f. August 5, 2024

²Inducted as Member w.e.f. August 5, 2024

VIII. Strategic Initiatives Committee

(a) Terms of Reference

The Strategic Initiatives Committee has interalia the following mandate:

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

(b) Number of Meetings: During the financial year 2024-25, four (4) meetings were held i.e., on April 22, 2024; August 14, 2024; November 13, 2024 and January 20, 2025.

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

Name of the Member	Category	Position	Meetings	
			Held	Attended
Mittu Sridhara ¹	Independent Director	Chairperson	3	2
Rajendra Kumar Srivastava ²	Independent Director	Co-chairperson	4	4
Anita Ramachandran ³	Independent Director	Member	1	1
Ashok Soota	Executive Director	Member	4	4
Joseph Anantharaju	Executive Director	Member	4	4
Rajiv Shah ⁴	Executive Director	Member	3	3
Venkatraman Narayanan	Executive Director	Member	4	4

¹Inducted as Chairperson w.e.f. August 5, 2024

²Redesignated as Co-chairperson w.e.f. August 5, 2024

³Ceased to be Member w.e.f. August 5, 2024

⁴Inducted as Member w.e.f. August 5, 2024

IX. Senior Management

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

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

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

X. Remuneration to Directors:

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

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

(b) Criteria for making payments to Executive Directors

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

(c) Details of Remuneration paid to Directors for the financial year 2024-25

Name of the Director	Salary (In ₹ Lakhs)		Perquisites (In Lakhs)	Sitting Fees & Commission (In Lakhs)	Shares Issued under ESOPs	Total Remuneration paid (In Lakhs)	Details of Service Contracts, Notice Period & Severance fees
	Fixed	Variable					
Ashok Soota	142	33	6	NIL	NIL	181	Appointed as Executive Chairman and Director for a period of 5 years from April 01, 2019, till March 31, 2024. Re-appointed for a further period of five years from April 1, 2024 to March 31, 2029. Redesignated as Chairman and Chief Mentor with effect from March 19, 2025.All other terms as per employment agreement. Three months' notice period and no severance fees.

Name of the Director	Salary (In ₹ Lakhs)		Perquisites (In Lakhs)	Sitting Fees & Commission (In Lakhs)	Shares Issued under ESOPs	Total Remuneration paid (In Lakhs)	Details of Service Contracts, Notice Period & Severance fees
	Fixed	Variable					
Joseph Anantharaju	329	79	28	NIL	NIL	436	Appointed as a Whole-time Director of the Company designated as Executive Vice Chairman, for a period of five years from November 4, 2020, to November 3, 2025. Redesignated as Co-Chairman and CEO with effect from March 19, 2025, till the end of his current term as a Whole Time Director of the Company i.e. upto November 03, 2025. All other terms as per employment agreement. Three months' notice period and no severance fees.
Venkatraman Narayanan	89	31	51	NIL	NIL	171	Appointed as the Managing Director and Chief Financial Officer of the Company, for a period of five years from November 4, 2020, to November 3, 2025. All other terms as per employment agreement. Three months' notice period and no severance fees.
Rajiv Shah	284	60	24	NIL	NIL	368	Appointed as Whole time Director of the Company designated as Executive Director, for a period of five years from August 5, 2024 to August 4, 2029.All other terms as per employment agreement. Three months' notice period and no severance fees.
Anita Ramachandran	Nil	Nil	Nil	33	Nil	33	NA
Rajendra Kumar Srivastava	Nil	Nil	Nil	38	Nil	38	NA
Shuba Rao Mayya	Nil	Nil	Nil	33	Nil	33	NA
Mittu Sridhara	Nil	Nil	Nil	22*	Nil	22*	NA

*Appointed as Independent Director w.e.f. August 5, 2024, hence 2/3rd of total remuneration paid

XI. General Body Meetings

Annual General Meetings (AGM)

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

Financial Year	Date	Time (IST)	Mode of Meeting
2021-2022	June 30, 2022	4:00 p.m.	Video Conference
2022-2023	July 17, 2023	4:00 p.m.	Video Conference
2023-2024	June 28, 2024	4:00 p.m.	Video Conference

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

AGM held on	Summary of Special Resolutions
June 30, 2022	There were no special resolutions proposed/passed in this meeting.
July 17, 2023	There were no special resolutions proposed/passed in this meeting.
June 28, 2024	<ol style="list-style-type: none">To re-appoint Mr. Ashok Soota (having DIN No. 00145962), who has already attained the age of 70 years, as Whole-time Director, designated as Executive Chairman for a further period of five years from April 1, 2024 to March 31, 2029 at the existing terms and conditions.To approve enhancement of Loans/Investments limit under Section 186 of the Act to ₹ 2500,00,00,000/- (Rupees Two Thousand Five Hundred Crores only) over and above the limits prescribed under the Companies Act, 2013.

Extra-Ordinary General Meetings (EGM)

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

Postal Ballot

During the year, the Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated August 20, 2024 for the appointment of Mr. Seshashayee Sampathiyengar Sridhara (aka Mittu Sridhara) (DIN: 09247644) as Non-Executive Independent Director and Mr. Rajiv Shah (DIN: 06752608) as Whole-time Director designated as Executive Director through remote E-voting (Voting through Electronic means) in compliance with section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Resolutions were approved with requisite majority on September 20, 2024, and the results of the Postal Ballot were displayed on the website of the Company (<https://www.happiestminds.com/investors/Stock%20Exchange%20Disclosures/2024-2025-Q2/PBVotingResult23092024.pdf>)

XII. Means of Communication

(a) Financial Results and Newspaper Publication

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

(b) Website

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

(c) Press Releases and Analysts/Investors Presentations

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

(d) Annual Report

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

XIII. General Shareholders Information

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

XIV. Other Disclosures

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

During the financial year ended March 31, 2025, there were no materially significant related party transactions that had potential conflict with the interest of the Company at large.

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

The Company became a listed company from September 17, 2020. No penalty or stricture has been imposed by the Stock Exchanges or SEBI or any other authority during the period under review. All applicable requirements were fully complied with.

(c) Vigil Mechanism/Whistle-Blower Policy

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

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

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

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

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

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

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

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

During the year 2023-24, the Company had raised funds through issue of equity shares via Qualified Institutional Placement (QIP) to Qualified Institutional Buyers for an aggregate amount of ₹ 500 crores. At the end of the year 2023-24, the Company had ₹ 181 Crs of unutilized amount which has been fully utilized during the year under review.

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

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

(i) Recommendation of Committees

During the financial year ended March 31, 2025, the Board of Directors of the Company had accepted recommendation of all the committees of the Board, which were mandatorily required.

(j) Auditors' Remuneration

The details of total fees for all services paid by the Company during FY 2024-25, to the Statutory Auditors are as follows:

Particulars	Amount (In ₹ Lakhs)
Payment to Statutory Audit fees (including out of pocket expenses)	115

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

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

Details of sexual harassment complaints received:

- (i) No. of complaints received during financial year 2024-25: Nil
- (ii) No. of complaints disposed of during financial year 2024-25: NA
- (iii) No. of complaints pending as on end of the financial year 2024-25: NA

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

During the Financial Year ended March 31, 2025, there were no loans or advances provided by the Company and its subsidiaries to firms/companies in which Directors are interested.

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

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

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

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

XVI. Discretionary Requirements

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

(a) Modified opinion(s) in Audit Report

The Company is in the regime of unmodified opinions on financial statements and that the Auditors of the Company have issued Audit Reports with unmodified opinion on the standalone and consolidated financial statements for the financial year ended March 31, 2025.

(b) Reporting of Internal Auditor

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

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

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

XVIII. Disclosure of certain types of agreements binding listed entities

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

XIX. Compliance

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

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

Annexure I to CG Report

CEO / CFO CERTIFICATION

May 12, 2025
The Board of Directors
Happiest Minds Technologies Limited
Bengaluru

We, Joseph Anantharaju, Co-Chairman & CEO, and Venkatraman Narayanan, Managing Director & CFO of Happiest Minds Technologies Limited to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the quarter and financial year ended March 31, 2025 and confirm that:
 - (i) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these financial statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;
- (b) There is, to the best of our knowledge and belief, no transaction entered into by the Company during the quarter and financial year ended March 31, 2025, which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit committee that for the quarter and financial year ended March 31, 2025, that there were:

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

We further declare that all the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct in respect of the financial year ended March 31, 2025.

Co-Chairman & CEO
Seattle, USA

MD & CFO
Bengaluru, India

Annexure II to CG Report

SHAREHOLDERS INFORMATION

1. Annual General Meeting (AGM) of the Company

Date: Tuesday, the July 29, 2025

Time: 4.00 pm (IST)

Venue: Through Video Conference. For details, please refer to Notice of this AGM.

2. Financial Year

The financial year of the Company was from April 1, 2024 to March 31, 2025. The quarterly results for the financial year were announced as follows:

For the quarter ended June 30, 2024	August 12, 2024
For the quarter ended September 30, 2024	November 13, 2024
For the quarter ended December 31, 2024	February 04, 2025
For the quarter and Financial Year ended March 31, 2025	May 12, 2025

Company's tentative calendar (subject to change) for the announcement of quarterly results & AGM during the financial year 2025-26 would be as below:

For the quarter ended June 30, 2025	July, 2025
For the quarter ended September 30, 2025	October, 2025
For the quarter ended December 31, 2025	January, 2026
For the quarter and financial year ended March 31, 2026	April, 2026
For Annual General Meeting of the Company	June, 2026

3. Dividend Payment

The Board of Directors of the Company has recommended a final dividend of ₹ 3.50/- per equity share of face value of ₹ 2/- each, for the financial year ended March 31, 2025, subject to the approval of the shareholders at the ensuing AGM.

The Register of Members of the Company will be closed from Saturday, July 19, 2025 to Tuesday, July 29, 2025, (both days inclusive) for the purpose of the AGM, annual closing and for determining entitlement of members for the final dividend for FY'25. The record date for payment of the final dividend would be July 18, 2025.

The final dividend, if approved, will be paid on or after August 05, 2025.

4. Stock Exchanges

The Company's securities are listed on following Stock Exchanges as on March 31, 2025:

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

The Company hereby confirms that it has duly paid the listing fees for the financial year 2025-26 to both BSE and NSE. It further confirms that the equity shares of the Company have never been suspended from trading either by the BSE or NSE from the time it has been listed.

5. Registrars and Transfer Agents (RTA)

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

M/s. KFin Technologies Limited

Unit: Happiest Minds Technologies Limited

"Selenium" Tower B, Plot No. 31 & 32, Financial District, Nanakramguda,

Serilingampally, Hyderabad-500032, Rangareddy,Telangana, India

Tel. No. + 91 - 1- 800-309-4001; **WhatsApp No.** : (91) 910 009 4099

Investor Support Centre : <https://kprism.kfintech.com/>

E-mail: einward.ris@kfintech.com

Website: <https://www.kfintech.com/>

KPRISM (Mobile Application) : <https://kprism.kfintech.com/signup>

6. Share Transfer System

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

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

7. Distribution of Shareholding

(a) Distribution of equity shareholding as on March 31, 2025:

Category (No. of Shares)	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1 – 5,000	7,04,390	99.78	3,94,22,034	25.89
5,001 – 10,000	769	0.11	26,99,716	1.77
10,001 – 20,000	357	0.05	25,81,405	1.69
20,001 – 30,000	133	0.02	16,29,249	1.07
30,001 – 40,000	60	0.01	10,61,717	0.70
40,001 – 50,000	38	0.01	8,47,715	0.56
50,001 – 100,000	69	0.01	24,79,391	1.63
100,001 & above	104	0.01	10,15,53,584	66.69
Total	7,05,920	100	15,22,74,811	100

(b) Shareholding pattern:

Category of Shareholders	As on March 31, 2025*				As on March 31, 2024*			
	No of Shareholders	% of Total Share holders	Total Shares	% of Total Shares	No of Shareholders	% of Total Share holders	Total Shares	% of Total Shares
Promoters and Promoter group	6	0.00	6,73,25,400	44.21	6	0.00	7,65,00,511	50.24
Body corporates	886	0.13	24,79,858	1.63	842	0.11	62,05,378	4.08
FII's/NRIs/FPI's	8,236	1.20	1,09,70,192	7.20	8,311	1.14	1,06,86,888	7.02
Mutual funds/ Banks/ FI's/ QIB	26	0.00	1,61,21,682	10.60	24	0.00	39,29,618	2.58
Clearing Members	7	0.00	133	0.00	3	0.00	329	0.00
Trust	5	0.00	925	0	5	0.00	1,649	0.00
Public	6,78,621	98.67	5,31,48,677	34.90	7,23,061	98.75	5,20,30,053	34.16
ESOP Trust	1	0.00	22,27,944	1.46	1	0.00	29,20,385	1.92
Total	6,87,788	100.00	15,22,74,811	100.00	7,32,253	100.00	15,22,74,811	100.00

*Post consolidation of multiple folios/client IDs

8. Dematerialization of shares and liquidity

99.89% of the Company's shares are in dematerialized form as on March 31, 2025, held with both the Depositories viz., the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') and the break-up is as follows:

Description	March 31, 2025			March 31, 2024		
	No of Holders	No. of Shares	% to Total Shares	No of Holders	No. of Shares	% to Total Shares
NSDL	159,494	119,313,527	78.35	171,068	120,134,978	78.89
CDSL	546,409	32,792,460	21.54	580,373	31,923,584	20.96
Physical	17	168,824	0.11	31	216,249	0.14
Total	705,920	152,274,811	100.00	751,472	152,274,811	100.00

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

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

The Company has no outstanding GDR / ADR / warrants or any convertible Instruments as of March 31, 2025.

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

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

11. Locations

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

12. Address for Correspondence

You can send their correspondence with respect to your shares, dividends, annual reports and grievances, if any to the Company's RTA as per contact details provided in Sl.No.5 above. You can also correspond with the Company as per below contact details:

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

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

13. Credit Ratings

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

Care Ratings Limited:

Instrument type	Size of Issue (₹ Crore)	Rating Outlook	Rating action
Long-term/Short-term Bank Facilities	315	CARE AA-; Stable / CARE A1+ (Double A Minus; Outlook: Stable / A One Plus)	Reaffirmed
Non-convertible debenture	125	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Long term bank facilities	437	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed

Annexure III to CG Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

Details of Directors:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Anita Ramachandran	00118188	04/06/2020
2.	Ashok Soota	00145962	01/04/2011
3.	Venkatraman Narayanan	01856347	16/01/2018
4.	Rajendra Kumar Srivastava	07500741	04/06/2020
5.	Shuba Rao Mayya	08193276	04/06/2020
6.	Joseph Vinod Anantharaju	08859640	04/11/2020
7.	Rajiv Indravadan Shah	06752608	05/08/2024
8.	Seshashayee Sampathiyengar Sridhara (Mittu Sridhara)	09247644	05/08/2024

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

For **V SREEDHARAN & ASSOCIATES**
Company Secretaries

V. Sreedharan
Partner
FCS: 2347; CP No. 833

Place: Bengaluru
Date: May 12, 2025
UDIN: F002347G000316430

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L72900KA2011PLC057931
2	Name of the Listed Entity	Happiest Minds Technologies Limited
3	Year of incorporation	March 30, 2011
4	Registered office address	53/1-4, Hosur, Main Road, Madivala, Bengaluru-560068, Karnataka
5	Corporate address	53/1-4, Hosur, Main Road, Madivala, Bengaluru-560068, Karnataka
6	E-mail	legal@happiestminds.com
7	Telephone	080 68283400
8	Website	www.happiestminds.com
9	Financial year for which reporting is being done	FY 2024-25
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India/Bombay Stock Exchange
11	Paid-up Capital	30,45,49,622
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Priyanka Sharma, Associate Director Email - Legal@happiestminds.com Telephone - 080 68283400
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on a standalone basis and pertain only to Happiest Minds Technologies Ltd.
14	Name of assessment or assurance provider	Not applicable as the Company does not fall under the purview of External Assessment or Assurance as per SEBI requirements.
15	Type of assessment or assurance obtained	Not applicable.

II. Product/Services

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

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

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

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

III. Operations

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

Location	Number of Plants	Number of Offices	Total
National	Not applicable	5	5
International	Not applicable	11	11

19. Markets served by the entity

a. Number of locations

Location	Number
National (No. of States)	4
International (No. of Countries)	8

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

85.67%

c. A brief on types of customers

Happiest Minds Technologies caters to a diverse portfolio of over 281 global customers, including Fortune 500 companies, large multinational corporations, digital-native startups, and small-to-medium businesses. These clients span a wide range of industries such as BFSI, EdTech, HiTech, healthcare and life sciences, media, manufacturing, energy and utilities, retail/CPG, logistics, automotive, and travel and hospitality. Regardless of size or sector, customers partner with Happiest Minds to accelerate digital transformation, improve operational agility, and enhance user experiences. The company delivers customized IT services, product engineering, and infrastructure solutions powered by advanced technologies like AI, cloud, IoT, analytics, and cybersecurity.

IV. Employees

20. Details as at the end of financial year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
EMPLOYEES						
1.	Permanent(D)	4886	3545	72.55%	1341	27.45%
2.	Other than Permanent (E)	212	152	71.70%	60	28.30%
3.	Total employees (D+E)	5098	3697	72.52%	1401	27.48%
WORKERS						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	165	147	89.09%	18	10.90%
6.	Total workers (F+G)	165	147	89.09%	18	10.90%

b. Differently abled Employees and workers:

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

21. Participation/Inclusion/Representation of women:

	Total (A)	Number and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	8	2	25%
Key Management Personnel	1	0	0%

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2025			FY 2024			FY 2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.46%	17.07%	16.63%	13.38%	12.03%	13.01	20.33%	18.33%	19.79%
Permanent Workers	Not applicable								

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Happiest Mind Inc.	Wholly Owned Subsidiary	100%	Yes
2.	Sri Mookambika Infosolutions Private Limited	Wholly Owned Subsidiary	100%	Yes
3.	Happiest Minds Edutech Private Limited	Wholly Owned Subsidiary	100%	Yes
4.	PureSoftware Technologies Private Limited	Wholly Owned Subsidiary	100%	Yes
5.	InnovazIT Technologies LLC	Wholly Owned Subsidiary	100%	Yes
6.	Gavs Technologies LLC	Wholly Owned Subsidiary	100%	Yes
7.	Gavs Technologies Saudi Arabia for Telecommunications and Information Technology	Wholly Owned Subsidiary	100%	Yes
8.	Aureus Tech Systems Private Limited	Step-down subsidiary	100%	Yes

VI. CSR Details

24.

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes
- (ii) Turnover (in ₹) 1,48,137 Lakhs
- (iii) Net worth (in ₹) 1,55,209 Lakhs

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	NA	0	0		0	0	NA
Investors (other than shareholders)	NA	0	0		0	0	NA
Shareholders	Yes	101	0		104	0	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes	0	0		0	0	NA
Customers	Yes	9	0		19	1	NA
Value Chain Partners	NA	0	0		0	0	NA
Other (please specify)	NA	0	0		0	0	NA

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change, emissions & energy	R, O	Risk: The Company is exposed to physical risks arising from extreme weather events, which may impact operations and supply chains. Additionally, evolving climate-related policies and regulatory frameworks present transitional risks that may require operational or strategic adjustments. The Company also recognizes potential reputational risks associated with perceived inaction or insufficient response to climate change.	The Company is committed to reducing its environmental impact and supporting positive climate action. It has set an ambitious target to achieve a 100% reduction in Scope 1 and Scope 2 greenhouse gas emissions. In addition, the Company fosters a sustainable supply chain by adopting green sourcing practices.	Positive: Proactive climate action and emissions reduction can lead to long-term cost savings through energy efficiency, while enhancing brand value and opening doors for sustainable business collaborations.
			Opportunity: Addressing climate change and emissions provides the Company with opportunities to offer differentiated, sustainable solutions, enhance its brand reputation, and build strategic partnerships and collaborations. Proactive energy management and emissions reduction efforts also contribute to a lower carbon footprint, supporting cost efficiencies and long-term resilience.		Negative: Extreme weather events and evolving climate regulations may disrupt operations and supply chains, leading to increased costs and the need for investment in adaptation or compliance measures.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Resource management	R, O	<p>Risk: Inefficient resource utilization may result in resource scarcity, supply chain disruptions, price volatility, and potential reputational damage due to unsustainable practices.</p> <p>Opportunity: Effective resource management enables cost savings, operational efficiency, and demonstrates proactive stewardship of natural resources, thereby supporting the Company's long-term sustainability goals.</p>	The Company is focused on optimizing resource utilization across its operations with the objective of minimizing waste generation and advancing circular economy practices. It has set a target to significantly reduce water consumption and waste generation by the year 2030.	<p>Positive: Strategic investments in efficient resource use can unlock innovation opportunities, attract ESG-focused investors, and drive long-term value creation.</p> <p>Negative: Inefficient resource utilization could lead to regulatory penalties, increased operational expenses, and loss of client confidence due to unsustainable practices.</p>
3	Biodiversity	R, O	<p>Risk: Unsustainable business activities can contribute to habitat loss and fragmentation, pollution, and adverse impacts on local ecosystems, thereby increasing ecological and regulatory risks for the Company.</p> <p>Opportunity: Investing in biodiversity conservation initiatives can help reduce business vulnerability, enhance ecosystem resilience, and demonstrate environmental responsibility. The implementation of sustainable and nature-positive practices also supports long-term value creation and regulatory preparedness.</p>	The Company supports biodiversity conservation across its operations by adopting responsible land management practices, preserving natural habitats, and promoting biodiversity-friendly operational approaches.	<p>Positive: Proactive biodiversity initiatives can enhance brand reputation, support compliance with emerging environmental regulations, and open avenues for green partnerships.</p> <p>Negative: Neglecting biodiversity risks can result in operational disruptions, regulatory penalties, and reputational damage due to perceived environmental negligence.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Innovation	O	<p>Opportunity: Innovation presents opportunities to unlock new markets, drive cost optimization and operational efficiency, and enable sustainable solutions that address pressing environmental challenges. It also supports the Company's efforts in expanding market presence through responsible and forward-looking product and service development.</p>	As a Born Digital, Born Agile organization, we are actively exploring business opportunities in sustainable technologies to drive innovation and long-term value creation.	<p>Positive: Leveraging innovation can lead to the development of sustainable, cutting-edge solutions that enhance market competitiveness, drive revenue growth, and strengthen the Company's leadership in responsible technology.</p>
5	Cyber security and data privacy	R, O	<p>Risk: Ransomware/Malware threat</p> <p>Opportunity: To address the Data subject rights of the employees.</p>	The Company has established robust controls to prevent and contain the spread of malware across its IT environment and critical applications. A defined employee notification process is in place to ensure that data subject rights of Happiest Minds' employees are recognized and the necessary actions are taken to uphold these rights.	<p>Positive: Strengthening data privacy practices to uphold data subject rights enhances employee trust, ensures regulatory compliance, and reinforces the Company's reputation for ethical data governance.</p> <p>Negative: Cyber threats like ransomware or malware attacks can lead to operational disruptions, data breaches, and significant financial and reputational damage.</p>
6	Systemic risk management	O	<p>Opportunity: To strengthen the risk assessment framework for critical business functions, enabling improved resilience and informed decision-making.</p>	The risk assessment process has been enhanced to evaluate impacts on the confidentiality, integrity, availability, and privacy of information assets. This approach enables the design and implementation of targeted controls that address specific areas of risk.	<p>Positive: Enhancing the risk assessment framework for critical business functions enables timely identification and mitigation of threats, improving business continuity, operational resilience, and strategic agility.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Business capability & resilience	R	Risk: Loss of data / Impact to business & functions	While the Company follows a mature business resilience framework, it recognizes the importance of periodic testing to ensure alignment with evolving business and security expectations. To this end, the Company conducts regular security incident simulations and tabletop exercises. These tests help identify potential real-world challenges, enabling continuous enhancement of the resilience of both business and IT processes.	Negative: Failure to address systemic risks effectively may lead to data loss or disruptions in critical business functions, resulting in financial losses, regulatory penalties, and erosion of stakeholder trust.
8	Social Responsibility	O	Opportunity: Demonstrating social responsibility enhances employee morale, strengthens the Company's reputation, and fosters brand value within the communities it serves.	Our CSR efforts focus on environmental initiatives under the 'Vasundhara' program, including rural solar electrification, groundwater recharge through percolation wells, social forestry, and habitat restoration. Additionally, over 9.13 million meals have been distributed through the 'Annapurna' initiative, and employees are actively encouraged to engage in volunteering activities.	Positive: Proactive social responsibility initiatives can lead to increased employee engagement and loyalty, while also enhancing the company's reputation and fostering stronger community relationships, ultimately supporting sustainable business growth.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Responsible supply chain	R, O	Risk: Supply chain disruptions from natural disasters, non-compliance with sustainability standards, and increased operational complexity. Opportunity: Strengthened supply chain resilience, access to new markets, supplier diversity, and product differentiation. Opportunity: Responsible supply chain ensures ethical sourcing, minimizes environmental and social risks, and enhances transparency. This not only strengthens stakeholder trust but also drives long-term operational resilience, cost efficiency, and regulatory compliance, positioning the company as a sustainable and reliable partner.	Happiest Minds promotes supply chain sustainability by engaging with environmentally responsible suppliers and aims to ensure that at least 50% of its top vendors comply with sustainability standards by 2028.	Positive: Implementing a responsible supply chain enhances brand credibility, ensures compliance with ESG standards, and fosters long-term supplier partnerships. Negative: Lack of oversight in the supply chain can lead to ethical breaches, regulatory penalties, and reputational damage, affecting stakeholder confidence and business continuity.
10	Customer engagement and satisfaction	O	Opportunity: Customer engagement and the CHS survey provide valuable channels for clients to share feedback, helping Happiest Minds assess service effectiveness, identify improvement areas, and drive innovation.	Happiest Minds conducts an annual CHS survey to gather feedback from all existing clients, reflected in a strong NPS score of 63. Feedback is promptly addressed through discussions between the delivery team and clients, and resolved within the defined turnaround time.	Positive: Active customer engagement through CHS surveys enables continuous service improvement, strengthens client relationships, and drives innovation aligned with customer expectations, enhancing long-term loyalty and business growth.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Human Rights	O	Opportunity: Offering employees a direct channel to senior management fosters open communication, enhances engagement, and builds trust. It also reinforces the organization's commitment to fairness by providing a safe space to address concerns related to discrimination or workplace violations, promoting a transparent and inclusive culture.	'Ask EB – Just Ask' offers employees a direct line to the Executive Board and Functional Heads for questions, insights, and concerns, with assured responses within 24 hours. Issues related to discrimination or equal opportunity can be reported via the WE HEAR portal or to the D&I Council, which is led by the Chief People Officer and operates under the Whistle-blower Policy to ensure transparent and timely resolution.	Positive: Providing employees with direct access to senior management fosters a culture of transparency and trust, enhances employee morale, and reinforces the company's commitment to upholding human rights and inclusivity.
12	Employee health, safety & well-being	O	Opportunity: Strengthening employee health, safety, and well-being through wellness programs, safety measures, and mental health support fosters a positive work environment, enhances satisfaction and performance, and helps attract and retain top talent—contributing to overall organizational success.	At Happiest Minds, our wellness program, HappiZest—inspired by the motto “Experience the joy of living”—was named through an internal contest. The HappiZest Council, comprising members from diverse roles, locations, and age groups, leads and drives key wellness initiatives across the organization.	Positive: Investing in employee health, safety, and well-being boosts workforce morale and productivity, reduces absenteeism, and strengthens the organization's ability to attract and retain high-quality talent.
13	Diversity, Equity & Inclusion	O	Opportunity: Advancing DEI fosters a more inclusive and innovative workplace, enhances employee engagement, and builds a resilient workforce equipped for global challenges.	Our organisation's gender diversity ratio actively promotes inclusion through initiatives such as the Women Mentoring Program, PWD hiring, Women in Break Hiring, D&I Summit, and the Oorja Train & Hire model. The DEIB Council, comprising diverse members across levels, leads these efforts with guidance from senior leaders, including the Executive Board and Business Unit Heads. Key programs like Women Care, Women Development, and Hiring Women in Tech aim to foster inclusive leadership and empower individuals of all abilities.	Positive: Promoting diversity, equity, and inclusion fosters a collaborative and innovative workplace culture, enhances decision-making through varied perspectives, and strengthens the organization's reputation as an equitable employer.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
14	Talent attraction & retention	O	Opportunity: In the IT services sector, skilled talent is a key differentiator for growth and sustainability, making talent attraction and retention a strategic priority across all levels.	The organization uses a dedicated applicant tracking system to connect with prospective candidates through channels such as the career portal, job sites, member referrals, and recruitment partners. Candidates undergo quality assessments, and selected individuals are offered competitive benefits. Continuous learning is emphasized through engaging onboarding, access to member portals, instructor-led and online training, and partnerships with global learning platforms.	Positive: Strategic focus on attracting and retaining skilled talent ensures sustained business growth, drives innovation, and enhances the company's competitive edge in the IT services sector.
15	Disclosure & Compliance	R	Risk: Delays in identifying and complying with evolving regulatory, governance, and disclosure requirements can lead to increased compliance costs.	Timely disclosure of mandatory and non-mandatory information to stock exchanges and on the website is ensured, along with regular investor communication through post-result calls, analyst meets, and emails. A tech-enabled Compliance Management System supports proactive tracking of compliances and strengthens overall Governance, Risk, and Compliance (GRC) efforts.	Negative: Though setting up a compliance management system requires upfront investment, the long-term savings from reduced risks, fines, and penalties can outweigh the initial costs.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
16	Economic performance	R / O	<p>Risk: Business performance may be negatively affected by economic fluctuations.</p> <p>Opportunity: Economic growth presents favourable conditions for business expansion and growth.</p> <p>Opportunity: Strong economic performance enables the company to reinvest in innovation, expand market presence, deliver long-term shareholder value, and build resilience against financial uncertainties, thereby supporting sustainable growth.</p>	We monitor key indicators and analyse macroeconomic and industry trends through forums and reports. A well-diversified global presence helps manage geopolitical risks, while product and service innovation aligned with economic shifts leverages emerging advancements.	<p>Positive: Increased revenue, market share, and profitability</p> <p>-Potential cost savings through efficiency gains.</p> <p>Negative: Over-reliance on favourable economic conditions may lead to under preparedness for downturns, exposing the business to financial stress during periods of economic instability.</p>
17	Corporate Governance & Ethics	R	<p>Risk: Weak corporate governance can lead to stakeholder dissatisfaction—affecting employees, clients, and investors—which may directly impact business operations.</p>	The Company ensures strong corporate governance through well-defined policies and processes that promote transparency, ethics, and regulatory compliance. A mandated 40% promoter holding supports continuity in vision and culture, while policies like the Code of Conduct, Integrity, Anti-Bribery, and Vigil Mechanism uphold ethical business practices.	<p>Negative: Quantifiable financial impacts include penalties from SEBI or stock exchanges, while non-quantifiable impacts may involve reputational damage and a decline in the Company's share price.</p>

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available.	https://www.happiestminds.com/investors/policy-documents/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners?	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015: Quality Management System ISO 27701:2019: Privacy Information Management System ISO 27001:2013: Information Security Management System CREST: Penetration Testing Operating in EMEA ISO 20000:2018: Service Management System								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	1. Achieve carbon neutrality in the Company's operations by 2030. 2. Adopt and encourage sustainable practices for energy use and water conservation. 3. Launch volunteer programs and engage at least 20% of the Company's workforce in community outreach activities. 4. Partner with NGOs to improve food and nutrition standards, support environmental sustainability, and improve healthcare access in the community. 5. Ensure that the Company's disclosure standards are within the top 10% compared to similar leading organizations listed in India.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	1. We have maintained our solar energy utilization to 12.13% as compared to 10% in the previous year. 2. 100% of waste water generated at our leased facility is recycled via STP and re-used for garden and washrooms. 3. Greater emphasis was placed on forestation by implementing programmes that focused on safeguarding and protecting natural resources.								
Governance, leadership and oversight									
7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Recognizing the growing relevance of Environmental, Social, and Governance (ESG) considerations, we have continued to embed ESG factors into our core business strategies. This integration enables us to proactively manage emerging risks, drive operational efficiencies through energy conservation and waste minimization, and ensure compliance with current regulatory requirements while preparing for future changes. It also contributes to strengthening our brand reputation, enhancing stakeholder trust, attracting responsible investment, and aligning with the evolving expectations of our customers and partners.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Venkatraman Narayanan, Managing Director (DIN: 01856347)								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Happiest Minds Technologies has a specified committee of the Board responsible for decision-making on sustainability-related issues. The Environmental, Social, and Governance (ESG) Committee, comprising senior members of the Board and executive leadership, oversees the company's sustainability strategy and initiatives. This committee is responsible for setting ESG goals, monitoring progress, ensuring regulatory compliance, and integrating sustainability into the overall business strategy. It plays a key role in aligning the company's operations with its commitment to responsible growth, stakeholder engagement, and long-term value creation.								

10. Details of review of NGRBCs by the Company:

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

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No) If yes, provide the name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No, the Company has not carried out an external assurance.								

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)	Not applicable								

SECTION C: PRINCIPAL WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	0	NA	NA
Key Managerial Personnel	0	NA	NA
Employees other than BoD and KMPs	50	All 9 NGRBC Principles were covered	96%
Workers	NA	NA	NA

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

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Not applicable as there were no cases of fines/penalties/punishments from any regulatory body for the reporting period.				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	Not applicable as there were no cases of fines/penalties/punishments from any regulatory body for the reporting period.				
Punishment					

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

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

Happiest Minds strongly upholds trust and integrity as central values within its organizational culture. The Company's Integrity Policy underscores its dedication to adhering to the highest ethical standards in all business practices, focusing on honesty, transparency, and moral conduct. The Anti-Bribery Policy firmly prohibits bribery, kickbacks, improper gifts, or unlawful payments intended to gain an unfair advantage. This policy applies to all individuals associated with the Company, such as Directors, employees, partners, and consultants. Happiest Minds emphasizes building partnerships based on trust and mutual benefit, ensuring its anti-corruption policies are clear and accessible. The aim is to create a corporate culture that fosters ethical behaviour and supports long-term, principled business operations. The Policy under clause 5.1, is part of the company's core values, represented by SMILES (Sharing, Mindful, Integrity, Learning, Excellence, and Social Responsibility). The web link to access the policies is mentioned below:

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

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

	FY 2025	FY 2024
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY 2025		FY 2024	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

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

Not applicable

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

	FY 2025	FY 2024
Number of days of accounts payables	29	29

9. Open-ness of business

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

Parameter	Metrics	FY 2025	FY 2024
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	NA	NA
	b. Number of dealers distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	NA	NA
	b. Sales (Sales to related parties/ Total Sales)	2.0%	2.1%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	65%	NA
	d. Investments (Investments in related parties/ Total Investments made)	NA	NA

Leadership Indicators

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

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
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The Company did not conduct awareness programs for its value chain partners during the current reporting period but intends to undertake such initiatives in future reporting cycles to strengthen engagement and promote responsible practices.

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

Yes, Happiest Minds has established processes to prevent and address conflicts of interest involving the board members and senior management. The Company's Code of Conduct for Directors and Senior Management requires that Board members and Senior Management refrain from participating in discussions, voting, or influencing decisions where they have or may have a conflict of interest. They are also required to disclose any situations that could lead to potential conflicts of interest, avoid serving as Directors of competing companies, or obtain prior approval from the Board before accepting such roles. Additionally, they must refrain from holding positions or engaging in external business activities that could interfere with their job performance.

The policy extends to Independent Directors, who must inform the Board of any changes in their interests that could affect their independence or objectivity. The Managerial Excellence and Development of Agile Leaders (MEDAL) program offers training on avoiding conflicts for employees in categories C7 and above (around 120 individuals). The 'WE HEAR' tool allows employees to raise conflict-related concerns via email to the Chief People Officer, who then assembles a team to address the issue. The Company ensures that its operations comply with all relevant laws, regulations, and rules, and the Happiest Minds Code of Conduct plays a key role in the Company's success.

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

Essential Indicators

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

	FY 2025	FY 2024	Details of improvements in environmental and social impacts
R&D	NA	NA	
Capex	0%	14%	

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

Yes; the entity has procedures in place for Sustainable sourcing.

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

21%

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

- (a) Plastics (including packaging)
- (b) E-waste
- (c) Hazardous waste and
- (d) other waste.

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

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

Not applicable owing to the nature of business.

Leadership Indicators

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

NIC Code	Name of Product / Service	% of total Turnover contribute	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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The Company has not conducted Life Cycle Assessment for any of its products.

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

Name of Product/Service	Description of the risk/concern	Action Taken
	Not applicable	

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2025	FY 2024
Not applicable owing to the nature of business.		

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

	FY 2025			FY 2024		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						
Not applicable owing to the nature of business.						

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not applicable owing to the nature of business.

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	3545	3545	100%	3545	100%	0	0%	3545	100%	3545	100%
Female	1341	1341	100%	1341	100%	1341	100%	0	0%	1341	100%
Total	4886	4886	100%	4886	100%	1341	27%	3545	73%	4886	100%
Other than Permanent employees											
Male	152	152	100%	152	100%	0	0%	152	100%	152	100%
Female	60	60	100%	60	100%	60	100%	0	0%	60	100%
Total	212	212	100%	212	100%	60	28%	152	72%	212	100%

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

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

	FY 2025	FY 2024
Cost incurred on well-being measures as a % of total revenue of the company	2.09%	1.5%

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

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

Benefits	FY 2025			FY 2024		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	0.50%	100%	Y	0.45%	95%	Y
Others – please specify	Not applicable			Not applicable		

3. Accessibility of workplaces

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

Happiest Minds Technologies accords high importance to fostering inclusive and accessible workspaces. The Company’s infrastructure is equipped with features such as handrails, ramps, and accessible restrooms to support employees with disabilities and special needs. These provisions are aimed at ensuring that all employees are able to participate fully and contribute meaningfully. The office design reflects the Company’s commitment to advancing diversity, equity, and inclusion within the workplace.

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

As part of its commitment to fostering equality, Happiest Minds Technologies actively promotes the recruitment, development, and retention of individuals with disabilities. The Company is dedicated to complying with applicable disability rights legislation and to creating accessible and inclusive workplaces that empower employees with disabilities to thrive and progress in their professional journeys.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	85%	NA	NA
Female	100%	93%	NA	NA
Total	100%	89%	NA	NA

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	
Permanent Employees	Happiest Minds Technologies continues to uphold a transparent and responsive grievance redressal framework through its internal platform, 'We Hear' — an online channel that enables employees to confidentially raise concerns, including those related to discrimination or sexual harassment, directly with senior leadership. The Internal Committee (IC) ensures timely and impartial resolution of PoSH matters in accordance with applicable policies., IC handles sexual harassment related matters whereas Chief People Officer shall form a Disciplinary Committee (DC) for the other matters , with the relevant leaders including a Lady Happiest Mind (if a lady is involved). The CPO shall also designate the person presiding the committee. In addition, the Audit Committee has institutionalized a vigil mechanism that remains actively available to all employees, reinforcing the Company’s commitment to fostering a safe, transparent, and accountable workplace.
Other than Permanent Employees	

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

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

Category	FY 2025			FY 2024		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	NA	NA	NA	NA	NA	-
Female	NA	NA	NA	NA	NA	-
Total Permanent Workers						
Male	NA	NA	NA	NA	NA	-
Female	NA	NA	NA	NA	NA	-

8. Details of training given to employees and workers:

Category	FY 2025					FY 2024				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	3545	Nil	Nil	3203	90%	3540	Nil	Nil	2795	79%
Female	1341	Nil	Nil	1126	84%	1344	Nil	Nil	1120	83%
Total	4886	Nil	Nil	4329	89%	4884	Nil	Nil	3915	80%
Workers										
Male										
Female										
Total										

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

Category	FY 2025			FY 2024		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	3545	3267	92%	3540	3326	94%
Female	1341	1196	89%	1344	1283	95%
Total	4886	4463	91%	4884	4609	94%
Workers						
Male						
Female	Not applicable					
Total						

10. Health and safety management system:

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

No

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

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

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

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

Given the nature of our business in IT services, no significant work-related or occupational health hazards have been identified. Nevertheless, the Company remains committed to ensuring the safety and well-being of its employees by implementing basic safety measures and providing Personal Protective Equipment (PPE) wherever necessary.

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

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

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

Safety Incident/Number	Category	FY 2025	FY 2024
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

The Company places a strong emphasis on prioritizing the safety and well-being of all personnel, including contractors working on its premises. This commitment is evident through the implementation of Personal Protective Equipment (PPE) and adherence to safety protocols outlined in Standard Operating Procedures (SOP). Additionally, annual fire drills are meticulously planned and conducted across all company locations to ensure preparedness and response in the event of an emergency. The company has an ERT team dedicated to health and safety of the members.

By maintaining a secure and healthy working environment, the Company underscores its dedication to the welfare of its workforce and upholds industry standards for safety.

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

	FY 2025			FY 2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

14. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	None
Working Conditions	None

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

Not applicable

Leadership Indicators

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

- A) Employees(Y/N) - Yes, the Company provides life insurance coverage, with the sum insured determined based on the employee's competency level. In the event of the employee's demise, the insurance benefit is disbursed to the declared nominee.

Additionally, the Company extends support through its Care & Compassionate Scheme, which offers a comprehensive suite of benefits to the family of the deceased employee. These include:

- Continuation of salary for up to two years,
- Accelerated vesting of stock options,
- Educational support for the employee's children, and
- Medical insurance coverage for the spouse, children, and parents for a period of five years.

The total benefits under this scheme range from ₹15 lakhs to ₹ 50 lakhs in India, providing substantial financial and emotional support to the bereaved family.

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

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

The Company is committed to ensuring that its value chain partners adhere to the legal and ethical standards of deducting and depositing the statutory dues as per the applicable laws and regulations. Furthermore, the Company regularly conducts internal reviews, awareness and training sessions for its value chain partners to sensitize them on the importance and timeliness of paying the statutory dues and complying with the legal and ethical standards.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025	FY 2024	FY 2025	FY 2024
Employees	0	0	0	0
Workers	0	0	0	0

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

The Company currently does not provide transition assistance in the absence of a defined retirement age.

5. Details on assessment of value chain partners:

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

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

Not applicable

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

Essential Indicators

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

Happiest Minds identifies its key stakeholder groups through a structured regular engagement with internal and external parties. This includes employees, customers, investors, partners, suppliers, regulatory bodies, and the communities where the Company operates.

The process involves analysing the level of influence and impact each group has on the business and vice versa. Stakeholder inputs are gathered through surveys, meetings, feedback sessions, and ongoing communication channels to ensure their expectations and concerns are effectively understood and addressed.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Project-related calls, and meetings; project management reviews; relationship meetings and reviews; executive meetings and briefings; customer visits; responses to RFIs/ RFPs; sponsored events; mailers; newsletters; brochures, Company website; social media (LinkedIn, Instagram, YouTube, Threads, X, Facebook); Customer Happiness Surveys; sponsored community events	Continuous/ Annually	These interactions facilitate a deeper understanding of client needs, industry dynamics, and business challenges, while also helping to identify opportunities for customer acquisition and ensuring the delivery of high-quality services to existing clients.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
People	No	Town halls; project or operations reviews; video conferences; audio conference calls; PEP; Yammer (employee forum); one-on-one counselling; iAppreciate (Portal for employee appreciation); Leave donation scheme (Donating Leave for fellow Employees in need); Wellness programs; Employee Engagement programs; Annual reviews; Employee Committees	Continuous/ Annually	Employee engagement is conducted throughout the year with the following key objectives: <ul style="list-style-type: none"> * To communicate important developments * To involve employees in decision-making processes and align them with the Company's Vision, Values, and business strategy; * To motivate and empower employees, thereby enhancing job satisfaction and fulfilling the Company's employee value proposition; * To provide an effective grievance redressal mechanism; and * To conduct internal surveys for gathering insights and continuous improvement.
Shareholders & Investors	No	Press releases and press conferences; email advisories; in-person meetings; investor conferences; disclosure; social and environmental sustainability, financial statements in IND AS and IFRS; earnings call; exchange notifications; press conferences; Investors page, on our website Annual General Meeting; Annual Report.	Continuous/ Annually	This approach fosters transparency, addresses shareholder concerns, and strengthens investor relations, ensuring that the company remains responsive to their priorities.
Alliance Partners	No	Meetings/calls; visits; Partner events; Conference calls; Business reviews	Others-as needed	The engagements serve to help in strategic collaboration, innovation, capability building, operational efficiency, sustainability and shared values
Community	Yes	Presentations; Project meetings; Reviews; calls and meetings; surveys; consultative sessions; field visits; due diligence; conferences and seminars; surveys; press releases; press conferences; sponsored events; contribute time and financial resources in a social cause, actively engage, participate and support social and environmental causes and associate with organizations working towards this goal.	Others-as needed	The engagement facilitates effective communication of the Company's performance and strategic direction. Collaboration with partner NGOs plays a vital role in identifying focus areas for implementation and development of the Company's CSR initiatives.
Vendors	No	Meetings, Audits, Self-assessments	Others-as needed	Compliance with regulations/ agreements entered into with Vendors.
Government and Regulatory Bodies	No	Inputs towards drafting new policies, rules & regulations	Others-as needed	Regulatory compliances

Leadership Indicator

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Not applicable

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Not applicable

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Not applicable

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2025			FY 2024		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	4886	4886	100%	4884	4884	100%
Other than permanent	212	212	100%	284	284	100%
Total Employees	5098	5098	100%	5168	5168	100%
Workers						
Permanent						
Other than permanent						
Total Workers						

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

Category	FY 2025					FY 2024				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	4886	NA	NA	4886	100%	4,884	NA	NA	4,884	100%
Male	3545	NA	NA	3545	100%	3,540	NA	NA	3,540	100%
Female	1341	NA	NA	1341	100%	1,344	NA	NA	1,344	100%
Other than Permanent	212	4	2%	208	100%	284	41	14%	74	26%
Male	152	1	1%	151	99%	197	23	12%	50	25%
Female	60	3	5%	57	95%	87	18	21%	24	28%
Workers										
Permanent										
Male										
Female										
Other than Permanent										
Male										
Female										

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

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	4*	2,88,31,653	0	0
Key Managerial Personnel	1	71,12,000	0	0
Employees other than BoD and KMP	3540	18,72,000	1341	11,99,500
Workers				

Note: This data pertains only to Executive Directors as of March 31st.

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

	FY 2025	FY 2024
Gross wages paid to females as % of total wages	21%	21%

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

Yes, Happiest Minds has designated focal points responsible for addressing human rights impacts or issues. Concerns related to human rights are directed to the Chief People Officer (CPO) and the People Practice team, who are entrusted with ensuring adherence to the Company's human rights commitments.

This team oversees the implementation of relevant policies, addresses grievances in a timely and fair manner, and ensures that issues are resolved in alignment with the Company's values of respect, inclusion, and ethical conduct.

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

Happiest Minds has established a robust internal grievance redressal mechanism to address human rights-related concerns. Employees can report issues through multiple confidential channels, including the Internal Committee (IC) for harassment cases and the Whistleblower mechanism for broader ethical concerns. All complaints are handled promptly, fairly, and in line with the Company's Code of Conduct and human rights policies, ensuring transparency and protection against retaliation.

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

	FY 2025			FY 2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

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

	FY 2025	FY 2024
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (PoSH)	0	0
Complaints on PoSH as a % of female employees / workers	0	0
Complaints on PoSH upheld	0	0

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

Happiest Minds Technologies is committed to providing a safe, inclusive, and equitable workplace, free from discrimination, harassment, and retaliation. The Company has a comprehensive PoSH (Prevention of Sexual Harassment) policy and an Internal Committee (IC) to address complaints confidentially and fairly, with no adverse consequences for the complainant. Regular PoSH training is mandatory for all employees, including during induction.

To promote gender diversity, the Company runs targeted programs to enhance women’s participation across all levels and has established supportive workplace guidelines. These efforts reflect Happiest Minds’ dedication to fostering a respectful and harassment-free environment for all.

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

Yes, human rights requirements form an integral part of our business agreements and contracts. Happiest Minds ensures that all partners and vendors adhere to ethical practices and comply with applicable human rights standards, aligning with our commitment to responsible and inclusive business conduct. These requirements are reinforced through our Code of Conduct and periodic assessments, promoting accountability across our value chain.

10. Assessment for the year:

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

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

Not applicable

Leadership Indicators

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

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

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

Happiest Minds Technologies has implemented a comprehensive Code of Conduct that serves as the foundation for upholding human rights across all its operations. This policy ensures responsible business practices by promoting fairness, dignity, and respect for all individuals associated with the Company. While a formal human rights due diligence process is yet to be undertaken, the Code of Conduct outlines clear expectations for ethical behaviour, non-discrimination, and a safe, inclusive work environment, reinforcing the Company’s commitment to human rights compliance throughout its value chain.

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

Yes, Happiest Minds’ offices are accessible to all as per the requirements of the Rights of Persons with Disabilities Act, 2016

4. Details on assessment of value chain partners:

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

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

Not applicable

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

Essential Indicators

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

Parameter	Unit	FY 25	FY 24
From renewable sources			
Total electricity consumption (A)	GJ	1752.18	1773.2124
Total fuel consumption (B)	GJ	NA	NA
Energy consumption through other sources (C)	GJ	NA	NA
Total energy consumed from renewable sources (A+B+C)	GJ	1752.18	1773.2124
From non-renewable sources			
Total electricity consumption (D)		14441.03	14288.43
Total fuel consumption (E)		1561.00	1764.47
Energy consumption through other sources (F)		NA	NA
Total energy consumed from non-renewable sources (D+E+F)		16002.03	16052.90
Total energy consumed (A+B+C+D+E+F)		17754.19	17826.11
Energy intensity per lakh rupee of turnover (Total energy consumption/ turnover in rupees)		0.12	0.12
Energy intensity per lakh rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed/ Revenue from operations adjusted for PPP)		2.48	2.71
Energy intensity in terms of physical output		NA	NA
Energy intensity (optional)- the relevant metric may be selected by the entity			

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

No, the Company has not conducted any external assurance.

*As of April 2025, conversion factor for purchasing power parity for India is 20.66 (Local Currency Units, that is INR) per international dollar as published by International Monetary Fund. This factor is used throughout this report for intensity calculations, wherever applicable.

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

Not applicable owing to the nature of business.

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

Parameter	FY 2025	FY 2024
Water withdrawal by source (in kilolitres)		
(i) Surface Water	0	0
(ii) Ground Water	68439.60	6336.206
(iii) Third Party Water	3179	2868
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	71618.60	9204.206
Total volume of water consumption (in kilolitres)	71618.60	9204.206
Water intensity per lakh rupee of turnover (Total Water consumption / Revenue from operations)	0.48	0.062
Water intensity per lakh rupee of turnover adjusted for Purchasing Power Parity (PPP)	9.99	1.429
(Total water consumption/ Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	–	–

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

No, the Company has not conducted any external assurance.

4. Provide the following details related to water discharged:

Parameter	FY 2025	FY 2024
Water discharge by destination and level of treatment (in kilolitres)		
i) To surface water	Nil	Nil
- No treatment		
- With treatment-please specify level of treatment	Not applicable as no water was discharged after treatment	Not applicable as no water was discharged after treatment
ii) To Groundwater	Nil	Nil
- No treatment		
- With treatment-please specify level of treatment		
iii) To Seawater	Nil	Nil
- No treatment		
- With treatment-please specify level of treatment		
iv) Sent to third-parties	Nil	Nil
- No treatment		
- With treatment-please specify level of treatment		
v) Others	Nil	Nil
- No treatment		
- With treatment-please specify level of treatment		
Total water discharge (in kilolitres)	0	0

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

No, the Company has not conducted any external assurance.

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

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

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

Parameter	Please specify unit	FY 2025	FY 2024
NOx	µg/m3	26.7	15
Sox	µg/m3	11.2	7.5
Particulate matter (PM)	µg/m3	36.3	32.6
Persistent organic compounds (POP)	µg/m3	25.3	25.3
Volatile organic compounds (VOC)	µg/m3	NA	NA
Hazardous air pollutants (HAP)	µg/m3	5.6	5.6
Others-please specify	µg/m3	NA	NA

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

No, the Company has not conducted any external assurance.

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

Parameter	Unit	FY 2025	FY 2024
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1012	1242
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2872	2842
Total Scope 1 and Scope 2 emission intensity per lakh rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.03	0.02
Total Scope 1 and Scope 2 emission intensity per lakh rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.54	0.62
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA

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

No, the Company has not conducted any external assurance.

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

The Company is actively working towards reducing its greenhouse gas (GHG) emissions and remains committed to continually enhancing its efforts in this direction.

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

Parameter	FY 2025	FY 2024
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	0.19	1.50
Bio Medical Waste (C)	NA	NA
Construction and demolition waste (D)	91.50	82.50
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	57.6	3.96
Total (A+B + C + D + E + F + G + H)	149.29	87.96

Parameter	FY 2025	FY 2024
Waste intensity per lakh rupee of turnover (Total waste generated / Revenue from operations)	0.001	0.0006
Waste intensity per lakh rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.02	0.01
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) – the relevant metric may be selected by the entity	-	
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i) Recycled	NA	NA
ii) Re-used	NA	NA
iii) Other recovery operations	NA	NA
Total	NA	NA
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
i) Incineration	NA	NA
ii) Landfilling	NA	NA
iii) Other disposal operations	149.29	3.96
Total	149.29	3.96

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

No External assurance done.

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

Happiest Minds Technologies has adopted responsible waste management practices across its establishments. Wastewater is efficiently recycled through a Sewage Treatment Plant (STP) and reused for gardening and washroom purposes. E-waste is disposed of in compliance with Pollution Control Board (PCB) norms, ensuring environmentally safe handling. Food waste is composted and repurposed as organic manure, supporting sustainable practices.

Additionally, the Company follows strict protocols to minimize the use of hazardous and toxic chemical wastes in its operations, effectively preventing the generation of such waste and reinforcing its commitment to environmental stewardship.

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

Sr. no.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
The Company does not have any operations in ecologically sensitive areas.			

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not applicable					

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

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, the Company is in compliance with the relevant laws and regulations.				

Leadership Indicators

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

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

i) Name of the area

ii) Nature of operations

iii) Water withdrawal, consumption and discharge in the following format:

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

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

Not applicable

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

Parameter	Unit	FY 2025	FY 2024
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	4672	3295
Total Scope 3 emissions per lakh rupee of turnover		0.03	0.02
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

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

No, the Company has not conducted any external assurance

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

Not applicable

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

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
The Company has not invested in any new innovative technologies or solutions during the reporting period.			

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

Yes, Happiest Minds Technologies has a well-defined Business Continuity Management (BCM) framework designed to ensure the uninterrupted delivery of critical business services and rapid recovery from disruptions. The plan covers a range of scenarios including natural disasters, pandemics, cyberattacks, and administrative disruptions. Regular risk assessments, recovery drills, and preventive measures are conducted to strengthen organizational resilience and preparedness. The framework is integrated into the company's overall risk management strategy to safeguard operations, employees, and customer commitments. For more details, refer to: <https://www.happiestminds.com/whitepapers/BCP-and-DR-plan-with-NAS-solution.pdf>

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

The Company has not yet conducted a comprehensive assessment of the environmental impacts arising from its value chain operations. However, it acknowledges the importance of understanding and addressing such impacts. As part of its commitment to environmental responsibility, the Company plans to undertake this evaluation in the near future and will implement appropriate mitigation and adaptation measures based on the findings to minimize any significant adverse effects.

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

Happiest Minds is currently in the process of assessing its top vendors, identified based on business volume, to evaluate their environmental impacts. This initiative is part of the company's broader commitment to promoting sustainability across its value chain.

8. **How many Green Credits have been generated or procured:**

- a. By the listed entity
b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners.
None

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

Essential Indicators

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

4

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

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

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

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

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

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

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Not applicable as per the relevant laws.

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

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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Not applicable

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

Not applicable to us, as our community engagement initiatives are currently implemented through our partner NGOs.

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

	FY 2025	FY 2024
Directly sourced from MSMEs/ small producers	13%	18%
Directly from within India	51%	51%

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

Location	FY 2025	FY 2024
Rural	0	0
Semi-urban	0	0
Urban	85.15	0
Metropolitan	14.85%	100%

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

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not applicable	

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

Sr. No.	State	Aspirational District	Amount spent (In INR)
Not applicable			

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

Happiest Minds Technologies does not currently have a formal preferential procurement policy. However, promoting supplier diversity remains an important focus area for the company. As part of its long-term sustainability and inclusion goals, Happiest Minds is committed to developing initiatives that will prioritize procurement from suppliers belonging to marginalized and vulnerable groups in the coming years.

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

Not applicable

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

Not applicable

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

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
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Not applicable

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

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Grow Trees	20000	100%
2	United Way – Percolation Well	10000	100%
3	United Way – Social Forestry	7400	100%
4	United Way – Seed Ball	-	-
5	EAGL Foundation – Tree Planting	2000	100%
6	Think Good Foundation – Tree Planting	1500	100%
7	Idhayangal Charitable Trust	2,200	100%
8	The Akshaya Patra Foundation	36,417	100%
9	Stem education for girls	334	100%
10	Bethany	-	-

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

Essential indicators

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

Happiest Minds Technologies has robust mechanisms in place to receive and respond to customer complaints and feedback, ensuring high-quality service delivery and long-term client satisfaction. The company leverages early warning systems and structured review processes to proactively identify and address issues. These include weekly project team meetings to assess engagement status, monthly governance meetings between sales and delivery leaders with account executives to evaluate risks and implement mitigation plans, and quarterly governance meetings between business unit heads and customer leadership to discuss relationship growth, new initiatives, and address any concerns.

Additionally, the Annual Customer Happiness Survey captures valuable insights into client perceptions. Feedback is systematically analysed and acted upon, enabling timely course corrections, strengthening partnerships, and driving continuous improvement.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not applicable
Recycling and/or safe disposal	

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

	FY 2025		Remarks	FY 2024		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	—	0	0	—
Advertising	0	0	—	0	0	—
Cyber-security	4	0	—	1	0	—
Delivery of essential services	0	0	—	0	0	—
Restrictive Trade Practices	0	0	—	0	0	—
Unfair Trade Practices	0	0	—	0	0	—
Others (Products defects reported)	9	0	—	18	0	—

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

	Number	Reasons for recall
Voluntary recalls	Not applicable owing to the nature of business.	
Forced recalls		

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

Yes, Happiest Minds Technologies has a comprehensive, board-approved Cybersecurity and Data Privacy Policy aligned with ISO 27701 standards. The framework is designed to protect digital and information assets through risk assessments, access controls, incident response protocols, and regular audits. It ensures compliance with global data protection regulations, including the GDPR, reinforcing the company’s commitment to data privacy and customer trust.

An internal governance committee oversees the implementation of cybersecurity measures across networks, applications, and infrastructure. Proactive threat detection, rapid response mechanisms, and continuous monitoring are in place to manage evolving risks and maintain business continuity. The policy is reviewed periodically to strengthen cyber resilience and adapt to emerging challenges. For more information, refer to the privacy policy here: <https://www.happiestminds.com/privacy-policy/>

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

Happiest Minds Technologies places strong emphasis on responsible service delivery, data privacy, and cybersecurity. The company has not faced any instances of product recalls, regulatory penalties, or actions related to the safety of its services. It ensures robust information security practices through strict adherence to ISO 27001 and ISO 27701 standards, which guide its data protection and cybersecurity frameworks. Happiest Minds continuously monitors and improves its systems to maintain high standards of compliance, customer trust, and service quality.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches
0
- Percentage of data breaches involving personally identifiable information of customers
0%
- Impact, if any, of the data breaches
Not applicable

Leadership Indicators

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

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

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

Not applicable owing to the nature of business.

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

Not applicable owing to the nature of business.

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

Given the nature of its business as an IT services and digital solutions provider, Happiest Minds does not offer physical products and therefore does not disclose product information beyond statutory requirements. However, to assess client satisfaction and enhance service delivery, the company conducts an Annual Customer Happiness Survey across key operational locations.