INDEPENDENT AUDITOR'S REPORT

To The Members of Happiest Minds Technologies Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Happiest Minds Technologies Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies, other explanatory information and financial statements of Happiest Minds Technologies Share Ownership Plans Trust (the "ESOP trust") for the year ended on that date audited by the other auditors ("Trust auditors).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the Trust auditors on separate financial statements of the ESOP trust referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit, other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the Trust auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Fixed price contracts using the percentage of completion method (refer note 2(a) and note 26 of the standalone financial statement) Revenue from fixed-price contracts where the performance obligations are satisfied over time, is recognized using the percentage-of completion method. Use of the percentage-of completion method requires the Company to determine the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The estimation of total project costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information.	Principal audit procedures performed: Our audit procedures related to estimates of efforts to complete for fixed-price contracts accounted using the percentage-of-completion method included the following, among others: a. We tested the effectiveness of controls relating to (1) recording of efforts incurred and estimation of efforts to complete the remaining contract performance obligations, and (2) access and application controls pertaining to time recording and allocation systems, which prevents unauthorized changes to recording of efforts incurred.

Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and the ESOP trust to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the standalone financial statements of which we are the independent auditors. For the other entities or business activities included in the standalone financial statements, which have been audited by the Trust auditors, such Trust auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

f) The modification/s relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts - Refer Note 37 (B) to the standalone financial statements;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

   The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

   As stated in note 48 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

   vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of **Happiest Minds Technologies Limited** (the "Company") as at March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment, Capital work-in-progress, right-of-use assets and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment and right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements (included in property, plant and equipment and capital work in progress) are held in the name of the Company as at the balance sheet date. Immovable properties whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lender.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) or intangible assets, during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 cr in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (book debt statements, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

iii. The Company has made investments in, provided guarantee and granted unsecured loans, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks
Goods and Service Tax act ,2017	Ineligible ITC on IPO Expenses	710^	2020-21	Appellate Authority	-
Goods and Service Tax act ,2017	Differences in GSTR-3B and GSTR-1	75*^	2020-21	Appellate Authority	-

^Net of ₹ 42 lakhs paid under protest

** Net of ₹ 8 lakhs paid under protest*

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the Financial Statements of the Company, funds raised on short term basis, have, prima facie, not been used during the year, for long term purposes by the Company.

(e) On an overall examination of the Financial Statements of the Company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and up to the date of this report).

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	3	13,138	13,671
Goodwill	4	6,015	6,015
Other intangible assets	4	4,577	5,822
Intangible assets under development	4	83	18
Right-of-use assets	5	5,416	6,080
Financial assets			
i. Investments	6A	79,958	78,307
ii. Loans	7	-	1,250
iii. Other financial assets	8	27,103	7,164
Income tax assets (net)	9	5,027	3,479
Other assets	10	166	86
Deferred tax assets	11A	2,954	2,368
Total non-current assets		**144,437**	**124,260**
Current assets			
Financial assets			
i. Investments	6B	50,352	35,039
ii. Trade receivables	12	33,880	28,090
iii. Cash and cash equivalents	13	5,764	4,596
iv. Bank balance other than cash and cash equivalents	14	79,055	93,912
v. Loans	7	8	10
vi. Other financial assets	8	15,348	13,563
Other assets	10	9,284	5,261
Total current assets		**193,691**	**180,471**
Total assets		**338,128**	**304,731**
Equity and liabilities			
Equity			
Equity share capital	15	3,005	3,001
Other equity	17	160,655	149,442
Total equity		**163,660**	**152,443**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	28,128	33,537
ii. Lease liabilities	20	3,819	4,531
iii. Other financial liabilities	21	2,131	612
Provisions	22	7,096	4,614
Deferred tax liabilities	11B	1,069	1,375
Total non-current liabilities		**42,243**	**44,669**

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from contract with customers	26	172,602	159,407
Other income	27	17,513	13,690
Total income		**190,115**	**173,097**
Expenses			
Employee benefits expense	28	119,254	108,937
Depreciation and amortisation	29	5,114	5,053
Finance costs	30	9,223	9,113
Other expenses	31	27,209	25,377
Impairment loss allowance on trade and unbilled receivables	31A	243	1,533
Total expenses		**161,043**	**150,013**
Profit before exceptional items and tax		**29,072**	**23,084**
Exceptional items; charge	32	2,041	2,344
Profit before tax		**27,031**	**20,740**
Tax expense	33		
Current tax		4,678	5,856
Deferred tax credit		(59)	(659)
		4,619	**5,197**
Profit for the year		**22,412**	**15,543**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Net movement on effective portion of cash flow hedges	37(B)	(3,726)	(315)
Income tax effect	33	938	79
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(2,788)**	**(236)**

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

		For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax		27,031	20,740
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation/ amortisation of property, plant and equipment, intangibles and right-of-use assets		5,114	5,053
(Gain)/ loss on disposal of property, plant and equipment, net		(10)	(16)
Share-based payment expense		611	-
Gain on sale of investment carried at fair value through profit and loss		(405)	1
Fair value (gain)/loss on financial assets measured at fair value through profit or loss		(2,110)	(1,241)
(Gain)/loss on recognition/derecognition of contingent consideration		-	2,344
Interest income		(6,112)	(8,796)
Unrealised foreign exchange (gain)/ loss		471	104
Impairment loss on financial assets		243	1,533
Dividend income		(9,751)	(3,500)
Finance costs		9,223	9,113
Operating cash flow before working capital changes		**24,305**	**25,335**
Movements in working capital:			
Increase in trade receivables		(5,414)	(4,450)
Decrease in loans		3	26
Increase in non-financial assets		(4,103)	(867)
Increase in financial assets		(2,737)	(493)
(Decrease)/ Increase in trade payables		(231)	825
Decrease in financial liabilities		(176)	(257)
Increase in provisions		3,126	1,332
Increase /(Decrease)in contract liabilities		642	(79)
Decrease in other non-financial liabilities		(414)	(75)
		14,999	**21,297**
Income tax paid, net of refunds		(6,226)	(8,020)
Net cash flows from operating activities	**(A)**	**8,773**	**13,277**
Investing activities			
Purchase of property, plant and equipment		(144)	(547)
Purchase of intangible assets		(344)	(351)
Proceeds from sale of property, plant and equipment		10	19
Maturities of / (Investment in) bank deposit, net		(5,123)	23,669
Acquisition of subsidiaries		(1,651)	(66,081)
Repayment of loan given to subsidiary		1,254	1,668
Loan given to subsidiary		-	(1,250)
Purchase of mutual funds		(31,302)	(37,549)
Proceeds from sale of mutual funds		18,504	3,751
Interest received		6,687	8,729
Dividend from Subsidiaries		9,751	3,500
Net cash flows from/ (used) in investing activities	**(B)**	**(2,358)**	**(64,442)**

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

a) Equity share capital

For the year ended March 31, 2026	No of Shares	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid		
At April 1, 2025	**150,046,867**	**3,001**
Issue of shares	-	-
Exercise of share options - refer note 15 (ii) (1)	215,069	4
As at March 31, 2026	**150,261,936**	**3,005**

For the year ended March 31, 2025	No of Shares	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid		
At April 1, 2024	**149,354,426**	**2,987**
Issue of shares	-	-
Exercise of share options - refer note 15 (ii) (1)	692,441	14
As at March 31, 2025	**150,046,867**	**3,001**

b) Other equity

For the year ended March 31, 2026	Reserves and Surplus			Cash flow hedge reserve (Note 17)	Total equity
	Securities premium (Note 17)	Share options outstanding reserve (Note 17)	Retained earnings (Note 17)		
As at April 1, 2025	**90,580**	**68**	**59,059**	**(264)**	**149,442**
Profit for the year	-	-	22,412	-	22,412
Other comprehensive income	-	-	311	(2,788)	(2,477)
Total comprehensive income	**-**	**-**	**22,723**	**(2,788)**	**19,935**
Issue of equity shares on exercise of options	52	-	-	-	52
Transferred to securities premium for options exercised	29	(29)	-	-	-
Dividend - refer note 18	-	-	(9,386)	-	(9,386)
Share-based payments expense - refer note 42	-	611	-	-	611
As at March 31, 2026	**90,661**	**650**	**72,396**	**(3,052)**	**160,655**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

Corporate Information

Happiest Minds Technologies Limited ("the Company") is engaged in next generation IT solutions & services Company, enabling organizations to capture the business benefits of emerging technologies of cloud computing, social media, mobility solutions, business intelligence, analytics, unified communications and internet of things. The Company offers high degree of skills, IPs and domain expertise across a set of focused areas that include Digital Transformation & Enterprise Solutions, Product Engineering, Infrastructure Management, Security, Testing and Consulting. The Company focuses on industries in the Retail/Consumer Product Goods(CPG), Banking, Financial Services and Insurance (BFSI), Travel & Transportation, Manufacturing and Media space. Happiest Minds Provide a Smart, Secure and Connected Experience to its Customers. In the Solution space, focus areas are Security, M2M and Mobility solutions.

The Company is a limited company, incorporated and domiciled in India and has a branch office at United States of America, United Kingdom, Australia, Canada, Netherland, Singapore, Malaysia and Dubai. The registered office of the Company is situated at #53/1-4, Hosur Main Road, Madivala Bengaluru 560068.

During the year, Sri Mookambika Infosolutions Private Limited ('SMI') and Happiest Minds Edutech Private Limited were amalgamated with the Company pursuant to the Scheme of Amalgamation approved on September 25, 2025 and September 22, 2025 respectively. The impact of the amalgamation on the Company's financial statements is disclosed in note 43.

The Company's Standalone Financial Statements for the year ended March 31, 2026 were approved by Board of Directors on May 28, 2026.

1 Basis of preparation of Standalone Financial Statements

(a) Statement of Compliance

The Standalone Financial Statements (SFS) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the SFS.

This note provides a list of the material accounting policies adopted in the preparation of the Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

These Standalone Financial Statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2026.

The Standalone Financial Statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

a) Defined benefit plan - plan assets measured at fair value

b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

c) Derivative financial instruments

d) Contingent consideration

(b) Functional currency and presentation currency

These Standalone Financial Statements are presented in India Rupee (₹), which is also functional currency of the Company. All the values are rounded off to the nearest lakhs (₹ 00,000) unless otherwise indicated.

(c) Use of estimates and judgements

In preparing these Standalone Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and liabilities at the date of the financial Statements and reported amounts of income and expenses during the period. Actual results may differ from these estimates.

Notes to the Standalone Financial Statements for the year ended March 31, 2026
(All amounts in ₹ lakhs, unless otherwise stated)

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2 Material accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these Standalone Financial Statements.

(a) Revenue recognition

The Company derives revenue primarily from rendering of services and sale of licenses. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company is principal in rendering of services and agent in relation to sale of licenses. Amounts disclosed as revenue are net of trade allowances, rebates and Goods and Services tax (GST), amounts collected on behalf of third parties and include reimbursement of out-of-pocket expenses, with corresponding expenses included in cost of revenues.

Revenue from the rendering of services and sale of license is recognized when the Company satisfies its performance obligations to its customers as below:

Revenue from rendering of services

The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and is distinct in the context of the contract, if not, the promised product or service is combined and accounted as a single performance obligation. In determining the transaction price for rendering of services, the Company considers the effect of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customers if any. Revenue is recognized as net of trade and cash discounts. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price, the Company uses the expected cost-plus margin approach in estimating the stand-alone selling price. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

Revenues from services comprise primarily income from time-and-material and fixed price contracts. Revenue with respect to time-and-material contracts is recognized over the period of time as the related services are performed. Revenue with respect to fixed price contracts where performance obligation is transferred over time are recognized using the percentage of completion method. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognized, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Provisions for estimated losses on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates.

Trade receivables

A receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Business Combination

The Company accounts for its business combinations under acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in other expenses.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

- Assets (or disposal Company's) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

- Reacquired rights are measured at a value determined based on the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS - 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit and loss in accordance with Ind AS - 109. If the contingent consideration is not within the scope of Ind AS - 109, it is measured in accordance with the appropriate Ind AS and shall be recognized in the Statement of Profit and Loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

Leasehold improvements are amortised over the period of the lease or life of the asset whichever is less.

The useful lives have been determined based on technical evaluation done by the management's expert which in certain instances are different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Intangible assets

Goodwill

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Company of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Company of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Asset	Life in Years
Computer software	2.5-3 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Subsequent costs related to intangible assets are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

(g) Leases

The Company has lease contracts for various items of computers, vehicles and buildings used in its operations. Lease terms generally ranges between 1 and 5 years.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2(e) for policy on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset."

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the Standalone Financial Statements for the year ended March 31, 2026
(All amounts in ₹ lakhs, unless otherwise stated)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at Fair Value Through Other Comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at Fair Value Through Profit and Loss (FVTPL)
- Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

Debt instruments at amortised cost:

A 'Debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 13.

Debt instrument at Fair Value Through Other Comprehensive income (FVTOCI)

A 'Debt instrument' is classified as at the Fair Value Through Other Comprehensive income (FVTOCI) if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent 'solely payments of principle and interest (SPPI)'.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the Effective Interest Rate (EIR) method.

Debt instrument at Fair Value Through Profit and Loss (FVTPL)

Fair Value Through Profit and Loss (FVTPL) is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as Fair Value Through Other Comprehensive income (FVTOCI), is classified as at FVTPL.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

Impairment of financial assets

In accordance with Ind AS - 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables, unbilled revenue and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS - 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables, unbilled revenue and contract assets

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL."

b) Financial Liabilities :

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at Fair Value Through Profit or Loss (FVTPL). Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS - 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Notes to the Standalone Financial Statements for the year ended March 31, 2026
(All amounts in ₹ lakhs, unless otherwise stated)

was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the Statement of Profit and Loss.

Fair value hedge

The Company designates interest rate swap contracts as fair value hedge to hedge the exposure to changes in the fair value of its borrowings attributable to interest rate risk.

The change in the fair value of the hedging instrument are recognised immediately in the Statement of Profit and Loss. The change in the fair value of the hedged item attributable to the hedged risk is also recognised in the Statement of Profit and Loss, with a corresponding adjustment to the carrying amount of the hedged item.

(j) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principle or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statement are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(k) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Standalone Statement of Cash Flows , cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(l) Foreign currency translation

(i) Functional and presentation currency:

Items included in the Standalone Financial Statements of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Indian rupee (₹), which is functional and presentation currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Statement of Profit and Loss.

Notes to the Standalone Financial Statements for the year ended March 31, 2026
(All amounts in ₹ lakhs, unless otherwise stated)

(n) Employee share based payments

Certain employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using a black Scholes model except for the option on date of modification of plan from cash settled to equity settled transaction (refer modification of plan).

That cost is recognised, together with a corresponding increase in employees stock option reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(o) Exceptional items

Exceptional items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company and, therefore, are not expected to recur frequently or regularly. In accordance with the requirements of Guidance Note on Schedule III to the Companies Act 2013, exceptional items are disclosed on the face of the Statement of Profit and Loss and details of the individual items are disclosed in the Notes.

(p) Taxation

Income tax comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognised directly in the other comprehensive income.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in Statement of Profit and Loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Treasury shares

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares from the Company, for giving shares to employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares. Refer note 16.

No gain or loss is recognised in Statement of Profit and Loss on the issue or cancellation of the Company's own equity instruments.

On consolidation of EBT with the Company, the value of shares held by trust is shown as a deduction from equity (i.e. reduction from share capital to the extent of face value and remaining from securities premium). Gains/ losses recognized by the trust on issue of shares are shown as a part of securities premium.

Share options exercised during the reporting period are issued from treasury shares."

(r) Provisions and Contingent Liabilities

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. "

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for warranty

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates. The estimate of such warranty-related costs is revised annually.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the Standalone Financial Statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

(v) Critical estimates and judgements

The preparation of the Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The areas involving significant estimates or critical judgements are:

Significant judgements and estimates

(a) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligations are given in Note 34.

(b) Impairment of Investment in subsidiary

The Company has investment in subsidiary which have been tested for impairment as at the year end. Estimates involved in this assessment are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on these subsidiaries that are believed to be reasonable under the circumstances.

(c) Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

(d) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins. Refer note 4

(e) Deferred taxes

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all the deductible temporary differences, however the same is restricted to the extent of the deferred tax liabilities unless it is probable that sufficient taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Refer note 11.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

4 Goodwill and other intangible assets

i) Goodwill

Cost or valuation	March 31, 2026	March 31, 2025
Deemed cost		
As at March 31	7,902	2,498
Effect of Merger (refer note 43)	-	5,404
As at March 31	**7,902**	**7,902**
Accumulated Impairment		
As at March 31	1,887	1,887
As at March 31	**1,887**	**1,887**
Net book value as at March 31	**6,015**	**6,015**

Impairment of goodwill

The Goodwill of ₹ 1,887 lakhs relates to business acquisition of OSS Cube Solutions Limited, ₹ 611 lakhs relates to the business acquisition of Cupola Technology Private Limited and ₹ 5,404 lakhs related to business combination of Sri Mookambika Infosolutions Private Limited (SMI) which has been allocated to PDES cash generating units (CGU). Goodwill related to OSS cube is fully impaired.

Goodwill is tested for impairment on an annual basis by the Company. The recoverable value of the CGU is determined based on value-in-use calculation using the cash flow projections based on the financial budgets approved by the management covering a five year period.

The following table sets out the key assumptions for calculation of value-in-use for these CGUs:

	PDES	
	March 31, 2026	March 31, 2025
Discount rate	17.88% to 19.36%	19.3% to 19.61%
Long term growth rate	2% to 4%	2% to 4%
Sales growth	4% to 10%	15% to 25%
Carrying value of goodwill	6,015	6,015

The discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU.

There is no impairment noted in the CGUs based on the assessment performed by the management. Management has performed sensitivity analysis around the base assumption and have concluded that no reasonable possible change in key assumptions would cause the recoverable amount to be lower than the carrying amount of respective CGU.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

5 Right-of-use assets

	Computer systems	Office equipment	Office buildings	Motor vehicles	Total
As at March 31, 2024	**1,284**	**96**	**4,160**	**158**	**5,698**
Additions	1,275	13	1,279	680	3,247
Disposals	-	-	-	(5)	(5)
Depreciation	(1,082)	(25)	(1,579)	(174)	(2,860)
As at March 31, 2025	**1,477**	**84**	**3,860**	**659**	**6,080**
Additions	1,052	-	1,108	187	2,347
Disposals	(1)	-	-	(72)	(73)
Depreciation	(1,003)	(23)	(1,672)	(240)	(2,938)
As at March 31, 2026	**1,525**	**61**	**3,296**	**534**	**5,416**

The average lease period of the leased assets is 4.26 years (March 31, 2025: 3.8 years).

The Company recognized the following income and expense in the statement of profit and loss pertaining to leased assets:

	March 31, 2026	March 31, 2025
Interest expense on lease liabilities - refer note 30	605	670
Depreciation of Right-of-use assets - refer note 29	2,938	2,860
Rent expense pertaining to short- term leases - refer note 31	684	533
	4,227	**4,063**

6A Investments

Unquoted, carried at cost less impairment

	March 31, 2026	March 31, 2025
Investment in Subsidiaries:		
Investment in Equity shares of Happiest Minds Inc. (formerly known as PGS Inc.)	6,025	6,025
1,00,000 (March 31, 2024 : 1,00,000) equity shares of face value of $1 each, fully paid		
Investment in Equity shares of PureSoftware Technologies Private Limited	70,303	70,303
3,24,11,166 equity shares of face value of ₹1 each, fully paid		
Investment in Equity shares of InnovazIT Technologies LLC	1,315	1,293
8,200 equity shares of face value of AED 1 each, fully paid		
Investment in Equity shares of GAVS Technologies LLC	669	664
2,47,500 equity shares of face value of OMR 1 each, fully paid		
Investment in Equity shares of GAVS Technologies Saudi Arabia for Telecommunications and Information Technology	22	22
100 equity shares of face value of SAR 1 each, fully paid		
Investment in Equity shares of Aureus Tech Systems Private Limited	1,624	-
100 equity shares of face value of ₹ 1 each, fully paid		
	79,958	**78,307**
Less: Impairment in value of investment	-	-
	79,958	**78,307**
Aggregate amount of quoted investment and market value thereof	-	-
Aggregate amount of unquoted investment	79,958	78,307
Aggregate amount of impairment in the value of investments	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

8 Other financial assets

	March 31, 2026	March 31, 2025
(a) Other financial assets carried at amortised cost		
(unsecured, considered good, unless otherwise stated)		
Non-current		
Fixed deposit with maturity of more than 12 months	20,005	15
Margin money deposits - refer note (i) below	6,276	6,286
Security deposit	822	863
	27,103	**7,164**
(i) Margin money deposit is used to secure:		
Term loan - Federal bank	6,252	6,252
Guarantees given	24	34
Current		
Interest accrued on fixed deposit	1,151	1,817
Unbilled revenue #	7,784	10,246
Security deposit	388	125
Other receivables	6,100	1,076
	15,423	**13,264**
Security deposit - credit impaired	(1)	-
Less: Allowance for credit impaired loans	-	-
Less: loss allowance on unbilled revenue	101	177
	15,321	**13,087**
# Classified as financial asset as right to consideration is unconditional and is due only after a passage of time. Includes ₹ 4,295 lakhs (March 31, 2025 : ₹ 253 lakhs) from related party. Refer note 39		
(b) Derivative instruments carried at fair value through OCI		
Designated as Cash flow hedges		
Foreign currency forward contracts - refer note 37 (B)	7	235
Cross currency interest rate swap - refer note 37 (B)	20	241
	27	**476**
Total other current financial assets	**15,348**	**13,563**

9 Income tax assets (net)

Carried at amortised cost

	March 31, 2026	March 31, 2025
Non - current		
Income tax assets (net)	5,027	3,479
	5,027	**3,479**

Notes to the Standalone Financial Statements for the year ended March 31, 2026
(All amounts in ₹ lakhs, unless otherwise stated)

Significant components and movement in deferred tax assets and liabilities during the year ended March 31, 2025 :

	April 1, 2024	Effect of Merger(refer note 43)	Recognised in profit or loss	Recognised in Other comprehensive income	March 31, 2025
Mutual funds	-	-	(312)	-	(312)
Goodwill	(154)	-	-	-	(154)
Property, plant and equipment and intangible assets	(231)	4	(99)	-	(326)
Derivative assets	10	-	-	79	89
Loss allowance on trade receivables	280	-	264	-	544
Lease liability and right-of-use assets	329	-	(15)	-	314
Provision for gratuity and leave encashment	932	120	345	124	1,520
Employee related liabilities	308	-	147	-	455
Others	163	60	15	-	238
Deferred tax assets (net)	**1,637**	**183**	**345**	**203**	**2,368**

11B Deferred tax liabilities (net)

The Company has recognised deferred tax on temporary deductible difference which are probable to be available against future taxable profit.

	March 31, 2026	March 31, 2025
Deferred tax liabilities (net)	1,069	1,375
	1,069	**1,375**

Significant components and movement in deferred tax assets and liabilities during the year ended March 31, 2026 :

	April 1, 2025	Recognised in profit or loss	Recognised in Other comprehensive income	March 31, 2026
Property, plant and equipment and intangible assets	1,375	(306)	-	1,069
Deferred tax assets (net)	**1,375**	**(306)**	**-**	**1,069**

Significant components and movement in deferred tax assets and liabilities during the year ended March 31, 2025 :

	April 1, 2024	Effect of Merger (refer note 43)	Recognised in profit or loss	Recognised in Other comprehensive income	March 31, 2025
Property, plant and equipment and intangible assets	-	1,688	(313)	-	1,375
Deferred tax assets (net)	-	1,688	(313)	-	1,375

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

	Outstanding for the following periods from the due date of payment						Total
	Current but not due	**Less than 6 months**	**6months-1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	
Undisputed Trade receivables - considered good	18,588	9,315	271	-	-	-	28,174
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	1,244	252	126	69	177	1,868
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**18,588**	**10,559**	**523**	**126**	**69**	**177**	**30,042**
Less: Impairment allowance	-	-	-	-	-	-	1,952
Total							**28,090**

(i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 39

(ii) Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.

(iii) For terms and conditions relating to related party receivables refer note 39

(iv) For unbilled revenue refer note 8

13 Cash and cash equivalents

	March 31, 2026	March 31, 2025
Balances with banks:		
- in current accounts	4,463	4,166
- in EEFC accounts	1,300	430
Deposits with original maturity of less than three months - refer note below	1	1
	5,764	**4,596**

Note:

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

(iv) Details of shareholders holding more than 5% shares in the Company: -

	March 31, 2026		March 31, 2025	
	No of Shares	Holding percentage	No of Shares	Holding percentage
Equity shares of ₹ 2 each fully paid				
Mr. Ashok Soota (Promoter)	4,92,45,787	32.77%	49,245,787	32.82%
Ashok Soota Medical Research LLP	1,79,48,784	11.94%	17,948,784	11.96%
SBI Small Cap Fund	1,01,74,484	6.77%	11,712,365	7.81%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

(v) The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the reporting date.

(vi) Details of shares held by promoters

As at March 31, 2026

	Promoter name	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 2 each fully paid	Mr. Ashok Soota	49,245,787	-	49,245,787	32.77%	0.00%
Equity shares of ₹ 2 each fully paid	Ashok Soota Medical Research LLP	17,948,784	-	17,948,784	11.94%	0.00%

As at March 31, 2025

	Promoter name	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 2 each fully paid	Mr. Ashok Soota	58,382,277	(9,136,490)	49,245,787	32.97%	(15.65)%
Equity shares of ₹ 2 each fully paid	Ashok Soota Medical Research LLP	17,948,784	-	17,948,784	12.02%	0.00%

16 Treasury shares

	No of shares
As at April 01, 2024	**29,20,385**
Issue for cash on exercise of share options	(6,92,441)
As at March 31, 2025	**22,27,944**
Issue for cash on exercise of share options	(2,15,069)
As at March 31, 2026	**20,12,875**

For the terms/rights attached to treasury shares refer note 15 (iii) above

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

c) Cash flow hedge reserve :

The Company uses foreign currency forward contracts to hedge the highly probable forecasted transaction and interest rate swaps to hedge the interest rate risk associated with foreign currency term loan. The effective portion of fair value gain/loss of the hedge instrument is recognised in the cash flow hedge reserve. Amounts recognised in the cash flow hedge reserve is reclassified to the Statement of Profit and Loss when the hedged item affects profit or loss.

d) Share options outstanding reserve :

The share based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee Stock Option Plan.

18 Distribution made

	March 31, 2026	March 31, 2025
Dividends on equity shares declared and paid :		
Final dividend paid for the year ended on March 31, 2025 : 3.5/- per share (March 31, 2024 : ₹ 3.25/- per share)	5,252	4,854
Interim dividend for the year ended on March 31, 20256: ₹ 2.75/- per share (March 31, 2025 : 2.5/- per share)	4,134	3,754
	9,386	**8,608**

19 Borrowings

Carried at amortised cost

	March 31, 2026	March 31, 2025
Non current		
Secured		
Term loan from bank - refer note (a)	9,445	10,444
Unsecured		
Term loan from bank - refer note (b)	24,420	24,061
	33,865	**34,505**
Less: Current maturities of secured term loan	(1,104)	(968)
Less: Current maturities of unsecured term loan	(4,633)	-
Total non-current borrowings	**28,128**	**33,537**
Current		
Secured		
Loans from banks		
Foreign currency loan (PCFC) - refer note (d)	23,471	22,654
Bank overdraft - refer note (d)	68,344	44,778
Unsecured		
Loans from banks		
Redeemable non-convertible debentures - refer note (c)	8,000	8,000
Loan from subsidiary - PureSoftware Technologies Private limited	1,700	350
Current maturities of term loans		
Secured term loan from bank - refer note (a)	1,104	968
Unsecured term loan from bank - refer note (b)	4,633	-
Total current borrowings	**107,252**	**76,750**

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

The table below details change in the Company's liabilities arising from financing activities, including both cash and non-cash changes

	Non-current borrowings #	Current borrowings
As at April 01, 2024	**11,278**	**32,959**
Financing cash flows (net)	23,092	43,293
Non cash movements:		
Foreign exchange difference	135	(471)
As at March 31, 2025	**34,505**	**75,781**
Financing cash flows (net)	(169)	24,802
Non cash movements:		
Impact of Fair value hedge	(470)	-
Foreign exchange difference	(1)	932
As at March 31, 2026	**33,865**	**101,515**

#Current maturities of term loans are included in the Non-current borrowings

20 Distribution made

Carried at amortised cost

	March 31, 2026	March 31, 2025
Non current		
Lease liabilities	6,697	7,351
	6,697	**7,351**
Less: Current maturities of lease liabilities	(2,878)	(2,820)
Total non-current lease liabilities	**3,819**	**4,531**
Current		
Lease liabilities	2,878	2,821
Total current lease liabilities	**2,878**	**2,821**

(i) Movement in lease liabilities for year ended March 31, 2026 and March 31, 2025:

	March 31, 2026	March 31, 2025
Balance at beginning of the year	7,351	6,982
Additions	2,412	3,223
Finance cost incurred during the period - refer note 30	605	670
Disposal	(72)	(11)
Payment of lease liabilities	(3,599)	(3,499)
Exchange difference	0	(14)
Balance at the end of the year	**6,697**	**7,351**

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

22 Provisions

	March 31, 2026	March 31, 2025
Non-current		
Provision for gratuity - refer note 35	7,096	4,614
	7,096	**4,614**
Current		
Provision for compensated absences	3,011	2,788
Provision for warranty	17	11
	3,028	**2,799**

23 Contract liabilities

	March 31, 2026	March 31, 2025
Unearned revenue - refer note (i) below	1,984	1,342
	1,984	**1,342**

(i) The Company has rendered the service and have recognised the revenue of ₹ 642 lakhs (March 31, 2025: ₹ 75 lakhs) during the year from the unearned revenue balance at the beginning of the year.

24 Trade payables

Carried at amortised cost

	March 31, 2026	March 31, 2025
Total outstanding dues of Micro enterprises and Small enterprises	520	186
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	7,289	7,854
	7,809	**8,040**

Trade payables Ageing Schedule

As at March 31, 2026

	Outstanding for the following periods from the due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	373	147	-	-	-	520
Total outstanding dues of creditors other than micro enterprises and small enterprises	657	792	40	10	-	1,499
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Provision for expenses	-	-	-	-	-	5,790
	1,030	**939**	**40**	**10**	**-**	**7,809**

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

25 Other current liabilities

	March 31, 2026	March 31, 2025
Current		
Statutory dues payable	2,308	2,686
Other payables	2	42
	2,310	**2,728**

26 Revenue from contract with customers

	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from service	172,230	158,969
Revenue from license	506	623
Gross revenue from operations	**172,736**	**159,592**
Less : cash discounts	(134)	(185)
Net revenue from operations	**172,602**	**159,407**
Revenue from service	172,096	158,784
Revenue from license	506	623
	172,602	**159,407**

26.1 Disaggregated revenue information

Segment	For the year ended March 31, 2026			
	Infrastructure Management & Security Services	Product and Digital Engineering Services	Generative AI Business Services	Total
Revenue from contract with customers	33,195	131,596	7,811	172,602
Total revenue from contracts with customers	**33,195**	**131,596**	**7,811**	**172,602**
India	9,757	18,160	3,106	31,023
Outside India	23,438	113,436	4,705	141,579
Total revenue from contracts with customers	**33,195**	**131,596**	**7,811**	**172,602**
Timing of revenue recognition				
Licenses transferred at a point in time	506	-	-	506
Fixed price project - services transferred over time	16,398	33,743	4,923	55,064
Time and material - services transferred over time	16,291	97,853	2,888	117,032
Total revenue from contracts with customers	**33,195**	**131,596**	**7,811**	**172,602**

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

27 Other income

	For the year ended	
	March 31, 2026	March 31, 2025
Interest income on:		
Deposits with bank	5,995	8,714
Loan to subsidiary - refer note 39	25	22
Financial instrument measured at amortised cost	60	60
Financial instrument designated as fair value hedge, net	32	-
	6,112	**8,796**
Fair value gain on investment measured at FVTPL	2,110	1,240
Gain on sale of investments measured at FVTPL	405	0
Exchange gain/ (loss)	(995)	(96)
Gain on property, plant and equipment sold / scrapped, net	10	16
Dividend received from subsidiary - refer note 39	9,751	3,500
Miscellaneous income	120	234
	11,401	**4,894**
	17,513	**13,690**

28 Employee benefits expense

	For the year ended	
	March 31, 2026	March 31, 2025
Salaries, wages and bonus	110,058	101,174
Contribution to provident and other funds	5,466	5,047
Share based payment expense - refer note 42	611	-
Gratuity expense - refer note 35	1,498	992
Compensated absences	965	1,145
Staff welfare expenses	656	579
	119,254	**108,937**

29 Depreciation and amortisation expense

	For the year ended	
	March 31, 2026	March 31, 2025
Depreciation of property, plant and equipment - refer note 3	652	643
Amortisation of intangible assets - refer note 4	1,524	1,550
Depreciation of right-of-use assets - refer note 5	2,938	2,860
	5,114	**5,053**

30 Finance costs

	For the year ended	
	March 31, 2026	March 31, 2025
Interest expense on:		
Borrowings	7,595	6,851
Non convertible debenture	636	1,125
Loan from Subsidiary - refer note 39	380	43
Lease liabilities- refer note 20	605	670
Unwinding of interest in contingent consideration - refer note 36	7	424
	9,223	**9,113**

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

31A Impairment loss allowance

	For the year ended	
	March 31, 2026	March 31, 2025
Impairment loss allowance on trade and unbilled receivables	243	1,533
	243	**1,533**

32 Exceptional Items

	For the year ended	
	March 31, 2026	March 31, 2025
Loss/(Gain) on remeasurement of contingent consideration - refer note (ii) below	-	2,344
Impact of Labour Codes - refer note (i) below	2,041	-
	2,041	**2,344**

(i) On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "Labour Codes") which consolidate twenty-nine existing labour laws into a unified framework governing employee benefits during employment and post-employment.

The Labour Codes, introduce changes including a uniform definition of wages and enhanced benefits relating to leave. The Company has assessed the financial implications of these changes, which have resulted in an increase in gratuity liability arising from past service cost and increase in leave liability by ₹ 2,041 lakhs.

Considering that the impact arising from the enactment of the new legislation is non-recurring in nature, the Company has presented this incremental amount of ₹ 2,041 lakhs as "Impact of Labour Codes" under "Exceptional Items". The Company continues to monitor developments pertaining to the Labour Codes and will evaluate any further impact on the measurement of liabilities relating to employee benefits.

(ii) On May 22, 2024, the Company acquired entire equity interest of Pure Software Technologies Private Limited ('PSTPL'), India for total consideration of ₹ 75,044 lakhs, comprising cash consideration of ₹ 64,229 lakhs, cash consideration for cancellation of share based payments of ₹ 399 lakhs and fair value of contingent consideration of ₹ 10,415 lakhs payable over next two years. The contingent consideration is indexed to EBITDA and PSTPL's revenues for the financial year 2024-25 and 2025-26.

The contingent consideration is classified as a financial liability as per Ind AS 109 'Financial Instruments' and is measured at fair value. The Accounting Standard mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The Company has re-measured the fair value of the contingent consideration as at March 31, 2025 and the change in fair value of ₹ 2,344 lakhs has been recognised in the statement of profit and loss and disclosed as an 'Exceptional Item'.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

35 Employee benefits plan

(i) Defined contribution plans - Provident Fund and others

The Company makes contributions for qualifying employees to Provident Fund and other defined contribution plans. During the year, the Company recognised ₹ 5,466 lakhs (March 31, 2025 : ₹ 5,047 lakhs) towards defined contribution plans.

(ii) Defined benefit plans (funded):

The Company provides for gratuity for employees in India as per the Payment of Gratuity (Amendment) Act, 2018 and the provisions of the Code on Social Security, 2020. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic wages per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan of the Company is funded with qualifying Insurance Company.

Gratuity is a defined benefit plan and Company is exposed to the following risks:

Interest risk	A decrease in the bond interest rate will increase the plan liability.
Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Longevity risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration risk	Plan is having a concentration risk as all the assets are invested with the insurance company.

	March 31, 2026	March 31, 2025
Current	-	-
Non-current	7,096	4,614
	7,096	**4,614**

The following table sets out movement in defined benefits liability and the amount recognised in the financial statements:

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2026:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 1, 2025	**5,353**	**745**	**4,608**
Current service cost	1,148	-	1,148
Net interest expense	398	48	350
Past service cost	2,041	-	2,041
Total amount recognised in statement of profit and loss	**3,587**	**48**	**3,539**
Benefits paid	(670)	(612)	(58)
Remeasurement			
Return on plan assets	-	(36)	36
Actuarial (gains)/losses arising from changes in demographic assumptions	(114)	-	(114)

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

	Sensitivity Level	March 31, 2026		March 31, 2025	
		Defined benefit obligation on increase/decrease in assumptions			
		Increase	Decrease	Increase	Decrease
Discount rate	1% increase / decrease	(271)	294	(227)	249
Future salary increase	1% increase / decrease	279	(267)	235	(222)
Attrition rate	1% increase / decrease	(16)	15	(37)	38

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The following payments are expected cash flows to the defined benefit plan in future years:

Expected contributions to defined benefits plan for the year ended March 31, 2026 is ₹ 240 lakhs (March 31, 2025 : ₹ 466 lakhs). The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2025: 6 years). The expected maturity analysis of undiscounted gratuity is as follows:

	March 31, 2026	March 31, 2025
Within the next 12 months	1,355	779
Between 2 and 5 years	4,531	2,794
Between 6 and 10 years	2,878	2,189
Beyond 10 years	31	1,792

36 Fair value measurement

i) The carrying value of financial assets by categories is as follows:

	March 31, 2026	March 31, 2025
Measured at fair value through other comprehensive income (FVOCI)		
Foreign currency forward contracts	7	235
Cross currency interest rate swap	20	241
Total financial assets measured at FVOCI	**27**	**476**
Measured at fair value through statement of profit and loss (FVTPL)		
Investment in mutual funds	50,352	35,039
Total financial assets measured at FVTPL	**50,352**	**35,039**
Measured at amortised cost		
Investment in subsidiary	79,958	78,307
Security deposits	1,210	987
Loans to employees	8	10
Loans to related parties	-	1,250
Other financial assets	41,214	19,264
Trade receivables	33,880	28,090
Bank and bank balance other than cash and cash equivalents	79,055	93,912
Cash and cash equivalents	5,764	4,596
Total financial assets measured at amortised cost	**241,089**	**226,417**
Total financial assets	**291,468**	**261,932**

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
	March 31, 2025			
Financial assets and liabilities measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	235	-	235
Cross currency interest rate swap	-	241	-	241
Measured at fair value through statement of profit and loss (FVTPL)				
Investment in mutual funds	35,039	-	-	35,039
Total financial asset measured at fair value	**35,039**	**476**	**-**	**35,515**
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	217	-	217
Cross currency interest rate swap	-	612	-	612
Measured at fair value through statement of profit and loss (FVTPL)	-	-	-	-
Contingent consideration	-	-	8,855	8,855
Total financial liabilities measured at Fair value	**-**	**830**	**8,855**	**9,685**

Notes:

The fair value of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a) The fair value of liquid mutual funds is based on the net assets value (NAV) as declared by the fund house.

b) The Company has entered into foreign currency forward contract and Cross currency interest rate swap (CCIRS) to hedge the highly probable forecasted transactions. The derivative financial instrument is entered with the financial institutions with investment grade ratings. Foreign exchange forward contracts and CCIRS are valued based on valuation models which include use of market observable inputs. The mark to market valuation is provided by the financial institution as at reporting date. The valuation of derivative contracts are categorised as level 2 in fair value hierarchy disclosure.

c) The Company has entered into interest rate swap contracts to hedge the fair value of a fixed rate borrowing. The derivative financial instrument is entered with the financial institutions with investment grade ratings and are valued based on valuation models which include use of market observable inputs. The valuation of derivative contracts are categorised as level 2 in fair value hierarchy disclosure.

d) The management assessed that cash and cash equivalent, trade receivables, trade payables, other financial assets (current), other financial liability (current), bank overdraft and cash credit, lease liabilities (current) and loans to employees approximates their fair value largely due to short-term maturities of these instruments.

e) The Company has valued contingent consideration by using the monte carlo simulation approach for the year March 31, 2025. In the current year, the Company has executed an agreement to finalise the amount payable towards the contingent consideration based on the achievement of agreed performance conditions. The contingent consideration has been measured at the amount so agreed.

f) The fair value of remaining financial instruments are determined on transaction date based on discounted cash flows calculated using lending/ borrowing rate. Subsequently, these are carried at amortized cost. The carrying amount of the remaining financial instruments are the reasonable approximation of their fair value.

For financial assets carried at fair value, their carrying amount are equal to their fair value.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

i. Foreign currency risk

The Company operates in various geographies and its business is transacted in multiple currencies resulting in exposure to foreign exchange risk. The exchange risk primarily arises from foreign currency revenue, highly probable forecasted revenue, receivables, cash and cash equivalents, deposits, investments, payables, loans and borrowings.

While the Company transacts in various currencies, significant portion of the Company's revenue is in USD, GBP and EUR and large portion of the costs are in Indian Rupees. The exchange rate between Indian Rupee and these currencies has fluctuated significantly during the year and may continue to do so in the future. Appreciation / depreciation of Indian Rupee against these currencies can significantly affects the Company's operating results.

The Company evaluates those exchange risk and mitigates it by entering into foreign currency forward contracts to hedge the highly probable forecasted revenue.

The Company has designated the forward contract derivatives as cash flow hedge and accordingly has adopted hedge accounting."

a) The Company's exposure in foreign currency at the end of reporting period :

Amount in Lakhs

Currency	Particulars	March 31, 2026		March 31, 2025	
		FC	₹	FC	₹
	Financial assets				
USD	Trade receivables	244	23,148	230	19,658
	Loans	*	*	15	1,246
	Other financial assets	57	5,397	87	7,423
	Bank accounts	28	2,645	35	3,018
	Other Assets	8	782	10	849
	Net exposure on foreign currency risk (assets)	**337**	**31,972**	**377**	**32,194**
	Financial liability				
	Borrowings	248	23,470	260	22,194
	Trade payables	31	2,941	34	2,882
	Other financial liabilities	5	489	10	826
	Other liabilities	0	47	8	646
	Net exposure on foreign currency risk (liabilities)	**284**	**26,947**	**312**	**26,548**
	Net exposure on foreign currency risk (assets-liabilities)	**53**	**5,025**	**65**	**5,646**
EURO	**Financial assets**				
	Trade receivables	24	2,607	23	2,082
	Other financial assets	1	160	6	515
	Bank accounts	1	94	0	9
	Other assets	0	21	*	*
	Net exposure on foreign currency risk (assets)	**26**	**2,882**	**29**	**2,606**

Notes to the Standalone Financial Statements for the year ended March 31, 2026
(All amounts in ₹ lakhs, unless otherwise stated)

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Borrowings

The Company's exposure to the interest rate risk primarily arises from the floating rate borrowings including working capital loans and other revolving line of credit.

During the current year, the Company has entered into Interest Rate Swap (IRS) to mitigate the interest rate risk on its fixed rate borrowings. The Company has designated the interest rate swap as fair value hedge. Under the swap arrangement, Company receives fixed interest rate and pays floating interest benchmarked to 1M Tbill + spread, thereby converting fixed rate borrowing into floating rate borrowing.

The Company assesses the hedge effectiveness prospectively and retrospectively and expects the hedge relationship to remain highly effective throughout the hedge period

Sensitivity:

Floating rate borrowings are short term in nature, hence sensitivity has not been disclosed. The fixed rate borrowing is designated in a fair value hedge and hence does not cause any variability.

b) Investments:

Company's investment are primarily in medium to long term debt mutual funds, which is exposed to significant interest rate risk. The Company mitigates the same by diversifying its portfolio across multiple schemes.

Sensitivity:

The sensitivity of profit or loss to change in Net assets value (NAV) as at year end for investment in mutual funds.

	Impact on profit before tax	
	March 31, 2026	March 31, 2025
NAV increases by 5%	2,518	1,752
NAV decreases by 5%	(2,518)	(1,752)

B) Impact of Hedge activities

(i) The following provides the details of hedging instrument and its impact on balance sheet

Amount in Lakhs

	March 31, 2026					
	Maturity	Currency	Notional Amount (Foreign Currency)	Contracted amount in ₹	Line item in the balance sheet	Fair value* gain/ (loss)
Cash flow hedge of Foreign currency risk						
(for highly probable forecast transactions)						
- Foreign currency forward contracts	< 1 year	₹/USD	553	50,710	Other financial assets/ (liabilities)	(2,392)
- Foreign currency forward contracts	< 1 year	₹/EURO	5	5,668	Other financial assets/ (liabilities)	7
- Cross currency interest rate swaps	<1 year	₹/USD	14	1,103	Other financial assets/ (liabilities)	(1,695)

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

	Foreign currency forward contracts	Cross currency interest rate swaps	Total
Balance as at April 01, 2024	**33**	**(61)**	**(28)**
Hedge gain/(loss) recognised in OCI	18	(372)	(354)
Amount reclassified from OCI to statement of profit and loss	(43)	82	39
Income tax effect	6	73	79
Balance as at March 31, 2025	**14**	**(278)**	**(264)**
Hedge gain/(loss) recognised in OCI	(2,385)	(1,695)	(4,080)
Amount reclassified from OCI to statement of profit and loss	(18)	372	354
Income tax effect	605	333	938
Balance as at March 31, 2026	**(1,784)**	**(1,268)**	**(3,052)**

Amounts reclassified from the OCI is recognised in foreign exchange gain or loss in Statement of Profit and Loss.

C) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables, unbilled revenue and contract assets) and from its investing activities (primarily deposits with banks).

(i) Trade receivables, unbilled revenue and contract assets.

Trade receivables, unbilled revenue and contract assets are typically unsecured and derived from revenue from contracts with customers. Customer credit risks is managed by each business units subject to Company's policy and procedures which involves continuously monitoring the credit worthiness of customers to which the Company grants/credits in the normal course of business. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit losses at each reporting date, right from initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers.

Reconciliation of loss allowance - trade receivables	March 31, 2026	March 31, 2025
Opening balance as at April, 1	(1,953)	(858)
Allowance made during the year (net) - refer note 31A	(274)	(1,575)
Utilised during the year	1,360	477
Exchange gain/ (loss)	(52)	2
Closing balance as at March, 31	**(919)**	**(1,953)**

Reconciliation of loss allowance - unbilled revenue and other financial assets	March 31, 2026	March 31, 2025
Opening balance as at April, 1	(203)	(254)
Allowance made during the year - refer note 31A	31	51
Closing balance as at March, 31	**(172)**	**(203)**

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	March 31, 2026	March 31, 2025
Borrowings (including current maturities)	135,380	110,287
Less : Cash and cash equivalents	(5,764)	(4,596)
Net (cash and cash equivalents)/debt (A)	**129,616**	**105,690**
Equity	163,660	152,443
Total equity capital (B)	**163,660**	**152,443**
Total debt and equity (C)=(A)+(B)	**293,276**	**258,133**
Gearing ratio (A)/(C)	**44%**	**41%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2026 and March 31, 2025.

39 Related party disclosure

(i) List of related parties and relationship

Key management personnel (KMP)	1. Mr. Ashok Soota (Chairman & Chief Mentor)
	2. Mr. Venkatraman Narayanan (Managing Director)
	3. Mr. Joseph Vinod Anantharaju (Co-Chairman & CEO)
	4. Mr. Rajiv Indravadan Shah (Director)
	5. Mr. Praveen Darshankar (Company Secretary & Compliance Officer)
	6. Mrs. Anita Ramachandran (Independent director)
	7. Mr. Rajendra Kumar Srivastava (Independent director)
	8. Mrs. Shuba Rao Mayya (Independent director)
	9. Mr. Seshashayee Sampathiyengar Sridhara (Independent Director)
	10. Mr. Anand Balakrishnan (Chief Financial Officer w.e.f. 12.06.2026)
Wholly owned subsidiaries	1. Happiest Minds Inc
	2. PureSoftware Technologies Private Limited (w.e.f 22.05.2024)
	3. PureSoftware Pte Limited (Singapore)
	4. PureSoftware Private Limited (UK)
	5. PureSoftware Corp (USA)
	6. PureSoftware Sdn. Bhd. (Malaysia)
	7. PureSoftware Technology S. De. R. L. De. C.V., (Mexico)
	8. PureSoftware HK Limited (Hongkong)
	9. PureSoftware Africa Limited (Kenya)
	10. PureSoftware Technologies Romania SRL (Romania)
	11. PureSoftware Private Limited (Nepal)
	12. Aureus Tech Systems Private Limited (w.e.f 24.05.2024)
	13. Aureus Tech Systems Canada Ltd (w.e.f 24.05.2024)
	14. InnovazIT Technologies LLC (w.e.f 01.02.2025)
	15. GAVS Technologies LLC (w.e.f 01.02.2025)
	16. GAVS Technologies Saudi Arabia for Telecommunications and Information Technology (w.e.f 01.02.2025)

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

		March 31, 2026	March 31, 2025
(x)	**Legal and professional fees**		
	Happiest Health Systems Private Limited	75	62
xi)	**Advertising and business promotion expenses**		
	Happiest Health Systems Private Limited	139	43
(xii)	**Dividend received**		
	Happiest Minds Inc.	1,751	-
	PureSoftware Technologies Private Limited	8,000	3,500
(xiii)	**Interest expense on Loans taken**		
	PureSoftware Technologies Private Limited	380	43
(xiv)	**Investment in Subsidiary**		
	Aureus Tech Systems Private Limited	1,624	-
(xv)	**Managerial remuneration# :**		
	Mr. Venkatraman Narayanan		
	Salary, wages and bonus	356	171
	Share based payment expenses	81	-
	Mr. Ashok Soota		
	Salary, wages and bonus	397	182
	Mr. Praveen Darshankar		
	Salary, wages and bonus	67	63
	Share based payment expenses	6	-
	Mr. Joseph Vinod Anantharaju		
	Salary, wages and bonus	578	432
	Share based payment expenses	135	-
	Mr. Rajiv Shah		
	Salary, wages and bonus	198	365
	Mr. Anand Balakrishnan		
	Salary, wages and bonus	113	-
xvi)	**Dividend paid**		
	Mr. Joseph Vinod Anantharaju	23	24
	Mr. Ashok Soota	3,078	3,129
	Mr. Venkatraman Narayanan	17	28
	Ashok Soota Medical Research LLP	1,122	1,032
	Deepak Soota	2	3
	Kunku Soota	1	1
	Usha Samuel	5	4
	Praveen Kumar Darshankar	3	3
	Rajiv Shah	8	10
	Veena Soota	1	1
	Mr. Anand Balakrishnan	*	-

#As the liability for gratuity and compensated leave absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors are not included above.

** amount below rounding off norm of the Company*

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) During the current year, the Company has provided a corporate guarantee in favour of Citibank NA on behalf of Happiest Minds Inc. for an amount of ₹ 7,586 Lakhs (USD 8 million) for the term loan taken by Happiest Minds Inc. (refer note 41)

(iv) Loan from PureSoftware Technologies Private Limited of ₹ 8,850 Lakhs carries an interest rate of 7.90% p.a.outstanding balance as on 31.03.26 is ₹ 1,700 Lakhs. (refer note 19)

(v) The rate of interest applicable shall be equal to the RBI repo rate as at the date if the loan plus 140 basis points. The average interest rate for the period outstanding for the year is 7.90%.

(vi) All other outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables expect as mentioned in (iii) above. For the year ended 31 March 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2025: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

40 Corporate Social Responsibility ('CSR') expenditure

Details of CSR expenditure are as follows:

		March 31, 2026	March 31, 2025
(a) Gross amount required to be spent by the Company during the year		576	589
(b) Amount approved by the board to be spent during the year		640	604
(c) Amount spent during the year ending on March 31, 2026 :	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/ Acquisition of any asset	-	-	-
ii) On purpose other than above	619	-	619
(d) Amount spent during the year ending on March 31, 2025 :	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/ Acquisition of any asset	-	-	-
ii) On purpose other than above	434	170	604
(e) Details related to spent/ unspent obligations:		March 31, 2026	March 31, 2025
i) Contribution to Public Trust		-	-
ii) Contribution to Charitable Trust		619	434
ii) Unspent amount in relation to:			
- Ongoing project		-	170
- Other than ongoing project		-	-
		619	**604**

Details of ongoing project and other than ongoing project

In case of S. 135(6) (Ongoing Project)						
Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With Company	In Separate CSR unspent A/c		From Company's bank A/c	From separate CSR unspent A/c	With Company	In separate CSR unspent A/c
125	-	576	619	-	82	-

In case of S. 135(5) (Excess amount spent)			
Opening balance	Amount required to be spent during the year	Amount spent during the year	Closing balance
(51)	576	619	(94)

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

Key features of these plans are provided in the below table:

Key Terms	**ESOP 2011**	**ESOP 2014 / EIP 2011 for US Employees**	**ESOP 2015 / EIP 2011 for US Employees**	**ESOP 2020**
Class of Share	Equity Shares (as amended vide board meeting held on April 26, 2017 and Annual general meeting held on July 31, 2017).	Pursuant to conversion of Class B Non-voting Equity Shares (entitled under ESOP 2014) to Equity shares (as amended vide board meeting held on April 26, 2017 and Annual general meeting held on July 31, 2017), the Board of Directors at its meeting held on October 25, 2017 approved the administration of options granted and shares allotted under erstwhile ESOP 2014 to ESOP 2011.	Equity Shares (as amended vide board meeting held on April 26, 2017 and Annual general meeting held on July 31, 2017).	Equity Shares (as amended vide board meeting held on April 29, 2020 and extra ordinary general meeting held on May 13, 2020).
Ownership	Legal Ownership		Legal Ownership	Legal Ownership
Vesting Pattern	Four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1,2,3 and 4 years respectively from the date of grant and become fully exercisable, subject to employee being in the employment of the Company.			One year vesting term from date of grant and become fully exercisable.
Exercise Price	Exercisable at an exercise price of ₹ 2, ₹ 3, ₹ 5 and ₹ 6 per option.	Exercisable at an exercise price of ₹ 2 and ₹ 6 per option.	Exercisable at an exercise price of ₹ 2, ₹ 6.25, ₹ 9.50, ₹ 11.50 and ₹ 26 per option.	Exercisable at an exercise price of ₹ 2 per option.
Economic Benefits / Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Company as duly approved by the shareholders at the meeting held on July 31, 2017.			

	For the year ended	
	March 31, 2026	**March 31, 2025**
Share based payment expense	611	-

Notes to the Standalone Financial Statements for the year ended March 31, 2026
(All amounts in ₹ lakhs, unless otherwise stated)

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2020	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	11,650	26.00	-	-
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options as at the end of the year	11,650	26.00	-	-
Weighted Average Remaining Contractual Life	0.86 years		-	

Weighted Average Exercise Price

1,09,050 options under Employee Stock Ownership Plan 2020 were granted during the year (March 31, 2025 - Nil)

The weighted average share price of shares exercised during the year is ₹ 546.01 (March 31, 2025 - ₹ 770.44)

Exercisable options as at March 31, 2026 - 3,57,700 options (March 31, 2025 - 4,96,318 options) and weighted average exercise price - ₹ 18.53 (March 31, 2025 - ₹ 25.93)

43 Scheme of Merger

A Merger of Happiest Minds Edutech Private Limited (erstwhile Macmillan Learning India Private Limited) with the Company

The Hon'ble National Company Law Tribunal (NCLT) approved the Scheme of Amalgamation of Happiest Minds Edutech Private Limited ("Transferor Company") with and into Happiest Minds Technologies Limited ("Transferee Company") vide order dated September 22, 2025.

The Scheme became effective upon filing of the NCLT order with the Registrar of Companies. The appointed date of the Scheme is April 18, 2024.

The amalgamation has been accounted for using the pooling of interests method in accordance with Appendix C to Ind AS 103, Business Combinations. Accordingly, the comparative financial information has been restated from the appointed date.

The accounting under pooling of interest method is as follows:

(i) All assets, liabilities and reserves of the Transferor Company have been recorded at their existing carrying amounts.

(ii) The identity of reserves of the Transferor Company has been preserved in the books of the Company.

(iii) Inter-company balances and transactions between the Transferor Company and the Company have been eliminated.

(iv) The investment held by the Company in the Transferor Company has been cancelled and adjusted in accordance with Appendix C to Ind AS 103.

Summary of Assets and Liabilities as at April 01, 2024

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

Summary of Assets and Liabilities as at April 01, 2024

Particulars	Amount
Property, Plant & Equipment	91
Goodwill	5,404
Other intangible assets	6,706
Trade receivables	1,726
Cash and cash equivalents	673
Financial assets	62
Deferred tax Asset	154
Other assets	99
Other current assets	21
Total Assets (A)	**14,936**
Trade payables	371
Provisions	396
Income tax liabilities	9
Other financial liabilities	4
Other liabilities	213
Deferred tax liability	1,688
Total Liabilities (B)	**2,681**
Net Assets (C = A - B)	**12,255**
Cost of Investment (D)	13,694
Net Impact to Reserves as at April 01, 2024 (E = C - D)	**(1,439)**

In accordance with Appendix C to Ind AS 103, the comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of the merger of the Transferor Company, as stated above, as if the merger had occurred from the beginning of the comparative period presented.

44 Additional Information

(a) Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% Change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.46	1.68	(13)%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.87	0.77	12%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments (excludes interest & repayments for Packing credit foreign currency loan)	5.41	6.10	(11)%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.14	0.10	37%	The higher growth in profitability relative to equity resulted in improved returns.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

(i) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(j) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

45 No significant events have occurred after the end of the reporting period.

46 a. The Company has maintained proper books of account as required by law and has backup of such books of account on a daily basis maintained in electronic mode in a server physically located in India except for an accounting software used for maintaining revenue records where the back-ups are maintained in a server physically located outside India.

b. The Company has used an accounting software for maintaining its books of account for the year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility except at database level for the software used to maintain revenue records. Audit trail has been preserved as per the statutory requirements for record retention."

47 The Company publishes Standalone Financial Statements along with the Consolidated Financial Statements. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the Consolidated Financial Statements. Accordingly, the segment information is given in the Consolidated Financial Statements of Happiest Minds Technologies Limited and its subsidiaries for the year ended March 31, 2026.

48 The Board of Directors of the Company at their meeting held on May 28, 2026, recommended the payout of a final dividend of ₹ 3.65/- per equity share of face value ₹ 2/- each for the financial year ended March 31, 2026 . This recommendation is subject to approval of shareholders at the 15th Annual General Meeting of the Company scheduled to be held on July 28, 2026.

49 Previous year's figures have been regrouped/ reclassified wherever necessary to conform with current year classification.

for and on behalf of the Board of Directors:

Happiest Minds Technologies Limited

CIN : L72900KA2011PLC057931

Ashok Soota
Chairman & Chief Mentor
DIN : 00145962
Place: Bengaluru, India
Date: May 28, 2026.

Joseph Vinod Anantharaju
Co-Chairman & CEO
DIN : 08859640
Place: Seattle, USA
Date: May 28, 2026

Venkatraman Narayanan
Managing Director
DIN : 01856347
Place: Bengaluru, India
Date: May 28, 2026.

Anand Balakrishnan
Chief Financial Officer

Place: Bengaluru, India
Date: May 28, 2026

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 28, 2026