BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the Fifteenth 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, 2026.

Highlights of Financial Performance

(Amount in ₹ lakhs)

Description	Standalone		Consolidated	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Revenue from Operations	1,72,062	1,59,407	2,31,511	2,06,084
Other Income	17,513	13,690	8,497	10,138
Total Income	**1,90,115**	**1,73,097**	**2,40,008**	**2,16,222**
Employee benefits expense	1,19,254	1,08,937	1,56,095	1,36,534
Depreciation and amortization	5,114	5,053	8,819	8,870
Finance cost	9,223	9,113	9,736	9,948
Other expenses	27,452	26,910	35,078	34,108
Total expenses	**1,61,043**	**1,50,013**	**2,09,728**	**1,89,460**
Profit / (Loss) before Exceptional Items and Tax	**29,072**	**23,084**	**30,280**	**26,762**
Exceptional (Income) / Expense	2,041	2344	1,859	1,216
Profit / (Loss) before Tax	**27,031**	**20,740**	**28,421**	**25,546**
Tax expense	4,619	5,197	7,159	7,080
Profit / (Loss) after Tax	**22,412**	**15,543**	**21,262**	**18,466**
Earnings per share (₹ Basic)	14.88	10.32	14.12	12.26
Earnings per share (₹ Diluted)	14.87	10.32	14.11	12.26
Net Worth as per Section 2(57) of the Companies Act, 2013	**1,66,062**	**1,52,640**	**1,70,443**	**1,58,070**

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 ₹2.75/- per equity share in the Board meeting held on October 28, 2025, and are pleased to recommend a final dividend of ₹3.65/- per equity share for the financial year ended March 31, 2026, i.e., the total dividend for the current financial year under review being ₹6.40/- per equity share (previous financial year - ₹6/- 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 ₹9,745.59 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, 2026, 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

The Company continues to pursue a strategic and disciplined M&A program aligned with its long-term growth objectives, overseen by an Investment Committee comprising two Executive Directors. The Company follows a programmatic approach, selectively evaluating opportunities that enhance strategic relevance, add scale, and strengthen its ability to deliver differentiated digital solutions.

The current M&A priorities remain focused on:

- Strengthening our geographical presence across the United States, Europe, and the Middle East
- Deepening our presence across key industry groups, including Retail & Consumer Packaged Goods (CPG), Travel, Media & Entertainment (TME), and Industrial & Manufacturing.
- Expanding the breadth of our technology capabilities across areas such as Cloud, Cybersecurity, Data & AI (including Snowflake/Databricks), ServiceNow, Salesforce, and adjacent enterprise platforms such as SAP S/4HANA.
- Strengthening global alliances and partnerships across leading platforms including Microsoft®, ServiceNow®, and Salesforce®

During the year under review, the Company focused on consolidation and value realization from acquisitions completed in the previous fiscal. The integration of PureSoftware Technologies Private Limited and Aureus Tech Systems LLC was successfully completed, with both entities now fully aligned with the Company's operating model, governance framework, and go-to-market strategy. Additionally, the integration of the Middle East business acquired from GAVS Technologies progressed well during the year, strengthening the Company's regional presence and providing a robust platform for growth across key markets in the region.

The Company remains committed to a disciplined, strategy-led acquisition approach, with a continued focus on enhancing capabilities, expanding market access, and driving sustainable long-term value creation.

Subsidiary Companies

During the year under review, your Company has 17 subsidiaries (including step-down subsidiaries) as mentioned below:

Subsidiary	Country	Step-down Subsidiary	Country
Happiest Minds Inc.	USA	Aureus Tech Systems Canada Ltd	Canada
Sri Mookambika Infosolutions Private Limited[1]	India	—	—
Happiest Minds Edutech Private Limited[2]	India	—	—
Aureus Tech Systems Private Limited	India	—	—
PureSoftware Technologies Private Limited[3]	India	PureSoftware Pte Limited	Singapore
		PureSoftware Africa Limited	Kenya
		PureSoftware Private Limited	UK
		PureSoftware Technologies Romania SRL	Romania
		PureSoftware Corp	USA
		PureSoftware Technology S. De.R.L. De. C.V.	Mexico
		PureSoftware Sdn. Bhd.	Malaysia
		PureSoftware HK Limited	Hong Kong
InnovazIT Technologies LLC	Dubai, UAE	—	—
Gavs Technologies LLC	Oman	—	—
Gavs Technologies Saudi Arabia for Telecommunications and Information Technology	Saudi Arabia	—	—

[1] *Scheme of amalgamation between Sri Mookambika Infosolutions Private Limited with Happiest Minds Technologies Limited has been approved and sanctioned by the Hon'ble National Company Law Tribunal ('NCLT') Bengaluru Bench on September 25, 2025.*

[2] *Scheme of amalgamation between Happiest Minds Edutech Private Limited with Happiest Minds Technologies Limited has been approved and sanctioned by the Hon'ble National Company Law Tribunal ('NCLT') Bengaluru Bench on September 22, 2025.*

[3] *Scheme of amalgamation between PureSoftware Technologies Private Limited with Happiest Minds Technologies Limited has been approved and sanctioned by the Hon'ble National Company Law Tribunal ('NCLT') Bengaluru Bench on May 29, 2026*

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 50-51 of the Integrated Annual Report of 2025-26.

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, 2026, was ₹30,45,49,622/- consisting of 15,22,74,811 equity shares of ₹2/- each.

During the year under review, your Company did not issue any Debentures.

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, 2026, the Board of Directors of your Company comprised of seven Directors, viz., three 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. Joseph Vinod Kumar Anantharaju (DIN: 08859640) retires by rotation at the ensuing 15th AGM and being eligible, offers himself for re-appointment.

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

Mr. Anand Balakrishnan was appointed Chief Financial Officer, with effect from June 12, 2025, and Mr. Rajiv Shah (DIN:06752608) ceased to be Director of the Company with effect from closure of business hours on December 31, 2025.

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 our Board with Mr. Rajendra Kumar Srivastava designated as "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 circumstances affecting their status to act as Independent Directors of the Company. In the opinion of the Board, our Independent Directors possess requisite integrity, experience, expertise, and proficiency required in relation to the discharge of their duties.

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. 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 our Executive Directors 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. Objective of the program is to familiarize Independent Directors with the business of the Company, industry, operating model, risks, opportunities, challenges etc. The various programs we have in place in this regard includes interaction with subject matter experts within the Company, meetings with our business leaders 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/Details-of-Familiarization-Programme_FY-26.pdf

Board Evaluation

The Nomination, Remuneration and Board Governance Committee of the Company has reviewed and approved the evaluation criteria for the evaluation of the members of the Board of Directors of the Company. Criteria for evaluation are broadly based on SEBI's Guidance Note on Board Evaluation. The evaluation covers the Board as a whole, Committees of the Board, each individual Director and the Chairman and are around on the Board's composition and accountability, their role in helping set strategies, effectiveness of Board Committees, and performance of each individual member, and the Chairman.

During the year under review, a detailed questionnaire was circulated to all the members of the Board in confidential manner and based on responses, a detailed report was presented to the Board. Management has taken note of all the suggested action plans and have put in place appropriate implementation plans.

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 nine 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, your Board of Directors at its meeting held on April 2, 2025, based on recommendation of Nomination, Remuneration and Board Governance Committee, approved to grant 1,09,070 Options under the Happiest Minds Employee Stock Option Scheme 2020 to some of its senior executives.

During the year under review, your Company facilitated the transfer of 2,15,069 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 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, 2026, 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 (upto March 31, 2025) 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/ . The annual return for FY 2025-26 shall be uploaded on the website of the Company once the same is filed with the Registrar of Companies, Bengaluru.

Software Technology Park

The registered office of the Company has 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/

None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company for FY 2025-26 and hence, does not form part of this Report. 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 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 the office for a term of 5 years till the conclusion of the 15th AGM of the Company. Accordingly, their first consecutive term of 5 years will expire at the conclusion of this AGM. The Board, based on the recommendation of the Audit Committee has recommended the re-appointment of M/s. Deloitte Haskins & Sells as the statutory auditors of the Company, for a second term of five consecutive years, from the conclusion of the 15th AGM till the conclusion of the 20th AGM, for approval of shareholders of the Company.

The Auditors' Report does not contain any qualification, reservation, or adverse remark on the financial statements for the financial year ended March 31, 2026. The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Pursuant to Regulation 24A and other applicable regulations of the Listing Regulations and other applicable provisions of the Companies Act, 2013, the Company has appointed M/s. V Sreedharan & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company from the conclusion of the 14th AGM till the conclusion of the 19th AGM. The Secretarial Audit Report issued by them for the financial year ended March 31, 2026, 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 III & 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 (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; Losing 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 ; Ransomware attacks. (h) **AI / Generative AI Risks** – Increased adoption of Artificial Intelligence and Generative AI-driven productivity tools by customers; changes in service delivery and engagement models; evolving workforce deployment requirements with potential impact on scalability and competitive positioning.

People Practices

FY 2025–26 represented a milestone in our journey toward the $1 Billion vision, as the People Practices function shifted from structural integration to exponential scaling. Guided by our 8C Model, we focused on deep-rooting our "Mindful IT" ethos within a rapidly expanding global footprint. This year was defined by our ability to maintain the "startup like Agility" of Happiest Minds while building the "large-enterprise systems" required for our next phase of growth.

Happiest Minds has been formally certified as a Top Employer India 2026 by the Top Employers Institute in our very first year of participation, securing an exceptional score of 92.12 against an industry benchmark of 85.71. This recognition serves as a powerful validation of our people-first philosophy and our commitment to setting global benchmarks in leadership and member excellence.

Talent transformation remained a core pillar of our competitive advantage. We institutionalized Executive Coaching for senior leaders, partnering with industry experts to navigate the complexities of M&A and organizational change. The I3 Talent Program was further specialized with bespoke tracks for Project Managers and Program Managers, including the PROMT program, supporting our strategic shift toward GenAI-led digital solutions. Building on last year's groundwork, we launched the Aura Rise mentorship program, pairing high-potential female leaders with executive mentors to strengthen our DEI leadership pipeline. We also scaled the MentorUP program, completing Season 2 with over 35 sessions and strong engagement across 25 cohorts.

Our commitment to an inclusive workplace was reflected in a steady Gender Diversity Ratio of 27.7%. We were honored as one of the "Best Companies for Women in India" and "Most Inclusive Companies" by Avtar & Seramount in 2025. Moving forward, we are expanding our impact through the Aura Rise mentorship program and the launch of "She Speaks" across all locations to further empower our female leadership.

HappiZest – Holistic Wellness: The Wellness Wave initiative engaged over 5,000 members in health camps and nutrition sessions throughout FY26. A key highlight was our Wellness for Women program, which provided specialized gynaecological consultations across our major hubs in Pune and Bengaluru. We also introduced the Health Identity program for 2026, already engaging 300+ members in proactive health management

In line with our commitment to becoming a "Digitally Empowered" function, we advanced from HRMS integration to Predictive Workforce Analytics. We also launched an integrated digital framework, including the revamped PEP and R&R systems, fostering appreciation and inclusion through thousands of peer-to-peer expressions of gratitude.

We also embedded GenAI tools into talent acquisition and member services workflows, leveraging Smart Citations and AI-first logic to reduce turnaround times and strengthen the "Member Experience". Power BI-enabled dashboards were also enhanced to provide senior leadership with predictive insights into retention and skill gaps, facilitating proactive talent recalibration across Business Units.

We redefined "Happiness Evangelism" by embedding well-being into leadership metrics and culture. The Harmony-Benevolent Fund expanded support for members facing critical medical crises beyond insurance coverage, while leadership offsites strengthened "Social Capital" among newly integrated BU leaders. Finally, insights from Happometer and HPPS continued to advance an "Inclusive Workplace" and seamless "Team Integration".

Building on prior integration efforts, we unified PureSoftware, GAVS, and Aureus under a common framework and formalized the "Leader of Leaders" model. We aligned executive compensation with global market benchmarks and strengthened the distinction between BU-level accountability and enterprise-wide strategic mandates.

We reinforced our zero-tolerance culture through a revamped POSH training e-module, completed all Happiest Minds. Our efforts reached deep into the organization with multiple in-person sessions, resulting in over 90% of members expressing high confidence in identifying and reporting inappropriate behavior. All cases were managed strictly within statutory timelines, ensuring a safe and respectful environment for all.

Looking Ahead: The Road to FY 2026–27

As we look toward the next fiscal year, our focus will remain on Sustainable Performance and Resilience. Our roadmap includes further advancing our AI-driven talent marketplaces, deepening our "Mindful Leadership" coaching, mentoring and other Talent Initiatives across all management levels, and expanding our Circle of Happiness social impact initiatives to reach even greater heights of community contribution.

At Happiest Minds, we remain dedicated to a simple but profound truth: Our success is a direct reflection of the happiness and purpose of our members.

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 stakeholders. 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 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,
- Aiding in creating value to all our stakeholders

2. Management Framework

Driven by its vision, evolving business needs, technology advancements, customer feedback, and process insights, Happiest Minds continuously refines its quality practices. The Company maintained ISO 9001:2015 certification, with recertifications completed in December 2021 and 2024 following the transition to the IG-based structure. During the year, information security and privacy frameworks were upgraded to ISO 27001:2022 and ISO 27701:2022, and the Company achieved ISO 20000-1:2018 certification after a year-long journey to establish a Service Management System. In 2025, ISO 9001:2015 and ISO 20000-1:2018 were integrated into a unified surveillance audit, improving efficiency and process alignment.

As part of its evolving technology and governance landscape, Happiest Minds has initiated establishing an Artificial Intelligence Management System (AIMS), implementing ISO 42001:2023, to provide structured governance and oversight for AI and Gen-AI adoption. AIMS integrates with existing Quality, Service, and Information Security frameworks, enabling systematic management of AI-related risks, accountability, ethical usage, and compliance, ensuring AI-enabled solutions are governed through a consistent, risk-aware, policy-driven framework supporting responsible innovation, stakeholder trust, and sustainable value creation.

3. Engineering Practices

Happiest Minds' engineering practices are designed to deliver high-quality software solutions while fostering sustained customer trust. Customer satisfaction is measured annually and has consistently improved year after year. The Company's digital-first engineering practices have been well received by customers, with several adopting these practices within their internal delivery ecosystems.

During the year, as part of the broader AI-driven engineering transformation, Happiest Minds refreshed its engineering branding and visual identity across platforms to reflect the adoption of Gen-AI-enabled development practices. The logo enhancement signifies the Company's evolution towards modern, AI-augmented engineering, reinforcing its positioning as a digital-native and innovation-led organization.

To further strengthen data-driven engineering, metrics captured across multiple tools have been integrated into centralized dashboards, enabling faster insights and agile decision-making. The Company has initiated focused efforts to improve developer productivity through the adoption of industry-recognized Gen-AI tools across various phases of the software development lifecycle. Structured mechanisms are in place to measure productivity improvements and demonstrate the quantitative benefits realized through AI-assisted engineering practices. Agentic SDLC is currently planned for deployment with more than 150 agents across software development lifecycle to improve Productivity and Quality

4. Systems Driven Approach

Projects at Happiest Minds are managed through integrated systems that provide end-to-end visibility into project management and engineering practices. This systems-driven approach supports the Company's digital focus and enhances delivery effectiveness.

The Integrated Project Management system, supported by a mature Business Intelligence platform, enables informed decision-making across the organization. Lead indicators were also enhanced to help teams proactively identify risks and take early corrective actions.

With our AI-first approach we have started deploying GenAI based productivity improvement tools in the projects. Metrics Framework is being strengthened to effectively investigates usage of tools and measure productivity improvement based on the usage.

5. Quality First

Beyond standard code review practices, projects extensively leverage automated code quality tools to assess code against defined quality parameters. A Code Quality Index consolidates these measures to ensure consistent delivery of high-quality outcomes. Focused review groups handle critical code evaluations, and repository systems have been strengthened to support structured and secure code management.

Metrics from code quality and repository systems are integrated into dashboards, enabling early warning signals and timely corrective actions. With usage of GenAI based tools we are also aiming on improving our Code Quality.

6. Rapid Iteration and Experimentation

Agile teams at Happiest Minds adopt rapid cycles of experimentation, testing, and learning. Minimum Viable Products are used to validate ideas early, allowing customers to experience solutions sooner and reducing time to production.

Enhanced testing processes and metric-based monitoring enable predictive quality outcomes. DevOps practices, including continuous integration, automated testing, code analysis, and deployment, help reduce turnaround times and improve overall solution quality. Gen-AI-based productivity tools are increasingly being leveraged across development phases to further strengthen agile delivery.

7. Information Transparency

The Company ensures broad accessibility, accuracy, and availability of quality data across the organization. Integrated data pipelines and reporting mechanisms enable timely sharing of insights. During the year, additional SaaS systems and API-based data integrations were implemented to improve data availability and decision-making speed.

8. Continuous Learning

Continuous learning is embedded at both individual and organizational levels. Structured processes and tools support effective knowledge sharing, ensuring insights gained through experience and experimentation are institutionalized. The year saw increased focus on enabling teams to leverage Gen-AI tools for productivity improvement, with this focus continuing into the next financial year.

9. Involve to Evolve

Employee involvement is central to the Company's continuous improvement philosophy. Focused improvement groups drive initiatives that have reduced rework, improved productivity, ensured adherence to schedules and budgets, and delivered measurable customer value.

The Company has also collaborated closely with customers to develop offerings that enhance delivery processes and enable better outcome visualization through structured measurement frameworks.

10. Rewards and Recognitions

Happiest Minds recognizes and rewards team members for excellence in process improvement and customer delivery through structured recognition programs, including Code Excellence and Service Delivery Excellence awards.

11. Customer Connect

The Company's 7C framework enables deeper understanding of customer behavior, expectations, and evolving needs. Customer Happiness Surveys, pulse reviews, and regular engagement forums support continuous alignment with customer priorities. Feed-forward mechanisms have been introduced to strengthen future-focused engagement.

During the year, Gen-AI tools were leveraged to analyze customer feedback and drive timely actions. Customer escalations are tracked and managed through integrated systems to ensure effective resolution and transparent communication.

12. GenAI Strategic Approach (Including AISDLC and AIMS)

As part of its enterprise AI and GenAI strategic approach, Happiest Minds has established a solid foundation to enable scalable, secure, and value-driven adoption of Artificial Intelligence across engineering and service delivery. The Company's approach balances innovation enablement with responsible governance, risk management, and measurable business outcomes, ensuring sustainable long-term value creation for customers and stakeholders.

Work completed to date includes the definition of an enterprise-level AI vision aligned with business objectives and customer value, identification and prioritization of high-impact AI and GenAI use cases across engineering, service management, quality assurance, and customer experience, and enablement of engineering teams with Gen-AI tools across multiple phases of the software development lifecycle to improve productivity, quality, and speed of delivery. To support responsible adoption, the Company has initiated the AI Secure Development Lifecycle (AISDLC) to embed security, privacy, ethical AI, and compliance controls across the end-to-end AI lifecycle and launched the Artificial Intelligence Management System (AIMS) program to establish structured AI governance, accountability, and risk management aligned with emerging global standards. Integrated execution dashboards, cross-functional governance, and organization-wide awareness and capability-building initiatives further support transparent and responsible AI adoption.

Going forward, Happiest Minds plans to progressively operationalize AISDLC and AIMS across AI-enabled engagements by strengthening lifecycle controls, expanding governance coverage, enhancing risk and compliance monitoring, and deepening measurement of AI-driven productivity and quality outcomes. These initiatives will enable the Company to scale GenAI adoption responsibly, reinforce stakeholder trust, and deliver sustained business and customer value as AI-led engineering practices continue to evolve.

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 2025-26 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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") remains central to fostering safe, inclusive, and respectful workplaces across India. At Happiest Minds, our gender-neutral **Anti-Sexual Harassment Policy** reflects a zero-tolerance approach to harassment. In compliance with the POSH Act, an Internal Committee (IC) comprising trained members and an external expert on child and women rights addresses complaints with sensitivity, confidentiality, and promptness.

Through mandatory learning, awareness programs, leadership sensitization, and regular communication, we continue to strengthen a culture of trust and respect, reinforcing our commitment to safety, equality, and the creation of a harassment-free workplace for all.

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

Committee:

To ensure compliance with the POSH Act, Happiest Minds has established a robust Internal Committee (IC) structure across the organization. Constituted in accordance with the Act, the IC serves as the primary body for addressing, investigating, and redressing complaints of sexual harassment in the workplace.

Key steps implemented include:

- **Constitution of a Statutory Internal Committee:**

  A formally appointed IC operates as per the requirements of the POSH Act, featuring a Presiding Officer and members trained in handling complaints with sensitivity, confidentiality, and fairness.

- **Mandatory Representation as per the Act:**

  The committee comprises both male and female members, with at least 50% women representation, as mandated. Members are selected to ensure diversity of perspectives and adequate seniority.

- **Inclusion of an External Expert:**

  To ensure neutrality, legal expertise, and compliance oversight, the IC includes an external member specializing in workplace harassment and gender sensitization.

- **Coverage Across Business Units and Locations:**

  Representatives from each business unit and office location/region are included, ensuring accessibility and ease of reporting for all members across geographies.

- **Integration of Newly Acquired Entities:**

  As part of our compliance governance, IC representation has been extended to all acquired organizations. This ensures uniformity in POSH standards, consistent redressal mechanisms, and seamless adherence to the Act across the expanded enterprise.

- **Periodic Review and Reconstitution:**

  The committee is reviewed and reconstituted at regular intervals to ensure continued compliance, relevance, and capability.

Through these structured measures, Happiest Minds ensures that the Internal Committee remains compliant, accessible, and fully equipped to uphold a safe, respectful, and harassment-free workplace.

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

Completion of the POSH e-module is mandatory for all new joiners and must be completed within 60 days of being assigned the training. In addition, all existing members are required to undergo a refresher course online once every year to ensure continued awareness and compliance.

In person POSH training sessions by Industry experts are continually done for Senior Managers and members across locations.

Complaints:

During FY 2026, three complaints were reported and taken up by the Internal Committee. Each case was investigated and resolved within the mandated 90-day period, in adherence with the POSH Act.

Disciplinary action:

Following the completion of the investigations, the disciplinary actions recommended by the Internal Committee were duly implemented in accordance with organizational policies and statutory guidelines.

Compliance:

As required under POSH Act, the Annual Report has been filed 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 competent authorities.

Other Action taken to create awareness:

During the year under review, Happiest Minds continued to strengthen awareness and reinforce a culture of safety, dignity, and zero tolerance for sexual harassment. In alignment with the POSH Act, awareness was reinforced through organization-wide communications, periodic reminders, mandatory learning for new joiners, annual refresher training for members, and easy access to POSH guidelines and reporting channels. Training and upskilling of Internal Committee (IC) members remained a key focus, covering fair and sensitive inquiry processes, evolving legal interpretations, best practices, and statutory responsibilities.

These initiatives strengthened organizational awareness, ensured compliance, and reaffirmed our commitment to a safe, inclusive, and harassment-free workplace.

Full Disclosure Statement:

While the POSH Act primarily safeguards women from workplace sexual harassment, we have proactively expanded the scope of our Anti 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 members, reinforcing our commitment to a safe and inclusive work environment. Additionally, all complaints received by the Internal Committee are thoroughly reviewed and handled with the utmost confidentiality.

Disclosure under Maternity Benefits Act, 1961

Happiest Minds complies with the provisions of the Maternity Benefit Act, 1961, ensuring eligible women members receive their statutory entitlements, including up to 182 days of fully paid maternity leave. The policy also extends additional leave support in cases of medical complications, including leave provisions for miscarriage and medical termination of pregnancy, in line with applicable regulations.

In addition, the Company provides adoption leave to support members welcoming a child through adoption, as well as the option of sabbatical leave in case of extended medical requirements, ensuring continued care and recovery where needed.

These benefits reflect our commitment to creating a compliant, inclusive, and supportive workplace that prioritizes the health, well-being, and diverse needs of expecting and new mothers. We further support flexible work options, including hybrid working arrangements, enabling members to balance their professional and personal responsibilities effectively.

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 15, 2026

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**	**PureSoftware Technologies Private Limited(Consolidated)**
2	The date since when subsidiary was acquired	January 01, 2021	May 22, 2024
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April 1, 2025 to March 31, 2026	April 1, 2025 to March 31, 2026
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 – 94.83)	Reporting currency - ₹
	Financial Details as on March 31, 2026	**Amount in ₹ lakhs**	**Amount in ₹ lakhs**
5	Share capital	95	324
6	Reserves and surplus	4,845	1373
7	Total assets	21,961	17113
8	Total Liabilities	17,021	14365
9	Investments	14	-
10	Turnover	13,762	42685
11	Profit before taxation	4,623	8220
12	Provision for taxation	359	2,522
13	Profit after taxation	4,625	5,698
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	**Aureus Tech Systems Private Limited**	**InnovazIT Technologies LLC**
2	The date since when subsidiary was acquired	June 29, 2025	February 01, 2025
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April 1, 2025 to March 31, 2026 (Consolidated from July 1, 2025)	April 1, 2025 to March 31, 2026
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 - AED (Exchange Rate: 25.779)
	Financial Details as on March 31, 2026	**Amount in ₹ lakhs**	**Amount in ₹ lakhs**
5	Share capital	10.00	541
6	Reserves and surplus	1,462	500
7	Total assets	2,685	1,715
8	Total Liabilities	1,213	674
9	Investments	0	-
10	Turnover	4,298	4,914
11	Profit before taxation	676	320
12	Provision for taxation	215	0
13	Profit after taxation	461	320
14	Proposed Dividend	0.00	-
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 LLC**	**GAVS Technologies Saudi Arabia for Telecommunications and Information Technology**
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	April 1, 2025 to March 31, 2026	April 1, 2025 to March 31, 2026
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting currency - OMR (Exchange Rate: 245.979)	Reporting currency - SAR (Exchange Rate: 25.233)
	Financial Details as on March 31, 2026	**Amount in ₹ lakhs**	**Amount in ₹ lakhs**
5	Share capital	615	25
6	Reserves and surplus	378	-108
7	Total assets	1,523	63
8	Total Liabilities	531	145
9	Investments	-	-
10	Turnover	1,671	0.00
11	Profit before taxation	289	-58
12	Provision for taxation	41	0.00
13	Profit after taxation	248	-58
14	Proposed Dividend	-	-
15	Extent of shareholding (in percentage)	100%	100%

Notes:

1 Names of subsidiaries which are yet to commence operations- Nil

2 Names of subsidiaries which have been liquidated or sold during the year- Happiest Minds Edutech Private Limited and Sri Mookambika Infosolutions Private Limited, both wholly owned subsidiaries of the Company amalgamated with the Company with effect from the Appointed date of April 18, 2024 and April 1, 2025 respectively. Consequently, the above-mentioned wholly owned subsidiaries stand dissolved without winding up.

3 Part B of the Annexure is not applicable as there are no Associate Companies / Joint Ventures of the Company as on March 31, 2026

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 15, 2026

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, 2026, 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	127.58%	23.61
Joseph Anantharaju	Co-Chairman & CEO	50.93%	34.83
Venkatraman Narayanan	Managing Director	116.03%	20.99
Rajendra Kumar Srivastava	Lead Independent Director	18.4%	2.36
Shuba Rao Mayya	Independent Director	21.2%	2.10
Anita Ramachandran	Independent Director	21.2%	2.10
Mittu Sridhara	Independent Director	21.2%	2.10
Anand Balakrishnan	CFO	0.00%	7.87
Praveen Kumar Darshankar	Company Secretary & Compliance Officer	6.00%	3.96

Note: For the purpose of calculation of median, salary at global level with conversion rate as of March 31, 2026, has been considered. The median salary at global level of employment is ₹19,06,100/- and at India level of employment is ₹18,59,700/-

2. Percentage increase in the median remuneration of employees in the financial year ended March 31, 2026: 12.27%

3. No. of permanent employees on the rolls of Company as on March 31, 2026, was 4,756

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:

   9.58% increase in remuneration in salaries of employees other than managerial personnel against 77.80% increase in salary of managerial personnel. The increase in remuneration of managerial personnel aligns with market benchmarks.

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 15, 2026

Annexure III 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 programs 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	Independent Director	Chairperson	2	2
2	Rajendra Kumar Srivastava	Independent Director	Member	2	2
3	Rajiv Shah[1]	Executive Director	Member	1	1
4	Venkatraman Narayanan	Executive Director	Member	2	2

[1] *Ceased to be member w.e.f. December 31, 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:

a) CSR Committee: https://www.happiestminds.com/investors/disclosure/Board-and-Board-Committees.pdf

b) CSR Policy: https://www.happiestminds.com/investors/policy-document/Corporate-Social-Responsibility-Policy.pdf

c) CSR projects approved by the Board: https://www.happiestminds.com/investors/disclosure/HM-CSR-FY26.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

5. a) **Average net profit of the Company as per sub-section (5) of section 135:** ₹28,809 lakhs[1]

b) **Two percent of average net profit of the Company as per sub-section (5) of section 135:** ₹576.2 lakhs

c) **Surplus arising out of the CSR Projects or programs or activities of the previous financial years:** 0

d) **Amount required to be set-off for the financial year, if any:** 0

e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹576.2 lakhs

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

Ongoing Project : ₹191.9 lakhs

Other than ongoing projects: ₹427.4 lakhs (Refer Annexure IV)

[1]*Pursuant to the Hon'ble NCLT Bengaluru Bench order dated September 25, 2025 approving the Scheme of Amalgamation of Sri Mookambika Infosolutions Private Limited (SMI) with the Company, the financials have been consolidated accordingly, and the average net profit includes the average net profit of SMI.*

b) **Amount spent in Administrative Overheads:** NIL

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

d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹619.3 lakhs

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

Total Amount Spent for the Financial Year. (in ₹ lakhs)	Amount Unspent (in ₹ lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the fund	Amount	Date of Transfer
619.3	NA	NA	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	576.2
(ii)	Total amount spent for the Financial Year	619.3
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	43.1
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	43.1

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 (in ₹ lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection(5) of section 135, if any — Date of Transfer	Deficiency, if any
1	FY-22-23	-	-	-	-	-	-
2	FY-23-24	223.72	0	223.72	NA	NA	NA
3	FY-24-25	137	-	137	-	-	-

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 15, 2026

Annexure IV

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	Percolation Wells under 'One Billion Drops' Project	Environmental sustainability	Yes	Karnataka	Bengaluru	191.8	191.8	No	United Way of Bengaluru	CSR00000324
2	Siddalgatta-Social forestry	Environmental sustainability	Yes	Karnataka	Chikkaballapur	0.13	0.13	No	United Way of Bengaluru	CSR00000324
3	Poriyalar Park Development (on behalf of SMI)	Environmental sustainability	Yes	Tamil Nadu	Madurai	22.60	22.60	No	United Way of Bengaluru	CSR00000324
4	Think Good Foundation - Scapplings	Environmental	Yes	Uttar Pradesh	Noida	5	5	No	Think Good Foundation	CSR00028312
5	Say No To Single Use Plastic (on behalf of SMI)	Environmental	Yes	Karnataka	Bengaluru	13.5	13.5	No	Utkarsh Global Foundation	CSR00003183
6	Cauvery Calling	Environmental & Social	Yes	Tamil Nadu & Karnataka	44 districts across Karnataka & Tamil Nadu	50	50	No	Isha Foundation	CSR00009670
7	EcoReco – E-waste Management	Environmental	Yes	India	India	1.8	1.8	No	EcoReco	CSR00044733
8	Mangrove Plantation	Environmental sustainability	Yes	Tamil Nadu	Krishnagiri	100	100	No	Grow Trees	
9	Community & Waste Management	Environmental & Social	Yes	Karnataka	Bengaluru	8.5	8.5	No	Lets Be The Change	CSR00004271
10	Education & Nutrition	Social	Yes	Karnataka	Bengaluru	160	160	No	AkshayPatra	CSR00000286
11	Healthcare & Diabetes Support for Children	Healthcare	Yes	Karnataka	Bengaluru	46	46	No	Idhayangal Charitable Trust	CSR00003135
12	Healthcare & Mental Well-being	Healthcare	Yes	Odisha	Puri	10	10	No	Live Love Laugh	CSR00012198
13	Cultural & Heritage Sustainability	Social	Yes	Karnataka	Bengaluru	10	10	No	Kadambari	CSR00095306
	Total					**619.3**	**619.3**			

For and on behalf of Board

Venkatraman N
Managing Director
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

Bengaluru
Dated: June 15, 2026

Annexure V to Board's Report

A. Conservation of Energy

We recognize that sustainable practices are fundamental to creating long-term value for our stakeholders and clients. During the year, we undertook targeted measures to enhance energy efficiency and reduce our environmental footprint through process optimization, deployment of energy-efficient solutions, and adoption of smart technologies across our operations.

A majority of our office facilities have already transitioned from conventional fluorescent lighting to energy-efficient LED systems. Our IT infrastructure continues to be predominantly cloud-based, replacing traditional server racks and contributing to lower energy consumption. We have institutionalized the use of sensor-based and flow-regulated taps to promote responsible water usage, along with percolation wells across our premises to support rainwater harvesting and groundwater recharge. We also continue to avoid single-use disposables across our offices.

The Company's total energy consumption for the year stood at 45,98,084 kWh, of which 4,88,941 kWh (approximately 11%) was generated through rooftop solar installations, reflecting a growing share of renewable energy in our overall energy mix.

In addition to operational measures, we undertook employee-led and community-focused sustainability initiatives that contribute to energy conservation and circular resource use. During the year, we conducted a 'Digital Detox Week' to promote responsible e-waste disposal among employees. The collected e-waste is being recycled through an authorized partner, thereby reducing reliance on energy-intensive extraction and processing of raw materials. Further, we are driving the 'Namma Swacha Madiwala' program in partnership with an established organization in this space to strengthen waste segregation and recycling practices around our office premises, supporting efficient resource utilization and reducing landfill burden.

Collectively, these initiatives advance our environmental stewardship objectives while delivering cost efficiencies and strengthening operational resilience. We remain committed to embedding sustainability into our business practices and creating sustained value for our stakeholders.

B. Technology Absorption

Your Company has taken major initiatives to position itself as an AI-First digital company focusing on Agentic AI based ways of bringing business values. Your Company continues to track trends and latest developments in various technology areas including Mobility, Data Platforms, Analytics & AI, Cyber Security, Cloud Computing, Automation and IoT, with a strategic shift towards AI-First technologies and foundation model ecosystems. Your Company has adopted an AI-First strategy, embedding AI capabilities across its service offerings, platforms and internal engineering processes. Your Company has newly formed AI Productivity CoE to build capabilities around AI-powered development environments and intelligent engineering frameworks to enhance productivity and accelerate innovation. Your Company has strengthened its partnerships with leading technology providers including Microsoft for Azure OpenAI, Copilot and AI platform implementations, Amazon AWS for Generative AI and cloud AI services along with continued collaborations with platform providers such as ServiceNow, Databrick, Fivetran, Anthropic and Pimcore to deliver AI-enabled enterprise solutions.

Your Company's focus in 6 Industry Groups including Health & Life Sciences, Manufacturing and Industrial, BFSI, CPG/ Retail, EduTech, HiTech has helped increase the knowledge base within the organization and enhanced its ability to undertake larger and more complex transformation programs leveraging AI-driven platforms. Your Company also continues to undertake continuous quality improvement programs, employee training programs, and deployment of AI-assisted engineering tools and platforms to enhance delivery excellence. Your Company continues its comprehensive journey to train all its people on AI-First Technologies including internal functions.

C. Research and Development

(i) Specific Areas of Research and Development

During the year under review, the technology adoption across IoT, Mobility, Big Data & Analytics, Cyber Security, Quantum Computing & Quantum Machine Learning and Cloud Technologies continue to evolve, customer expectations are increasingly centered around AI-enabled platforms, intelligent automation and Agentic workflows. In response, your Company has adopted an AI-First approach, embedding AI capabilities across its research and development initiatives and enhancing existing platform with AI-driven intelligence and automation to deliver higher value and improved delivery capability. Your Company has continued to develop intellectual property (IP) and solutions through focused R&D investments and has built additional AI capabilities using AI-First Technologies. Pro-RITE – Cognitive QA leveraging AI-based testing and automation, Agent-Hub enabling engineers to deliver software faster, Watch360 in infrastructure management, SecGenie 2.0 in Cyber Security, ELIARA in process automation space. Further, your Company has developed AI powered agentic accelerators and repeatable enterprise solutions including Conversational AI platforms, enterprise knowledge assistants, document intelligence solutions and AI-driven automation accelerators, Arttha and Insurance-in-the-Box for the BFSI industry and University-in-the-Box for EduTech Industry. Your Company has started its journey towards developing University-as-a-Service platform powered by AI-driven insights and automation.

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

Your Company has gained considerable mind share in the industry by venturing into AI-First Digital Technologies and IP-driven state-of-the-art solutions as mentioned above. These concerted efforts have enabled your Company to rapidly deploy GenAI based solutions in production environments, build enterprise use cases and accelerate adoption of AI-driven digital transformation initiatives. These initiatives have also helped Your Company strengthen its presence in focused geographies, support the growth of newly created business units and increase adoption of AI-powered platforms and solutions, resulting in industry recognitions, analyst mentions and increased share of IP-led revenues for the Company.

(iii) Future Plan of Action

Your Company will continue to leverage its investments in AI-First digital technologies with an increased focus on Generative AI platforms, enterprise LLM orchestration, Agentic AI frameworks, AI-driven software engineering and AI-enabled automation. In view of the rapidly evolving technology landscape and changing customer expectations, Your Company plans to expand its research across Microsoft, Google, AWS Generative AI ecosystems, Anthropic and fast evolving niche startups. Your Company will also continue to develop solutions leveraging emerging technologies including AI governance frameworks, AI security, Zero Trust architectures, intelligent automation platforms and reusable AI components on low-code platforms, enabling enterprises to accelerate AI adoption and digital transformation.

(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 2025-26 was ₹2,571 lakhs as against ₹2,047 lakhs during FY 2024-25.

D. 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, AI-First 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 Agentic AI, GenAI, cybersecurity to cater to evolving global demand.
- Participation in international trade fairs and industry forums to increase brand visibility and attract new clients.
- Actively engaging with leading research and advisory firms—Forrester, Everest Group, Zinnov, IDC, and ISG—through analyst research surveys
- Forging strategic alliances and global partnerships.
- Expanding to newer markets and geographies through acquisitions. The PureSoftware acquisition has given us local presence and/or clients in Malaysia, Singapore, Hong Kong, Philippines and Africa. Similarly, the GAVS acquisition opens up the GCC market for us and access to large BFSI clients.
- Non-linear revenues through sales of IP and solutions (Arttha) overseas.

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.

(ii) Foreign exchange used and earned

(Amount in ₹ lakhs)

	March 31, 2026	March 31, 2025
Foreign exchange earnings	1,92,853	1,76,556
Foreign exchange outgo	36,135	70,665

For and on behalf of Board

Venkatraman N
Managing Director
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

Bengaluru
Dated: June 15, 2026

Annexure VI to Board's Report

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Corporate Identity No : L72900KA2011PLC057931
Nominal Capital : ₹59,10,00,000/-

To
The Members of
Happiest Minds Technologies Limited
53/1-4, Hosur Main Road, Madivala
Bengaluru – 560068.

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, 2026. 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 and F.

For **V Sreedharan & Associates**
Company Secretaries

V. Sreedharan
Partner
FCS 2347; C.P.No.833
UDIN: F002347H000512626
Peer Review Certificate No. 5543/2024

Place: Bengaluru
Date: May 28, 2026

Annexure VII to Board's Report

Form No. MR-3
SECRETARIAL AUDIT REPORT

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

For the Financial Year Ended March 31, 2026

To
The Members
Happiest Minds Technologies Limited
CIN: L72900KA2011PLC057931
53/1-4, Hosur Main Road, Madivala
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, 2026 (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, 2026 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 (upto 14th December, 2025) and the Securities Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 (from 15th December, 2025) 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.

1. Approval by the shareholders at the 14th Annual General Meeting held on 29th July, 2025 for enhancement of the borrowing powers of the Board pursuant to Section 180(1)(c) of the Companies Act, 2013, up to an aggregate limit not exceeding the aggregate of the paid-up share capital, free reserves and securities premium of the Company by ₹500 cr or up to a fixed limit of ₹1,000 cr whichever is higher;

2. Approval by the shareholders at the 14th Annual General Meeting held on 29th July, 2025 pursuant to Section 180(1)(a) of the Companies Act, 2013 for creation and/or modification of charges on the movable and immovable properties of the Company, including its undertakings, both present and future.

3. Approval of the Board of a Scheme of Amalgamation for the merger of Auerus Tech Systems Private Limited, a wholly owned subsidiary with the Company, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions.

4. Approval of The Hon'ble National Company Law Tribunal, Bengaluru Bench, vide its orders dated September 22, 2025 and September 25, 2025 of the Schemes of Amalgamation involving the merger of Happiest Minds Edutech Private Limited and Sri Mookambika Infosolutions Private Limited respectively with the Company. Pursuant to the said amalgamations, the authorized share capital of the Company increased from ₹58.90 cr to ₹59.10 cr.

5. Approval of the Board at its meeting held on February 9, 2026 to the grant of a foreign currency loan aggregating to USD 10 Million to Happiest Minds Inc., USA ,its wholly owned subsidiary, to enable the said subsidiary to acquire Optionally Convertible Redeemed Preference Shares(OCRPS) issued by PureSoftware Pte. Ltd., Singapore, a step-down subsidiary of the Company, from the existing holders, in compliance with the provisions of Section 186 of the Companies Act, 2013.

6. Approval of the Board for incorporation of a wholly owned subsidiary in Canada.

For **V Sreedharan & Associates**
Company Secretaries

V. Sreedharan
Partner
FCS 2347; C.P.No.833
UDIN: F002347H000512505
Peer Review Certificate No. 5543/2024

Place: Bengaluru
Date: May 28, 2026

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,
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: F002347H000512505
Peer Review Certificate No. 5543/2024

Place: Bengaluru
Date: May 28, 2026