Integrated
Annual Report 2024-25

happiest minds
The Mindful IT Company
Born Digital . Born Agile

DELIVERING TRANSFORMATION

WITH INNOVATION, INTEGRATION & INDUSTRY EXPERTISE

The cover design reflects the Company's commitment to innovation, integration, and industry expertise as catalysts for transformation. The modern design showcases the transformative journey originating from its core, symbolizing agility, technological excellence, and seamless digital integration.

DELIVERING TRANSFORMATION

WITH INNOVATION, INTEGRATION AND INDUSTRY EXPERTISE

Future-Proofing Enterprises with Tech that Fits and Scales

What was once considered advanced is now the bare minimum. Businesses today expect solutions that are faster to deploy, easier to adapt, and built for scale. Anything less doesn't cut it. That's why our work starts with a deep understanding of what the client needs now and what they'll need next. Happiest Minds addresses this shift by applying advanced technologies to real business challenges, ensuring transformation is functional, fast, and future-ready.

We make it Tangible

Our investment in Generative AI, Cybersecurity, And Enterprise Automation has expanded our innovation pipeline. Further, we integrated advanced engineering capabilities and platform-centric thinking to deliver intelligent and scalable solutions that are aligned with industry requirements.

Collaboration with global technology leaders like Microsoft, AWS, Google, ServiceNow, and many more, given us early access to emerging technologies and scalable architectures. This, combined with our R&D capabilities and proprietary IPs, enabled us to create enterprise-ready applications that turn our ideas into outcomes.

Further, deep industry expertise distinguishes our approach. Targeted solutions across BFSI, EdTech, and Healthcare verticals ensure specific, relevant, and responsive transformation.

Advancing it Further

Our acquisitions and advancements strengthened our capabilities in key industries and expanded presence in high-growth markets. We have introduced structural enhancements, including industry-focused business units with next-generation leadership to ensure sustained growth and delivery excellence.

Together, these efforts reflect our commitment to driving meaningful success for both our clients and our organization through **'Delivering Transformation with Innovation, Integration and Industry Expertise'**.

Stories Inside...

03 Corporate Overview

111 Statutory Reports

206 Financial Statements

Forward-looking Statements

This report may contain forward-looking statements regarding our future business outlook. Unlike historical facts, these statements reflect our current expectations concerning financial projections, strategic priorities, and long-term goals. Terms such as "expects", "intends", "believes", "plans", and "may" indicate such forward-looking intent, based on present assumptions and available information.

These statements are not guarantees of future outcomes. They represent our perspective as of the date of this report and are subject to change due to evolving circumstances, risks, or unforeseen events. We are under no obligation to update or revise any forward-looking statements, even if new information becomes available.

Get this report online
https:// www.happiestminds.com/investors/

About the Report

Basis of Reporting

The Integrated Annual Report 2024-25 is our fourth integrated report and has been developed in alignment with the principles of the International Integrated Reporting Council (IIRC). We have structured this report around the six capitals – Financial, Manufactured, Human, Intellectual, Social & Relationship, and Natural, each of which contributes to our value creation process.

This integrated approach aims to provide stakeholders with a clear and transparent view of how we drive sustainable growth. The report outlines the issues most material to our business, the environment in which we operate, our governance framework, and our long-term value creation strategy.

Our ESG (Environmental, Social, and Governance) initiatives are driven by a dedicated team and embedded in our operational philosophy. Through this report, we aim to offer a holistic view of both our financial performance and broader impact, empowering stakeholders to make informed decisions.

Reporting Principle

The report has been organized in compliance with key regulatory and reporting needs, including the Companies Act, 2013 (and the associated rules), Indian Accounting Standards, SEBI's Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, and the Secretarial Standards. The report has also considered pertinent guidance of the GRI Standards. The non-financial disclosures are guided by the underlying principles and themes of the integrated reporting framework.

Boundary and Scope of Reporting

The information provided pertains to the financial and non-financial transactions of Happiest Minds Technologies Limited and its subsidiaries, including Happiest Minds Inc. (US), Aureus Tech Systems, Sri Mookambika Infosolutions, Happiest Minds Edutech, PureSoftware Technologies, and GAVS Technologies (Middle East Business).

Assurance Statement

The Board of Directors assumes full responsibility for the accuracy and completeness of this report. It reflects the Board's oversight, supported by the leadership and reporting teams. The report complies with relevant frameworks and presents a fair view of the Company's performance and material matters.

UN Sustainable Development Goals SDGs

OUR CAPITALS

Financial

We manage our finances responsibly, focusing on long-term value creation and sustainable returns for stakeholders while enabling future growth.

Intellectual

Our knowledge, skills, and innovations power high-quality client solutions. We invest in people, systems, and collaborations to enhance efficiency and manage risk.

Social and Relationship

We build strong relationships based on trust, shared values, and transparency. Through direct engagement, we respond to evolving stakeholder needs with purposeful actions.

Manufactured

Our physical and digital infrastructure supports business operations and client delivery. These assets drive scalability, reliability, and long-term value creation.

Human

Our people drive our success. We foster a culture of inclusion, continuous learning, and well-being to support personal growth and organizational performance.

Natural

We integrate environmental responsibility into our strategy. Through resource efficiency and climate-conscious practices, we support a sustainable, low-carbon future.

INTEGRATED THINKING AT HAPPIEST MINDS

Integration that Drives Impact

Integrated thinking guides our purpose, performance, and stakeholder outcomes. We strive to create long-term value across stakeholder groups through our vision and values. This is strengthened by our digital agility, innovation, and strategic priorities. We ensure sustainable growth that benefits our stakeholders by addressing material issues and leveraging core competencies.

Mission, Vision & Values

Strategic Focus Areas

- M&A Strategy
- Expanding Domain and Technology Expertise
- Geographical Expansion
- Accelerating Growth with IPs
- Private Equity (PE) Engagement
- Scaling Key Accounts
- GCC Focus

Supported by Business Activities

- Product & Digital Engineering Services (PDES)
- Generative AI Business Services (GBS)
- Infrastructure Management & Security Services (IMSS)

Influenced by Key Operating Factors

Material Issues

- Economic Performance
- Cybersecurity and Data Privacy
- Systemic Risk Management
- Corporate Governance and Ethics
- Business Capability and Resilience
- Disclosure & Performance
- Customer Engagement and Satisfaction
- Talent Attraction and Skill Retention
- Social Responsibility
- Human Rights
- Employee Health, Safety and Wellbeing
- Diversity, Equity, and Inclusion
- Responsible Supply Chain
- Climate Change, Emissions and Energy
- Resource Management
- Biodiversity
- Innovation

Key Risks

Financial Risk

Business Risk

Operational Risk

Legal and Regulatory Risk

Cyber Security Risk

Resulting in an Impact Across the Capitals and for Stakeholders

Capitals

Financial Capital

Manufactured Capital

Intellectual Capital

Human Capital

Social & Relationship Capital

Natural Capital

Stakeholders

Customers

Shareholders & Investors

People

Vendors

Community

Alliance Partners

Government and Regulatory Bodies

Chairman's Letter

Dear Stakeholders,

In FY 2024-25, your Company has delivered an exceptional performance for the year with constant currency growth of 25.6%, which makes the reported fiscal performance the best year since our IPO in absolute terms. The growth was backed by a superior margin profile, which we have maintained in our guided range for 19 quarters in a row.

We began a journey of a new growth phase for Happiest Minds in FY 2024-25 with a series of transformational changes. These ten initiatives have created a foundation for three consecutive years of double-digit growth through innovation, integration and industry expertise.

Joseph Anantharaju
Co-Chairman & CEO

Ashok Soota
Chairman & Chief Mentor

Venkatraman Narayanan
Managing Director

1. On March 19th 2025, we announced our new apex organizational structure: Joseph Anantharaju as our Co-Chairman and CEO; Ashok Soota as Chairman & Chief Mentor and Venkatraman Narayanan as Managing Director.

Joseph has been part of Happiest Minds since its inception and will drive Happiest Minds towards accelerating profitable growth and strategic strength. The current Executive Board will maintain continuity this year while we transition to a next-generation leadership team focused on long-term profitable growth. We also expanded our Board of Directors with the appointment of Mittu Sridhara as an Independent Director and Rajiv Shah as the Executive Director.

2. We completed two acquisitions, Pure Software and Aureus, whose results were integrated in Q1 of FY 2024-25. The acquisitions have given a fillip to growth and helped us deliver well above the industry average fiscal performance. We have acquired the Middle East business of GAVS Technologies Limited in Feb 2025. The transaction aims to consolidate existing customer relations in the region along with a local delivery team with expertise in application development, maintenance, and infrastructure services.

Three more transformational changes followed in the second half of FY 2024-25. We did say these changes would begin to make an impact in FY 2025-26, which you will see starting from this fiscal.

3. Reorganizing Happiest Minds on an Industry Group (IG) wise basis: Banking, Financial Services & Insurance (BFSI); EdTech; Healthcare & Life Sciences; Hi-Tech, Media & Entertainment, PSO; Industrial, Manufacturing, Energy & Utilities; and Retail, CPG & Logistics. We welcomed Balasubramanian K as the Head of the Hi-Tech, Media & Entertainment and PSO Industry Group.

4. Being the very first Company to recognize the potential of GenAI by creating an independent business unit headed by Sridhar Mantha, a Happiest Minds veteran and our erstwhile CTO for 12 years. The adoption of GenAI has picked up speed, with our customers embarking on enterprise-wide adoption. Apart from projects already delivered, we have about 15 projects in a proof-of-concept stage which will lead to significant orders/projects in the next fiscal.

5. We appointed Chief Growth Officer, Maninder Singh, with the responsibility for net new sales. Maninder's team is already making visible impact by bringing in new logos. These transformational changes will show great growth in FY 2025-26 and even more so in FY 2026-27, assuring us of healthy organic growth in FY 2025-26 and then FY 2026-27.

6. Private Equity (PE) firms have become increasingly influential, with Happiest Minds seeing a significant rise in PE-owned customers. We are shifting from tactical to strategic engagement with PE firms, appointing a senior leader to lead this effort. Our offerings will support both PE firms and their portfolio companies, including due diligence, post-acquisition roadmaps, security risk management, modernization, innovation consulting, cost optimization, GenAI adoption, and integration of acquired entities. We will leverage existing customer relationships to build these connections and deliver tailored solutions.

7. Over the past decade, our 'land and expand' strategy has grown many accounts to US$ 2-3 Mn, with some reaching US$ 5-10 Mn. Our goal is to scale key accounts to US$ 20 Mn and create more US$ 5-10 Mn clients by investing in dedicated Client Partners, aligning incentives, and prioritizing these accounts. The formation of a dedicated NN sales team has freed up bandwidth to enable this focus.

8. We also see strong potential in the expanding Global Capability Center (GCC) segment. We will tailor our offerings based on GCC maturity - from strategy and compliance support for new GCCs to innovation, modernization, and data-driven value creation for established centers.

9. As the IT industry has come under pressure in recent years, we have been feeling that it needs to be strengthened by a Products & SaaS Solutions approach. We were fortunate in gaining one such product, Arttha in the BFSI space through our acquisition of Pure Software.

As we chart our path ahead, our focus remains on achieving sustainable and profitable growth by enhancing our technological expertise, expanding into key markets, and building deeper, long-term partnerships with our customers.

A product team has been enhancing the product capability and moving to a SaaS platform. Both the product and the SaaS solution will co-exist. We plan to create a separate P&L and invest in market-specific features and go-to-market strategies for India, while expanding internationally into Europe and North America through partnerships and enhanced digital banking capabilities.

10. We have developed exceptional capabilities in bioinformatics, which are unparalleled in the industry, with in-house experts in areas like molecular biology, data scientists, engineers, and healthcare domain specialists. Additionally, we work with leading medical research communities, some from prestigious institutions in India and abroad. The tenth and final transformational change is our revolutionary healthcare product, which is expected to be available for launch by Q1 FY 2026-27. At this time, we have the Board of Directors' permission to make a directional statement. The final decision to include this in our offerings will be taken by our Board only when the business plan is ready towards the end of FY 2025-26. Lest there is a fear that development of the product will require large capital expenditure and strain our resources, let us assure you that even in the first full year, the business will run on a cash-positive basis. It is also important to mention that our product is being developed through the unique bio-informatics capability of Happiest Minds, of which we have been speaking during the last year.

As we chart our path ahead, our focus remains on achieving sustainable and profitable growth by enhancing our technological expertise, expanding into key markets, and building deeper, long-term partnerships with our customers. By embracing an inclusive work culture and adhering to the highest standards of corporate governance, we are creating lasting value for our stakeholders and shaping a responsible, resilient organization for the future.

We extend our sincere appreciation to our customers for their continued trust and confidence in Happiest Minds, as well as to our delivery teams for their tireless efforts in ensuring customer satisfaction. We also want to thank all our support teams for keeping our operations seamless. Our gratitude goes to our Board of Directors, shareholders, and all stakeholders for their supportive guidance in shaping our journey.

We wish you all good health, happiness, and success.

With warm regards,

Ashok Soota
Chairman & Chief Mentor

Joseph Anantharaju
Co-Chairman & CEO

08-27

Corporate Overview

ABOUT HAPPIEST MINDS

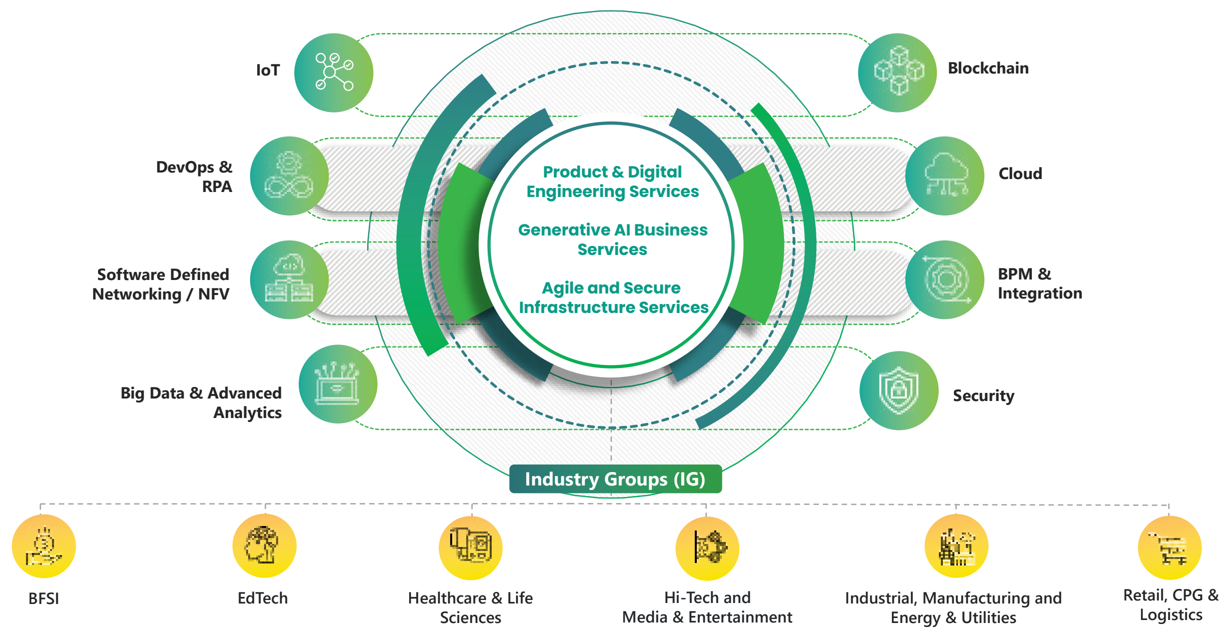
Taking a Giant Leap Towards a Digital and Sustainable World

Happiest Minds is a specialist in Product & Digital Engineering, Generative AI, and Infrastructure Management & Security Services.

We partner with leading global enterprises to deliver end-to-end digital solutions that enhance competitiveness and enable agility in a dynamic market. Our engineering excellence and agile delivery empower clients to respond swiftly to evolving business demands and achieve measurable outcomes.

Driven by innovation and sustainability, our solutions help shape a digital-first, future-ready economy - one that is inclusive, resilient, and sustainable.

Our Business



Global Certifications

ISO 9001:2015: Quality Management System

ISO 27701:2019: Privacy Information Management System

ISO 27001:2022: Information Security Management System

CREST: Penetration Testing Operating in EMEA

ISO 20000-1:2018: Service Management System

Comprehensive Offerings Across the Digital Lifecycle

Product & Digital Engineering Services (PDES)

Helps enterprises and digital-native companies build future-ready products and platforms. Leverages our engineering expertise, innovation-led culture, and domain knowledge to unlock digital capital.

Generative AI Business Services (GBS)

Enables organizations to harness Generative AI to drive creativity, enable autonomous decision-making, and deliver personalized experiences at scale.

Infrastructure Management & Security Services (IMSS)

Uses next-generation technologies to help organizations manage, transform, and secure complex, distributed hybrid IT environments.

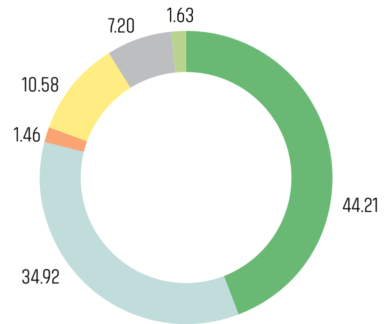
Expanding Global Footprint

Map not to scale.

INDIA	AMERICAS	AUSTRALIA	EUROPE	ASIA, MIDDLE EAST & AFRICA
Bengaluru Headquarters	US, Canada and Mexico	Sydney	UK, The Netherlands and Germany	Dubai, Oman, Saudi, Kenya, Hong Kong, Singapore and Malaysia
16 Offices, 9 States, 6,247 Happiest Minds	12 Offices, 170 Happiest Minds	1 Offices, 5 Happiest Minds	6 Offices, 95 Happiest Minds	8 Offices, 115 Happiest Minds

Shareholding Pattern (%)

(as on March 31, 2025)



- Promoters and Promoter Group
- Public
- ESOP Trust
- Mutual Funds/Banks/FI's/QIB
- FIIs/NRIs/FPI's
- Body Corporates

RESEARCH AND DEVELOPMENT

Innovative Horizons. Achieving Excellence.

Our strong R&D foundation, combined with deep expertise in disruptive technologies, enables us to deliver solutions across the digital lifecycle. We continue to invest in emerging technologies and strategic partnerships to drive innovation and support our customers' digital transformation journey.

Agile Engineering and Delivery

We have built an agile delivery framework that integrates our broad technology expertise with proprietary tools to ensure rapid, high-quality, and customized software delivery.

Agile Engineering and Delivery Framework

- Continuous experimentation using proprietary methods and tools
- Strategic technology selection to balance innovation and reliability
- Scalable delivery from ideation to production, ensuring tangible customer outcomes
- Enhanced project visibility, control, and risk mitigation across the lifecycle

Areas of Expertise

Our R&D programs focus on helping customers stay ahead in a fast-evolving technological landscape. Key innovation areas include:

Driving innovation in Generative AI disruption, speeding up enterprise digitalization, next-generation product and platform development, and providing secure infrastructure capabilities.

Expertise on Internet of Things (IoT), DevOps, Digital Process Automation (Robotic and Business Process Automation), Big Data and Advanced Analytics, Blockchain/ Web3.0, Cloud Computing, Security, Drones and Robotics, Generative AI, Agentic AI, and Quantum Computing.

Enabling mobile connectivity with other devices, social media integration, the use of Big Data Analytics, and Cloud Delivery.

Generative AI

- GenAI Strategy Consulting
- Agentic AI-Based Intelligent Automation
- Enterprise solutions from basic document querying to sophisticated image and video processing and generation
- Product and Platform Development and Enhancement
- Security & Governance
- Specialization in LLMs, SLMs, Multiple Tools, including Microsoft, AWS, Google, and the open-source ecosystem
- Making the most out of GenAI throughout the SDLC process to improve productivity

Marketing Analytics

- GenAI for influencer video analysis - detecting product visibility, usage, attire, and content sensitivity
- AI-based ad banner evaluation across 18 psychological and visual attributes
- Agentic AI-generated product videos from product images and description
- Ensemble modeling for accurate demand forecasting
- Media Mix Modeling using Meta's Robyn and Google's Lightweight MMM
- Advanced clustering algorithms ensuring business relevance and statistical rigor

Analytics/Artificial Intelligence (AI)

- Data Strategy
- BI Modernization
- Modern Data Platform Design & Development
- Adaptive Learning with Reinforcement Machine Learning
- Bioinformatics & Healthcare Analytics
- Multi-omics Platform for Genome Analysis
- Computer Vision - Video and Image Analytics
- Quantum Machine Learning
- Vibration Analytics using Frequency and Thermal Images
- Synthetic Image Generation using Diffusion Models and GAN
- Agentic AI Frameworks in Healthcare and Manufacturing Domains (AutoGen, LangGraph, and Crew AI)
- Data to Insights using MS Fabric (Data and AI)
- End-to-End Machine Learning (ML Ops, LLM Ops)
- Demand Forecasting

Internet of Things (IoT)

- Digital Strategy Creation
- Device, Edge, Platform Engineering
- End-to-End System Integration on IoT Platforms
- IoT Security
- IoT-Enabled Managed Services
- IoT Roadmap Development
- IoT-Led Business Transformation and New Business Model Creation
- IT-OT Integration

Cyber Security

- Digital Risk, Compliance, and Data Privacy
- Securing & Continuous Monitoring Next-Gen Infrastructure, including Hybrid Cloud, Serverless Architectures, and Data Environments
- Zero Trust Infrastructure & Application Protection
- Advanced Threat Management for Applications and Infrastructure & DevSecOps
- Managed and Extended Incident Detection and Response in the IT/OT/IoT Environment
- Identity Security & Governance, Privileged User Access Management, Monitoring & Governance
- Domain-Specific Cyber Security Solutions for Healthcare, including Platform and Medical Devices Security
- Attack Surface Reduction and Breach Attack Simulation
- GenAI-Based Security Automation, including Threat Detection and Response, Third-Party Risk Assessment, and Validation, resulting in more than 50% efficiency gain

Digital Process Automation (DPA)

ENVISION

Process Value Advisory

- **Value Chain Led Discovery** (Digital Process Twin, Process Analysis & Opportunity Hotspots identification, Business Value assessment, Implementation Charter /Roadmap)
- **Mining Led Discovery** (Tool-based Process Mining, Task Mining)
- **Process Design** (Process Optimization-Reengineering, Elimination, Standardization, Process Blueprinting, Opportunity Validation)
- **Technology Consulting** (Technology & Tool evaluation, Solution Architecture & Design)

ENGINEER

Transformation & Innovation

- **Intelligent Automation** (Build, Transform, Operate - Process, Cognitive & Agentic Automation)
- **Digital Automation** (Build Business Apps faster, ERP Surround, Application Modernization)
- **IT Ops Transformation** (Service Desk Automation, Security, End-to-End Provisioning)
- **Automation Migration Service** (Tool Migrations, Tool Upgrades)

EMPOWER

Ops Model Transformation

- **COE Design & Setup** (COE strategy, Design, Governance, Talent Strategy, Trainings, Frameworks, Toolkits)
- **Digital Ops Command Center** (Monitoring & Control, Governance & Compliance, Ops Support, Analytics)

Key Innovations for FY 2024-25

- **AI-Based Invoice Automation**: Reduced training time by up to 70%, enabling faster onboarding and scalable operations
- **Automation Factory Framework**: A structured approach focused on governance, reusability, CoE creation, performance tracking, and pipeline management for scalable, stable automation delivery
- **Intelligent Contract Management**: Utilizes Microsoft Power Platform's GenAI to draft, review, and manage contracts and SOWs, reducing manual workload and turnaround time
- **Tender Management**: A low-code platform that streamlines tender submissions, tracks progress, and uses historical insights to support smarter decisions
- **Material Suggestion & Material Selection**: Assists product designers in choosing materials based on specific performance metrics, integrated with ERP systems for real-time recommendations
- **Vendor ESG Compliance Tracking**: A configurable dashboard featuring an active questionnaire to capture key ESG data points, helping organizations monitor and drive sustainability compliance across their vendor network

Proprietary Platforms

Companions (GenAI-based)

Our Companion solutions harness Generative AI to assist with research, contract analysis, learning, and customer support. They simplify complex tasks through intelligent summarization, focused learning, and customer-level insights, enabling rapid deployment and tangible value for dozens of clients.

Ellipse

A modular platform integrating ITSM, ITOM, analytics, and machine learning, Ellipse supports agile, intelligent IT operations and accelerates the shift to IT-as-a-Service for digital-first enterprises.

CRPP

Built on MITRE ATT&CK® standards, Cyber Risk Protection Platform (CRPP) is a cybersecurity solution combining multiple security technologies to offer in-depth threat analytics and complete visibility across the risk lifecycle.

DCM SaaS

Our Digital Content Monetization engine, powered by Generative AI, delivers scalable personalized insights. It offers a low total cost of ownership and quick deployment to maximize digital asset value.

CX Hub

An end-to-end customer experience platform, CX Hub leverages Generative AI to provide real-time insights, self-service capabilities, and contextual engagement, helping businesses build smarter customer journeys.

UniVu

Designed for universities, UniVu transforms disparate academic data into predictive insights - enhancing learning delivery, administrative efficiency, and student outcomes.

Pro-RiTE

Pro-RiTE is a model-based testing system that covers UI, API, and performance security testing. It eliminates manual scripting, ensures consistent quality, and accelerates development feedback loops.

Thing Center

Thing Center is an integrated IoT platform that simplifies device connectivity and control. It securely collects data, delivers actionable insights, and improves productivity, especially in manufacturing.

CourseMap

A machine learning-based academic planning tool, CourseMap helps students identify optimal degree paths. It also equips advisors with data-driven insights for holistic guidance.

Nethra

Nethra is a computer vision-based platform for intelligent parking management. It features license plate recognition, payment gateway integration, and real-time slot monitoring.

Patient Engagement Platform

This health engagement solution enables hospital-to-home care with features such as teleconsultation, emergency alerts, 24/7 home monitoring, and smart clinical interventions.

WATCH360

Built on the ELLIPSE platform, WATCH360 offers enterprise-grade infrastructure management for SMEs - combining scalability, simplicity, and robust service features.

VMware Infrastructure Migration Solution

This solution facilitates secure, cost-effective migration from VMware environments, helping businesses avoid high licensing costs while ensuring operational continuity.

Enterprise Patch Management Solution

Our patch management platform identifies and remediates infrastructure vulnerabilities, improving system security and reducing operational risks.

Digital Twin

This real-time digital replica of physical assets enables predictive maintenance, advanced analytics, and smarter field operations through intelligent simulation and live data streaming.

STRONG CLIENT BASE

Fostering a Long-Term Relationship

Our dedication to providing consistent value has built a solid client base. By utilizing our domain expertise, we meet the ever-changing needs of our clients, becoming their go-to partners in expansion. This commitment assists us in retaining existing clients as well as gaining new ones. Our capacity for understanding and predicting our clients' requirements has played a critical role in our ongoing growth and image as a solid partner.

Clientele Growth

In FY 2024-25, our clientele increased to 281, with 94.3% repeat clients. We onboarded 73 new clients during the reporting period, maintaining our clientele growth.

281
Active clients

44%
Revenue generated by the clients tenured >5+ years

85
Fortune2000/Forbes200 Billion $ corporations

57
Million $ customers (Based on quarterly revenues annualized)

94.3%
Repeat business

US$ 9,17,000
Average revenue/Active customer

63
Net Promoter Score (NPS)

PARTNERSHIPS

Exploring New Frontiers through Synergistic Partnerships

We build strategic alliances that drive relevance, scalability, and sustainability. Collaborating with global technology leaders, we co-create industry-ready solutions and accelerators that enhance our competitive edge. Our latest focus - strengthening the Generative AI business - reflects our commitment to innovation and deepening client engagement in their digital transformation journeys.

Our Partner Ecosystem

aws (Advanced Consulting Services Partner)

Enabling enterprise modernization by integrating the AWS stack - leveraging PaaS, cloud offerings, and data platform transformation.

Key Highlights

- Proven success in executing AWS cloud strategies
- Recognized under the AWS Well-Architected Program and Service Delivery Competency
- Enrolled in AWS Optimized Licensing Assessment (OLA) program for cloud migration funding
- Moving toward AWS Generative AI Competency to enhance GenAI solution delivery
- Actively collaborate with AWS Professional Services (ProServ) on client engagements

Microsoft (Member of the Microsoft AI Cloud Partner Program)

Driving modernization through Microsoft Cloud, development tools, and data platforms.

Key Highlights

- Solution partner designations in Web & App Innovation, Data & AI, and Azure Infrastructure
- Advanced specializations such as Data Warehouse Migration, Enterprise App Migration, Build & Modernize AI Apps on Azure, and Analytics on Azure
- Access to partner funding via Azure Migrate & Modernize (AMM) and Azure Innovate programs
- 12+ co-sell-approved offerings on Azure Marketplace.
- Member of the Microsoft AI Partner Council, collaborating on Generative AI
- ECIF-enabled partners in the US, Singapore, Australia, the UK, and the Netherlands
- Sponsor at Microsoft Power Platform (Sep 2024) & Fabric Community (Mar 2025) conferences

servicenow (Premier Managed Services Partner)

Capitalizing on ServiceNow's leadership in ITSM to enhance value through Low-Code Application Platforms (LCAP) and Security/Risk solutions.

Key Highlights

- End-to-end services for ITSM, ITOM, LCAP, and IRM
- Launched ELLIPSE ITSM solution on ServiceNow
- Approved co-sell offerings and GTM alignment across key geographies

Secureworks (Premier Managed Services Partner)

Expanding presence in the mid-market through managed EDR/MDR offerings powered by Secureworks.

Key Highlights

- Integrated managed services, combining Secureworks' solutions with Happiest Minds' 24×7 security monitoring
- Outlined GTM strategy with shared sales and solutions teams across the USA, Europe, and India; achieved three joint wins in North America
- Expanded capabilities into penetration testing and vulnerability management
- Recognized as a professional services partner for Secureworks

PIMCORE (Strategic Partnership)

Delivering end-to-end solutions across data architecture, experience design, application consolidation, and product engineering.

Key Highlights

- Customized services in open-source PIM/MDM integration, digital asset management, CMS/UX automation, and e-commerce frameworks
- Delivered ~300 projects over eight years through a dedicated team of 150+ consultants

More on our alliances can be read on https://www.happiestminds.com/about-us/alliances/

MERGERS AND ACQUISITIONS (M&A)

Focused M&A Strategy

Our targeted M&A program is aligned with our long-term strategic objectives and overseen by an investment committee comprising two Executive Directors. We follow a programmatic approach, focusing on acquisitions that offer strategic value and scale.

Current M&A Priorities

- Expanding our geographic footprint in the USA, Europe, and the Middle East
- Deepening our presence in key industry verticals, including Retail & Consumer Packaged Goods (CPG), Travel, Media & Entertainment (TME), and Industrial & Manufacturing
- Broadening our technology capabilities in areas such as Cybersecurity, ServiceNow, Salesforce, and Snowflake/Databricks, while also building adjacent competencies in SAP S/4HANA
- Strengthening our global alliances by acquiring companies with deep expertise in Microsoft®, ServiceNow®, and Salesforce® platforms

Our track record of strategic acquisitions aligns with these priorities and contribute to long-term stakeholder value through sustained growth and profitability.

Overview of Past Acquisitions and FY 2024-25 Highlights

Acquired Company	Date of Acquisition	Business Rationale
Cupola	09-May-17	Strengthened IoT Center of Excellence (CoE)
OSS Cube	29-May-17	Boost digital capabilities, open-source expertise, and North American presence
Happiest Minds Inc.	01-Jan-21	Expand delivery competencies, making us Pimcore's largest offshore implementation partner in the world
Sri Mookambika Infosolutions	03-Feb-23	Deepen domain expertise in the healthcare vertical
Happiest Minds Edutech Private Limited	02-May-24	Expands EdTech reach
Aureus Tech Systems	27-May-24	Boost Cloud, AI, and App Modernization expertise, with strong Fortune 500 ties in Insurance and Healthcare
PureSoftware Technologies	28-May-24	Enhanced expertise in BFSI and Healthcare & Life Sciences, while expanding global delivery presence across Mexico, Singapore, Malaysia, and Africa
GAVS Technologies (Middle East Business)	01-Feb-25	Provided with immediate access to an established customer base, skilled talent, and active projects - accelerating growth, enhancing operational efficiency, and strengthening competitive position in the Middle East

Strategic Acquisitions and Seamless Integration in FY 2024-25

We began FY 2024-25 with the strategic acquisitions of PureSoftware Technologies and Aureus Tech Systems, reinforcing our position in digital transformation. Over the past year, we worked closely with both entities to align systems, policies, processes, culture, and operations. The reorganization into Industry Groups (IGs) and strong cross-company collaboration enabled a smooth and effective integration.

Both companies are now fully embedded within the Happiest Minds ecosystem, marked by strong cultural alignment and high-quality talent. These strategic moves contributed to our best annual performance since IPO in FY 2024-25.

PureSoftware: Expanding Capabilities and SaaS Potential

PureSoftware brings 1,200 skilled professionals and enhances our presence in the BFSI and Healthcare & Life Sciences verticals. It also expands our global delivery footprint to Mexico, Singapore, Malaysia, and Africa - boosting delivery scalability and cross-selling potential.

A key highlight of this acquisition is Arttha, PureSoftware's flagship BFSI product. We are currently enhancing and transitioning Arttha into a SaaS model, enabling broader market reach and more flexible deployment. This strengthens our SaaS portfolio and underlines the long-term strategic value of the acquisition.

Aureus Tech Systems: Deepening Cloud and AI Expertise

Aureus is a 150-member, Azure-native firm with strong expertise in Cloud, AI, and Application Modernization. The Company has well-established relationships with Fortune 500 clients in the Insurance and Healthcare sectors, further deepening our capabilities in these domains.

Over the past year, along with the acquired entities, we have worked seamlessly to align systems, policies, processes, culture, and operations. The reorganization of the Company structure into Industry Groups (IG) and strong cross-company collaboration enabled smooth and effective integration.

GAVS Technologies (Middle East): Closing the Year with Regional Expansion

We ended the fiscal year with the acquisition of GAVS Technologies' Middle East business, significantly strengthening our presence in the region. The acquisition includes:

- InnovazIT Technologies LLC (Dubai)
- GAVS Technologies LLC (Oman)
- GAVS Technologies Saudi Arabia for Telecommunications and Information Technology (Saudi Arabia)

These companies specialize in application development, maintenance, and infrastructure support, primarily serving large enterprises in the BFSI sector.

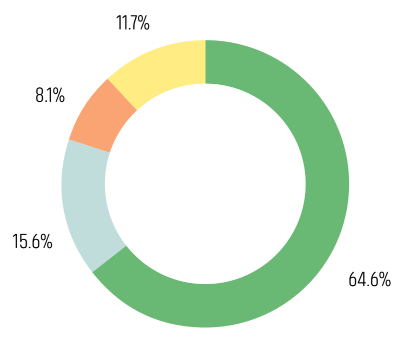
This acquisition enhances the Company's presence in the region, providing immediate access to an established customer base, a skilled workforce, and ongoing projects. It will accelerate our growth, improve operational efficiency, and strengthen our competitive position in the Middle East.

BUSINESS MODEL

Exploring to Scale

Our business model is built on resilience and adaptability, underpinned by deep technological expertise and a strong customer-centric approach. We have scaled our delivery model to provide growth-centric solutions for the clients. We maintain stable revenue streams with vertical diversification and a global customer base. Operating from India allows us to tap into a vast talent pool and benefit from a high offshoring mix - both of which contribute to sustaining our industry-leading margins.

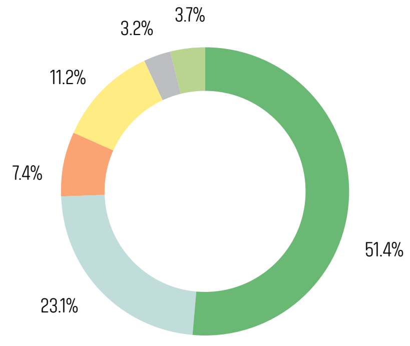
Revenue by Geography



USA · India · Europe · ROW

Our business is well diversified across global markets. The USA remains our largest revenue contributor, followed by India and Europe. These geographic spread supports business continuity and growth.

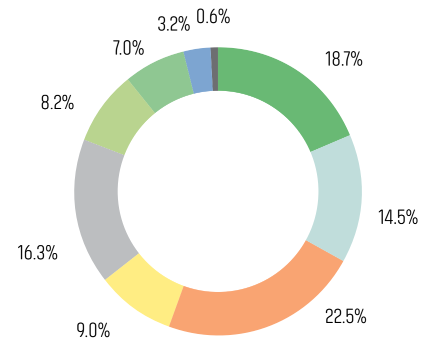
Digital Revenue



Digital Infra / Cloud · SAAS · Security solutions · Analytics / AI · IoT · Others

Our robust technology stack enables greater visibility into revenue generation while mitigating single-point risk. Ongoing skill development enhances service delivery, positioning us to capitalize on the rising demand for digital solutions that offer a competitive edge.

Revenue by Vertical

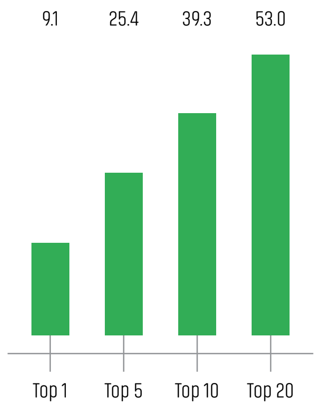


EdTech · HiTech · BFSI · TME* · Healthcare · Retail / CPG · Industrial · MFG · Others

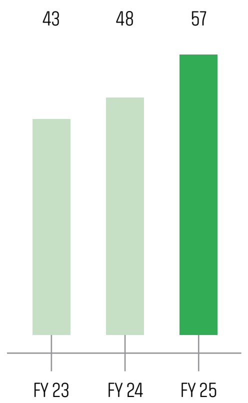
Our presence across diverse industry verticals reflects strong domain expertise and the ability to serve a broad customer base. This diversification not only drives growth momentum but also opens avenues for future excellence.

*TME: Travel, Media and Entertainment

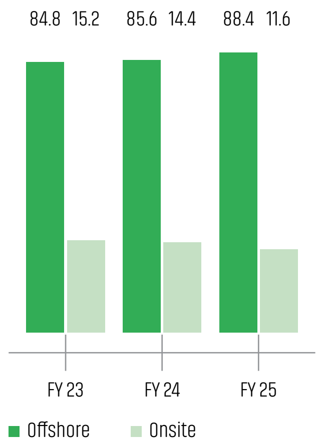
Customer Revenue Concentration (%)



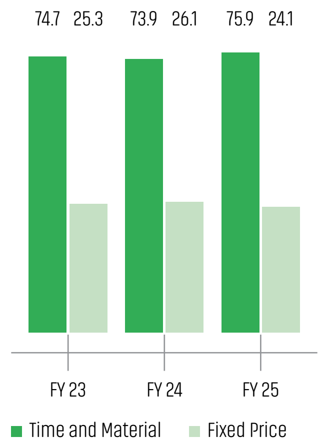
Million $ Corporations



Project Mix (%)



Revenue by Contracting Model (%)



We served 281 clients in FY 2024-25, including 73 new additions across sectors and geographies. This wide client base reduces dependency risks and provides significant growth potential.

Higher offshoring mix allows for reduced overheads, while access to a skilled talent pool strengthens our value proposition as a preferred technology partner.

VALUE CREATION MODEL

Approach to Deliver Sustained Value

INPUT

Financial Capital

- Net Worth: ₹ 1,57,458 Lakhs
- Cash and Cash Equivalents ₹ 1,05,823 Lakhs

Manufactured Capital

- Plant, Property and Equipment: ₹ 14,096 Lakhs
- 4 Centers of Excellence (CoEs): IoT, Analytics/Artificial Intelligence, Digital Process Automation, and Cyber Security
- 41 Offices/Presence in 14 Countries

Intellectual Capital

- R&D Expenditure: ₹ 2,047 Lakhs
- IPs/Solution Accelerators: 22
- IP/Solutions Product: 12
- Leading Banking Product

Human Capital

- Happiest Minds: 6,632
- Employee Benefits Expense: ₹ 1,36,534 Lakhs
- Attrition Rate: 16.63%
- Total Learning Hours: 1,80,328
- Business Enabling Program: 1,67,028

Social and Relationship Capital

As part of our ESG framework, 100% of the budget allocated to our social pillars has been fully utilized through member-driven actions, including volunteering, immersion visits, and community participation campaigns:

- Through Akshaya Patra initiatives, 21,34,145 meals were provided
- Through the Happiest Minds Run, we contributed ₹ 10 Lakhs to Nanhi Kali – K.C. Mahindra Trust for the education of the girl child
- Through the Idayangal Trust, we have donated ₹ 24 Lakhs to support those diagnosed with Type 1 diabetes for a year
- 241 interactions with Analysts, Investors, and Shareholders
- **Community Giving – Daan Utsav** I Raised ₹ 14.5 Lakhs, fulfilling 2,500 wishes across 4 NGOs
- Kitchen Visits - Akshaya Patra Kitchens to gain insight into daily operations, logistics, and food safety practices
- Blood Donation Drive - Rotary International, over 100 units of blood donated by members, contributing to emergency preparedness and civic health

Natural Capital

- Environmental Sustainability
- Vision to be Carbon Neutral by 2030
- Energy-saving & optimization initiatives
- Promoting responsible use of water in-house and through community initiatives
- Optimizing business travel
- Waste reduction through reusing and recycling
- Water consumption: 71,619 KL
- Energy consumption: 40,11,396.98 kWh

OUR OPERATING MODEL

- Sales Intelligence Tool
- Partner connects, deal database, and customer referrals for lead generation, nurturing, and proactively sending proposals
- Skills, competencies, and capabilities of Happiest Minds

- Deal qualification and clarity on the value proposition
- Stakeholder mapping, interlocks with other enterprise applications, and collaboration on CRM
- Management review of the pipeline
- Controlled access to the proposal repository
- Customer testimonials
- Deal-based marketing and innovative pricing techniques
- Win/Loss analysis

- Evaluation and assessment of project execution and delivery
- Identification of improvement areas
- Customer feedback: Satisfaction, advocacy, loyalty, and value for money

- Matching people skills, entering collaborations, and using accelerators/new solutions/tools to meet customer requirements
- Continuous project monitoring and defect tracking supported by LEAN and quality control processes

OUTCOMES

Financial Capital

- Operating Revenue: US$ 243.57 Million (↑24.2%)
- Total Income: ₹ 2,16,222 Lakhs (↑26.4%)
- EBITDA: ₹ 46,224 Lakhs (↑9.7%)
- PAT: ₹ 18,466 Lakhs (↓25.7%)
- RoCE & RoE: 20.8% and 11.9% respectively
- Market Capitalization: ₹ 9,08,624 Lakhs
- Earnings Per Share (Diluted): ₹12.26
- Dividend Per Share: ₹ 6

Manufactured Capital

- Best-in-class ecosystem benefiting Happiest Minds and Customers
- Higher efficiency with reduced cycle time and faster turnaround

Intellectual Capital

- Expertise in Generative AI & AI, Big Data and Advanced Analytics, Internet of Things (IoT), DevOps, Digital Process Automation, Low-code Application Platforms (LCAP), Blockchain, Quantum Machine Learning, Cloud, Business Process Management (BPM) and Integration, Security, Cyber Security, Infrastructure Management, FinOps
- Won multiple recognitions (Read page 24-25)
- Active research in the Quantum Cryptography space

Human Capital

- Women Happiest Minds Representation: 26.6%
- Diverse workforce including 10 nationalities
  - WOW Workplace Award for IT, ITeS & GCC
  - GPTW- Happiest Minds recognized among Top 100 India's Best Workplaces™ for IT & IT-BPM 2024
  - Top 100 India's Best Workplaces™ for Women 2024
  - Avtar & Seramount Best Companies for Women in India in IT and Exemplar of Inclusion in the Most Inclusive Companies Index
  - Ranked #2 among Fortune's Top 30 Future-Ready Workplaces of India
  - Gold and Silver at the Brandon Hall Group HCM Excellence Awards 2024
- PoSH Awareness Month celebrated, PoSH policy updated, internal committee revamped; Leadership training, IC meetings successfully completed

Social and Relationship Capital

- Happiest People Pulse Survey: 76
- Customer Happiness Survey: 63
- Active Customers: 281
- Million Dollar Customers: 57
- Repeat Revenues: 94.3%

Natural Capital

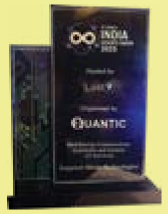
- As part of our commitment to environmental sustainability, we planted 1,13,500 tree saplings across Tamil Nadu, Karnataka, Noida, and Odisha
- This plantation is estimated to sequester approximately 2,383 metric tonnes of CO_2 annually
- Total emissions (Scope 1 + Scope 2) = 3,884.16 $MTCO_2e$ (1,012 + 2,872.160)
- Electricity generated by Renewable Energy (Solar) - 48,719 kWh, a 12.13% increase in solar energy utilization
- 100% water recycled through Sewage Treatment Plant (STP) and we have sensor-based water fixtures, rainwater harvesting/percolation wells
- Over the past two years, we have constructed 371 wells under the One Billion Drops (OBD) program, facilitating the conservation of approximately 47.52 million litres of rainwater
- We encourage people to travel by train for a distance < 550 Kms.
- Business Travels are mostly through economy class
- Waste Recycling - We are committed to optimizing resource utilization across our operations to minimize waste generation and support a circular economy
- Our initiatives include E-waste Management, Food Waste Utilization, and Hazardous Waste Prevention, reinforcing our commitment towards environmental protection and sustainability
- Total water recycled through STP - 100%, Treated wastewater from our STP is effectively recycled and reused for landscaping and washroom flushing, reducing freshwater consumption
- Electricity generated from Renewable Energy (Solar) - 4,86,719 kWh, 12.13% increase in solar energy utilization

AWARDS

Recognized for Excellence

Recognized among the 50 Best Firms for Data Scientists to Work For in 2024 - AIM

Awarded with CNBC-TV18 India Risk Management Awards for excellence in risk practices



Awarded for Best DevOps Framework for Scalability and Security (IT Services) in 6th Edition India DevOps Show 2025

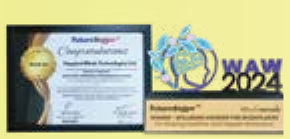
Recognized as '2024 Avtar & Seramount Best Companies for Women in India in IT and Exemplar of Inclusion in the Most Inclusive Companies Index'

Ranked among Top 100 India's Best Workplaces for IT & IT-BPM 2024 by Great Place To Work®

Won 2nd in 'IT Services' category at the ESC Export Excellence Awards 2025

Featured among Top 100 India's Best Workplaces for Women 2024

Awarded for Best Organizational Development & Transformation Initiative at 18th Edition Future of L&D Summit and Awards 2024



Recognized with WAW – Wellbeing at Workplaces Award 2024 at the HR Anexi Conclave

Celebrated globally with a #42 rank for the Happiest Minds' Integrated Annual Report 2024 and Gold and Silver Awards at the LACP 2024 Spotlight Awards

Recognized among 'Inspiring Firms in AI & Analytics' at the 3AI ACME Award

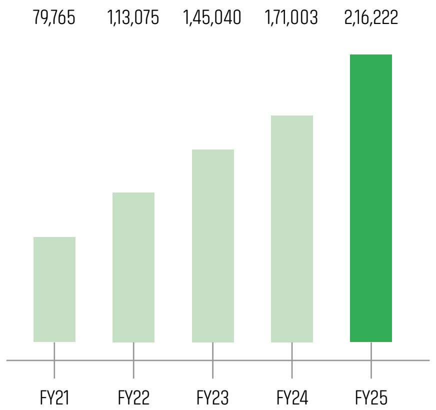
Won Gold and Silver at the Brandon Hall Group HCM Excellence Awards 2024

Honored with the WOW Workplace Award for the IT, ITeS & GCC category

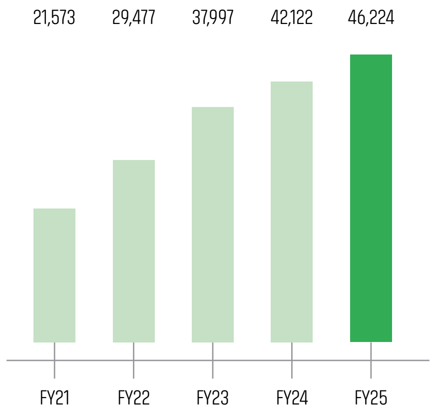
KEY PERFORMANCE INDICATORS

Growth, Backed by Results

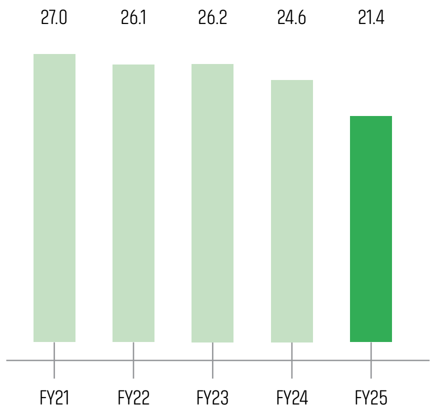
Total Income (₹ Lakhs)



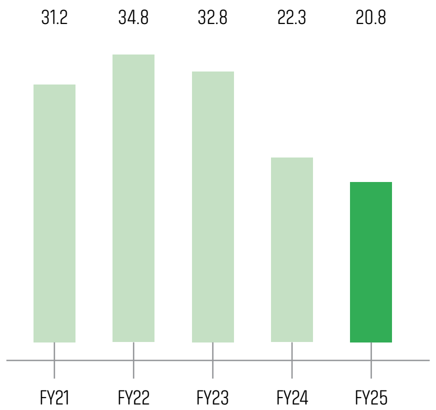
EBITDA (₹ Lakhs)



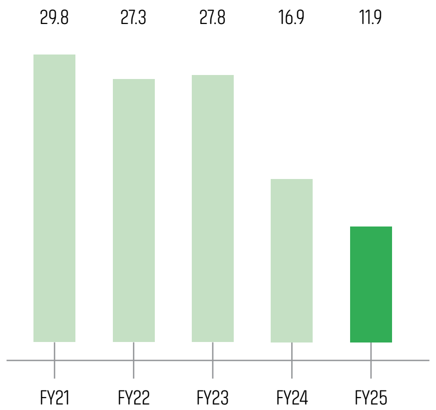
EBITDA Margin (%)



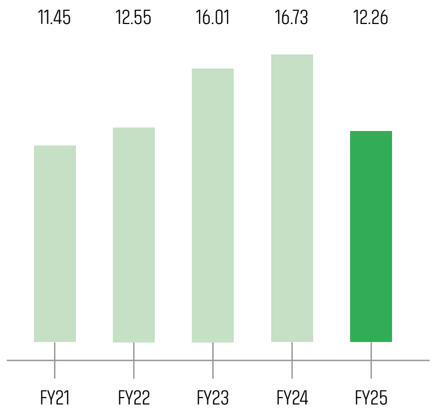
Return on Capital Employed (%)



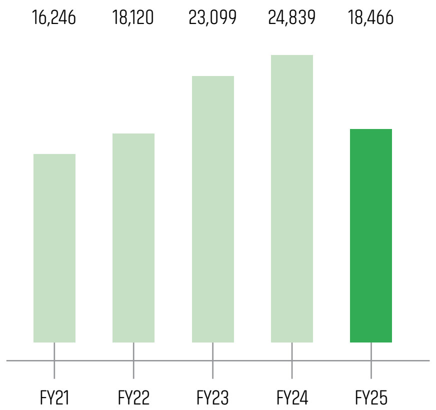
Return on Equity (%)



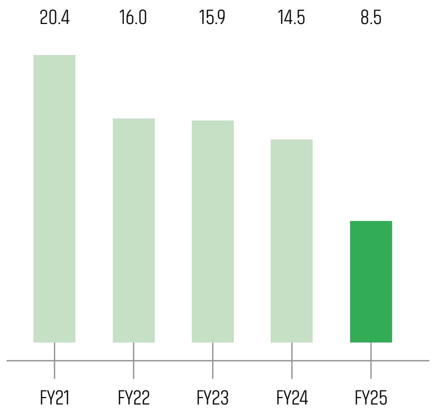
Diluted Earnings Per Share (₹)



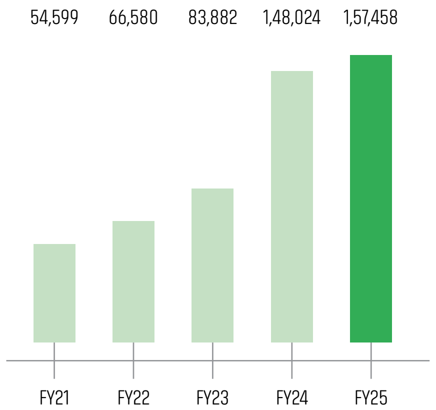
PAT (₹ Lakhs)



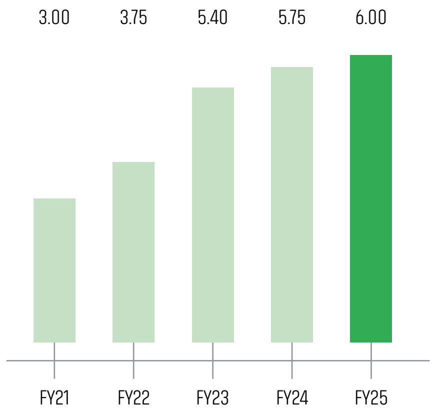
PAT Margin (%)



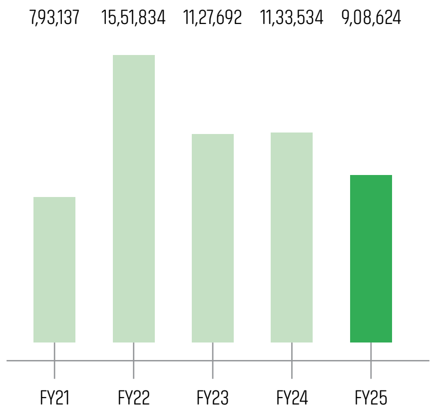
NET Worth (₹ Lakhs)



Dividend Per Share (₹)



Market Capitalization (₹ Lakhs)



28-49
Strategic Review

STAKEHOLDER ENGAGEMENT

Building Effective Communication with Stakeholders

Successful stakeholder interaction is critical to achieving business objectives and maintaining long-term success. Understanding the stakeholders' perspectives enables us to align our strategies with their expectations and promote mutual growth.

Key Stakeholders and their Needs

Our approach is strategic and holistic. We aim at identifying, consulting, prioritizing, collaborating, and obtaining feedback from our influential stakeholders. By staying aligned with our leadership team, we guarantee the inclusion of those most important to our sustainability and development.

Through stakeholder expectations and concerns, we understand, respond to, and prioritize action across environmental, economic, and social dimensions. Our open and transparent communication builds a collaborative culture that surprises and creates value. This permits us to excel in business complexity and realize sustainable success.

Customers

Channels of Engagement

Project calls and meetings; project management reviews; relationship reviews and meetings; executive briefings and meetings; customer visits; RFIs/RFPs reply; sponsored events; mailers; newsletters; brochures, Company website; social media (LinkedIn, Instagram, YouTube, Threads, X, Facebook); Customer Happiness Surveys; sponsored community events.

Issues and Concerns

- Our initial goal was to reach a Net Promoter Score (NPS) of 55 by 2026. We have exceeded that with a strong NPS of 63 in the present financial year
- More than 50% of customers replied to Customer Happiness Survey (CHS)
- 7.97 out of 9 for Customer Happiness Survey (CHS)
- Repeat business of more than 90%

How Happiest Minds is Managing Them

- Improved the project delivery ability and capability of people
- Much improved security protocols have been followed to protect data.

Frequency of Engagement

As and when needed/Periodically/Yearly

Shareholders & Investors

Channels of Engagement

- Mode of Engagement
- Press releases and press conferences
- E-mail advisories
- Face-to-face interface
- Investor conferences
- Disclosure
- Social and environmental sustainability
- Financial statements in IND AS
- Earnings call
- Exchange notices
- Press conferences
- Investors page, on our website
- Annual General Meeting
- Annual Report

Concerns and Expectations

- Maintenance of high corporate governance norms
- Disclosure and transparency of information
- Evolution of leadership in environmental, social, and governance norms
- Regular communication and responding to questions

How Happiest Minds is Addressing Them

- Attained industry-leading performance with improved margins
- Formulated long-term growth strategy
- Formulated ESG policy for business resilience
- Involve shareholders in key decisions

Frequency of Engagement

As required/Quarterly/Ongoing/Yearly

People

Channels of Engagement

- Host frequent town halls and monthly project updates to communicate and receive feedback
- Use video and audio conferencing for seamless interaction across remote and hybrid teams
- Use Yammer for ongoing conversation and iAppreciate for peer-to-peer appreciation and celebration
- Provide one-on-one coaching support and happiness solutions through "Mindfulness Matters" sessions and well-being messaging
- People function drives participation in wellness programs, engagement initiatives, and interest-based community groups
- Provide structured annual performance reviews and career development check-ins
- Facilitate inclusive decision-making through employee forums, committees, and interest councils
- Deploy HPPS and DipStick surveys and targeted feedback mechanisms to gauge member attitudes
- Hold skip-level meetings and leadership connect sessions to promote openness and trust
- Involve members in CSR activities and pro bono work to take the engagement out of the workplace

Concerns and Expectations

Concerns:

- Establishing and maintaining a future-proof talent pipeline that flexes to changing industry and technology trends
- Maintaining consistent member well-being, happiness, and emotional resilience from day one
- Threaded through large-scale acquisitions and integrations and their attendant cultural and operating intricacies
- Successfully managing change communication amidst constant organizational change
- Mitigating digital fatigue and optimally balancing productivity through thoughtful collaboration habits
- Enhancing trust and fairness through open rewards, recognition, and performance systems
- Enabling inclusive leadership and psychological safety at every level of the Company
- Preventing change fatigue through clarity, streamlined processes, and timely leadership alignment

Expectations:

- Create transparent, well-articulated career paths with growth, learning, and mobility opportunities
- Embed a culture of inclusion, empathy, and manager capability to enable diverse teams
- Foster authentic leadership visibility through frequent connections and open forums
- Enable members to contribute beyond their role through innovation councils, CSR, and community initiatives
- Inform responsive decision-making using people analytics and member feedback
- Enhance the Company's reputation as a purpose-driven, human-focused technology brand
- Grow global visibility and cross-functional engagement to build end-to-end, future-fit talent

How Happiest Minds Addresses Them

Happiest Minds has taken a proactive, inclusive, and future-oriented strategy to manage member concerns and changing expectations. Our reactions are based on our core values, people-centric approach, and focus on creating a workplace where performance is balanced with purpose:

Future-Ready Talent Development

We actively develop and acquire a strong talent pipeline by spearheading continuous learning, systematic upskilling, and converging talent initiatives with emerging trends and changing industry requirements.

Integrated Learning and Internal Mobility

Our Talent Management System facilitates individualized skilling routes, merged skill taxonomies, and internal career matching - preparing members for current and future roles.

Holistic Well-Being through HappiZest

Our wellness platform, HappiZest, adopts the 7Ws of Wellness - Physical, Spiritual, Intellectual, Professional, Social, Emotional, and Environmental, supported by expert-coached sessions, facilities, and corresponding logistics to cultivate complete member well-being.

Inclusive, Transparent Culture Building

Through DEI-focused initiatives spanning gender, generation, culture, and ethnicity, and embedding fairness into every practice, we're fostering a more transparent, inclusive, and collaborative workplace where every voice is valued.

Tailored & Multimodal Communication

We have strengthened communication by deploying targeted, inclusive channels such as MS Teams, Yammer, emails, digital posters, floor walks, and discussion forums to meet the diverse needs of our hybrid workforce.

Cultural Integration during M&A

Integrated teams of dedicated in-house staff, extensive onboarding for new members, and integrated culture initiatives provide seamless assimilation during mergers and shifts.

Managing Change and Reducing Fatigue

Organized change charters, Skip-level discussions led by leaders, streamlined collaboration tools, and disciplined meeting practices reduce change fatigue and enhance clarity.

Transparent Rewards and Career Growth

Through online R&R systems, open promotion structures, and pipeline visibility led by leaders, members are equipped with uncomplicated growth routes and equitable recognition.

Manager Capability & Inclusive Leadership

We're equipping managers with tools to lead with empathy, fairness, and inclusion with formal capability programs and DEI sensitization initiatives.

Leadership Visibility and Feedback Loops

Regular "Leaders Connect" forums, the Happometer pulse survey, and real-time feedback loops ensure a continuous two-way dialogue with members at every level.

Member Engagement Beyond KRAs

Through CSR volunteering, innovation councils, and internal culture squads, members are encouraged to drive and give back beyond their stated roles.

Employer Branding and Recognition

Our repeated inclusion in the Great Place to Work rankings, DEI awards, and excellent Glassdoor ratings validates our vision for being a world-class, people-first tech employer in India.

Frequency of Engagement

Continuous/Annual

Vendors

Channels of Engagement

In the past year, we have attempted to strengthen our relationships with our suppliers through varied interaction channels. These are designed to foster collaboration, raise levels of transparency, and facilitate mutual development. These are important channels of interaction:

Frequent Reviews and Meetings

We frequently have meetings and performance reviews with our suppliers to monitor progress, resolve problems, and determine opportunities for improvement. With these meetings, we stay abreast of our strategic goals and provide high levels of service.

Vendor Portal

- Our exclusive vendor portal is a single-point solution for communication and information-sharing. Vendors can receive critical updates, upload invoices, and obtain feedback through the portal, promoting efficiency and transparency
- The Company has conducted a vendor satisfaction survey for the year that can include such matters as vendor performance, contractual compliance, cost management, control of quality, risk, and relationship management

Sustainability Programs

We collaborate with our suppliers on sustainability programs to motivate them to adopt environmentally friendly practices and assist us in our overall sustainability goals. This entails collective efforts at carbon footprint reduction, waste minimization, and conservation of resources.

Vendor Rationalization and Consolidation

We made our supply chain less complicated and more efficient, which initiated vendor rationalization and consolidation practices. By reducing the number of vendors and focusing on strategic partnerships, we plan to enhance quality, reduce complexity, and achieve cost savings.

- Creditworthiness
- Adherence to preferential payment obligations for MSME suppliers and SME assistance

Through these avenues of communication, we aim to develop strong, long-term relationships with our suppliers, being partners for mutual success and long-term growth.

How Happiest Minds is Mitigating Them

- Ensured equitable and transparent onboarding and payment terms
- Developing suppliers through training and skill enhancement

Frequency of Engagement

As required

Community

Channels of Engagement

- Presentations
- Project review and meetings
- Calls and meetings
- Surveys
- Consultative sessions
- Field visits
- Due diligence
- Conferences and seminars
- Surveys
- Press releases
- Press conferences
- Sponsored events
- Give time and money towards a social cause, participate actively, join and contribute to social and environmental causes, and identify with organizations working for this purpose

Concerns and Expectations

We appreciate the fact that the community might have varied concerns and expectations, including but not limited to:

- Environmental: Fears of the possible impact of our Company's activities on the local environment, including pollution, waste generation, resource depletion, or destruction of the natural habitat
- Social: Demands that our Company contribute positively to the local community through giving, collaborations in food and nutrition, environmental responsibility, and health initiatives
- Transparency and Accountability: An interest in transparency in decision-making, accounting, reporting, and communication of Company activities that can impact the community
- Safety and Health: We are concerned about safety and health impacts on community members, such as traffic congestion and potential health hazards

How Happiest Minds is Responding to Them

To respond to community needs and expectations, our Company is committed to adopting sustainable practices to minimize our environmental footprint and contain any adverse impacts on the local environment.

- We have contributed to different partner organizations aimed at enhancing food and nutrition, environmental sustainability, and health
- We have participated in and contributed to several Community Engagement and Volunteering Programs
- Transparency and Communication: We are committed to keeping the community transparent and openly communicating with them through sharing frequent updates, providing relevant information, and seeking input through various engagement means
- Safety Procedures and Conformance: We strictly conform to safety procedures, regulatory standards, and best practices within the industry to ensure members' and local community residents' safety and well-being

Among the numerous positive impact stories, we would like to mention a few that speak of our commitment to leave an enduring impact:

- Sapling Plantation Initiatives - Over the last three years, we have planted 3,22,000 trees and 1,13,500 plantations this year across Tamil Nadu, Karnataka, Noida, and Odisha, in order to enrich social forests and increase green cover. Not just does this activity contribute to biodiversity and also solidify the local forest ecosystem, but it also serves as a natural carbon sink
- We have taken a significant step in providing clean and safe drinking water in drought-affected regions of Raichur district, Karnataka
  - 4 new RO (Reverse Osmosis) units were installed in schools and villages
  - 6 Existing RO units were refurbished in villages
- We conducted a blood donation camp across all Happiest Minds offices in May, during which our volunteer Happiest Minds members donated 268 units of blood voluntarily. These remarkable contributions can save over 1,000 lives
- We successfully implemented a rural electrification project in Mayurbhanj, Odisha. The project provided electricity to 100 families, added several streetlights, and powered two tribal residential schools in villages outside the electricity grid. Dependable electricity has significantly improved the villagers' standard of living
- Our Smiles - 8 volunteer group, using their expertise, committed nearly 500 hours of their time to helping the Chellamuthu Trust develop a new website. Through this skill-based volunteering activity, we demonstrated the extent of our commitment to making a difference

Frequency of Engagement

- A healthy/memorable frequency of engagement with the people to build trust, maintain collaboration, and solve problems effectively

- Regular engagement activities might vary with the kinds of projects, problems, or projects being handled. However, we make a deliberate attempt to maintain dialogue and interaction on a continuous basis with:
  - Monthly Community Meetings or Forums, Quarterly Newsletter and Updates, Instant Response on social media, monitoring and attending to questions, comments, and issues posted by members of the community on social media in real-time to enable effective timely communication and engagement
- With a consistent and proactive approach to engagement, we strive to build a strong and mutually beneficial partnership with the community founded on trust, openness, and cooperation

Alliance Partners

Channels of Engagement

- Meetings/calls, visits
- Partner events
- Conference calls
- Business reviews

Concerns and Expectations

- To drive active innovation and enhance partnerships
- Demonstrate competence to be a digital technologies partner

- How Happiest Minds is Meeting Them
- Best-in-class vendor relationships with special care
- Provide immediate availability of skilled resources and priority access to IPs, labs & infrastructure

Frequency of Engagement

As needed/Continuous/Annual

Government and Regulatory Bodies

Channels of Engagement

Inputs towards formulation of new policies, rules & regulations

Concerns and Expectations

Contribute to national economic growth

How Happiest Minds is Addressing Them

- Inclusive reporting of financial and non-financial performance as per GRI standards
- ESG action plan prepared

Frequency of Engagement

As needed

MATERIALITY

Focusing on What Truly Matters

At Happiest Minds, we believe that our sustained business performance and reputation are closely linked to the value we create, not only for our shareholders, but also for our Happiest Minds, customers, communities, and the environment. As we advance on our sustainability journey, it becomes increasingly important to clearly understand and act upon the ESG (Environmental, Social, and Governance) topics that are most relevant to our business and stakeholders.

To achieve this, we conduct a structured and inclusive **materiality assessment**, which enables us to identify, evaluate, and prioritize key sustainability issues that can significantly impact our ability to create long-term value. The assessment is anchored in international frameworks and considers inputs from both internal and external stakeholders.

Our Materiality Assessment Process

1. **Issue Identification:** We begin by scanning internal operations, industry trends, global reporting standards (such as GRI, SASB, BRSR), and stakeholder feedback to identify a comprehensive list of potential material topics.
2. **Stakeholder Engagement**: We engage with key stakeholder groups including members, investors, customers, regulatory bodies, and community partners to understand their expectations and concerns regarding sustainability.
3. **Prioritization and Evaluation**: Identified topics are assessed based on two key dimensions: their potential impact on our business and their importance to stakeholders. This helps us determine which issues require focused attention and action.
4. **Classification into Risks and Opportunities**: Each material issue is categorized as either a risk or an opportunity:
   - Risks are evaluated for their severity, and mitigation strategies are designed to manage or minimize adverse impacts
   - Opportunities are leveraged through targeted initiatives that drive innovation, resilience, and shared value creation
5. **Integration into Strategy**: The results of the assessment inform our ESG strategy, risk management framework, and decision-making processes across all levels of the organization.

This process is reviewed and updated periodically to reflect changing business priorities, emerging risks, and evolving stakeholder expectations. By doing so, we ensure that sustainability is not a parallel initiative but an integral part of our business growth strategy.

Materiality Process

Identify material issues

↓

Identify actual and potential impacts

↓

Classify risks/opportunities based on impact severity

↓

Devise plan to mitigate risks/ use opportunities

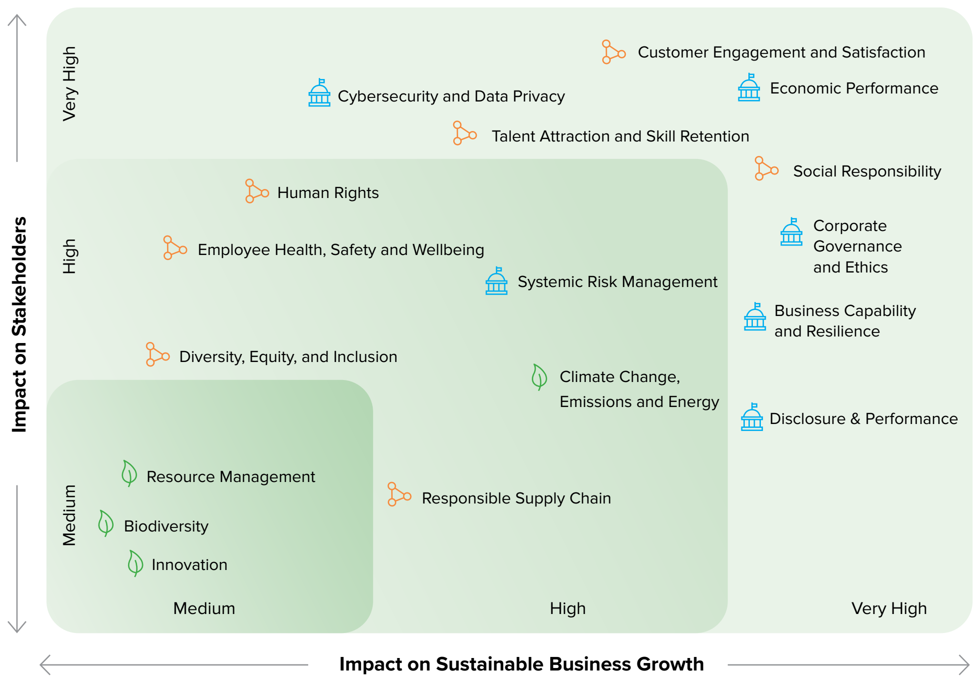
↓

Engage with stakeholders to address the risks/opportunities

↓

Link to business strategy and performance

Materiality Matrix

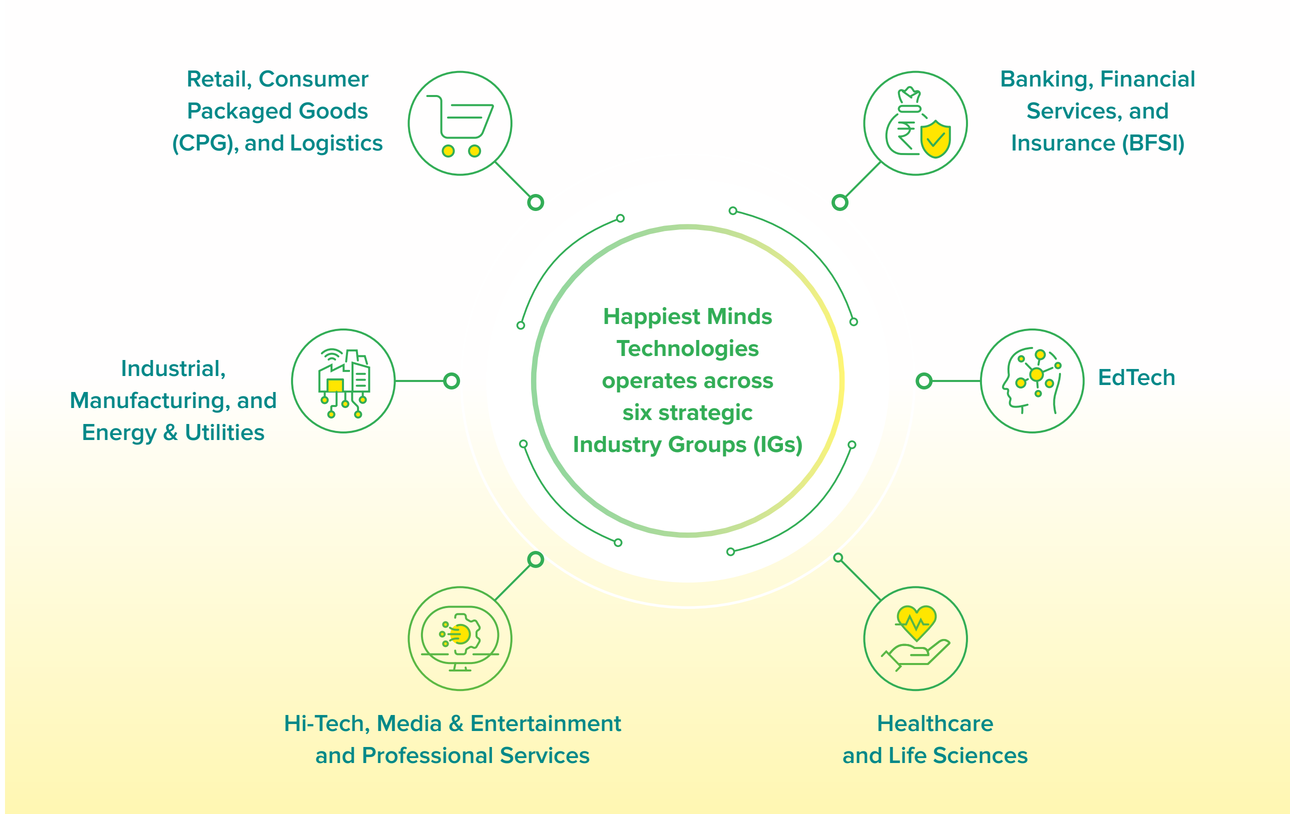


OPERATING CONTEXT

Navigating a Resilient Business Environment

OPERATING CONTEXT

Navigating a Resilient Business Environment



Each of these sectors is undergoing accelerated digital transformation, unlocking new opportunities for growth and innovation.

In **BFSI**, organizations are enhancing customer experiences through seamless digital onboarding, personalized services, and cloud-first platforms.

EdTech continues to evolve with immersive learning solutions, robust digital platforms, and data-driven engagement models.

In **Healthcare & Life Sciences,** stakeholders are adopting AI-led customer service, virtual care solutions, and CRM transformation to improve patient experience and operational efficiency.

Hi-Tech, Media & Entertainment and Professional Services companies are leveraging cloud-native architectures and Generative AI to deliver scalable, user-centric digital products.

The **Industrial, Manufacturing and Energy & Utilities** sector is embracing Industry 4.0, with increasing adoption of digital twins, predictive maintenance, and IoT-enabled automation.

Retail, CPG, and Logistics firms are focusing on intelligent supply chains and hyper-personalized commerce, powered by AI and advanced analytics.

This diversified sectoral presence and domain-specific expertise position Happiest Minds as a key enabler of digital transformation across industries.

Banking, Financial Services, and Insurance (BFSI)

1. AI-Powered Banking Transformation

AI is revolutionizing banking operations by driving efficiency, enhancing risk management, enabling fraud detection, and powering personalized customer experiences.

Our Initiative: We are building AI-powered risk engines and fraud detection models, deploying GenAI-based chatbots for superior customer interactions, and creating Agentic AI solutions for areas like KYC, onboarding, and regulatory reporting.

2. Open Banking

Driven by PSD2 and the API economy, Open Banking promotes data transparency and collaboration across the financial ecosystem.

Our Initiative: We are delivering secure Open API development and integration, building consent management and API gateway frameworks, and launching partner developer portals with sandboxing capabilities.

3. Enhanced Cybersecurity

As cyber threats grow, financial institutions face increasing pressure to strengthen defenses against ransomware, data breaches, and regulatory non-compliance.

Our Initiative: We are implementing zero-trust security frameworks, deploying advanced threat detection, SOC, and IAM solutions, and enabling compliance readiness for regulations like DORA, FAR, and other geography-specific mandates.

4. IoT Integration in Financial Services

Banks and insurers are leveraging wearables, sensors, and connected devices to offer smarter services like asset tracking and contextual engagement.

Our Initiative: We are developing IoT-enabled insurance claims and asset tracking applications and integrating IoT data with banking CRMs and core systems for real-time insights and automation.

5. GenAI for Hyper-Personalization

GenAI is enabling real-time, AI-agent-powered customer experiences with tailored offerings and contextual service delivery.

Our Initiative: We are offering GenAI-powered personalization engines, developing context-aware assistants and RAG-based agents, and integrating LLMs into CRM, IVR, and mobile banking applications.

6. Agentic AI Adoption

Agentic AI solutions are transforming productivity by automating complex, multi-step workflows across banking operations.

Our Initiative: We are building agentic workflows using platforms like UiPath, AutoGen, and Vertex AI; developing autonomous agents for compliance, onboarding, and reporting; and creating sandboxed agent environments to enable safe and scalable automation.

EdTech

The contemporary global education landscape is driven by intelligence, personalization, and better accessibility. We are at the forefront of this evolution, leveraging our digital expertise to deliver better learning experience at scale. We address key priorities while remaining agile to emerging opportunities.

1. Martech-Driven Learner Acquisition and Engagement

Marketing technology is transforming how educational institutions attract, engage, and retain learners.

Our Initiative: We actively focus on enhancing learner engagement and retention through personalized, multi-channel experiences while implementing Martech strategies to optimize student recruitment and reduce acquisition costs.

2. AI-Powered Education Transformation

Artificial Intelligence is reshaping teaching, learning, and administrative efficiency in education.

Our Initiative: We are focused on developing AI tools and leveraging automation and smart analytics that help students, faculty and administrators in elevating learning experiences and driving improved outcomes.

3. Cybersecurity and Compliance in Education

With rising digital adoption, securing data and complying with regulations is critical for trust.

Our Initiative: We provide compliance-ready solutions to meet federal and state regulatory requirements by ensuring secure data handling and platform interoperability across educational systems. We embed cybersecurity frameworks aligned with FERPA, COPPA, FedRAMP, and 1EdTech standards.

4. Data-Driven Insights for Smarter Decision-Making

Advanced analytics platforms are enabling real-time insights and proactive interventions in education.

Our Initiative: We deliver unified analytics combining real-time and batch data, behavioral tracking, and content instrumentation. We use AI models to identify at-risk students early and support timely interventions and empower decision-making from classroom-level to institutional leadership with actionable intelligence.

Healthcare & Life Sciences

1. Genomics & Precision Medicine

The rise of gene therapy and precision medicine is enabling targeted treatment for chronic and rare diseases.

Our Initiative: We are collaborating with biotech firms to build data platforms that support genomic sequencing, analysis, and personalized treatment pathways.

2. AI-Powered Medical Devices & Digital Twins

Integration of AI with medical devices is making real-time patient monitoring and digital twin simulations a reality.

Our Initiative: We are developing embedded software and AI models for smart devices that simulate patient physiology, aiding in predictive diagnostics and treatment planning.

3. Personalized Patient Engagement

Patients are increasingly taking control of their healthcare decisions, demanding personalized and informed engagement.

Our Initiative: We are working with healthcare providers to build omnichannel engagement platforms that leverage AI and analytics for tailored patient experiences.

4. Remote Care & Virtual Health Ecosystems

Telehealth and remote care are becoming mainstream, especially post-pandemic, driving demand for virtual health ecosystems.

Our Initiative: We are enabling secure, scalable telemedicine platforms with integrated EHR, video consultations, and remote diagnostics.

5. Healthcare Data Interoperability & Compliance

With growing data volumes, interoperability and regulatory compliance (HIPAA, GDPR) are critical.

Our Initiative: We are implementing cloud-native data lakes and FHIR-based APIs to ensure seamless data exchange and compliance across systems

Hi-Tech, Media & Entertainment and Professional Services

1. AI Goes Mainstream

AI and GenAI are transforming how media companies create, distribute, and monetize content. The shift is now toward delivering measurable ROI through automation, personalization, and intelligent analytics.

Our Initiative: We help M&E clients scale their AI capabilities through our Generative AI Business Services and Analytics & Data Insights. Our reusable GenAI agents support content summarization, metadata tagging, and research collaboration, delivering faster time to value.

2. Direct-to-Consumer (DTC) Models

Media companies are optimizing content monetization and audience engagement through direct platforms. The focus is on streamlining operations, rights management, and driving personalized experiences.

Our Initiative: We support DTC success through content commerce platforms, real-time entitlement engines, and multi-channel delivery strategies, ensuring personalized, rights-compliant experiences across owned and partner ecosystems.

3. Platform Engineering & Product-Led Growth

Hi-Tech firms are embracing platform-based business models and product-led growth (PLG) strategies to deliver scalable value, faster releases, and self-service customer onboarding.

Our Initiative: We build cloud-native, modular platforms with embedded analytics and DevSecOps pipelines through our Product & Digital Engineering Services, powering PLG and continuous innovation.

4. Cloud Modernization & Infra Agility

Hi-Tech companies are moving to hybrid and multi-cloud architectures to improve performance, scale globally, and accelerate innovation.

Our Initiative: We modernize legacy infrastructure into agile, API-driven cloud environments with zero-trust security and automated DevOps workflows through our Agile Infra & Security Services.

5. IP-Led Service Differentiation

Professional services firms are embedding proprietary IP, AI, and automation into their offerings to drive differentiation, efficiency, and client outcomes.

Our Initiative: We help firms build reusable accelerators and GenAI-powered service agents that streamline proposal creation, research insights, and solutioning, enhancing speed and service quality.

6. Hyperautomation

Services firms are adopting hyperautomation to improve operational efficiency, reduce manual workloads, and scale non-linearly without increasing costs.

Our Initiative: We deploy intelligent automation using RPA, low-code platforms, and agentic AI solutions to transform core delivery processes, boosting productivity and enabling data-driven decision-making.

Industrial, Manufacturing and Energy & Utilities

1. Digital Twin

Industries are using Digital Twin technology to simulate and optimize real-world assets and operations in real time.

Our Initiative: We build digital twin platforms leveraging technologies like Azure IoT that can enable real-time monitoring and remote control while adding anomaly alerts and in-app part ordering to reduce downtime.

2. Predictive Analytics

Industrial firms are looking to use AI/ML with IoT to forecast maintenance needs, improve OEE, and reduce unplanned downtime.

Our Initiative: We build reinforcement learning model to optimize molding parameters for EPDM production. In addition, we enable self-correcting workflows using Adaptive AI and facilitate reduced downtime and maintenance costs through real-time anomaly detection.

3. AR/VR Training

AR/VR enables immersive, error-free training for machinery handling, SOPs, and maintenance, improving safety and operational efficiency.

Our Initiative: We build interactive VR simulators based on client SOPs with added voiceover guidance and step-by-step text prompts. These simulators include gamified elements to boost engagement and enable user progress tracking for training effectiveness.

4. Vision Analytics

Manufacturers use vision analytics for automated defect detection, PPE compliance, and predictive maintenance through thermal imaging.

Our Initiative: We develop modular, customizable solutions for rapid deployment and use reusable components to accelerate time-to-market. In addition, we provide improved quality and operational efficiency through automation.

5. Generative AI

Gen AI is driving automation in prototyping, reporting, defect detection, and training—enhancing shop floor productivity and accuracy.

Our Initiative: We develop AI tools for field engineers to auto-extract data from equipment nameplates, design for brownfield sites to ease manual data capture and convert images to structured data using Gen AI. This results in reducing technician effort, saving time, and curtailing entry errors.

Retail, CPG & Logistics

1. AI & Computer Vision for Shelf Management

Retailers are using AI and computer vision to improve on-shelf availability, freshness monitoring, and planogram compliance, enhancing customer satisfaction and operational efficiency.

Our Initiative: We are enabling AI-driven fruit freshness detection, automating planogram adherence, and deploying smart oven food recognition and intelligence systems for optimized shelf management.

2. GenAI-Powered Self-Service Analytics

Retail teams are increasingly relying on data to make fast, informed decisions. GenAI allows them to interact with enterprise data using natural language, simplifying insights for everyone.

Our Initiative: We are delivering GenAI-based self-service analytics solutions that empower business users to "talk to data" for real-time decision-making and operational agility.

3. Intelligent Warehouse Management

As supply chains grow complex, warehouse operations need automation and real-time visibility. AI and computer vision are transforming how goods are tracked and managed.

Our Initiative: We are implementing real-time pallet identification and tracking solutions using vision-enabled forklifts to drive intelligent and efficient warehouse operations.

4. Touchless Trade Promotions & Claims Processing

CPG companies face high volumes of trade promotion and claims paperwork. Intelligent automation is key to reducing cycle time, errors, and overheads.

Our Initiative: We are streamlining the process through intelligent document processing (IDP) and smart contracts, enabling seamless, touchless handling of trade promotions and claims.

5. GenAI for Freight Management

Freight companies are adopting AI to optimize costs, routing, and shipment management in real-time. GenAI further accelerates insights across large datasets.

Our Initiative: We are building GenAI-powered freight management solutions with parcel spend intelligence to help logistics teams make smarter, faster, and more accurate operational decisions.

6. Smart Last-Mile Delivery Platforms

The last mile is critical to customer experience and cost optimization. Intelligent delivery platforms are transforming how orders are tracked and fulfilled.

Our Initiative: We are building last-mile delivery TMS (transportation management system) solutions and platforms that improve route optimization, delivery tracking, and customer satisfaction.

STRATEGY OVERVIEW

Approach to Scale and Expansion

Growth and Customer Success

We focus on sustainable growth through excellence in ESG, customer success, and value-based technological expertise. Our aim is to strengthen delivery capabilities, engage strategically with customers, and maintain long-term profitability.

Land and expand

We build long-term relationships with customers by focusing on customer segmentation, early engagement, and leveraging our technology and engineering strengths. This approach drives word-of-mouth growth, expands our presence, and increases customer lifetime value.

Outlook

Our consumer-centric strategy, driven by insights and innovation enhances brand visibility, credibility, and long-term success.

Revenue composition

44%

Revenue generated by the clients tenured >5+ years

Strategic Priorities

M&A strategy

Our M&A program targets opportunities that enhance technological capabilities and market presence. Recent acquisitions – PureSoftware and Aureus, have expanded our BFSI and Healthcare offerings.

Vision FY 2030-31

- Focus on inorganic growth to enhance technology and market position
- Strengthen delivery channels, explore resource optimization, and adopt a consulting-led approach
- Target companies with complementary skills to achieve economies of scale

Expanding Domain and Technology Expertise

We are broadening our expertise across six key industry groups: BFSI, EdTech, Healthcare, Hi-Tech & Media, Manufacturing & Energy, and Retail & Logistics. This structure supports scalable growth and reinforces our competitive edge in emerging technologies, particularly Generative AI, Artificial Intelligence, Data Management, Product Engineering, Infrastructure, and Security services.

Key focus areas

- Strengthening sales through domain expertise
- Focusing on value-based delivery adding consulting, strategy, transformation offering. We position ourselves as Advisory Company bringing in domain expertise with product engineering capabilities
- Scaling emerging technologies to enhance customer engagement
- Expanding into new verticals to drive diversification

Geographical Expansion

Our presence spans key IT markets, including the UK, US, Canada, Middle East and Australia with onshore, nearshore and offshore offices in India, and new regions accessed through acquisitions in Mexico, Singapore, Oman, KSA and Africa. Expanding into tier-II locations in India enables access to cost-effective and skilled talent pools.

Accelerating Growth with IPs

Intellectual Properties (IPs) are central to our value proposition. By creating niche IPs, we enhance customer offerings (by provide cost and effort benefits), drive revenue growth for us, and sustain our competitive edge. Our robust engineering processes, driven by Generative AI Tools and software lifecycle management enable rapid, high-quality service delivery.

Focus areas

- Develop configurable, operationally efficient software solutions for diverse industries
- Develop industry - specific solutions
- Expand IP-driven revenue streams

Private Equity (PE) Engagement

Happiest Minds has been working for many years with companies owned by PE firms and directly with PE firms. Our robust set of offerings provide the PE firms and their portfolio companies multiple levers for them to execute their investment strategies; these offerings include technical due diligence, post-acquisition integration, workforce planning and re-allocation, digital roadmap generation, cloud migration, application rationalization and modernization, security assessment and remediation, and long-term revenue and cost optimization.

Scaling Key Accounts

Our "Land & Expand" strategy has scaled several US$ 2-3 Mn accounts into US$ 5 Mn and US$ 10 Mn relationships. We now aim to grow select accounts to US$ 20 Mn by leveraging dedicated customer partners, customer-specific solutions, and focused engagement strategies.

GCC Focus

The rising number of Global Capability Centers (GCCs) provided us the opportunity to support both their growth and maturity. For new GCCs, we provide strategic support across talent, legal, and scale requirements. For mature GCCs, we focus on enhancing operational effectiveness, modernizing technology stacks, and driving innovation through GenAI and automation.

RISKS AND OPPORTUNITIES

Ensuring Effective Risk Management

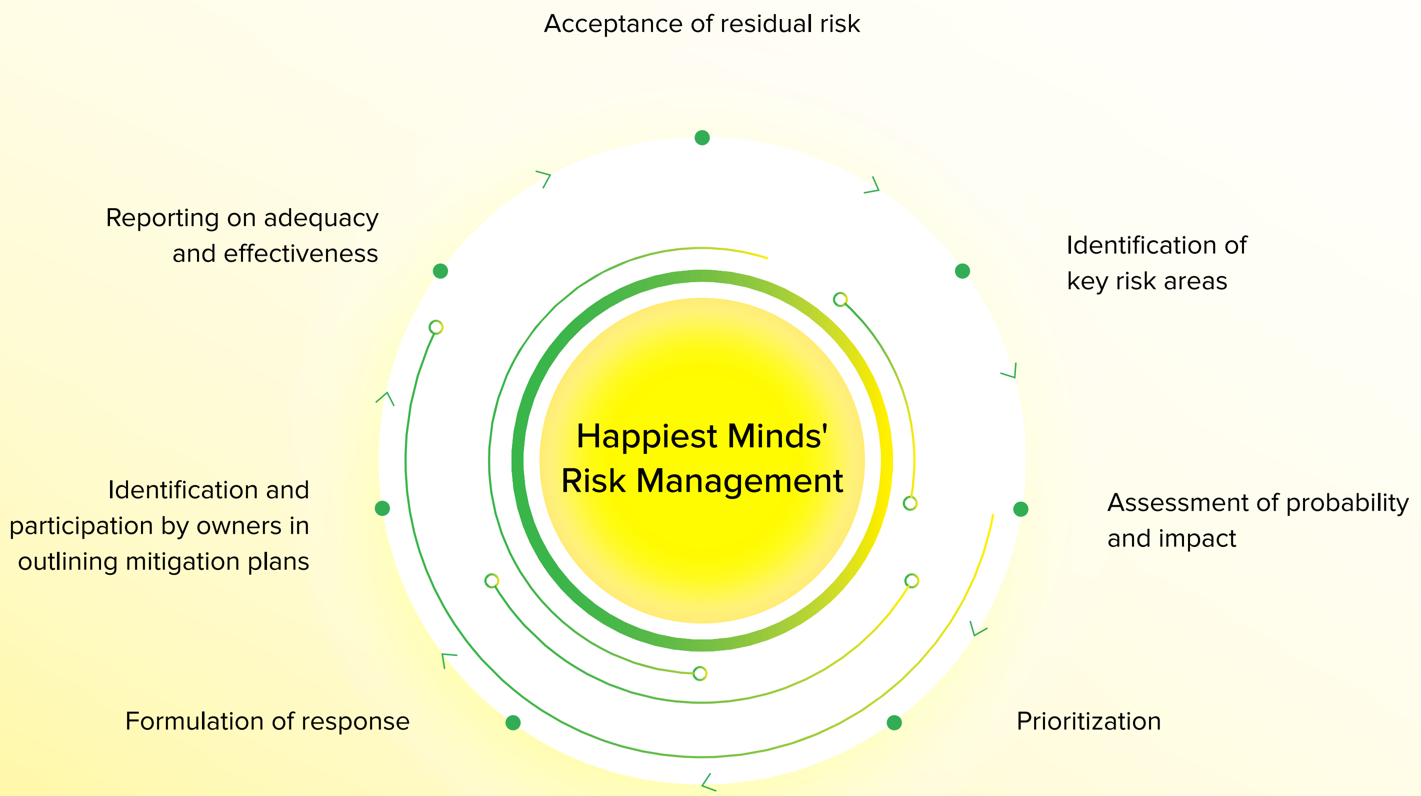
Effective risk management helps us manage the impact of events and attain business objectives. We ensure this with our robust risk management framework and a holistic approach of continually identifying, monitoring, evaluating, and managing risks. Amidst rising geopolitical turbulence and global supply chain issues, we are increasing our agility to tackle emerging risks and capitalize on new opportunities.

Risk Management Framework

We have a well-defined framework and procedures for Enterprise Risk Management (ERM), prepared under the supervision of the Executive Board. These cover risks of information security, operations, delivery, and key support functions. The procedures include risk identification, analysis, response, tracking, management discussion, and mitigation.

Our respective functions and project teams maintain risk registries, which are centrally reviewed and periodically monitored by compliance and governance teams responsible for specific risk areas. Additionally, our defined risk appetite reflects the broader risk levels we can assume, manage, and incorporate into our strategy.

We ensure effective ERM through a robust governance mechanism involving the Chief Information Security Officer (CISO), Chief Information Officer (CIO), and the Engineering and Business Excellence (EBE) team, who work together with the Executive Board.



Key Risks and Mitigation Actions

FINANCIAL RISKS

Risks	Mitigating Actions
Concentration of Revenues Foreign currency fluctuation International operations account for a substantial part of our revenues, and unfavorable movements in foreign currency might affect our profitability.	• We manage foreign exchange risk through two key strategies: 1. Natural Hedge – Offsetting foreign currency inflows and outflows to reduce net exposure 2. Use of Derivatives – Engaging in plain vanilla forward exchange contracts with maturities up to one year, structured in a laddered format to cover forecasted inflows. These hedging strategies are governed and overseen by the Board's Risk Management Committee • We also report key performance metrics, such as constant currency revenue growth, to provide a currency-neutral view of business performance
Customer Credit The inability to obtain payments owed by our customers can impact our working capital cycle and lead to losses.	• We maintain short billing and collection cycles with strong collection practices, resulting in low debtor days (88 as of March 31st 2025) • We regularly assess the creditworthiness of customers, set appropriate credit limits, and enforce contractual payment terms to ensure timely collections
Availability of Credit and Liquidity Management Our inability to maintain an optimal liquidity level may prevent us from meeting our Financial Obligations.	• We proactively monitor liquidity positions and maintain diverse banking relationships under multiple banking arrangements • We ensure access to adequate funding through undrawn borrowing facilities and other credit lines to meet short-term and long-term liquidity requirements
Financial Performance does not Meet Expectations Financial performance for the Quarter/Fiscal Year is not in line with guidance.	• Analytical approaches are used to arrive at the plan • Financial performance is monitored monthly against the plan • Guidance submitted by each team is used to monitor the performance against the plan and interventions taken

BUSINESS RISKS

Risks	Mitigating Actions
Concentration of Revenues We are dependent on a few customers and a specific geography for most of our revenues. Our inability to attract new customers, retain existing ones, or any unfavorable macroeconomic scenario in our key target market may impact revenues.	• The majority of our revenues come from the U.S. However, sustained growth in other regions like India, the Middle East, and Europe has led to a decline in the U.S. revenue share • We maintain close relationships and sustained engagements with customers to understand their needs • We leverage our extensive portfolio of offerings, which we keep updating based on demand and industry movement, to cross-sell and upsell to existing and new customers • Our IG alignment has helped us to grow businesses in other industries rather than being concentrated around EdTech, BFSI, Healthcare, and Life Sciences are showing a good uptick in business

Risks | **Mitigating Actions**

New and Emerging Technology Disruption

Amidst the rapid evolution of the IT industry, the inability to develop new technology capabilities may impact new business opportunities.

- Our dedicated focus on technologies which has the potential to disrupt the technology and business landscape. These involve Generative AI, Quantum Computing, Machine Learning, Edge Computing, etc.
- We have a dedicate R&D budget for innovation, research
- We proactively train and hire people with experience in these technology areas to make Happiest Minds future-ready, which gives us an edge with our customers to deliver value
- We have dedicated Centers of Excellence (CoEs) and collaborate with leading global firms to further build niche skills

Profitability and Sustenance of the Business

An increase in wages and the inability to accurately compute contract pricing through various cost estimations may impact profitability.

Commonization of the services may shrink margins.

- We are leveraging Generative AI Tools during SDLC processes to lower our cost and deliver projects as faster pace
- A significant portion of our business is executed through offshoring from India, leveraging the advantage of lower wage costs
- Expansion into tier II cities, where labor costs are lower, further enhances our low-cost advantage
- We utilize the expertise of our team along with a framework, technology tools for cost estimations, and contract pricing
- To safeguard ourselves from shrinking margins, we are shifting our focus to value-based delivery, adding consulting, strategy, and transformation offerings. We position ourselves as an Advisory Company bringing in domain expertise with product engineering capabilities

Business Expansion

The inability to secure new orders and enhance our workforce's bandwidth will result in stagnation. Additionally, we face the challenge of contractual clauses that may restrict our ability to offer services to different customers.

- We continually enhance our workforce by attracting and retaining talent to execute projects. In FY 2024-25, 1,464 people were added
- We have successfully enabled clients to achieve tangible outcomes with our solutions, leading to sustained repeat and new orders
- We focus on inorganic growth that helps us expand our business portfolio in new areas and our existing business
- We have expanded our expertise and global footprint with the acquisitions of PureSoftware and Aureus in early FY 2024-25. PureSoftware adds 1,200+ professionals to Happiest Minds, enhancing its presence in the BFSI and Healthcare and Life Sciences sectors, and extending its geographical reach in the USA, UK, India, Mexico, Singapore, Malaysia, and Africa. Aureus, bringing 120+ specialists and headquartered in Denver with a development center in Hyderabad, strengthens Happiest Minds' capabilities in digital transformation through Data, AI, and Application Modernization, particularly for the Insurance, Re-insurance, and Healthcare sectors
- We expanded our footprint in the Middle East with the acquisition of GAVS Technologies in February 2025, adding 90+ new Happiest Minds with offices in the UAE, Oman, and the Kingdom of Saudi Arabia. This gave Happiest Minds access to marquee customers to manage their infrastructure, support services, and application development

Changing the Customer's Operational Scenarios

Emerging global challenges, Business models.

GCC, Pricing pressures.

Reorganization and related changes.

- Regular rotation, including the usage of campus trainees along with upskilling and cross-skilling, is planned to reduce any impact of pricing pressures
- GCC work group is set up to help the customers and to form an action plan for customers and prospects looking for GCC
- Customers' internal changes are regularly discussed as part of Quarterly Business reviews, and any risks and opportunities arising due to this are addressed

Risks | **Mitigating Actions**

Economics and Geopolitical Factors

With the current geopolitical situation across the globe – trade war, Political instability, and Military operations may make companies cautious in spending, calling for budget cuts.

- Happiest Minds is continuously working on expanding its client base in different geographical locations. With recent acquisitions, Happiest Minds now has presence in Singapore, Malaysia, South Africa, Mexico, UAE, Oman, Eastern Europe, and Canada
- We focus on expanding our new shore and on-shore presence
- Looking at new industry verticals helps us to expand our businesses in newer areas, delivering value to the customers
- Our partnership model also helps us to decongest any specific business and geographical areas

OPERATIONAL RISKS

Risks | **Mitigating Actions**

Talent Availability

We depend on our talent to deliver solutions to clients. The inability to attract and retain talent may impact business opportunities.

- We are based in India, providing access to a large pool of talented engineers. Our robust talent management program enables us to hire the right talent and enhance their skills
- We offer learning and development programs to ensure continuous upskilling and provide enhanced career opportunities
- We run several wellness programs, offer benefits, and provide industry-standard compensation to ensure higher retention

Optimal Resource Utilization

The inability to maintain high resource utilization and productivity will impact profitability.

- We consistently achieve high resource utilization by promptly transitioning our people from completed projects, accurately forecasting demand, and deploying the right resources to the right projects
- Increased demand for IT products and services will further improve utilization as more business opportunities arise

Contractual Commitments and Project Delivery Challenges

The inability to uphold contractual commitments may lead to the termination of agreements and affect future business opportunities.

- We ensure high-quality control and process execution standards, effective resource utilization, sustained client engagements, and high productivity levels to deliver projects
- Our solid team of engineers and partnerships with leading global vendors enable us to deliver high-quality products and services as per terms and within the stipulated timeframe

Risks | **Mitigating Actions**

Sustainability Risks

Actions causing environmental damage, compromising human rights or labor rights, threatening occupational health and safety.

- ESG vision has been documented as part of the organization's vision and tracked regularly
- Key metrics are tracked and monitored regularly. This is reported as part of the BRSR report

Investment Risks

Failure to provide expected returns for defined objectives and risk, such as underperforming to the stated objectives and/or benchmarks. Integration of the acquired business.

- Investments are regularly monitored, and performance is reported
- Integration task force are formed to work and report the progress of integration of acquired entities. Any dependencies are monitored and rectified
- Performance of the acquired entities is monitored against agreed goals on a Quarterly basis

LEGAL AND REGULATORY RISKS

Risks | **Mitigating Actions**

Compliance with Local Legislation

Non-compliance with the local laws of the regions in which we operate may lead to litigation or license cancellation.

- We have stringent policies and checks, along with an integrated compliance tool, which ensures good governance and compliance with local laws. This is supported by timely reminders and alerts
- We consult and seek guidance from professional experts in certain cases for the correct interpretation of local laws

Restrictions on Immigration or Work Permits

We depend on our Indian personnel to provide on-site support to clients. Any geopolitical tension or unfavorable changes in immigration laws may impact project delivery.

- The current immigration scenario is mostly conducive in the countries where we operate. We continuously monitor local immigration laws, including any regulatory changes or events due to geopolitical reasons, to plan our activities accordingly
- We monitor the time and effort spent by our people onsite to avoid tax incidents

Data Privacy and Information Security Risks

The inability to ensure customer data privacy and protect systems or clouds from cyberattacks may expose us to litigation risks.

- Happiest Minds' security and privacy policies and procedures are based on the ISO 27001 security standard and ISO 27701 privacy standard. These standards comply with data privacy regulations such as the EU's General Data Protection Regulation (GDPR) for the data protection and privacy of EU residents, the California Consumer Privacy Act (CCPA) for the privacy rights of Californian residents, and the upcoming Digital Personal Data Protection Act, 2023, in India
- In addition to our organization's compliance with ISO standards, we regularly assess our cybersecurity risks and have adopted multiple cybersecurity standards, including NIST, CIS, and Zero Trust architecture, to ensure prevention, detection, and response to any cybersecurity threats
- We adhere to stringent regulations for handling customer data, which all Happiest Minds follow along with a written confidentiality agreement. Furthermore, all members and partners are required to attend mandatory security and privacy awareness programs to ensure compliance

Risks | **Mitigating Actions**

IP Risks

The inability to protect our intellectual properties (IPs) may lead to missed opportunities. Furthermore, we also face risks of non-compliance with third-party open-source software terms or IP infringement claims against our solutions, which may result in the discontinuation of services to clients and fines.

- We utilize licensed third-party commercial software, monitored by our in-house respective teams, to mitigate issues of infringement, warranties, or other liabilities. Open-source tools are used in certain cases with prior verification and approval of terms & conditions by the IT/legal team
- We ensure the development of novel solutions and protect our technical know-how by registering intellectual property and undertaking confidentiality obligations, IP acknowledgements, and assignments from all stakeholders involved in projects as well as all members
- We take necessary insurance to mitigate any eventualities related to IP risks.
- All Happiest Minds are made aware of IP protection and sign IP declarations upon joining

Insider Threats

Risks posed by employees, contractors, or anyone with authorized access who may intentionally or unintentionally compromise systems or data.

- Access controls are regularly reviewed and updated
- Zero Trust architecture is implemented to verify users and devices at every access point
- Monitoring tools and alerts are in place to detect abnormal activity

Third-Party Risks

These involve risks associated with external vendors, service providers, and partners who have access to an organization's systems or data. Vulnerabilities in their systems or poor security practices can impact the organization. A data breach at a cloud service provider that exposes customer data is an example.

- Assess IT Controls at 3rd Party vendors; Ensure that our critical vendors have a robust cyber security program, ISO 27001 certified/SOC2 certification and have controls that are required to prevent cybersecurity incidents that might affect us
- Ensure we are adequately covered for financial risks that might occur due to this

Availability of Critical SaaS / Cloud Applications

D365, O365, Active Directory
RedMine & MySmiles

- While the SaaS or cloud service provider ensures availability & IT infrastructure, Data Availability is our responsibility. All the critical applications and data sources are backed up to the cloud with a retention policy for 7 years and have been configured for versioning
- Active Directory is used for authentication and as compromised. If this system is compromised, we will lose access to all applications. Active Directory is configured in both Azure and local environments to ensure redundancy and reduce risk of total loss in case of compromise
- Authentication logs are monitored, and access is tightly controlled

50-67

Business Segment Review

BUSINESS SEGMENT REVIEW

Product & Digital Engineering Services (PDES)

We strengthened our Product and Digital Engineering Services (PDES) business through targeted initiatives to scale operations and deliver long-term value. We enhanced our domain expertise and expanded our global presence. Our focus on innovation, integration, and industry-led solutions enabled us to achieve key milestones during the year.

Key Acquisitions

In 2024–25, we made two strategic acquisitions that enhanced our digital engineering capabilities and expanded our industry presence:

PureSoftware Technologies

As a part of the acquisition, we brought in Arttha, a next-gen unified banking platform serving 100+ global financial institutions

- Arttha was also named 'Best Banking-as-a-Service Platform of the Year' at the 14th Africa Bank 4.0 Summit conducted by BII

Aureus Tech

Strengthened our capabilities across key verticals including Banking, Insurance, Retail, and Healthcare

Industry Recognition

We continued to receive recognition for our technology expertise and innovation-driven approach. A key highlight was our inclusion in the 'Expansive & Established' quadrant of the latest Zinnov Zones study for Digital Engineering and ER&D Services — the highest category in the study. This milestone affirms our position as a leading digital engineering partner with consistent performance across core segments.

Customer-Centric Delivery

Our Product & Digital Engineering business remained deeply aligned with customer success. A notable example was our collaboration with a US-based EdTech client, which led to wins at an app-building competition for Best Use of AI and Best Design. We also continued to deliver value across our six focus industries through close, outcome-driven partnerships.

A Trusted Digital Partner

Our deep digital capabilities, combined with a sharp industry focus, make us a trusted transformation partner. We help enterprises accelerate their digital journeys and build future-ready products and platforms, as reflected in a video testimonial from Coca-Cola United on the impact of our digital, data, and AI solutions.

Our Vertical Focused Offerings

We offer a diverse range of tailored services designed to meet the specific needs of the following industries:

Banking, Financial Services & Insurance

Happiest Minds leverages deep domain knowledge and technology expertise to drive successful digital transformation for leading banks, financial institutions, and insurers globally. We help clients gain a competitive edge in Core Banking, Lending, Real-Time Payments, Embedded Finance, BNPL, and Compliance. Our BFSI solutions serve digital-first banks, MFIs, NBFCs, emerging market institutions, P&C, Life & Annuity, and MGAs & Brokers.

Our Offerings

- Business & IT Consulting
- Marketing Analytics
- Digital Process Automation for front, mid and back-office operations
- Analytics & visualization
- Business-specific Application Development, Maintenance & Support
- Intelligent Test Automation and Engineering
- Secure Managed Services
- GRC (Governance, Risk and Compliance)
- Helping Customers in their ESG (Environmental, Social and Governance) Journey

Healthcare & Life Sciences

Our Healthcare & Life Sciences (HLS) business is dedicated to enabling better care outcomes and more empathetic patient experiences. We aim to be the partner of choice in powering Digital NXT by bridging the digital gap and delivering innovative solutions tailored to the evolving needs of Healthcare, Life Sciences, and MedTech companies. Our focus spans Healthcare Providers, HealthTech, Pharma, Biotech Research, Lab Tech, Medical Diagnostics, Point-of-Care, and Digital Health businesses.

Our Offerings

- Digital Front Door
- Connecting Healthcare Enterprises
- Healthcare Data Democratization & RWE
- Operationalizing DCT/Digital Trials
- Modernizing Commercialization
- Medical Device Engineering
- Cybersecurity in Healthcare
- Core System Modernization
- Semantic Interoperability Services

EdTech

EdTech remains a core focus for Happiest Minds, covering Pre-K, K-12, higher education, professional learning, workforce development, and lifelong learning. We serve the education and learning market by offering technology services that facilitate:

- Interoperable, future-ready learning and admin platforms
- Cross-platform and progressive web apps
- Integrated systems for real-time insight
- Inclusive solutions for cognitive and visual accessibility
- Custom CRMs tailored to education needs
- Generative AI-enabled learning environment
- Strong data security and system integrity
- Support for digital transformation and workflow automation

Our Offerings

- Product Engineering
- Open-Source Stack
- Mobility Solutions
- Data Analytics & Business Intelligence
- Accessibility Services
- Edtech Compliance
- Integration Services
- Education CRM
- Generative AI
- Digital Process Automation
- Cybersecurity Services
- Personalized Content Services

Hi-Tech, Media & Entertainment, Professional Services

We support Hi-Tech, Media & Entertainment, ISVs, and Professional Services enterprises in their end-to-end digital transformation, from Chip to Cloud. Our AI- and data-driven solutions, combined with connected platforms, help accelerate value creation, unlock efficiencies, and deliver seamless, personalized experiences.

Hi-Tech Offerings

We provide comprehensive services across product engineering, IT, and go-to-market acceleration. We work closely with ISVs, OEMs, and enterprises to deliver robust, future-ready solutions that harness the power of data, AI, and emerging technologies.

Key Services

- Platform Modernization
- Application Software/Web/Mobile App Development
- Data Strategy, Governance, and Visualization
- Network Application and Orchestration
- Customer Experience Transformation
- FPGA, Hardware, and Embedded System/ Device Engineering
- Quality Engineering and Test Automation

Media Offerings

We enable organizations to enhance the content supply chain, audience engagement, and content ROI through innovative advertising, subscription, and distribution models powered by AI and data.

Key Services

- ContentAI
- AdTech Transformation
- Audience Experience Transformation
- Gaming Innovation
- Business Intelligence & Data Solutions
- Content Testing & Quality Assurance

Professional Services Offerings

We partner with professional services organizations across audit, tax, regulatory, payroll, and administrative domains to build unified customer engagement platforms. Our solutions drive new revenue streams, enhance operational efficiency, reduce costs, and enable digital transformation through platform engineering and managed services.

Key Services

- Platform Engineering and Modernization
- AI- and Data-Driven Intelligent Automation
- IT Operations Transformation
- Cloud-Native Digital Transformation
- Enabling Scalable and Highly Available SaaS Platforms
- Managed Shared Services Platforms
- DevSecOps-Based Development and Deployment
- Innovative Multishore Pod-Based Engagement Models

Industrial, Manufacturing, Energy & Utilities

Happiest Minds helps customers in the Industrial, Manufacturing, Energy, and Utilities sectors maximize digital opportunities. We work across all stages of digital maturity to modernize core systems and deliver measurable outcomes using our 360-degree chip-to-cloud offerings. Our solutions span industrial products, operations and systems, automotive, process manufacturing, and energy and utilities. We adopt a value-driven, outcome-based approach to ensure sustainable success, supported by strategic consulting to define a long-term digital roadmap before transformation begins.

Our Offerings

- Next-Gen Connected Products
- Connected Plants, Operations & Experience
- Digital Processes
- Predictive Maintenance & Advanced Analytics
- Modernization and Automation
- Generative AI
- Customer Experience
- e-Mobility
- Digital Twins
- Supply Chain Management
- Automated Vehicle Services
- Digital Power Generation, Distribution & Transmission
- Power Management Solutions

Retail, Consumer Packaged Goods & Logistics

Consumer Packaged Goods (CPG), retail, and logistics enterprises face disruption from business and technology shifts, requiring greater agility and visibility to stay resilient. Happiest Minds helps these industries navigate dynamic changes in business and consumer behavior, transforming them into digital enterprises for sustainable growth. Our ecosystem-led solutions enhance customer experience, maximize share of wallet, and streamline operations across the enterprise and supply chain. We leverage our DXT (Domain, Experience, and Technology) approach to drive informed decisions across the value chain, including planning, logistics, retailing, last-mile fulfillment, and consumer purchases.

Our Offerings

- Optimized Operations
- Reimagined Experience
- Ease of Doing Business and Improving Topline
- Enterprise Data Governance (MDP, CDP, PIM & DAM)

CASE STUDIES

01 BFSI: Strategic Partner for Automating Service Desk Request Resolution for a US-based Insurance Claims Management Firm

Business Challenge

The client aimed to enhance employee user experience by improving IT helpdesk interactions and automating manual tasks. They also sought to improve customer experience by enhancing website interactions and accelerating response times at the service desk.

Solution Provided

- Employee Service Desk: Provided self-service conversational interfaces through helpdesk automation, with an AI-based virtual assistant bot using NLP and a self-learning engine
- Customer Service Desk: Integrated a website bot for claim status inquiries and other services, routing data to the cloud or in-house servers based on legal requirements

IMPACT

35%
Reduced agent workload

40%
Service request handling efficiency boosted

35%
Increment in customer satisfaction (CSAT)

02 EdTech: Optimizing Student Acquisition and Engagement for a Leading Education Company

Business Challenge

The client, a leading education company, partners with regional public universities to expand access to higher education for working adults. Enrollment managers faced challenges due to time-consuming calls with limited insights into student intent, and high drop-off rates caused by a cumbersome application process.

Solution Provided

- Simplified the application process with federated login and automation for transcripts and references
- Developed smart decision-making tools to help students assess course options, costs, and schedules
- Leveraged AI-driven technology to reduce acquisition costs and attract high-intent students

IMPACT

~90%
Reduction in application submission time, from over 2 months to less than a week

Increased the number of applications submitted and **improved acceptance rates** across multiple institutions

CASE STUDIES

03 Healthcare & Life Sciences: Cohort Study Management Platform for a Leading Life Sciences Consortium

Business Challenge

The client, a Life Sciences consortium focused on research in neurodegenerative disorders, healthy aging, and the development of affordable medical devices for conditions such as Parkinson's, Alzheimer's, and other neurological ailments, sought an integrated platform to manage the entire study lifecycle from planning and tracking to generating individual and consolidated reports at the study-partner level.

Solution Provided

- Developed a cohort management system for tracking and managing data collection from cohort studies
- Built responsive web and mobile applications with custom UI widgets to offer secure, omni-channel experience with offline reporting capabilities
- Utilized a low-code platform combining cloud technology and visual modeling to scale functionalities for diverse study programs, enabling dynamic creation of study forms and real-time configuration of eligibility criteria

IMPACT

80%
Reduction in paper-based work

25%
Improvement in cohort engagement efficiency and reduced review and approval turnaround times through automated reminders

20%
Less errors at the point of data collection

Accelerated patient onboarding, **reducing** turnaround time from weeks to days

04 Media & Entertainment: Improved Engagement & Subscription for One of the World's Leading Broadcasting Companies

Business Challenge

The client aimed to significantly boost subscription growth and user activity on their platform, focusing on improving key performance metrics such as retention and conversion rates.

Solution Provided

- Deployed content and platform-wise time-based cohorts to measure and predict retention, drop-off rates, and shifting user interests, providing deeper insights into behavioral trends
- Refined dynamic customer segmentation models to identify high-value audiences for targeted up-selling and cross-selling initiatives
- Utilized predictive analytics to analyze data on inactive customers and predict those most likely to drop off

IMPACT

10%
Increase in bundle packaging subscriptions

5%
Higher engagement level

20%
Increase in overall purchase intent

Personalized Content
Delivered based on user preferences, resulting in higher user engagement

Improved measurement and **enhancement of conversion** and **retention metrics**

05 Industrial: Connected Products for Industrial Gear Units

Business Challenge

The client, a global leader in mechanical and electrical drive systems, sought to enhance operational efficiency through a scalable IIoT platform and modernized condition monitoring. Their reliance on third-party tools and offline analytics limited visibility and led to reactive maintenance. The absence of an integrated digital strategy hindered real-time insights, scalability, and the shift to predictive, data-driven services.

Solution Provided

- Conducted a two-month discovery phase involving customer and stakeholder discussions to identify high-value use cases and confirm collaboration interest
- Assessed existing systems to define a comprehensive digital strategy and architecture
- Implemented a scalable IIoT platform integrated with secure cloud infrastructure and real-time web/mobile interfaces for monitoring, control, and decision-making

IMPACT

70%
Reduction in unplanned downtime achieved through continuous equipment monitoring

25%
Savings enabled on investment costs

Extended product lifespan and accelerated time-to-market through early pilot deployment

Supported digital business unit set up and **enabled a shift to service-led,** data-driven operations

06 CPG: A User-Centric App Transformation for a CPG Leader

Business Challenge

The client needed to optimize their Distributor Sales Rep (DSR) app, which was hindered by poor navigation, limited real-time insights, and cluttered workflows. Sales reps found the app time-consuming and difficult to use, impacting their ability to engage effectively and meet targets.

Solution Provided

To achieve this, we conducted a comprehensive overhaul of the app. The process included:

- Heuristic evaluation: Assessed visual elements and design issues
- User interviews and research: Engaged sales representatives to identify pain points, build personas, and map user journeys
- Information architecture: Streamlined content flow for intuitive navigation and quick data access
- Wireframes: Developed low-fidelity layouts to define structure and functionality
- Visual design and prototyping: Created high-fidelity, interactive prototypes aligned with brand guidelines
- User testing: Validated designs through feedback from initial user group using clickable prototypes

IMPACT

10%
Increase in app adoption and usage among sales representatives

6-8%
Improvement in average business value per transaction

6%
Rise in retail order conversions through insights-led selling and targeted promotions

BUSINESS SEGMENT REVIEW

Generative AI Business Services (GBS)

Happiest Minds is at the forefront of the Generative AI revolution, driving transformation across industries. By combining deep expertise in AI, machine learning, computer vision, and NLP with a strong foundation in consulting, R&D, and testing, we craft customized roadmaps for seamless technology integration. With a team of 350+ AI specialists and over 25 successful Generative AI projects, we have delivered impactful solutions like demand forecasting, predictive maintenance, and customer 360 insights. Backed by strategic partnerships with Microsoft, AWS, Nvidia, and Google, our dedicated Generative AI business unit is enabling 20% productivity gains and fostering scalable innovation. As your trusted partner, we serve as an innovation catalyst, helping businesses achieve tangible objectives through cutting-edge AI advancements.

Harnessing the Full Potential of Generative AI

Consulting
- Tailored guidance, governance frameworks, and best practices
- Establishment of Centers of Excellence (CoEs) to drive adoption to measurable business outcomes

Engineering
- Custom Generative AI solutions through dedicated R&D
- Co-engineering advanced AI products for seamless integration
- Solutions designed to tackle complex business challenges

Testing
- Automated frameworks ensure precision, security and performance on one hand, and validate model accuracy, reliability, and compliance on the other
- Rigorous security and performance testing for enterprise-grade robustness

Infrastructure Management and Support
- End-to-end infrastructure management services ranging from provisioning and scaling to maintenance and optimization
- High availability and operational efficiency with minimal downtime

Pre-built Solutions/Companions
- Industry-specific, ready-to-deploy AI tools with 80% faster time-to-value
- Customizable and deployable within a month for rapid business impact

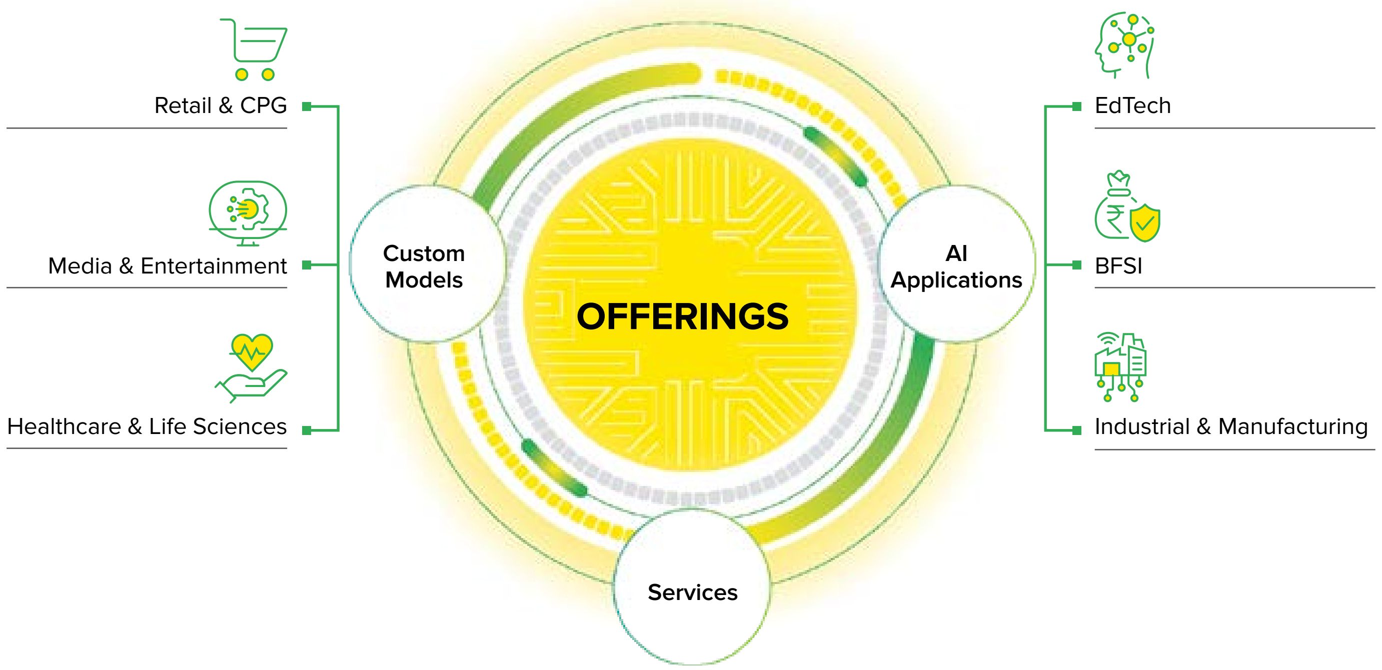
Our Generative AI Value Chain Comprises Essential Components

Comprehensive AI Services
- Scalable, goal-aligned AI solutions
- Seamless deployment, ongoing optimization, and measurable outcomes
- Ethical frameworks for responsible, future-ready AI

AI-Powered Applications
- Domain-specific solutions that enhance operations and user experiences
- Real-world problem-solving with innovation-driven impact

Customized Generative AI Models
- Tailored for accuracy, scalability, and adaptability
- Automate workflows, generate content, and deliver predictive insights

Generative AI Business Services (GBS)



Consulting	Engineering	Testing	Infra Management & Support	Pre-Built Solutions/Companions
Assisting in establishing Generative AI Centers of Excellence (CoE) — Defining strategic roadmaps	Dedicated extended R&D team — Co-engineering & development of Generative AI solutions	Automated model & quality testing — Comprehensive security testing	Efficient management of Generative AI solutions infrastructure & support	Horizontal use case pre-implemented — Meets 80% of customers immediate needs — 1 month customization for specific requirements

Technology Providers

OpenAI | Azure | Meta | Gemini | amazon | NVIDIA | LangChain | LlamaIndex

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OUR SUCCESS STORIES

#1 Generative AI Conversational Interface - COCA-COLA BEVERAGES VIETNAM

Implemented a Generative AI-powered interface to boost operational efficiency and maximize cooler productivity. The solution empowered asset management teams and sales representatives with real-time, AI-driven insights for smarter decision-making and enhanced customer engagement.

IMPACT

- Enabled real-time visibility into cooler performance and ROI tracking
- Accelerated data-driven decisions for sales and asset management teams
- Optimized cooler placements and performance metrics
- Strengthened retailer relationships
- Reduced manual effort in querying and analyzing data

#2 Generative AI-Powered Research Assistant - SKAN

In collaboration with SKAN, a leading not-for-profit medical research trust dedicated to pioneering advancements in Aging and Neurological sciences, we have developed a Generative AI-powered Research Assistant to address inefficiencies in medical research processes, enhance collaboration, and ensure secure data access.

IMPACT

- Streamlined research content analysis
- Improved cross-team collaboration and information sharing
- Ensured secure, role-based access to critical research data
- Automated time-intensive research tasks
- Enabled researchers to focus on innovation and scientific discovery

BUSINESS SEGMENT REVIEW

Infrastructure Management and Security Services (IMSS)

Happiest Minds delivers end-to-end infrastructure and security service - spanning advisory, transformation, and managed operations. We empower businesses to navigate complexity, drive digital acceleration, and strengthen cyber resilience. We provide end-to-end future-ready and Gen AI-enabled solutions ranging from infrastructure assessments and cloud migration to AI-powered threat detection and continuous security monitoring.

Infrastructure Management Services

	Consulting Services	Transformation Services	Managed Services
Cloud & Data Center	• Cloud Strategy • Datacenter Transformation • Infrastructure & Application Modernization	• Hybrid Cloud Design, Build & Migration • Datacenter Design, Build & Migration • DevSecOps Integration	• Cloud Managed Services • Datacenter Managed Services • DevOps & FinOps Support Services
Databases & Application Platforms	• Database Migration & Consolidation Strategies • Database Security & Process Assessments	• Database & Middleware Design & Build • Database Migration & Modernization • Database Security & Compliance Setup • Database Performance Tuning and Restructuring	• Database, Middleware and Application Platform Support • Database Engineering Support • Reporting & Insights
Digital Workplace	• Strategies for SDN, SDWAN • Network Optimization • Database Security & Process Assessments	• Detailed Network Designing • Network Deployment Planning • Network Deployment, Migration and Validation	• Network Operations (NOC) • Network Engineering Support • IP Telephony, Audio and Video System Monitoring and Support
Enterprise Networking	• End-user Device Analysis • Cloud Services Adoption Strategies • End-user Automation & Analytics Use Cases	• Device Refresh & OS Migration • Directory Services Migration • UC & Collaboration Migration DaaS Implementation	• End User Service Operations • Desktop Engineering Services • Service Desk
ITSM & ITOM Tools and Platforms	• Tool Consulting • UX/EX Driven Recommendations • IT Process Consulting	• Tools Consolidation • Tools Implementation, Integration & Migration	• Tool Platform Maintenance • Tools Customization and Engineering • Workflow Automation

Our Security Services Portfolio

Strategy and Consulting Services

- Digital Risk & Compliance
- ZTA Readiness
- Control Automation
- BCP/DR Consulting
- V-CISO as a Service
- Attack Simulation Testing
- AI Security Assurance
- Cyber Strategy and Organization
- Data Privacy
- Cloud Security Assessment

Managed Security Services

- MDR & XDR - 24*7, 16*5, 8*5
- SOAR as a Service
- TI & Brand Monitoring as a Service
- IR as a Service
- OT/IT Integrated Security Monitoring
- Security Device Management
- UAM Manual Support
- Attack Surface Management
- Cloud SecOps

Transformation & Professional Services

Identify Security
- Strategy & Advisor
- Implementation (PAM, IAG, IDaaS)
- Identity Centric Zero Trust
- Data Security & DLP

Cloud Infra Protection
- CSPM, CNAPP
- Segmentation
- SASE & ZTN NG FW & Network Security Assurance

Threat & Vulnerability
- Infrastructure Security Testing
- Application Security Testing
- End-to-End VM
- DevSecOps

OT Security
- OT Risk Assessment
- OT/IoT Security Threat Management
- OT Security Monitoring & Response

Powered by IPs and Solution Accelerators

Ellipse Platform | Cloud Adoption Framework | Infrastructure Maturity Modeling | Intelligent Chatbot | CRPP Platform | Identity Vigil | Threat Vigil | ASOC

Our New Packaged Service Offerings

HAPPIEST MINDS WATCH360

The All-in-One IT Solution

Cloud
Cloud Iaas, PaaS, SaaS

Servers
Windows and Linux
Virtual/Physical Machines
Virtualization Hosts

Data Network
DC Network
Device - Switches
& Routers, Cloud
Network Services

Databases
Relational and
Non-relational
Databases

Security Devices
Firewalls in DC, Cloud Firewall
Services, WAF, Load Balancers
and VPN Services

Backup & Storage
DC and Cloud-based Storage
and Backup Services

An AI-Infused Packaged Offering for Managed Infrastructure Services

Happiest Minds' SECURELINE 360

Flexible & Cost-Optimized Solution
Tailored MR services that adapt to your business needs without breaking the budget

Generative-AI based Incident Handling
Empower your incident response with AI-driven insights for faster and smarter threat resolution

True Managed Detection & Response (MDR)
Comprehensive MDR that provides round-the-clock monitoring and rapid threat response

Customized Interactive Visibility Dashboard
Real-time, interactive dashboards for complete visibility and control over your security operators

Automation 360
Leverage advanced automation to streamline detection, responses aligned to your remediation workflow/SOPs

Seamless Integration of Cloud & Hybrid Environment
Easy integration of MDR services across cloud and hybrid environments for unified, hassle-free protection

Key Differentiators

- 24*7 SLA-based monitoring contextualized to your environment
- Up to 98% reduction in noise
- 3x faster remediation time
- 6+ technology integration for response automation beyond just endpoints

CASE STUDIES

01 Managed Infrastructure Services for a Global Enterprise Software Provider

A leading third-party support and managed services provider for database and middleware products.

Scope
- Operational inefficiencies and rising costs
- Multiple ticketing tools; no unified platform
- SLA compliance and inconsistent service quality
- Limited visibility and reporting capabilities
- Underutilization of ServiceNow

Our Solution
- Unified monitoring and L1/L2/L3 support for Oracle, SQL, Sybase, PostgreSQL, and MySQL
- ITIL-aligned process implementation on ServiceNow; workflow automation and ticket handling enhancements
- Legacy tool replacement with ServiceNow ITSM and bi-directional Jira integration
- Cloud migration enablement and database activity monitoring
- Configuration assessment, security enhancements, and a long-term ITSM roadmap

IMPACT

~35% Reduction in operational costs (US$ 100K - US$ 125K saved annually on database licensing)

80% Automated email alerts

50% Decrease in emergency changes

Near-Zero Downtime for data availability

20% Increase in user adoption via real-time dashboards and self-service tools

02 End-to-End Security Services for a Leading US Healthcare Provider

A major healthcare service provider in the US, focused on safeguarding sensitive patient data and meeting compliance requirements.

Scope
- Need for 24/7 security monitoring and rapid response
- Management of 200+ firewalls and 100K+ endpoints
- IAM, PAM, and third-party risk automation
- SOx and PCI compliance mandates
- High false positive rates and slow threat detection

Our Solution
- 24/7 Cyber Operations Center with automated threat response
- SOC platform engineering for unified, single-pane visibility
- IAM and PAM automation and consolidation
- Implementation of zero trust strategy across cloud and DevOps environments
- SOAR-driven security dashboards for real-time insights

IMPACT

Centralized Security monitoring leveraging existing tools

SLA-based Security infrastructure management

Improved MTTD & MTTR For faster threat detection and response

100+ applications Received stronger compliance and access governance

Glimpses of FY 2024-25

Showcased our commitment to transformation through innovation, integration, and industry expertise at the Press Conference 2025

Mobilized a united effort with 1400+ runners across Bengaluru, Pune, Noida, Bhubaneswar, and Madurai during the Happiest Minds Run 2025 to support girls' education in STEM

Featured among AIM's '50 Best Firms for Data Scientists to Work for 2024', affirming our data-driven culture

Acknowledged our MD & CFO, Venkatraman Narayanan, as the Leading CFO of the Year at the CII CFO Excellence Awards 2023-24

Honored with the WOW Workplace Award in the IT, ITeS & GCC category for exceptional workplace culture

Celebrated PureSoftware's Arttha for winning the 'Best Banking-as-a-Service Platform of the Year' award at the 14th Africa Bank 4.0 Summit

Recognized among the 2024 Avtar & Seramount Best Companies for Women in India in IT, and as an Exemplar of Inclusion in the Most Inclusive Companies Index

Awarded 'Inspiring Firm in AI & Analytics', with Praveen RP honored with the 'AI Trailblazer Award' at the 3AI ACME Awards

Recognized with the CNBC-TV18 India Risk Management Award 2024 for excellence in risk strategy and governance

Happiest Minds is awarded as 'Best DevOps Framework for Scalability and Security (IT Services)' at the India DevOps Show 2025

68-108

Environmental, Social and Governance (ESG)

Managing Director's Message

Dear Valued Stakeholders,

Greetings!

The year that passed and under review was one of performance, and progress. I believe we are firmly on a path of achievement in line with our Vision 2031 which covers our aspiration for Growth, Profitability, Customer Satisfaction, People, and most importantly ESG.

This letter is specifically about the last but not the least – progress we have made on our ESG framework which is at the center of everything we do and helping us build resilience, creating long-term value, remaining compliant, while gaining stakeholder trust.

Venkatraman Narayanan
Managing Director

Understanding ESG at Happiest Minds

- **Environmental:** Refers to how responsibly we use resources and dispose of waste. It reflects our dedication to the conservation of ecosystems and reducing our environmental impact.
- **Social:** Demonstrates our commitment to human rights, labor relations, diversity, inclusion, and corporate social responsibility through effective CSR that gives back to the community.
- **Governance:** Underpins our internal policies and strategic framework - transparency, ethical behavior, accountability, and decision-making in the best interest of all stakeholders.

Dun & Bradstreet recognition awarding us the prestigious **'ESG Champions of India 2024'** award a national-level recognition reconfirms our commitment and progress on our initiatives.

We also won the **'Best Save Water Initiative of the Year'** 2024 at the Global CSR, Sustainability and ESG Awards.

In accordance with our green awareness, we have made significant strides towards reducing our carbon footprint on the environment. We generated and consumed around **1,752.18 Giga Joules of solar power** throughout the year. Our continued investment in solar appliances is also a model for energy conservation in the business.

We continue to strive to maintain our **Zero Liquid Discharge (ZLD)** status for our premises in Bengaluru through the treatment and reuse of all wastewaters showing our commitment to being a water-responsible Company.

In the last year, **0.19 metric tons of e-waste** were properly disposed of in an eco-friendly manner by using certified vendors. We intend to dispose of electronic end-of-life assets in a proper and eco-friendly manner and as per international standards.

During our construction and maintenance work, we **diverted 91.50 metric tons** of construction and demolition (C&D) waste from landfills. Through recycling and reuse, we reduced our contribution to the environment and helped lower the landfill burden, an integral component of urban sustainable development.

We also enhanced effective disposal of operational waste by **reducing 57.6 metric tons** of non-hazardous waste through concerted waste reduction and recycling.

Beyond our in-house operations, we continue to make a lasting impact on the environment through our Corporate Social Responsibility (CSR) implementation partners.

A substantial part of CSR initiatives, in line with what we have been doing all through the past years, are aimed at environment, rainwater harvesting, water conservation, afforestation, and biodiversity enhancement.

Through our **One Billion Drops (OBD)** initiative, we are committed to constructing **1,000 percolation wells** to support long-term groundwater recharge. Over the past two years, a total of **371 wells** have been successfully constructed, facilitating the conservation of approximately 47.52 million liters of rainwater, a powerful step towards conserving over **128 million liters over the next few years**.

A total of 3,22,000 trees have been planted so far, expected to sequester approximately 70,840 tonnes of CO_2 over the next decade, while also enhancing biodiversity and improving ecosystem health. Continuing to have sustainability as a priority, our aim of carbon neutrality by 2030 is an important focus in our ESG initiatives.

As we continue to make the world a better place, we're pleased to say that this year, we've **donated 21,34,149 meals to the Akshaya Patra Foundation as is our practice of celebrating Smilestone with acts of giving**. This brings our total donation to 10 million meals, a landmark that speaks volumes about our initiative to give back to society.

A substantial part of CSR initiatives, in line with what we have been doing all through the past years, are aimed at environment, rainwater harvesting, water conservation, afforestation, and biodiversity enhancement.

On the governance front, we continue to stress robust internal processes, ethical and transparent business practice, and good risk management. We also remain vigilant to ensure data protection and cybersecurity standards. These are building trust and accountability with our stakeholders and shareholders.

Around 50% of our Board represents diverse cultures and is actively engaged in decision-making. Annual Customer and Shareholder Surveys help assess performance and identify areas for improvement. **Policies like Anti-Bribery, Whistle-Blower, Integrity, and Grievance frameworks ensure fairness and transparency**. We uphold human rights through Equal Opportunity, D&I, Workplace Safety, and Anti-Harassment practices. Additionally, we are **ISO 27701 certified**, reinforcing our commitment to data privacy and security. To reinforce a culture of transparency and ethical conduct, we have put in place a dedicated grievance resolution mechanism. **The "WE HEAR" portal provides a secure, accessible platform for stakeholders to disclose concerns or unethical behavior**. This mechanism is supported by our policies on Anti-Bribery, Integrity, Whistleblowing, Disciplinary Conduct, and Grievance Redressal - ensuring fairness and accountability at every level.

We embraced the essential principles and practices to maintain and defend human rights in the organization, such as Equal Opportunity Statement, Diversity and Inclusion (D&I), Health and Workplace Safety, and Harassment-Free Workplace. We are ISO 27701 certified – the Privacy Information Management System standard, and we have implemented privacy policies and security practices to secure personal information.

Looking ahead, our ESG vision continues to strengthen. By 2027, we aim for at least 50% of our material suppliers to meet our sustainability standards - integrating responsibility into our business.

Thank you to every Happiest Mind who turned off a light, recycled e-waste, or volunteered time. You're the reason these numbers mean something.

Our commitment to our communities endures in a world where digital uptake is speeding up and global dynamics are in constant flux. We're building robust risk frameworks, setting measurable goals, and, most importantly, holding ourselves accountable to the promises we make.

I truly believe the best businesses of tomorrow will be those that care deeply today. I'm proud that Happiest Minds is one of them. Our doors and minds are open.

Thank you for your continued trust. There's more work to be done, and we're ready for it. Together, we are building something truly meaningful.

With warm regards,

Venkatraman Narayanan
Managing Director

happiest minds
The Mindful IT Company
Born **Digital** . Born **Agile**

Sustainability at Happiest Minds

Sustainability is integral to our growth strategy, driving rapid progress across ESG (Environmental, Social, and Governance) priorities. Guided by purpose over profit, we stay ahead of the ESG curve with active leadership oversight. Our recognition as an 'ESG Champion of India 2024' by Dun & Bradstreet affirms this commitment. Our ESG policies are designed to deliver long-term value, especially for the environment.

Sustainability Framework and Approach

Our framework promotes sustainable business practices with a strong focus on climate action. We aim for carbon neutrality by 2030, tracking key metrics such as emissions, energy use, waste, and air and water quality. Progress is disclosed through BRSR, EcoVadis, and CDP reinforcing transparency and stakeholder trust.

Sustainability Governance

Leadership drives sustainability through oversight, risk management, and stakeholder engagement. Our ESG policies are ethical, transparent, and compliant. The ESG committee steers our sustainability goals, delivering long-term value for shareholders and contributing to social well-being.

Contribution to the UNSDGs

Our Sustainability Initiatives	UNSDG	IMPACT
Safe Drinking Water for Drought Region	6	Happiest Minds Technologies has supported access to clean drinking water in drought-affected areas of Raichur district, Karnataka. • 4 new RO (Reverse Osmosis) units installed in schools and villages • 6 existing RO units refurbished in villages These initiatives have improved water quality, eased water scarcity, and contributed to better health for local households and communities.
Tree Plantations	13, 15	As part of our commitment to environmental sustainability, we planted 1,13,500 tree saplings across Tamil Nadu, Karnataka, Noida, and Odisha. This large-scale plantation drive promotes social forestry, restores ecological balance, and expands green cover in both urban and rural areas. The use of indigenous, climate-resilient species supports biodiversity conservation, improves air quality, enhances soil health, and enables carbon sequestration. These efforts also uplift local communities through increased shade, fruit availability, and sustainable livelihood opportunities. Through this initiative, we are helping build a greener, healthier, and more sustainable future.
Renewable Energy	7, 12, 13, 15	Rooftop solar plant in our Bengaluru offices contributes 12.13% green energy, aiming for 100% by 2030.
Waste Management	12, 13, 15	Compost 100% of food waste from the pantry. Used the cup & kerchief initiative to significantly minimize the use of disposables such as tissues, paper cups, plastic packaging, etc.
Water Management	12, 13	Sensor-operated water taps to conserve water. 100% of wastewater is treated in STP and utilized in our washrooms and for watering plants.
Rural Electrification	5, 7, 8, 11	As part of our social sustainability and community development efforts, we successfully implemented a rural electrification project in Mayurbhanj, Odisha. The initiative electrified 100 homes, installed streetlights, and powered two tribal residential schools in previously unserved areas. Access to reliable electricity has significantly improved living conditions, enhanced safety, and created a better learning environment for students.
Social Forestry, Soil and Water Conservation	6, 13, 15, 17	• We have planted over 10,000 saplings to restore biodiversity, expand green cover, and improve air quality. Our social forestry and soil conservation efforts now cover more than 100 acres of previously barren land, with an estimated carbon sequestration potential of 2,10,000 kg of CO_2 annually • Under the 'Trees for Farmers' initiative in Krishnagiri, Tamil Nadu, we planted 1 lakh trees as part of an agroforestry project tackling groundwater depletion and soil erosion. By integrating a mix of fruit and timber trees into farmlands, the project sequesters around 2 million kg of CO_2 each year and benefits over 20,000 people
One Billion Drops	3, 6, 11, 13	Mitigating water scarcity during peak summer months in Bengaluru has been a key focus of our sustainability efforts. To support long-term water security, we have installed 315 percolation wells across the city. These wells aid in rainwater harvesting and groundwater recharge, contributing to sustainable water management. The initiative reflects our commitment to environmental stewardship and climate resilience.

Born Digital . Born Agile

ESG KPIs

KPIs	Units	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22
Total electricity consumption	kWh	40,11,397	39,69,007	30,06,262	1,13,100
Electricity-renewable	kWh	4,86,719	4,92,559	1,41,932	0
Total fuel consumption	KL	40.44	43.90	21.44	8.51
Total Scope 1 GHG Emissions	$MTCO_2e$	1,011.75	1,241.76	57.37	27.68
Total Scope 2 GHG Emissions	$MTCO_2e$	2,872.16	2,841.81	2,374.95	879.35
Total GHG emissions (Scope 1 + Scope 2)	$MTCO_2e$	3,883.9	4,083.57	2,432.32	907.03
Scope 3	$MTCO_2e$	4,671.76	3,295.34	NA	NA
Total water consumption	KL	71,619	9,204	4,173	984
Total hazardous waste disposed	L	0	0	600	0
NOx	mg/Nm3	26.7	15	46	49.6
SOx	mg/Nm4	11.2	7.5	9	7.1
Particulate matter	Ug/NM3	36.3	32.6	36	41.4
CSR spend	₹	422 lakhs	226 lakhs	333 lakhs	215 lakhs

Economic Value Created and Distributed

(₹ Lakhs)

Particulars	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22
Revenue	2,06,084	1,62,466	1,42,929	1,09,365
Other income	10,138	8,416	3,502	2,463
Direct economic value generated	2,16,222	1,70,882	1,46,431	1,11,828
Operating costs	31,863	26,411	26,028	21,194
Employee wages & benefits	1,36,534	1,01,469	80,681	62,000
Payments to providers of capital	8,385	3,408	1,558	343
Payments to government	8,443	9,518	8,508	6,310
Community investments	655	470	333	215
Economic value distributed	1,85,880	1,41,276	1,17,108	90,062
Economic value retained	30,342	29,606	29,323	21,766

Environmental

Summary on Environmental Focus

Sustainability is embedded in our operations and identity. As environmental stewards, we recognise the vital role businesses play in shaping a sustainable future. Our initiatives focus on addressing climate change and advancing green energy adoption. Through transparent disclosures, we reaffirm our commitment to responsible practices and long-term environmental stewardship.

Environmental Strategy

Reducing our carbon footprint is core to our environmental approach. Through energy efficiency measures, renewable energy adoption, and transport optimization, we are steadily reducing emissions. Our target is a 100% reduction in Scope 1, 2, and 3 emissions from baseline levels, achieving full carbon neutrality by 2030. We also emphasize resource optimization, waste minimization, and circular economy principles, while engaging sustainable suppliers aligned with our environmental standards.

Key Environmental Initiatives

Energy Management

We are firmly committed to achieving carbon neutrality by 2030. As part of this journey, we installed rooftop solar systems to initiate our transition to renewable energy. Today, approximately 12.13% of our total energy consumption comes from green sources, reducing reliance on fossil fuels and lowering our carbon footprint.

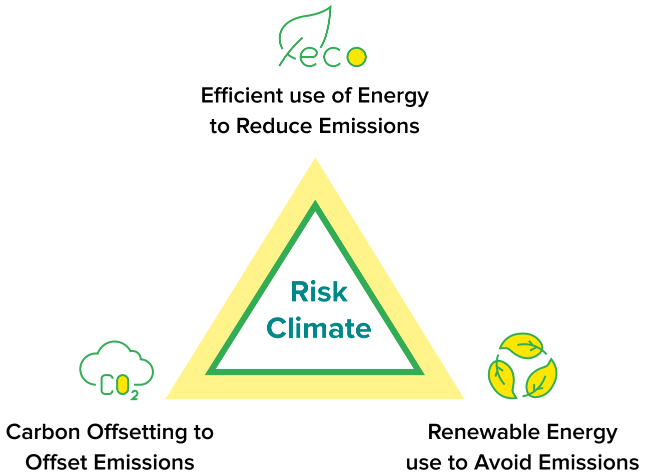
We have also improved energy efficiency across our offices by replacing traditional fluorescent lighting with LED fixtures, significantly cutting daily energy use and emissions.

Sustainable Technology Practices

Laptop Usage and E-Waste

We extend the lifecycle of laptops up to four years before responsibly recycling them through certified e-waste programs, minimizing electronic waste and promoting circularity.

Climate Change Management: Our Approach to Carbon-Neutrality



Management of climate change reduces to addressing three general issues:

- Climate change by natural causes
- Climate change, which is man-made
- Climate change due to societal consequences

Human activity continues to accelerate temperature shifts, leading to extreme weather events such as droughts, heat waves, and floods. Recognising these risks, we are committed to managing our environmental impact and driving meaningful progress toward carbon neutrality.

Sustainable Laptop Purchases

Our procurement choices are guided by sustainability. We opt for energy-efficient, eco-certified laptops from trusted brands like Dell and Lenovo, ensuring lower carbon footprints from the outset.

Server Usage and Recycling

Servers are utilized for up to 10 years before recycling. Meanwhile, our shift to cloud infrastructure reduces energy use, limits physical hardware, and enhances operational efficiency.

Our Carbon Offset Programs

We are actively working toward our goal of becoming carbon neutral by 2030. Our efforts focus primarily on reducing Scope 1 and Scope 2 emissions, with a strong push to optimize fuel usage across operations. In FY 2024-25, we achieved a 7.87% reduction in fuel consumption compared to the previous year, resulting in an 18.51% drop in Scope 1 emissions. These outcomes affirm that our actions are making a measurable impact and moving us steadily toward our carbon neutrality target.

Biodiversity

We view nature as an essential partner in our sustainability journey. Our biodiversity efforts center on responsible land use, habitat preservation, and promoting eco-friendly practices across operations.

Shidlaghatta Social Forestry: Reviving Ecosystems and Strengthening Climate Action

Aligned with our commitment to preserve natural ecosystems, we initiated a social forestry project in Shidlaghatta, Karnataka, focused on enhancing biodiversity, improving air quality, and restoring ecological balance. Over 10,000 saplings were planted across degraded land, supported by soil conservation techniques to ensure healthy growth and resilience.

This initiative contributes meaningfully to increasing green cover and protecting native species, while also helping mitigate climate change. The project is expected to sequester approximately 2,10,000 kg of CO_2 annually, reinforcing our efforts to reduce our carbon footprint and promote nature-based climate solutions.

Value Chain Sustainability

Supply Chain

Sustainability extends beyond our operations to the entire value chain. Through responsible procurement, ethical labor practices, and supplier engagement, we are embedding sustainability into how we source and operate. Our Vendor Code of Conduct reflects our commitment to transparency and ethical sourcing, ensuring we partner with suppliers who uphold environmental and social responsibility.

We conduct due diligence, perform supplier audits, and offer guidance to help our partners meet evolving ESG standards. Our procurement process is designed to support these efforts at every step.

Our Approach in Action:

- Conduct regular audits, training, and ESG alignment workshops for suppliers
- Strengthen environmental, social, and governance practices with existing partners
- Promote supplier diversity by supporting local, women-led, and underserved businesses
- Prioritize green sourcing by reducing waste, reusing materials, and promoting recycling

Supplier Due Diligence

Building a sustainable supply chain begins through partnering with environmentally responsible suppliers. We conduct thorough due diligence to identify and manage environmental and stakeholder risks. Our goal is for 50% of our suppliers to meet our sustainability standards by 2028, driven through continuous audits, close collaboration, and strong oversight.

Supplier Diversity

We are equally committed to fostering an inclusive supply chain. This includes actively engaging with minority-owned and women-led businesses. By streamlining onboarding and supporting underrepresented groups, we promote fairness while enhancing innovation, resilience, and community impact.

Sustainable Sourcing

Sustainable sourcing is embedded in how we do business. We choose suppliers who uphold ethical labor practices, monitor their carbon footprint, and maintain transparency. Currently, 21% of our products and services come from green sourcing programs. These choices help protect natural resources, support local economies, and create long-term value for all stakeholders.

51%
Procured Locally (Within India)

21%
Green Sourcing

13%
Sourced from MSMEs

Supply Chain Management and Code of Conduct

We believe in doing the right thing - always. This commitment extends to our supplier relationships, where ethics, integrity, and environmental and social responsibility are non-negotiable.

Our Supplier Code of Conduct sets clear expectations around legal compliance, ethical sourcing, and sustainability. It prohibits child and forced labor, addresses conflicts of interest, ensures product quality, promotes fair trade, and encourages environmental care.

All new suppliers are inducted into this framework and must confirm their adherence by signing the Code. Responsible business is foundational to our endeavors.

Testimonials and Key Messages from Our Sustainability Partners

Tree Plantation Drive

At Grow-Trees.com, we are proud to partner with Happiest Minds in advancing a greener future. Together, we have planted thousands of trees in ecological hotspots contributing to carbon sequestration, biodiversity, and community well-being. Their dedication to sustainability is inspiring, and we look forward to growing this impact further.

Pradip Shah
Co-Founder, Grow-Trees.com

With continued CSR support from Happiest Minds, United Way Bengaluru is delivering meaningful change through projects focused on environmental sustainability and community well-being. Under the One Billion Drops campaign, we have installed over 1,200 percolation wells across Bengaluru parks and campuses, capturing more than 153 million litres of rainwater - reducing flooding and recharging groundwater.

We are also developing a 25-acre social forest in Sidlaghatta with 10,000 fruit trees to enhance green cover and provide livelihoods. In Raichur, where groundwater is fluoride-contaminated, RO units have been installed in schools and villages ensuring safe drinking water and better health outcomes.

In FY 2025-26, we aim to upgrade Poriyalar Park in Madurai through sustainable landscaping and rainwater solutions while expanding the reach of One Billion Drops.

Rajesh Krishnan
CEO, United Way Bengaluru

happiest minds
The Mindful IT Company
Born Digital . Born Agile

Social

In the tranquil embrace of generosity, we caress the soul of joy; in the fervor of true passion, we awaken the quintessence of purpose; and in the serene depths of mindfulness, we unravel the infinite vastness of our being. When love flows unbridled and peace originates from within, life transcends mere chronology and blossoms into an exquisite symphony of meaning, harmony, and boundless grace.

Paul Jacob
Happiness Evangelist & Senior Director
– People Practice

People

Strategic People Practice Framework: Powering Growth at Happiest Minds

Our People Practice strategy is the cornerstone of our ambitious vision to double in size over the next three years. By seamlessly aligning People Practice initiatives with business objectives, we cultivate an agile, future-ready talent ecosystem poised for sustained success.

Compensation and Benefits

Benefits

- **Insurance and Well-being:** Rolled out flexible Gold/Silver Insurance Plans in India, optimized UK premiums by 50%, and expanded care coverage including annual health check-ups
- **Policy and Benefits Enhancements:** Updated holiday structures, introduced the Joy Fund, improved referral incentives, and launched flexible travel and expense policies
- **Compensation and Compliance:** Aligned global pay structures for international and fixed-term members with industry benchmarks
- **Incentives and Rewards:** Launched targeted incentives for Sales and IG Heads, and optimized variable pay to better recognize excellence

M&A and Organizational Evolution

Over the past year, we have executed strategic M&A and transformation initiatives to drive operational efficiency, talent integration, and scalable growth:

- **Aureus (Phase 1):** Successfully aligned policies, processes, systems, and teams
- **SMI Integration:** Seamlessly embedded SMI into our culture and strategic vision
- **Structural Advancements:**
  - Integrated PDES to enhance business synergy
  - Established GBS for streamlined operations
  - Introduced NN sales and verticalization for a focused, client-centric approach

Pioneering Programs for Employee Engagement and Growth

New Program Launches

- **Benevolent Fund (Harmony):** Raised ₹ 4.2 lakhs in 3 months to support member welfare
- **Fixed-Term Employment:** Onboarded 11 hires within 4 months
- **MentorUp:** Reverse mentoring initiative with 100+ participants, enabling cross-generational learning
- **Seven Spokes of Happiness:** Well-being initiative engaging 3,500+ members through expert sessions
- **Applaud:** New Recognition Platform - Peer recognition platform logged 10K+ appreciations in 15 days, with gamified features
- **Apprenticeship Program:** Policy-driven hiring framework enabled hiring lifecycle with 137 apprentices onboarded, supported by robust policies and systems

Strengthening Employee Connections

We enhanced our member engagement initiatives to foster inclusivity, well-being, and a feedback-led *culture that supports stronger leadership and a positive workplace experience.*

- **Mithra (FY 2024-25):** Delivered 400+ counseling hours to 1,409 members
- **Happometer:** Logged 12,432 interactions; 87% reported happiness, offering real-time sentiment insights

New Hire Engagement:

- **Thrive:** Personalized onboarding for 300+ new members
- **Lead and Inspire:** Leadership and career development for 200 members
- **PoSH Training:** Awareness sessions for 135 managers to ensure a safe, inclusive environment

Leadership and Talent Development

We continue to build a high-performing, future-ready workforce through focused leadership programs and continuous development

- **i3 Program:** Completed Batch 1; launched Batch 2 for Delivery Managers, Architects, and Business Analysts
- **Hogan Assessments:** Conducted for 120+ leaders, including C9-level debriefs by Board Member Ms. Anita Ramachandran
- **Global Leadership Development:** Sponsored 2 participants each for executive programs at IIM-B and ISB

People Practice Strategy - 2026

Our People Practice strategy is a cornerstone of our 2026 vision grounded in empowering careers, nurturing future-ready leadership, and fostering a culture of innovation and care. As we aim to double in size over the next three years, our People Practice focus extends beyond structural growth to unlocking the full potential of our people. This includes seamless talent integration, internal mobility, and leadership development that aligns personal aspirations with organizational goals.

Our strategy supports both organic growth and expansion through mergers and acquisitions, ensuring every new member experiences a cohesive, inclusive culture with clear pathways for development. We prioritize meaningful connections, agile processes, and a values-driven environment where individuals are supported, recognized, and inspired to thrive.

A People-First Framework Rooted in Transformation and Business Growth

Our People Practice framework is anchored in four pillars that drive talent empowerment, leadership excellence, and seamless business integration:

Talent Transformation and People Development

We create an inclusive, engaging workplace that supports continuous development and growth.

Internal Career Mobility and Growth Opportunities

- Internal Job Posting (IJP) – Enables members to explore roles, take on new challenges, and build diverse skills
- Talent Marketplace & Skills Matching – Impending AI-driven insights will align talent with suitable opportunities

Continuous Learning and Leadership Readiness

- Advanced Learning Platforms – Combines AI-based skill suggestions, leadership workshops, and hands-on learning
- Career Development Tracks – Structured paths with certifications, coaching, and targeted training

Accelerating High-Potential Talent (HiPO) and Leadership Growth

- HiPO Program – Mentorship and fast-tracked growth for high-potential talent
- Leadership Incubators & Executive Coaching – Real-time guidance from senior leaders for emerging talent

People for Business – Strategic Account Growth

We align talent strategy with business priorities to deepen client relationships and drive growth.

- **Client-Focused Career Paths:** Enable Happiest Minds to grow in strategic accounts, verticals, and key solutions
- **Strategic Workforce Planning:** Ensure talent development supports business objectives and future needs
- **Performance-Driven Rewards:** Recognize and incentivize contributions that directly impact business success

Change Management: Navigating Growth with Agility

We help Happiest Minds adapt to evolving business models, technologies, and market conditions.

- **Change Readiness Programs:** Structured support to build adaptability and resilience
- **Continuous Communication and Engagement:** Transparent updates and regular touchpoints
- **Career Transition Support:** Personalized guidance for role changes and tech adaptation

M&A – Culture and Business Integration

We ensure acquired talent is seamlessly integrated into our culture and operations.

- **Onboarding and Cultural Assimilation:** "Welcome to Happiest Minds" program for smooth transitions
- **Career Continuity and Role Alignment:** Mentorship and mapping to align roles with business needs
- **Cross-Functional Mobility:** Encourages collaboration and innovation across integrated teams

A Culture of Belonging, Purpose, and Growth

We are committed to nurturing an environment where every member feels seen, valued, and empowered to thrive. As we continue to grow, we remain rooted in our people-first philosophy fostering growth, championing innovation, and shaping the future, one empowered mind at a time. Our people-first People Practice strategy integrates career development, leadership readiness, and talent integration to ensure every member:

- Discovering meaningful growth opportunities and new career paths
- Accessing cutting-edge learning and leadership programs
- Navigating career transitions with clarity and support
- Feeling a strong sense of belonging, purpose, and recognition

Culture of Mindfulness

Practicing mindfulness, emotional intelligence, helping members manage stress and anxiety, improve collaboration & productivity

Culture of Happiness Evangelism

The culture of happiness evangelism focuses on actively promoting joy, positivity, and fulfillment within our organizations to enhance overall well-being and productivity

Culture of Wellbeing

EAP program, Holistic well-being - emotional, financial, physical wellness, etc.

Doctor teleconsulting, Leave Donation Program, Compassion Program

Culture of Inclusion

26.6% Gender Diversity, Women in Tech, D&I Sensitization Training

Diversity & Inclusion Glassdoor Score 3.8

Culture of Listening

MITHRA – The Good Samaritan Program, Happometer, Dipstick Surveys, GPTW survey, 360 degree feedback, Feedback for Manager

Culture of Giving

Towards 9.03 Million meals to Akshaya Patra Foundation

Supported over 6 NGOs during Daan Utsav

Culture of Gratitude

Gratitude Stories, Gratitude note to Happiest Minds Family, Peer to Peer Recognition, Spot Awards, iAppreciate

Culture of Learning

Upskilling, cross skilling, mentoring programs, High Potential Programs, Thought Leadership, career path, leadership developmental program

Key Initiatives Undertaken

Culture of Mindfulness

Living Mindfully: Embracing the Present with Awareness and Joy

Mindfulness is the practice of being fully present, free from distraction, judgment, and unnecessary worry. It anchors our attention in the current moment, encouraging openness and acceptance of our thoughts and emotions. Through mindfulness, we engage with life more purposefully, with curiosity and clarity.

The Power of Mindfulness in Daily Life

Integrating mindfulness into daily routines fosters balance and fulfillment. Its benefits include:

- **Enhanced emotional well-being:** Mindfulness supports emotional regulation, reduces anxiety, and cultivates inner peace
- **Greater resilience:** It strengthens our capacity to navigate challenges with calm and composure
- **Heightened creativity:** A clear, focused mind promotes innovative thinking and effective problem-solving
- **Improved decision-making:** Mindfulness enhances clarity and supports deliberate, informed choices
- **Deeper self-awareness:** Presence fosters a stronger understanding of our thoughts, emotions, and behaviors
- **Stronger collaboration:** Mindful workplaces encourage empathy, active listening, and teamwork
- **Increased adaptability:** Remaining present enables confident, flexible responses to change
- **Sustainable happiness:** Regular practice leads to a richer, more meaningful life experience

Mindfulness at Happiest Minds

Mindfulness is integral to our culture at Happiest Minds and is deeply embedded in the 7C Framework of the Happiest People. This guiding philosophy enables us to deliver world-class solutions grounded in our core values, fostering a meaningful and lasting impact across the organization and the broader community. Our approach to mindfulness is two-fold: Being Mindful involves cultivating non-judgmental awareness by remaining fully present and accepting each moment as it is, while Doing Mindful emphasizes engaging the present with focus, curiosity, and openness.

Mindfulness Training in FY 2024-25

1,014
Participants covered in FY 2024-25

6,306
Total Happiest Minds till date

76%
Coverage of Mindfulness training

Mission, Vision and Value (MVV) Training in

1,018
Participants covered in FY 2024-25

6,306
Total Happiest Minds till date

76%
Coverage of MVV training

Culture of Happiness: Cultivating a Culture of Joy and Well-Being

Happiverse

Our thoughtfully designed initiatives promote emotional well-being, foster deeper connections, and cultivate a more fulfilling workplace. Happiverse brings this vision to life through the Seven Spokes of Happiness initiative, which enriches our understanding of happiness and well-being. This includes seven exclusive sessions led by senior leaders sharing insights on happiness and resilience, along with thought-provoking articles offering practical strategies to nurture joy in both personal and professional spheres.

07
Exclusive sessions and articles provided to cultivate happiness

Mindfulness Matters: Strengthening Present-Moment Awareness

Mindfulness Matters is a structured program that empowers members to cultivate self-awareness, reduce stress, and develop a focused, peaceful mindset. Through guided sessions, participants explore techniques to enhance resilience, emotional intelligence, and overall well-being. The program equips individuals with practical tools to stay grounded, manage challenges with composure, and foster a deeper connection to the present moment. By integrating mindfulness into daily routines, members experience greater emotional control, improved concentration, and a more centered approach to work and life.

05
Sessions conducted to build resilience, emotional intelligence, and well-being

200+
Members have embraced mindfulness in daily life

04
Batches delivered tools for calm, clarity, and presence

Happometer: Real-Time Insights into Workplace Happiness

Understanding how our members feel is key to nurturing an engaging and supportive workplace. Happometer functions as a real-time feedback tool that captures emotional well-being and enables timely, empathetic intervention. In cases of workplace dissonance, the Happiness Evangelist receives an immediate alert to provide support. This continuous feedback loop ensures active listening, thoughtful intervention, and ongoing refinement of initiatives, making every voice count and every experience better.

14,297
People engaged with the Happometer

87% (12,432)
Reported feeling happy

The Happiness Compass: Your Monthly Guide to Joy

The Happiness Compass, our monthly newsletter, keeps members informed and inspired through updates on Happiverse programs, insightful articles on the science and philosophy of happiness, and real-life stories from our community. Serving as a guiding light, it reinforces a workplace culture rooted in well-being, collaboration, and meaningful engagement.

Happiness Memoir: Sharing Joy, Spreading Positivity

Happiness Memoir is an initiative that features personal stories shared by Happiness Ambassadors who actively promote joy within the organization. These stories reflect moments of gratitude, overcoming challenges, and everyday experiences that contribute to a positive workplace. By sharing these experiences, we reinforce a culture of appreciation, connection, and shared joy.

Listening Post: A Safe Space for Meaningful Conversations

Listening Post provides a confidential space for members to express their thoughts, concerns, and experiences in a respectful and supportive environment. Facilitated by our Happiness Evangelists, this platform offers consistent opportunities for open dialogue and empathetic listening. It reflects our commitment to maintaining a workplace where every voice is valued, and members feel supported and empowered.

Culture of Inclusion: Embracing Diversity and Belonging

Diversity, Inclusion and Belonging (DEIB) is a core value that shapes our culture and drives our success. We believe DEIB fosters innovation, enhances collaboration, and creates an environment where every individual is respected and valued. Our commitment goes beyond policies, we actively promote inclusion through mentorship, education, and accessibility initiatives that ensure all members feel seen, heard, and empowered. For us, diversity is not only about representation but about building a workplace where everyone genuinely belongs.

Diversity at a Glance

26.6%
Women-led workforce

95%
Maternity return rate

100%
Paternity leave return rate

10 Nationalities
Global workforce brings diverse perspectives

5 Generations
Represented in our workforce, blending fresh ideas with deep experience to drive innovation and collaboration

1,847
Women members supporting career growth and mentorship (Aura ERG&)

10 Members with 8 types of special abilities
Ensuring accessibility and inclusion

28
Cultural backgrounds are celebrated through festivals and engagement programs, fostering inclusivity and cross-cultural understanding

3,120
Members have taken the awareness training sessions to foster understanding, allyship, and inclusivity

Culture of Giving: Empowering Lives Through Compassion

At Happiest Minds, giving back is a fundamental aspect of our ethos, reflected through purposeful initiatives and contributions that create meaningful impact.

Making a Difference, One Contribution at a Time

₹14.5 lakhs
Collected contributions through Daan Utsav, fulfilling 2,479 wishes for children across four NGO partners

₹24 lakhs
Donated to Idhayangal Charitable Trust to support children under 14 with Type 1 Diabetes, ensuring access to life-saving treatment and care

₹10 lakhs
Raised funds for Nanhi Kali (KC Mahindra Trust) through the Happiest Minds Run, supporting STEM education for underprivileged girls

₹140 lakhs
Contributed to The Akshaya Patra Foundation to provide midday meals, supporting the nourishment of schoolchildren

Giving with Heart, Changing Lives

Through these initiatives, we reinforce our commitment to social responsibility, education, healthcare, and community well-being. At Happiest Minds, giving is a consistent practice that contributes to building a better future for all.

Culture of Learning: Empowering Growth and Innovation

Learning is a mindset embedded in our culture. We promote continuous learning to drive curiosity, skill development, and knowledge-sharing, enabling personal and professional growth.

Key Learning Initiatives

Structured Programs
Technical, leadership, and behavioral training for future-ready skills

Digital Platforms
Access to on-demand learning, certifications, and industry-recognized courses

Mentorship and Coaching
Expert guidance to accelerate growth and build leadership capabilities

Innovation and Knowledge Sharing
Hackathons, forums, and cross-functional learning to foster collaboration

Customized Career Paths
Personalized learning journeys aligned with individual goals and business needs

Learning for a Future-Ready Workforce

We foster a culture that prioritizes continuous learning, skill development, and knowledge-sharing to ensure our members remain agile and future-ready. At Happiest Minds, learning is focused on driving innovation, growth, and operational excellence across all areas.

Culture of Listening: Creating a Workplace Where Every Voice Matters

We cultivate a culture of active and empathetic listening, aiming to understand the perspectives, emotions, and needs of our members. This approach fosters trust, openness, and continuous improvement across the organization.

Key Listening Platforms

Ask EB

Enables members to submit questions directly to the Executive Board and CXOs with Prompt responses

AHMM/Townhalls

Open forums for direct interaction and feedback with leadership

We Hear

A confidential channel to report harassment or discrimination directly to the Chief People Officer

Mithra

A peer support platform connecting members with trained in-house volunteers during challenging times

Listening Post

A safe, non-judgmental space facilitated by the Happiness Evangelism team for open dialogue

Building a Culture of Trust and Openness

We foster a workplace where members feel heard, respected, and empowered by embedding listening as a core value. At Happiest Minds, every voice is valued, and these initiatives help strengthen a culture of trust, support, and purposeful engagement.

Culture of Gratitude: Fostering a Workplace Where Appreciation Thrives

At Happiest Minds, gratitude is a fundamental part of our culture. Every session or gathering begins with a moment of thanks, reinforcing appreciation as a shared value. SMILES Cards are available across all facilities, and the Applaud digital platform allows members to recognize contributions from colleagues, managers, and teams, both personally and professionally. This culture of appreciation extends to contributions across business units, the organization, and the community. As part of this commitment, Gratitude Month is observed annually in January, encouraging members to reflect on and express gratitude for the positive aspects of their lives.

15,000

Appreciation shared with 3,300+ individuals over 30 days

15,000+

iAppreciate messages sent by more than 1,100+ people

3,000+

iAppreciate cards used to appreciate team members on the floor

Key Highlights

- Total Completed Responses: **2,330**
- Participation Rate: **46%**
- Gender Split: **73.4%** Male | **26.6%** Female
- Overall Rating: **7.54 / 9**
- HPPS Score: **76**

HAPPIEST PEOPLE PULSE SURVEY (HPPS) is an annual organizational study that offers every member the opportunity to share honest feedback without any constraints. It serves as a strategic tool to celebrate our strengths and continuously improve our processes and policies, ensuring a workplace culture rooted in happiness, belonging, and shared purpose. To ensure meaningful outcomes from the survey, 12 focused review sessions were conducted with Business Unit People Partners and Leaders.

It serves as a strategic barometer, offering deep insights into how our people feel, think, and connect with Happiest Minds. HPPS also gives our members a safe, open space to share feedback without constraints, enabling us to strengthen our processes, policies, and culture in meaningful ways.

Circle of Happiness

As part of our ESG framework for FY 2024-25, the social pillar focused on key priorities including nutrition, health equity, education for the girl child, and member engagement. In addition to structured programs, the year saw increased emphasis on member-driven initiatives such as volunteering, immersion visits, and community participation campaigns.

₹1.84 cr

Total budget allocated

31%

Percentage of overall ESG budget

Social Welfare & Education Initiatives

Mid-Day Meal Program

In partnership with The Akshaya Patra Foundation, we allocated ₹140.0 lakhs to provide balanced meals to children in government schools. This initiative aimed to improve both nutrition and school attendance.

STEM Education for Girls

Through Nanhi Kali – K.C. Mahindra Trust, we supported underprivileged girls by distributing digital kits and learning tools worth ₹10.0 lakhs. The goal was to foster early STEM literacy and boost confidence among young learners.

Child Support

We contributed ₹10.0 lakhs to Bethany for child support initiatives focused on enhancing care and development opportunities for vulnerable children.

Community Giving – Daan Utsav (Volunteering Project)

This member-led initiative raised ₹ 14.5 lakhs voluntarily, fulfilling 2,500 wishes across four NGOs. It highlighted our shared culture of compassion and collective responsibility.

Kitchen Visits

Members visited two Akshaya Patra centralized kitchens to better understand food preparation, logistics, and safety protocols. These non-financial visits deepened awareness of our nutrition initiatives.

Healthcare Interventions

Children Care

Partnering with Idhayangal Charitable Trust, we allocated ₹24.0 lakhs to support screening, nutritional counseling, and lifelong disease management for children under 14 diagnosed with Type 2 Diabetes from marginalized communities.

Blood Donation Drive (Volunteering Project)

In collaboration with Rotary International, we conducted a blood donation drive as a non-financial initiative. Over 100 units were donated by members, contributing to emergency preparedness and broader community health.

Cumulative Financial Summary – Social Pillar

Category	FY25 Budget (₹ Lakhs)	% of Total ESG Budget	FY25 Spent + Committed (₹ Lakhs)	Utilization %
Social Welfare & Education	160	27%	160.0	100%
Healthcare	22.36	4%	24.0	>100%
Total (Social Pillar)	**182.36**	**31%**	**184**	**100%+**

Strategic Alignment

UN SDG Alignment

Lives Impacted (Estimated)

- **15,000+** children via mid-day meals
- **500+** girls supported through Nanhi Kali
- **2,500+** direct beneficiaries through Daan Utsav
- **100+** children under diabetes care
- **100+** blood units collected via Rotary Drive
- **20+** Happiest Minds engaged in immersion visits

Rewards and Recognition

Service Smilestones

Work anniversaries are celebrated as SMILESTONES through personalized mailers and customized gifts.

Awards

The Rewards and Recognition (RnR) Council curates categories such as Quarterly, Annual, Chairman, and Monthly Insta Awards to recognize impactful contributions.

HappiZest Advantage

A points-based member recognition platform where members can earn and redeem points for rewards of their choice.

Culture of Gratitude

Gratitude is integrated into daily routines, with leadership and team meetings beginning with expressions of appreciation.

Applaud

A program that promotes a culture of gratitude by encouraging members to recognize the support and efforts of their colleagues.

Applaud Month

Marked a SMILESTONE with over 15,000 appreciations shared among 4,000+ members across locations

Gratitude by Giving Initiative

Contributed 4,500+ meals, reinforcing our commitment to community support

Benefits

Insurance

- Group Life Insurance
- Group Medical Insurance
- Group Personal Accident Insurance

Corporate Tie-Ups

- Health and Wellness – Hospital and Diagnostic Center Tie-ups
- Parenting and Childcare - Daycare Services, Preschool and School
- Fitness and Wellness – Gym Membership
- Dining - Restaurant Tie-ups
- Beauty and Wellness – Salon Tie-ups
- Corporate Purchase Programs

Special Initiatives

- Care and Compassionate
- Childbirth Gift
- Leave Donation
- Happiest Minds Referral Bonus
- Business Referral Bonus
- Sabbatical Leave
- Medical Leave
- Hybrid Working Model
- Harmony – Benevolent Fund
- MentorUp – Reverse mentoring program
- Restricted Holiday Option

Financial Benefits

- Salary Advance Policy
- Compassionate Loan
- Meal Card
- Company Leased Car
- National Pension Scheme
- Flexible Expense Plan

Physical and Mental Wellbeing

Our wellness partners Happiest Health and Ekincare supports on a host of offerings designed for both physical and mental wellbeing:

- Generic and specialist consultation for members and their family
- Annual Health Checkup - Company sponsored for C7+ or members aged 40+. For other members and family members, exclusive corporate discounts are available
- Employee Assistance Program for members
- Exclusive discount on lab tests and pharmacy
- Onsite medical camps organized regularly for preventive screenings and early health risk identification

Special Women Benefits

- Flexible Timings and Work-from-Home Options
- Bring Your Child to Work
- Maternity Leave
- Maternity Benefits
- Health Camps

Wellbeing on the Web

Health and Security

At Happiest Minds, our people's health, safety, and security are not just operational responsibilities — they are core to our culture of mindfulness, empathy, and collective wellbeing. As we continue to navigate a world marked by unpredictability, our commitment to nurturing a secure and healthy workplace has only grown stronger. This past year, we advanced our people-first philosophy by strengthening our health and wellness ecosystem, enhancing our workplace safety protocols, and reinforcing cyber and information security frameworks — all while enabling our associates to thrive in a hybrid world.

Physical and Mental Wellbeing: The Foundation of a Happy Mind

We take a holistic approach to well-being by addressing physical, emotional, psychological, and social health. In response to member feedback, we introduced programs supporting work-life integration in a hybrid setup and equipped managers to lead with empathy and flexibility. Active participation in wellness initiatives reflected a shared commitment to a healthier, balanced lifestyle.

Initiatives Undertaken

- **Preventive Health Check-ups:** Organized 36 camps to support early detection and proactive health management
- **Mental Health and Emotional Wellbeing Programs:** Offered programs like therapy, group coaching, and awareness sessions to promote mental wellness and team cohesion
- **Healthcare Partnerships:** Partnered with hospitals and health tech providers for easy access to medical consultations and care
- **Wellness Campaigns:** Promoted movement, nutrition, sleep hygiene, and screen-time awareness through targeted campaigns

Safe Workplaces – Physical and Virtual

We prioritize safety across both physical campuses and remote environments, ensuring compliance with safety standards and eco-friendly sanitization. Employees are encouraged to report hazards through internal systems, fostering a proactive safety culture.

Key Initiatives

- **Fire Safety Drills:** Conducted regularly across all facilities to ensure preparedness
- **Compliance Audits:** Regular audits to ensure adherence to safety standards and implement corrective actions as needed

Cybersecurity and Information Protection: Trust by Design

As a digital organization handling sensitive data, we uphold the highest standards of information security. This year, key investments were made to strengthen our cybersecurity, with no major breaches reported, reflecting our commitment to continuous training, vigilance, and robust systems. Our InfoSec team worked closely with Legal, IT, and People Practices ensuring compliance and governance.

Key Initiatives

- **Certifications:** Maintained ISO 27001 and IS 9001 compliance and other relevant standards and certified for ISO 20000
- **Security Awareness Training:** Conducted organization-wide sessions to boost awareness and preparedness
- **Advanced Security Platforms:** Implemented real-time threat monitoring systems.
- **Zero Trust Architecture:** Deployed multi-factor authentication and zero trust architecture across endpoints

Culture of Care and Continuous Improvement

Guided by our core values and sustained through constant feedback, we are building a health- and security-conscious organization. Quarterly Pulse Checks indicated increased psychological safety and higher satisfaction with health and security. We are committed to creating an environment where individuals feel safe, supported, and empowered to excel.

Key Focus Areas for the Coming Year

- **Proactive Health Monitoring:** Introducing new health monitoring and support initiatives
- **Security Champions Network:** Expanding the network within each business unit
- **Resilience Training Modules:** Developing training modules to build resilience in leaders and team leads

Diversity and Inclusion

Diversity, Equity, Inclusion, and Belonging (DEIB)

Diversity, Equity, Inclusion, and Belonging (DEIB) are fundamental to our culture, shaping a workplace where everyone feels seen, heard, and valued. DEIB is not just a policy but a mindset that fosters an environment where individuals from all backgrounds can bring their authentic selves to work. By embracing diversity, we ignite creativity, enhance collaboration, and drive innovation, making DEIB the cornerstone of our success.

Building an Inclusive Workplace: Key Highlights

1. Amplifying Awareness Through DEIB Communication

We prioritize DEIB awareness through various initiatives that encourage active participation and inclusivity. Our efforts aim to foster understanding and spark meaningful conversations around diversity, equity, inclusion, and belonging.

- **International Mother Language Day:** Employees shared meaningful phrases in multiple languages, promoting linguistic diversity and cultural appreciation
- **Diversity and Inclusion Summit:** Engaging sessions and campaigns deepened awareness and encouraged impactful DEIB conversations
- **Autism Awareness Month:** Internal storytelling highlighted neurodiverse voices, fostering acceptance and inclusion
- **Pride Month:** An allyship session with Paul Jacob reinforced LGBTQ+ inclusion and belonging
- **Maa-Anubhav:** Quarterly panels offered new mothers' guidance from experienced moms, building a supportive community
- **Men's Day:** Activities and "Paa-Anubhav" discussions focused on fatherhood and men's well-being
- **Leadership Summit for Professional Women:** A platform empowering women leader through personal branding and career progression
- **DEIB Basics and Engagement:** Interactive learning modules simplified DEIB concepts, encouraging active participation
- **PWD Awareness Campaign:** Initiatives addressed misconceptions and promoted accessibility in the workplace
- **International Day of Persons with Special Abilities:** Training sessions emphasized inclusive communication and workplace accessibility

2. Cultivating an Inclusive Culture

We prioritize cultivating an inclusive culture through various DEIB-focused initiatives. Our Diversity Training Programs equip leaders with skills to foster inclusivity and collaboration.

The Women's Learning and Development initiatives support future-ready women leaders through programs like Leadership Development (Jombay), DEIB Training for Returning Mothers, and Functional Upskilling & Mentorship. We also offer Speed Mentoring for Junior and Mid-Career Professionals, connecting them with industry veterans for rapid guidance, and Technical Training for Career Advancement.

The Speed Mentoring Program fosters strong engagement, bridging the gap between aspiring professionals and mentors with an average rating of 4.5/5 across cohorts.

3. Driving Inclusive Hiring and Career Reintegration

We are committed to driving inclusive hiring and supporting career reintegration. Our Women Hiring Drive focuses on creating equitable opportunities for women professionals across various geographies. The 'Rekindle Your Dreams' program empowers women on career breaks to successfully re-enter the workforce. Additionally, our Veteran Inclusion initiative has led to the successful onboarding of six ex-Indian Armed Forces personnel across diverse business functions, strengthening our commitment to diversity.

4. Supporting Parenthood with MOM-Matter

A structured, compassionate, and comprehensive maternity support program ensuring a smooth career transition for working mothers.

Phase 1: Pre-Maternity

Our proactive approach begins with the WOW (Wellness of Women) initiative, supporting the health and well-being of expectant mothers, and Maa-Anubhav, a peer-mentoring program where seasoned mothers share guidance and experiences.

Phase 2: Maternity Leave

We offer Flexible and Extended Maternity Leave Policies for financial security, alongside personalized support, including commuting assistance and mental wellness resources. The MOM Matters WhatsApp Group fosters a supportive community with real-time interactions.

Phase 3: Post-Maternity

Post-maternity, we provide Reskilling with Udemy Licenses for career growth, Mithra Team Counseling for emotional support, and Childcare Support through childcare partnerships and in-house facilities. Flexible Work Options, such as work-from-home and sabbaticals, ensure a smooth transition back to work.

5. Celebrating Diversity and Cultural Inclusion

- **Women in Tech Series:** A 10-episode series showcasing the journeys of 35+ women leaders in tech
- **Para Athletics Championship Sponsorship:** Empowering specially abled athletes through sponsorship
- **Women Connect:** A program for leadership and women members to engage and support one another
- **Support for Neurodiverse Artists:** Featuring products created by autistic children
- **Veteran Hiring and Recognition:** Honoring the contributions of ex-service professionals on Independence Day
- **Women's Day Celebrations:** Multi-location events recognizing the achievements of women across industries

Our Commitment to Inclusion

Happiest Minds is steadfast in its dedication to cultivating a workplace where diversity is cherished, inclusion is deeply embedded, and every Happiest Mind is empowered to thrive. Our journey towards a more inclusive future continues with unwavering passion and commitment.

Learning and Development

Learning and Development at Happiest Minds is a continuous process focused on building an agile, creative, and collaborative workforce aligned with business objectives. Our dynamic, future-ready programs equip our teams with the skills, tools, and technological expertise needed to grow professionally while supporting both individual aspirations and organizational goals.

Key Matrix : Business Enabling Programs

2,862 Trained - Udemy	**3,586** Trained - VILT	**4,486** Total Happiest Minds Trained	**4,380** Trained Tech	**1,330** Trained PDP	**87,613** Hours VILT/ILT
67,177 Hours Udemy	**1,54,790** Total Hours	**30.7** Average Training Hours Per Member	**120.39%** Target Achieved	**25.5** Target Hours	

Programs Undertaken

- **Business Enabling Programs:** Focused on technical training and professional development
- **Orientation Programs:** Cover MVV (Mission, Vision, Values), mindfulness, assimilation, and diversity and inclusion
- **Compliance Programs:** Include information security and workplace safety training

Total learning hours is a summation of learning hours executed under each of these categories.

Training Mode

- VILT-Virtual Instructor-Led Training
- ILT-Instructor-Led Training
- E-Learning

Key Highlights of Our Learning Initiatives (Technical)

Focused upskilling initiatives were implemented to address project-specific skill gaps, while targeted technical mentoring supported the growth of high-potential members. These efforts led to improved deliverables, enhanced team productivity, and increased motivation across teams.

26.86
Target learning hours achieved vs. a goal of 22.5 (FY 2024-25)

72%
Competency training coverage for levels C1 to C4 — the highest across all categories

83
Leaders trained through role-based tracks over 6 months

187
Internal technical programs delivered by SMEs, totaling 2,205 learning hours and saving ₹10 million

71%
Billable members trained in GenAI Awareness and GitHub Copilot

PDP Highlights

- **Track-Based Learning (i3 Initiative):** Batch 2 launched for 29 Delivery Managers, 27 Business Analysts, and 25 Project Managers, focusing on behavioral, functional, and leadership skills over 6 months with external partners
- **D-Hub Domain Learning:** Rolled out in collaboration with IG heads and SMEs; 58 RCL participants completed Phase 1, 40 partially completed. Content in progress for Healthcare, BFSI, and EdTech domains
- **Managerial Communication Skills:** Training for 340 Happiest Minds in Noida, Bhubaneswar, and Bengaluru with a 4.7/5 rating
- **Leadership 101 (Madurai):** Program delivered to 26 Managers with a feedback rating of 4.4/5
- **First Time Manager Program:** Completed by 36 new managers across BUs as part of role transition initiatives

Talent Acquisition

Our Talent Acquisition (TA) function continues to evolve into a dynamic, AI-enabled, and analytics-driven process, enabling swift, data-informed decisions. We remain focused on being an employer of choice, driven by a differentiated hiring strategy that delivers superior candidate experiences and builds future-ready capabilities.

Agility and Scalability in Hiring

In FY 2024-25, we enhanced the scalability, speed, and alignment of our hiring processes with business priorities through the following initiatives:

- **Agile Offer Processes:** Enabled faster time-to-hire by issuing offer letters for high-priority roles based on pre-approved grids for each Business Unit (BU)
- **Advanced Sourcing Strategies:** Leveraged AI-powered tools for talent matching and pipeline development, resulting in 60% hires through direct sourcing, 14% through members referral and 26% via vendors
- **Streamlined Interviewing:** Limited interview rounds to two, focusing on assessing candidate potential, cultural fit, and past performance
- **In-Person Final Interviews:** Shifted most final rounds to in-person to deepen candidate engagement and strengthen rapport
- **Stakeholder Collaboration:** Conducted regular calibration meetings with BUs to align on skill needs and market-relevant compensation
- **Post-Offer Candidate Engagement:** Introduced project and client panel interactions post-offer to drive higher acceptance
- **Enhanced Candidate Experience:** Trained interviewer panels on professionalism, empathy, and timely communication. Candidate feedback loops were institutionalized for continuous improvement, resulting in higher joining ratio
- **Geo-Aligned Vendor Partnerships:** Built strategic relationships with local vendors to support global hiring, especially for niche and hard-to-fill roles

Technology and Innovation

We continue to embed technology and innovation across our recruitment lifecycle. By leveraging AI and analytics, we automate key hiring processes to improve efficiency and decision-making. The launch of virtual talent communities helps us engage passive candidates and build continuous talent pipelines. Additionally, the use of interactive assessments and digital onboarding tools enhances both candidate experience and process effectiveness.

Equal Opportunity and Inclusion

Happiest Minds remains committed to equal employment opportunities, maintaining fair and unbiased practices across all levels without discrimination on race, ethnicity, gender, age, sexual orientation, or ability. We track diversity metrics rigorously, publishing quarterly dashboards reviewed by the Executive Board.

302

Women onboarded, contributing to an overall diversity hiring ratio of 26.6%

Diversity & Inclusion Initiatives

We are committed to fostering a diverse and inclusive workforce through targeted, measurable actions:

- **BU-Led Diversity Goals:** Business Units drive diversity targets through hiring campaigns, hackathons, and campus/lateral recruitment, with quarterly progress shared with leadership
- **Inclusive Hiring Training:** Recruiters and managers undergo regular training on unconscious bias and inclusive hiring practices
- **Leadership Diversity:** TA focuses on increasing diversity in leadership roles, aligned with succession and development plans
- **Boomerang Hiring:** Former Happiest Minds can rejoin through a simplified, fast-tracked process with minimal interviews

Future-Ready Hiring Process

Our hiring approach is designed to be future-ready, with a strong focus on recruiting talent in emerging technology areas such as AI, cloud computing, cybersecurity, and data science to meet evolving business demands. In parallel, we actively support upskilling and internal mobility programs, ensuring continuous talent development while complementing it with strategic external hiring.

Key Talent Acquisition Highlights

- **Global Reach:** We hire in about 17 countries globally, with our TA team present across 8 different locations
- **Campus Commitment:** All campus offers were honored
- **Leadership Hiring:** Successfully onboarded 32 leaders
- **TA Alignment to Outcomes:** Introduced incentive-linked performance metrics for the TA team
- **Tech Panel Engagement:** Introduced incentives for tech panels to drive timely interviews and quality assessments
- **Global Referral Policy:** Implemented a unified referral policy — any member can refer to any position, regardless of job location

Responsible Supply Chain

Empowering Partnerships for Sustainable Value

We regard our supplier relationships as strategic partnerships that reinforce business integrity, operational resilience, and social responsibility. Our framework emphasizes ethical conduct, inclusive economic development, and continuous improvement across all tiers of the value chain.

Supply Chain Policy and Code of Conduct

Our Supply Chain Policy and Supplier Code of Conduct define the ethical, legal, and sustainable standards we expect from all suppliers. All suppliers must acknowledge and comply with the Code as a means of doing business with Happiest Minds. Adherence is monitored through risk-based assessments and ongoing engagement.

Key Policy Principles

- Respect for human rights and labor standards, including fair wages, non-discrimination, and a strict prohibition of forced or child labor
- Commitment to occupational health and safety
- Environmental stewardship and compliance with applicable regulations
- Ethical business conduct, including anti-corruption practices
- Compliance with laws and transparent operations

Procurement Practices and Local Procurement

Our procurement practices are developed on fairness, transparency, and value creation across the supply chain. ESG considerations are integrated into our supplier selection and evaluation processes.

In FY 2024-25, we strengthened our focus on local procurement by engaging regional vendors and MSMEs (Micro, Small, and Medium Enterprises) to promote inclusive growth and mitigate supply chain risk.

Supplier Audits, Assessments and their Outcome

As part of our efforts to enhance supply chain resilience and sustainability, we are evaluating the introduction of a supplier audit framework for reporting periods in future.

No formal supplier audits or assessments were conducted during the reporting period. However, we continue to engage suppliers through standard procurement protocols and contractual compliance measures.

We are enhancing our supplier engagement model with implementations planned for training and audits. Future initiatives will focus on raising compliance awareness, promoting ethical sourcing, and enabling digital collaboration with key partners.

Supplier Capacity Building

We are committed to building strong, transparent, and compliant supplier partnerships from the outset. All suppliers undergo a structured onboarding process that includes submission and verification of key business and compliance documents such as bank account details, Certificate of Incorporation, GST registration, MSME certification (if applicable), and a formal escalation matrix. This ensures that suppliers meet regulatory, operational, and communication standards before engagement.

- Supplier data is maintained in a centralized system to support seamless communication and traceability
- We prioritize MSME-certified suppliers to promote local and inclusive economic development
- In the coming year, we plan to explore supplier training modules and self-assessment tools to further strengthen compliance and performance

Support for Performance Improvement

While no formal performance improvement programs were implemented during the reporting period, we remain committed to enhancing supplier engagement. We recognize the importance of supporting suppliers in meeting compliance expectations and improving long-term operational and sustainability performance.

Planned initiatives include

- Exploring digital platforms for centralized documentation and compliance tracking
- Establishing structured feedback mechanisms to enhance accountability
- Identifying opportunities for knowledge-sharing and training
- Developing support frameworks aligned with ESG goals

These efforts reflect our long-term goal of building a responsible, high-performing supplier network that supports both our sustainability commitments and broader business objectives.

We recognize the increasing importance of embedding ESG into supply chain management and are actively working to strengthen our approach. However, formal Key Performance Indicators (KPIs) to track the ESG performance of our suppliers are yet to be implemented.

In upcoming reporting periods, we plan to develop and roll out a comprehensive set of Supplier ESG KPIs. These will help us assess and improve supplier sustainability practices, ethical conduct, and governance standards, ensuring alignment with our overall ESG strategy.

We will continue to engage suppliers through existing procurement and compliance processes, while exploring ways to integrate measurable, actionable ESG metrics across the supply chain. Our goal is to establish a robust Supplier ESG framework in the near future.

Communities

Forging growth inclusively

Volunteering & Community Engagement Highlights

Initiative	Outcome
Daan Utsav	₹14.5 lakhs raised by members, 2,500 wishes fulfilled for 4 NGOs.
Kitchen Immersion Visits	2 kitchens visited by members to enhance understanding of large-scale meal logistics.
Blood Donation with Rotary	Over 100 blood units donated, boosting local blood bank reserves and civic awareness.

Governance

Governance within ESG centers on ethical leadership, transparency, and accountability across all our decision-making processes. We are committed to maintaining robust governance structures that promote responsible business practices and create long-term value for our stakeholders.

Our ESG strategy is shaped and overseen by the senior management and business leaders, who regularly report the proceedings to the Executive Board and Board of Directors. They work in close coordination with the Risk Management and CSR Committees to address emerging challenges and drive social impact initiatives.

We embed ESG into our business strategy, enhancing stakeholder value through improved trust, collaboration, innovation, member engagement, and environmental stewardship.

Our Compliance function ensures oversight, monitors regulatory changes, meets stakeholder expectations, and aligns with strategic goals

The Board holds quarterly investor discussions. The Executive Board conducts AHMM (All Happiest Minds Meet) Town Halls and investor/ analyst meetings. Annual Customer and Shareholder Surveys help assess performance and identify areas for improvement.

Scaling Key Accounts

Board Diversity

Transparency and Disclosures

Corporate Strategy and Compliance

Stakeholder Engagement

Our governance is built on integrity, accountability, and stakeholder trust. We integrate ESG into operations and ensure compliance through a RegTech tool, with quarterly reviews by the Board.

The Board holds quarterly investor discussions. The Executive Board conducts AHMM (All Happiest Minds Meet) Town Halls and investor/ analyst meetings. Annual Customer and Shareholder Surveys help assess performance and identify areas for improvement.

Governance and Ethics

To promote fairness and transparency, the Company has developed and put in place policies that are aligned with our Company's Code of Conduct standards. These policies encompass:

Zero Tolerance for Bribery and Corruption

We maintain zero tolerance for bribery and corruption through our Integrity Policy, which upholds legitimate business practices and prohibits any form of misconduct. To support this, we have implemented a secure platform, WE HEAR, that enables members to report unethical behavior, suspected fraud, or violations of our Code of Conduct and Ethics. Our Grievance Resolution Policy ensures that concerns raised through WE HEAR are addressed within two working days, with an option to escalate unresolved matters directly to the Executive Board or Executive Chairman. Additionally, forums such as Just Ask, Ask EB, and Ask Ashok offer members multiple avenues to voice concerns, reinforcing our commitment to a transparent, safe, and responsive workplace culture.

Promoting Health and Safety Standards

Our Health and Safety Policy reflects our commitment to a safe, healthy workplace. It focuses on preventing hazards, complying with safety norms, and promoting well-being through training, risk assessments, and proactive initiatives. Collaboration between members and management is key to building a strong safety culture and responding quickly to health risks.

Reporting Misconduct with Protection

Our Whistle-Blower Policy affirms our commitment to ethical conduct. It provides a secure channel for members and consultants, including those in subsidiaries to report potential violations of laws or internal policies. The policy ensures protection against retaliation, creating a safe space for open communication.

Upholding Ethical Standards

Our Integrity Policy defines our core values: Sharing, Mindful, Integrity, Learning, Excellence, and Social Responsibility (SMILES). Integrity, a key value, highlights the importance of honoring commitments. It promotes reliability, honesty, and professionalism, encouraging us to do the right.

Promoting a Respectful and Safe Workplace

We are dedicated to a respectful, inclusive, and harassment-free workplace. Our Disciplinary Policy supports fair and consistent handling of misconduct, focusing on behavioral improvement aligned with Company values. An Internal Committee addresses complaints under the PoSH Act, supported by year-round training and awareness programs. These efforts help foster a workplace where all Happiest Minds feel safe, valued, and respected.

Preserving Human Rights

We are firmly committed to upholding human rights and stand unequivocally against all forms of modern slavery. Guided by our mission Happiest People, Happiest Customers, we strive to create a workplace where individuals can thrive through a culture rooted in fairness, transparency, and joy. Our 7Cs of the Happiest People Framework—Culture, Credibility, Collaboration, Contribution, Communication, Community, and Choice—underscore our focus on well-being, work-life balance, and social responsibility.

Focus on Diversity, Equal Opportunity, and Inclusion (DEI)

Diversity, Equal Opportunity, and Inclusion are central to our values and operations. Through the Happiest Minds Diversity Council, we actively shape a culture of inclusion, using team feedback to inform new initiatives and continuously improve our DEI practices. This commitment extends to our partners and vendors, who are expected to uphold our Vendors' Code of Conduct, covering key principles such as freedom of employment, safe working conditions, fair compensation, and non-discrimination.

Business Continuity Plan (BCP)

Our Business Continuity Plan is designed to ensure uninterrupted operations during and after disruptions whether natural or man-made, while protecting our people, assets, and service delivery. It addresses a range of risks including technical failures, natural disasters, and emergencies, and is regularly communicated across business units and updated as needed. Access controls safeguard physical and digital assets, while our Information Security Policy reinforced through mandatory training ensures data confidentiality and integrity.

Key Components of the BCP

Disaster Recovery Plan (DRP)

Focuses on restoring critical IT and business functions, maintaining security throughout recovery.

Management Support

Senior management ensures enterprise-wide commitment.

Risk Assessment & Business Impact Analysis

Identifies threats and evaluates potential business impacts to prioritize response.

BCP Development

Tailored plans outlining roles, resource backup, vendor support, and service continuity.

Testing & Maintenance

Ongoing testing and reviews keep the plan current with organizational and environmental changes.

Tax Strategy at Happiest Minds

Our tax strategy is rooted in a strong commitment to legal compliance, due diligence, and sound governance. Given the dynamic nature of tax legislation, we take a proactive and structured approach to monitor, interpret, and respond to legislative changes, regulatory updates, and judicial rulings. Each matter is evaluated on a case-by-case basis to ensure our tax positions align with applicable laws.

We draw on relevant case laws and jurisprudence to guide our interpretations, ensuring our approach is consistent with prevailing legal precedents and judicial interpretations. This strategy underscores our broader commitment to transparency, legal integrity, and corporate responsibility adhering to both the letter and the spirit of the law.

Data Privacy and Security

We maintain robust processes and controls to manage cybersecurity risk in line with evolving threats and regulations. We regularly assess our security and privacy programs through internal and external audits, continuously enhancing our infrastructure.

To strengthen our commitment to privacy, we adopted ISO 27701, the Privacy Information Management System (PIMS) in December 2022. This globally recognized standard, audited annually by third-party auditors, helps us formalize and standardize privacy policies and practices. We developed data flow maps, evaluated operations, identified privacy risks, and implemented effective mitigation measures and controls.

Key Policies/Practices

- Release of Happiest Minds Privacy Policies
- Privacy Training and Awareness Programs
- Appointment of a Data Protection Officer (DPO)
- Performing Data Privacy Impact Assessment (DPIA)
- Establish Contracts and Data Protection Agreements (DPA) with Third-Party Processors
- Defining Data Breach Notification and Response Process

The data privacy requirements and regulations worldwide led us to adopt ISO 27701, a Privacy Information Management System (PIMS), in December 2022, which is audited and certified annually by third-party auditors. This facilitated documenting and applying standardized privacy policies and procedures. With all these privacy controls already established, we will meet the needs of India's Digital Personal Data Protection Bill of 2023 and Digital Personal Data Protection Rules of 2025, so we are still responding to the privacy risk and regulatory need.

Key Capabilities of the Integrated Information Security and Privacy System

We have built a comprehensive Information Security and Privacy System to safeguard data and uphold stakeholder trust. Key capabilities include:

Data Inventory

We maintain detailed records to monitor, validate, and ensure the accuracy and completeness of personal information (PI).

Data Privacy Impact Assessment (DPIA)

We conduct thorough risk assessments of PI-handling processes and implement appropriate mitigation controls to manage identified risks.

Data Subject Requests

We have established mechanisms that enable individuals to exercise their rights such as data deletion, subscription management, updates, or opting out of data sale through accessible and transparent processes.

Data Security

We embed privacy principles like "Privacy by Design" and "Privacy by Default" into our software development lifecycle. Our infrastructure is fortified to prevent unauthorized access or data leaks, integrating privacy with our broader security framework.

Vendor Management

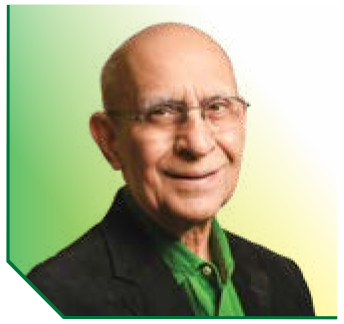
We maintain a complete inventory of vendors and conduct security and privacy risk assessments prior to onboarding and periodically thereafter, ensuring compliance with our security standards.

Oversight and Monitoring

Internal and external audits help us monitor the effectiveness of our security and privacy protocols. Leveraging advanced technologies, a robust set of security controls, and a mature governance framework, we continually improve our systems to ensure data security and privacy across all stakeholder interactions.

We have further strengthened our capabilities through enhancements such as network segmentation, Zero Trust architecture migration, advanced cloud and application security protocols, and stringent data leakage prevention measures.

Board of Directors



Ashok Soota
Chairman & Chief Mentor
M M

Anita Ramachandran
Independent Director
M C C M M

Joseph Anantharaju
Co-Chairman & CEO
M M M

Mittu Sridhara
Independent Director
M M M C

Rajendra Srivastava
Lead Independent Director
M M M C C

Rajiv Shah
Executive Director
M M

Shuba Rao Mayya
Independent Director
C M C M

Venkatraman Narayanan
Managing Director
M M M M

Board Committees

- Audit
- Nomination, Remuneration & Board Governance
- Corporate Social Responsibility
- Administrative and Stakeholders Relationship
- Risk Management
- Strategic Initiatives

Executive Leadership & CEO's

Ram Mohan C
CEO, Infrastructure Management & Security Services (IMSS)

Anil Baid
Chairman and Chief Strategy Officer, PureSoftware Business

Abhishek Pakhira
CEO, Aureus Business

Manish Sharma
CEO, PureSoftware Business

Sridhar Mantha
CEO, Generative AI Business Services (GBS)

Senior Management

Anand Balakrishnan
Chief Financial Officer

Anand Veeramani
Sales Head, IMSS, EMEA & India

Balasubramanian K
IG Head: Hi-Tech, Media & ISV

Dinesh Ramachandran
Sales Head ANZ and Head - Strategic Alliances

Isaac George
Geo Head and Sales Head – PDES, UK & Europe

Kannan Srinivasan
Head of Security Practice and Delivery, IMSS

Maninder Singh
Chief Growth Officer, PDES

Poornima Bethmangalkar
IG Head: Industrial, Manufacturing, Energy & Utilities

Praveen RP
COO, GBS

Praveen Kumar Darshankar
Head of Legal, Company Secretary and Compliance Officer

Preeti Menon
CDO, PDES

Priya Prasad
IG Head: Retail, CPG & Logistics

Raja Sekher
Head - Engineering & Business Excellence

Rajesh Chandran Sogasu
Head - Talent Acquisition and L&D

Ramu MR
CoE Head - Digital Process Automation

Ritesh Gupta
CTO, PDES

Rohit Mathur
Sales Head, PDES

Sachin Khurana
Chief People Officer (CPO)

Sajith S Kumar
CIO

Sameer Jain
Chief Business Officer,
PureSoftware Business

Srinivas Iyengar
IG Head: Healthcare
& Life Sciences

Subhasis Bandyopadhyay
IG Head: Banking, Financial
Services, & Insurance

Suresh Kanniappan
Sales Head, IMSS, US

Sundar Ramaswamy
CoE Head - AI/Analytics

Vandana Singal
Pre-Sales Head, PDES

Vijay Bharti
CISO

Vivek Manu
Head - Practices, PDES

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Board's Report

Dear Members,

Your Directors take pleasure in presenting the Fourteenth Annual Report covering the highlights of the finances, business and operations of your Company. Also included herein are the Audited Financial Statements of the Company (standalone and consolidated) prepared in compliance with Ind AS Accounting Standards, for the financial year ended March 31, 2025.

Highlights of Financial Performance

(Amount in ₹ Lakhs)

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

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

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

Management Discussion and Analysis

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

Dividend & Transfer to Reserves

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

In accordance with the said policy, your Directors declared an interim dividend of ₹ 2.50/- per equity share in the Board meeting held on November 13, 2024, and are pleased to recommend a final dividend of ₹ 3.50/- per equity share for the financial year ended March 31, 2025, i.e., the total dividend for the current financial year under review being ₹ 6.00/- per equity share (previous financial year - ₹ 5.75/- per equity share). If the above recommendation is accepted by the Members of the Company at the ensuing Annual General Meeting, the total outflow on this account will be ₹ 9,136.49 Lakhs.

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

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

Mergers & Acquisitions

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

The current M&A priorities are:

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

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

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

Subsidiary Companies

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

- Happiest Minds Inc., USA (formerly PGS Inc.),
  - AureusTech Systems LLC (till December 31, 2024)
  - AureusTech Systems Canada Ltd
  - AureusTech Systems Private Limited ("Aureus")
- Sri Mookambika Infosolutions Private Limited, India ("SMI"),
- Happiest Minds Edutech Private Limited, ("formerly known as Macmillan Learning India Private Limited / Intellus Software India Private Limited)
- PureSoftware Technologies Private Limited, India ("PureSoftware"),
  - PureSoftware Pte Limited (Singapore)
  - PureSoftware Africa Limited (Kenya)
  - PureSoftware Private Limited (UK)
  - PureSoftware Technologies Romania SRL (Romania)
  - PureSoftware Corp (USA)
  - Pure Conference Private Limited (India)
  - PureSoftware Sdn. Bhd. (Malaysia)
  - PureSoftware Private Limited (Nepal)
  - PureSoftware Pty (Australia)
  - PureSoftware Technology S. De.R.L. De. C.V., (Mexico)
  - PureSoftware HK Limited (Hongkong)
- InnovazIT Technologies LLC, Dubai,
- GAVS Technologies LLC, Oman,
- GAVS Technologies Saudi Arabia for Telecommunications and Information Technology, Saudi Arabia

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

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

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

Recognitions

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

Share Capital and Debentures

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

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

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

Directors and Key Managerial Personnel

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

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

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

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

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

Policy on Nomination and Remuneration of Directors

This policy on the nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated by the Nomination, Remuneration and Board Governance Committee and approved by the Board of Directors of the Company. The policy is guided by the principles and objectives as enumerated under the provisions of the Companies Act, 2013 and the Listing Regulations, to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. A copy of the policy is uploaded on the Company's website at https://www.happiestminds.com/investors/policy-documents/.

We confirm that the remuneration paid to Directors, Key Managerial Personnel and Senior Management Personnel is in accordance with the said policy of the Company. The statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this report as Annexure II.

None of the Executive Directors of the Company were in receipt of any commission from the Company or any remuneration from the subsidiaries of the Company.

Familiarization Program for Independent Directors

The Company has in place a familiarization program for its Independent Directors. The objective of the program is to familiarize Independent Directors on our Board with the business of the Company, industry in which the Company operates, business model, challenges etc. through various programs which includes interaction with subject matter experts within the Company, meetings with our business leads and functional heads on a regular basis.

The familiarization program and other disclosures as specified under the Listing Regulations is available on the Company's website at https://www.happiestminds.com/investors/disclosure/HappiestMinds-Details-of-Familiarization-Programme.pdf

Board Evaluation

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

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

- Plan and dedicate more time to review business risks, long term viability, acquisitions we should pursue etc.
- Organize periodical meetings with the Board and next level leaders and have open and transparent discussions.
- The Board should conduct a thorough review of acquisitions, posing critical questions such as why the acquisition is being pursued, what long-term value it is expected to bring, and how it has performed historically. Additionally, the Board must ensure accountability if an acquisition does not meet expectations and regularly seek updates on progress toward its strategic objectives.
- The Board should establish a mechanism to monitor the progress of its succession plan and regularly review whether the organization is providing the appropriate training and investing adequately in employee development.
- The Board should reassess the overall mandates of certain committees, including the Risk Management Committee and the Strategic Initiatives Committee.

Committees of the Board

The details of the powers, functions, composition, and meetings of the Committees of the Board held during the year are given in the Report on Corporate Governance section forming part of the Annual Report.

Board Meetings

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

Corporate Governance

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

A Certificate from M/s. V Sreedharan & Associates, a firm of Company Secretaries in practice, confirming the compliance with the conditions of Corporate Governance as stipulated under the said Regulations is attached as Annexure VI to this Report.

Employees Stock Option Plan (ESOP)

During the year under review, no fresh grants were made under the Happiest Minds Employee Stock Option Scheme 2020, however, your Board of Directors at its meeting held on April 02, 2025, based on recommendation of Nomination, Remuneration and Board Governance Committee, approved to grant 109,070 Options to some of its senior executives.

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

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

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

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

Code for Prevention of Insider Trading

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

Vigil Mechanism

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

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

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

Annual Return

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

Software Technology Park

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

Deposits

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

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

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

Loans, Guarantees and Investments

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

Related Party Transactions

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

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

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

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

Auditors & Auditors' Report

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

The Auditors' Report does not contain any qualification, reservation, or adverse remark on the financial statements for the financial year ended March 31, 2025. The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed M/s. V Sreedharan & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report issued by them for the financial year ended March 31, 2025, is attached as Annexure VII to this Report. The Secretarial Audit Report does not contain any qualifications, reservations, or adverse remarks.

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

Sustainability and Corporate Social Responsibility (CSR)

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

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

Risk Management

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

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

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

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

People Practices

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

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

Digital transformation remained central to our operating rhythm. We deepened the integration of our HRMS ecosystem to create a more seamless people experience, while Power BI-enabled dashboards provided real-time visibility into talent movement for leadership teams. A full-scale validation of people master data reinforced system-wide compliance and data fidelity. These capabilities, paired with a robust governance framework, enabled us to successfully conclude five critical audits—ISO 9001, 27701, 20000, and PIMS—demonstrating our ongoing commitment to operational transparency and global audit readiness.

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

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

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

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

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

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

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

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

Looking ahead to FY 2025–26, our People Practices strategy will focus on enabling a digitally empowered, deeply human experience. Our priorities include building intelligent, people-first systems; designing hyper-personalized growth journeys; institutionalizing a Culture OS grounded in micro-moments of inclusion; advancing predictive workforce analytics; and embedding holistic well-being into leadership performance metrics. Through these levers, we aim not just to support the business but to be a source of sustainable competitive advantage—fueling performance, resilience, and belonging.

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

Quality and Service Management System (QMS, SMS)

1. Quality Policy

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

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

Our new **SMS policy** is.

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

2. Management Framework

Our strategy towards continual quality improvement is derived from our Vision, business needs, technology changes, customer feedback, suggestions, and process performance. Our quality processes, based on industry best practices, are continually refined through experience and external assessments. Your Company has received accreditation on international quality and process models, including ISO 9001:2015. In December 2021, your Company was recertified for ISO 9001:2015. We have undergone recertification audit in December 2024 updating our new IG based organization structure. External auditors have also appreciated our effort towards getting new climate changes as part of ISO. We also updated our Information Security standards to ISO 27001:2022 and privacy standards to ISO 27701:2022. This guides our policies and procedures for protecting information security, our own software enablers and customers' software enablers.

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

3. Engineering Practices

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

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

4. Systems Driven Approach

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

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

5. Quality First

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

6. Rapid Iteration and Experimentation

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

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

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

7. Information Transparency

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

8. Continuous Learning

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

9. Involve to Evolve

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

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

10. Rewards and Recognitions

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

11. Customer Connect

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

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

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

Internal Control System

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

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

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

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

Employees' Remuneration

As per the proviso to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement containing the names and other details of employees drawing more than ₹ 10.2 million per financial year or ₹ 0.85 million per month, as the case may be, are set out in a separate Annexure forming the part of Board's Report. However, in terms of Section 136(1) of the Act, this report is being shared excluding the aforesaid Annexure and is available for inspection. Further, as per the proviso to Rule 5(3) of the said Rules, the particulars of employees posted and working outside India not being Directors or their relatives, need not be included in the Board's Report but, such particulars shall be furnished to the Registrar of Companies. Accordingly, this Report does not contain the particulars of employees who are posted and working outside India. If any Member is interested in obtaining the aforesaid information, such Member may write to the Company in this regard.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, with respect to Directors Responsibility Statement, it is hereby confirmed that:

(i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

(ii) Accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year 2024-25 and of the profit or loss of the Company for that financial year.

(iii) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) The Annual Accounts have been prepared on a going concern basis.

(v) Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operate effectively.

(vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

Secretarial Standards

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

Cost Audit

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

Insolvency and Bankruptcy Code

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

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

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

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

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

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

PoSH Committee:

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

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

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

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

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

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

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

Other Action taken to create awareness:

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

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

Full Disclosure Statement:

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

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

Disclosure under Maternity Benefits Act, 1961

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

Acknowledgements

Your Directors have pleasure in recording their appreciation for all the guidance and co-operation received from all its customers, Members, investors, vendors, partners, bankers, government authorities and other stakeholders for their consistent support to your Company in its operations. Your Directors take this opportunity to place on record their sincere appreciation of the dedication, contribution and commitment of all Happiest Minds in Company's growth.

For and on Behalf of Board

Venkatraman N
Managing Director
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

Bengaluru
Dated: June 30, 2025

Annexure I to Board's Report

Form AOC-1

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

Part A Subsidiaries

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

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

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

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

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

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

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

1	Name of the subsidiary	**GAVS Technologies Saudi Arabia for Telecommunications and Information Technology**
2	The date since when subsidiary was acquired	February 01, 2025
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	February 01, 2025 till March 31, 2025
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting currency – SAR (Exchange Rate: 22.78)
	Financial Details as on March 31, 2025	**Amount in ₹ Lakhs**
5	Share capital	22.78
6	Reserves and surplus	-44.97
7	Total assets	82.84
8	Total Liabilities	105.03
9	Investments	-
10	Turnover	-
11	Profit before taxation	-33.96
12	Provision for taxation	3.74
13	Profit after taxation	-37.7
14	Proposed Dividend	-
15	Extent of shareholding (in percentage)	100%

Notes:

1. Names of subsidiaries which are yet to commence operations- Nil
2. Names of subsidiaries which have been liquidated or sold during the year- Nil
3. Part B of the Annexure is not applicable as there are no Associate Companies / Joint Ventures of the Company as on March 31, 2025

For and on behalf of Board

Venkatraman N
Managing Director
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

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

Bengaluru
Dated: June 30, 2025

Annexure II to Board's Report

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each Director and Key Managerial Personnel to the median remuneration of the employees of the Company for the financial year ended March 31, 2025, and percentage increase in remuneration compared to last financial year:

Director/ KMP	Designation	% increase in remuneration compared to last FY	Ratio to median remuneration of employees
Ashok Soota	Chairman & Chief Mentor	0.00%	11.65
Venkatraman Narayanan	Managing Director & CFO	0.00%	10.91
Joseph Anantharaju	Co – Chairman & CEO	0.00%	25.91
Rajiv Shah	Executive Director	0.00%	22.32
Rajendra Kumar Srivastava	Lead Independent Director	NA	1.76
Shuba Rao Mayya	Independent Director	NA	1.47
Anita Ramachandran	Independent Director	NA	1.47
Mittu Sridhara	Independent Director	NA	1.47
Praveen Kumar Darshankar	Company Secretary & Compliance Officer	11.01%	4.19

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

2. Percentage increase in the median remuneration of employees in the financial year ended March 31, 2025: 13.12%

3. No. of permanent employees on the rolls of Company as on March 31, 2025, was 5,039

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

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

5. Affirmation that the remuneration is as per the remuneration policy of the Company:

   Your Company affirms that the remuneration of Directors and Key Managerial Personnel was as per the Remuneration Policy of the Company.

For and on Behalf of Board

Venkatraman N	**Ashok Soota**
Managing Director	**Chairman & Chief Mentor**
DIN: 01856347	DIN: 00145962

Bengaluru
Dated: June 30, 2025

Annexure III to Board's Report

FORM NO. AOC.2

Details of Related Party Transaction

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a) Name(s) of the related party and nature of relationship	**Not Applicable.**
(b) Nature of contracts/arrangements/transactions	There were no transactions or arrangements which were not at arm's length, and which were not in the ordinary course of business during financial year 2024-25.
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship	**Not Applicable.**
(b) Nature of contracts/arrangements/transactions	There were no material contracts or arrangements with related parties during financial year 2024-25.
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Date of approval by the Board	
(f) Amount paid as advances, if any:	

For and on Behalf of Board

Venkatraman N	**Ashok Soota**
Managing Director	**Chairman & Chief Mentor**
DIN: 01856347	DIN: 00145962

Bengaluru
Dated: June 30, 2025

Annexure IV to Board's Report

Annual Report on CSR

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

1. Brief outline on CSR Policy of the Company:

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

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

2. The Composition of the CSR Committee:

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

[1]Inducted as Chairperson w.e.f. August 5, 2025
[2]Inducted as Member w.e.f. August 5, 2025
[3]Ceased to be Member w.e.f. August 5, 2025

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

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

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

c) CSR projects approved by the Board: https://www.happiestminds.com/investors/disclosure/HM-CSR-FY25.pdf

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

5. **a) Average net profit of the Company as per sub-section (5) of section 135:** ₹ 27,930 Lakhs

b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ 559 Lakhs

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

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

e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 559 Lakhs

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

Ongoing Project : ₹ 126 Lakhs

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

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

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

d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 422 Lakhs

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

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

f) **Excess amount for set-off, if any**

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

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

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

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

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

For and on Behalf of Board

Venkatraman N
Managing Director
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

Bengaluru
Dated: June 30, 2025

Annexure IV (a)

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

For and on Behalf of Board

Venkatraman N
Managing Director
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

Bengaluru
Dated: June 30, 2025

Annexure V to Board's Report

A. Conservation of Energy

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

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

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

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

B. Technology Absorption

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

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

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

Research and Development

(i) Specific Areas of Research and Development

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

(ii) Benefits Derived as a Result of the Above R&D

Your Company has gained considerable mind share in the industry by venturing into IP led state-of-the-art solutions as mentioned above. These concerted efforts also helped your Company newly created GBS BU to acquire new customer in focused geography and also deploy Gen AI based solutions in production rapidly and building use cases thus achieving multiple accreditations, industry recognitions & analyst mentions and increase its share of IP-led revenues for the Company.

(iii) Future Plan of Action

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

(iv) Expenditure on R&D

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

C. Foreign Exchange Earnings and Outgo:

i. Activities relating to exports, initiatives taken to increase exports, development of new export market for services and export plans

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

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

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

ii. Foreign Exchange Used and Earned

(Amount in ₹ Lakhs)

	March 31, 2025	March 31, 2024
Foreign exchange earnings	1,76,556	1,20,664
Foreign exchange outgo	70,665	34,000

For and on Behalf of Board

Venkatraman N
Managing Director
DIN: 01856347

Ashok Soota
Chairman & Chief Mentor
DIN: 00145962

Bengaluru
Dated: June 30, 2025

Annexure VI to Board's Report

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L72900KA2011PLC057931
Nominal Capital : ₹ 58,90,00,000/-

To

The Members of Happiest Minds Technologies Limited

We have examined all the relevant records of Happiest Minds Technologies Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2025. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

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

For **V Sreedharan & Associates**
Company Secretaries

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

Place: Bengaluru
Date: May 12, 2025

Annexure VII to Board's Report-MR-3

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

For the Financial Year Ended March 31, 2025

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment. There was no Foreign Direct investments and External Commercial Borrowing by the Company during the period under review;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period);

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Company during the Audit Period);

h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period) and

i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. Other laws specifically applicable to the Company namely:

a. Information Technology Act, 2000 and the rules made thereunder

b. Software Technology Parks of India rules and regulations

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

ii. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We further report that based on the review of the compliance reports/ certificates of the Company Secretary which were taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules , regulations and guidelines.

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

a. Mr. Rajiv Indravadan Shah was appointed as Whole Time Director w.e.f. 05.08.2024

b. Mr. Seshashayee Sampathiyengar Sridhara was appointed as Independent Director w.e.f. 05.08.2024

c. The Board of Directors of the Company has approved the Scheme of Amalgamation of Happiest Minds Edutech Private Limited (Wholly Owned Subsidiary – Transferor Company) with Happiest Minds Technologies Limited (Holding Company - Transferee Company) and their respective shareholders and creditors, as per Section 230 to 232 and other relevant provisions of the Companies Act, 2013.

d. The Board of Directors of the Company has approved the composite scheme of Arrangement of PureSoftware Technologies Private Limited Wholly Owned Subsidiary – Transferor Company) with Happiest Minds Technologies Limited (Holding Company - Transferee Company) and their respective shareholders and creditors, as per Section 230 to 232 and other relevant provisions of the Companies Act, 2013.

e. The Company has entered into Share Purchase agreement dated February 04, 2025, to acquire 100% Equity interest of AureusTech Systems Private Limited.

f. The Company has entered into Share Purchase agreement dated February 01, 2025, with Gavs Technologies Limited to acquire 100% of business interest of their Middle East business by acquiring viz., InnovazIT Technologies LLC, Dubai; Gavs Technologies LLC, Oman and Gavs Technologies Saudi Arabia for Telecommunications and Information Technology, Saudi Arabia.

g. The scheme of merger of Sri Mookambika Infosolutions Private Limited, a wholly owned subsidiary of the Company, with Happiest Minds Technologies Limited was initiated during the financial year 2023–24 is currently pending approval from the Hon'ble National Company Law Tribunal, Bengaluru Bench.

For **V Sreedharan & Associates**
Company Secretaries

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

Place: Bengaluru
Date: May 12, 2025

This report (i.e., Form No. MR-3) is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

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

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **V Sreedharan & Associates**
Company Secretaries

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

Place: Bengaluru
Date: May 12, 2025

Management Discussion and Analysis

Company Overview

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

Industry Overview (FY 2025-26 Outlook)

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

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

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

- **Generative AI Adoption:** Enterprise-scale deployment for automation, code generation, customer service and analytics, with over **97% of large enterprises** exploring GenAI integration.

- **Digital Engineering & ER&D:** Strong demand for software-defined products, embedded systems, and platform engineering, with the segment projected to grow at **7%**.

- **Quantum Computing:** Gaining strategic traction through early-stage investments by tech firms and government support under the National Quantum Mission.

- **Cybersecurity:** Increased focus on zero-trust frameworks, endpoint protection, and compliance-driven security, amid growing digital risk exposure.

- **Cloud Services & Infrastructure Management:** Continued acceleration in cloud migration, hybrid infrastructure, and managed services.

- **Technology Consulting:** Rising demand for advisory services around IT modernization, GenAI implementation, and business-aligned digital strategies.

- **Domestic Tech Spend:** Projected to reach **US$ 160 billion**, growing at **9.3% YoY**, driven by sectors like **BFSI, healthcare, and manufacturing**.

- **Global Demand for Cost-Efficient Talent:** India's deep talent pool in AI, cloud, and cybersecurity continues to attract global enterprises navigating cost and capability challenges.

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

Business overview

Our business is divided into 3 Business units.

- **Product and Digital Engineering Services (PDES):** PDES is focused on delivering engineering excellence to customers that are building next-generation products and platforms and to enterprises that are carrying out large scale digital transformation programs. Our approach is supported by three foundational elements:

  1) **Engineering DNA** – utilizing a sharp engineering mindset to help customers develop products and platforms that build sustainable momentum in today's hyper-competitive marketspace.

  2) **Integrated Disruptive Technologies** – driving transformation through a holistic approach that leverages Artificial Intelligence, GenAI, Analytics, Hyper automation, Cyber Security and more.

  3) **Digital Transformation** – reengineering products and experiences to enhance business fluidity and deepen customer engagement.

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

- **Infrastructure Management & Security Services (IMSS):** Happiest Minds delivers comprehensive IT Infrastructure and Security services, encompassing advisory, transformation, and managed operations. We empower businesses to navigate complexity, accelerate digital transformation, and fortify their defenses against evolving cyber threats, all while leveraging innovative technologies like Gen AI. From initial infrastructure assessments and cloud migration strategies to continuous security monitoring and AI-driven threat response, we provide end-to-end solutions.

- **Generative AI Business Services (GBS):** GBS delivers high-impact, cost-effective solutions that enable enterprises to accelerate transformation, enhance operational efficiency, and make smarter decisions. We offer end-to-end support across the AI lifecycle, including strategic consulting, custom engineering, rigorous testing, and infrastructure management. Backed by successful implementations across healthcare, energy, travel, and insurance sectors, GBS empowers organizations to scale Generative AI responsibly and achieve tangible business value.

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

- **Analytics / Artificial Intelligence (AI):** Our analytics/AI offering includes implementation of advanced analytics using artificial intelligence, machine learning and statistical models, engineering big data platforms to deal with large volume of data, creating actionable insights with data warehousing, modernization of data infrastructure and process automation through AI.

- **Digital Process Automation (DPA):** Our DPA offering includes consulting led digital transformation through process automation of core business applications, products and infrastructure landscape of our customers, leveraging various intelligent process automation tools and technologies including Robotic Process Automation (RPA), Intelligent Business Process Management (iBPMS) and cognitive automation using AI & machine learning based models.

Significant Matters Affecting our Operations

Customer relationships

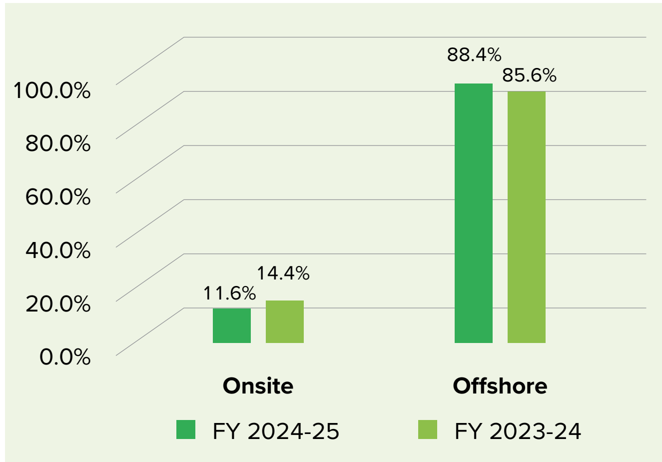
Customer relationships are the core of our business. During FY 2024-25, we increased average count of our active customers to 281 from 250 in FY 2023-24. Our ability to grow our customer base and drive market adoption of our software is affected by the pace at which organizations digitally transform.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

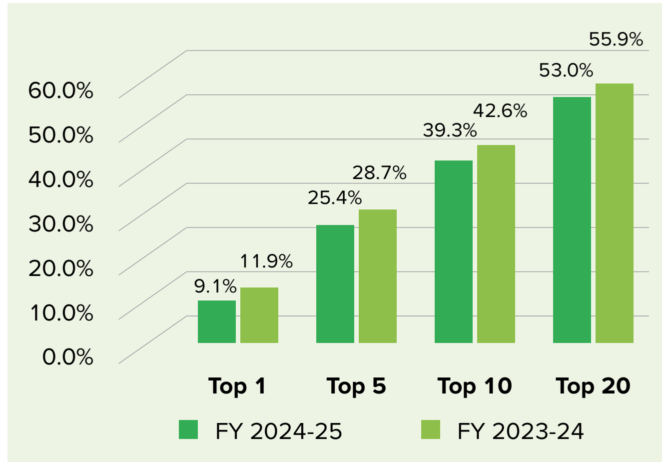
We believe that we have benefited from growth in the global software development services industry. Growth in the industry is driven by major corporations' need to maintain and upgrade the technology and services required to operate cost-efficiently. Software companies are also increasingly outsourcing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

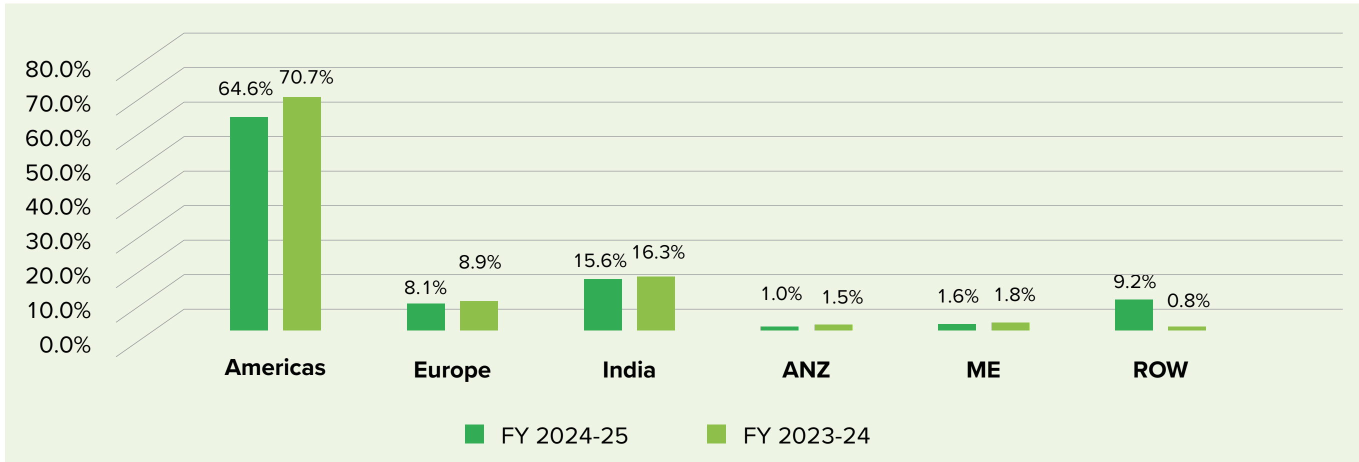
We believe we have a substantial opportunity to grow our customer base. We have invested, and intend to continue to invest, to drive sales to new customers. We have made, and plan to continue to make, investments to enhance the expertise of our sales and marketing organization within our business verticals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

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

Revenue composition







Management of Employees and Employee Costs

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

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

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

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

Foreign Currency Fluctuations

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

Financial Conditions

Assets

1. **Tangible and Intangible Assets**

₹ lakhs

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

Property, Plant, and Equipment:

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

Right-of-use Assets:

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

Other Intangible Assets:

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

Below is the useful life of other intangible assets:

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

Goodwill:

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

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

2. **Trade Receivables**

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

3. **Other Current and Non-Current Assets**

₹ lakhs

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

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

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

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

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

4. **Investments, Cash and Cash Equivalents**

₹ lakhs

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

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

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

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

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

Liabilities

1. Share Capital

₹ lakhs

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

2. Other Equity

₹ lakhs

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

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

3. Financial Liabilities

₹ lakhs

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

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

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

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

4. Other Liabilities

₹ lakhs

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

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

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

Results of Our Consolidated Operations

₹ lakhs

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

Comparison between FY 2024-25 and FY 2023-24

1. Income

a. Revenue from Contracts with Customers

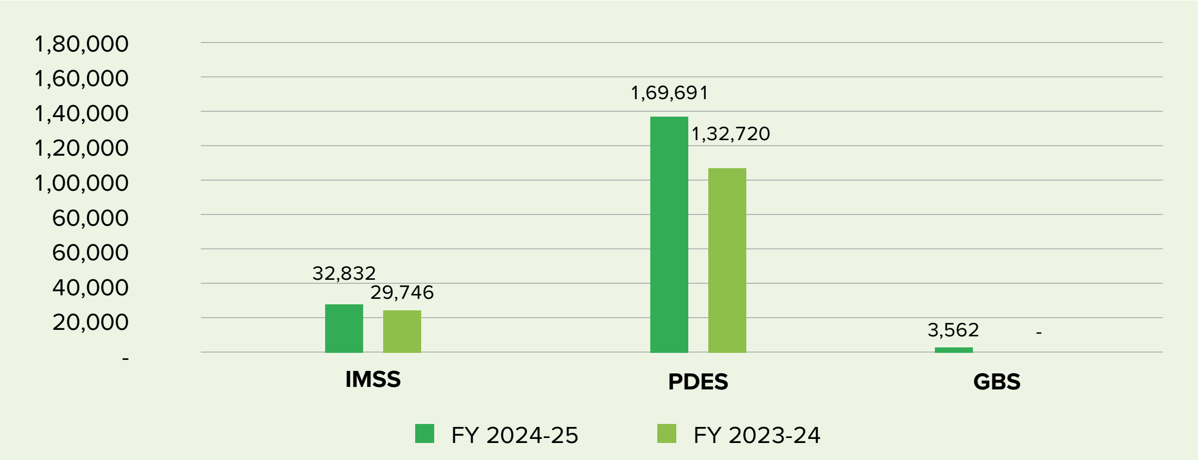
₹ lakhs

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

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

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

Revenue by Segment



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

b. Other Income

₹ lakhs

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

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

Income from Investment:

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

Foreign Exchange Gain / (Loss):

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

2. Expenses

a. Employee Benefits Expense

₹ lakhs

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

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

b. Depreciation and Amortization

₹ lakhs

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

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

c. Finance Costs

₹ lakhs

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

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

d. Other Expenses

₹ lakhs

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

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

3. Profit Before Exceptional Items and Tax:

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

4. Exceptional Items:

FY 2024-25:

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

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

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

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

FY 2023-24:

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

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

5. Profit Before Tax:

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

6. Tax Expenses:

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

7. Profits for the Year:

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

Liquidity

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

₹ lakhs

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

1. **Operating activities**

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

2. **Investing activities**

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

3. **Financing activities**

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

Internal Control

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

Risk and Mitigation Approaches

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

Corporate Governance Report

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

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

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

II. Board of Directors

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

(a) Composition of Board of Directors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Independent Directors

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

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

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

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

(e) CEO/CFO Certification

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

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

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

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

III. Audit Committee

(a) Terms of Reference

The Audit Committee has interalia the following mandate:

1. Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee.

3. Approval of payments to Statutory Auditors for any other services rendered by the Statutory Auditors of the Company.

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;

   ii. Changes, if any, in accounting policies and practices and reasons for the same;

   iii. Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

   iv. Significant adjustments made in the financial statements arising out of audit findings;

   v. Compliance with listing and other legal requirements relating to financial statements;

   vi. Disclosure of any related party transactions; and

   vii. Qualifications/modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.

6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

8. Formulating a policy on related party transactions, which shall include materiality of related party transactions.

9. Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed.

10. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

11. Scrutiny of inter-corporate loans and investments.

12. Valuation of undertakings or assets of the company, wherever it is necessary.

13. Evaluation of internal financial controls and risk management systems.

14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

16. Discussion with internal auditors of any significant findings and follow up there on.

17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

18. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

19. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

20. Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services.

21. Reviewing the functioning of the whistle blower mechanism.

22. Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate.

23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

24. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.

25. Establishing a vigil mechanism for Directors and employees to report their genuine concerns or grievances; and

26. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

27. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

28. Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

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

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

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

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

IV. Nomination, Remuneration and Board Governance Committee

(a) Terms of Reference

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees.

2. Formulation of criteria for evaluation of performance of Independent Directors and the Board.

3. Devising a policy on Board diversity.

4. Identifying persons who are qualified to become Directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report.

5. Analysing, monitoring and reviewing various human resource and compensation matters.

6. Determining the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment and determining remuneration packages of such Directors.

7. Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary).

8. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.

9. Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

10. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

11. Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme").

12. Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme.

13. Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time.

14. Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination, Remuneration and Board Governance Committee.

15. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

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

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

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

[1]Elevated as Chairperson w.e.f. August 5, 2024
[2]Ceased to be Chairperson w.e.f. August 5, 2024
[3]Inducted as Member w.e.f. August 5, 2024

(d) Performance evaluation criteria for the Independent Directors

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

(i) Attendance and contribution at Board and Committee meetings.

(ii) Appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.

(iii) Knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes, and corporate governance.

(iv) Ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.

(v) Effective decision-making ability.

(vi) Ability to open channels of communication with executive management and other colleagues on Board to maintain high standards of integrity and probity.

(vii) His/her global presence, rational, physical, and mental fitness, broader thinking, vision on corporate social responsibility etc.

(viii) His/her ability to monitor the performance of management and satisfy himself/herself with integrity of the financial controls and systems in place by ensuring the right level of contact with external stakeholders.

(ix) His/her contribution to enhance overall brand image of the Company.

V. Administrative and Stakeholders Relationship Committee

(a) Terms of Reference

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

1. Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints.

2. Reviewing of measures taken for effective exercise of voting rights by shareholders.

3. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures, or any other securities.

4. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures, and other securities from time to time.

5. Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

6. Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services.

7. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

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

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

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

[1]Elevated as Chairperson w.e.f. August 5, 2024
[2]Ceased to be Chairperson w.e.f. August 5, 2024
[3]Inducted as Member w.e.f. August 5, 2024

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

(e) Details of shareholders' complaints:

(i) Number of shareholders complaints received upto March 31, 2025: **101**

(ii) Number of shareholders complaints resolved upto March 31, 2025: **101**

(iii) Number of pending complaints as on March 31, 2025: **Nil**

VI. Corporate Social Responsibility Committee

(a) Terms of Reference

The Corporate Social Responsibility Committee has interalia the following mandate:

1. To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board.

2. To Identify corporate social responsibility policy partners and corporate social responsibility policy programmes.

3. To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company.

4. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities.

5. To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

6. To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act.

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

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

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

[1]Inducted as Chairperson w.e.f. August 5, 2024
[2]Inducted as Member w.e.f. August 5, 2024
[3]Ceased to be Member w.e.f. August 5, 2024

VII. Risk Management Committee

(a) Terms of Reference

The Risk Management Committee has interalia the following mandate:

1. To assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks, in particular including financial, sectoral, sustainability (particularly, ESG related risks) or any other risk as may be determined by the Committee.

2. Formulating, monitoring, and overseeing the risk management plan and policy of the Company.

3. Review the Cyber Security Functions of the Company on regular intervals.

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity

5. Approve/recommend to the Board for its approval/review the policies, risk assessment models, strategies, and associated frameworks for the management of risk.

6. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

7. To perform such other duties and functions as the Board may require or as may be prescribed by applicable law, from time to time.

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

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

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

[1]Inducted as Chairperson w.e.f. August 5, 2024
[2]Inducted as Member w.e.f. August 5, 2024

VIII. Strategic Initiatives Committee

(a) Terms of Reference

The Strategic Initiatives Committee has interalia the following mandate:

1. Strategic planning;

2. New strategic projects and initiatives;

3. Mergers, acquisitions and joint ventures;

4. Asset management (including physical infrastructure and information technology);

5. Strategic human resources and other matters;

6. To perform such other duties and functions as the Board may require from time to time.

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

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

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

[1]Inducted as Chairperson w.e.f. August 5, 2024
[2] Redesignated as Co-chairperson w.e.f. August 5, 2024
[3]Ceased to be Member w.e.f. August 5, 2024
[4]Inducted as Member w.e.f. August 5, 2024

IX. Senior Management

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

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

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

X. Remuneration to Directors:

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

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

(b) Criteria for making payments to Executive Directors

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

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

Name of the Director	Salary (In ₹ Lakhs)		Perquisites (In Lakhs)	Sitting Fees & Commission (In Lakhs)	Shares Issued under ESOPs	Total Remuneration paid (In Lakhs)	Details of Service Contracts, Notice Period & Severance fees
	Fixed	Variable					
Ashok Soota	142	33	6	NIL	NIL	181	Appointed as Executive Chairman and Director for a period of 5 years from April 01, 2019, till March 31, 2024. Re-appointed for a further period of five years from April 1, 2024 to March 31, 2029. Redesignated as Chairman and Chief Mentor with effect from March 19, 2025.All other terms as per employment agreement. Three months' notice period and no severance fees.
Joseph Anantharaju	329	79	28	NIL	NIL	436	Appointed as a Whole-time Director of the Company designated as Executive Vice Chairman, for a period of five years from November 4, 2020, to November 3, 2025. Redesignated as Co-Chairman and CEO with effect from March 19, 2025, till the end of his current term as a Whole Time Director of the Company i.e. upto November 03, 2025. All other terms as per employment agreement. Three months' notice period and no severance fees.
Venkatraman Narayanan	89	31	51	NIL	NIL	171	Appointed as the Managing Director and Chief Financial Officer of the Company, for a period of five years from November 4, 2020, to November 3, 2025. All other terms as per employment agreement. Three months' notice period and no severance fees.
Rajiv Shah	284	60	24	NIL	NIL	368	Appointed as Whole time Director of the Company designated as Executive Director, for a period of five years from August 5, 2024 to August 4, 2029.All other terms as per employment agreement. Three months' notice period and no severance fees.
Anita Ramachandran	Nil	Nil	Nil	33	Nil	33	NA
Rajendra Kumar Srivastava	Nil	Nil	Nil	38	Nil	38	NA
Shuba Rao Mayya	Nil	Nil	Nil	33	Nil	33	NA
Mittu Sridhara	Nil	Nil	Nil	22*	Nil	22*	NA

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

XI. General Body Meetings

Annual General Meetings (AGM)

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

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

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

AGM held on	Summary of Special Resolutions
June 30, 2022	There were no special resolutions proposed/passed in this meeting.
July 17, 2023	There were no special resolutions proposed/passed in this meeting.
June 28, 2024	1. To re-appoint Mr. Ashok Soota (having DIN No. 00145962), who has already attained the age of 70 years, as Whole-time Director, designated as Executive Chairman for a further period of five years from April 1, 2024 to March 31, 2029 at the existing terms and conditions. 2. To approve enhancement of Loans/Investments limit under Section 186 of the Act to ₹ 2500,00,00,000/- (Rupees Two Thousand Five Hundred Crores only) over and above the limits prescribed under the Companies Act, 2013.

Extra-Ordinary General Meetings (EGM)

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

Postal Ballot

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

XII. Means of Communication

(a) Financial Results and Newspaper Publication

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

(b) Website

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

(c) Press Releases and Analysts/Investors Presentations

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

(d) Annual Report

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

XIII. General Shareholders Information

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

XIV. Other Disclosures

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

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

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

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

(c) Vigil Mechanism/Whistle-Blower Policy

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

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

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

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

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

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

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

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

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

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

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

(i) Recommendation of Committees

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

(j) Auditors' Remuneration

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

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

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

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

Details of sexual harassment complaints received:

(i) No. of complaints received during financial year 2024-25: Nil

(ii) No. of complaints disposed of during financial year 2024-25: NA

(iii) No. of complaints pending as on end of the financial year 2024-25: NA

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

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

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

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

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

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

XVI. Discretionary Requirements

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

(a) Modified opinion(s) in Audit Report

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

(b) Reporting of Internal Auditor

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

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

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

XVIII. Disclosure of certain types of agreements binding listed entities

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

XIX. Compliance

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

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

Annexure I to CG Report

CEO / CFO CERTIFICATION

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

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

(a) We have reviewed the financial statements and the cash flow statement for the quarter and financial year ended March 31, 2025 and confirm that:

  (i) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these financial statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;

(b) There is, to the best of our knowledge and belief, no transaction entered into by the Company during the quarter and financial year ended March 31, 2025, which is fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

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

(i) no significant changes in Internal Control over financial reporting;

(ii) no significant changes in accounting policies and that the same have been disclosed in the notes to the financial statement; and

(iii) no instances of significant fraud of which we have become aware and there has been no involvement therein of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

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

Co-Chairman & CEO	**MD & CFO**
Seattle, USA	Bengaluru, India

Annexure II to CG Report

SHAREHOLDERS INFORMATION

1. Annual General Meeting (AGM) of the Company

Date: Tuesday, the July 29, 2025

Time: 4.00 pm (IST)

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

2. Financial Year

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

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

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

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

3. Dividend Payment

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

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

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

4. Stock Exchanges

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

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

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

5. Registrars and Transfer Agents (RTA)

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

M/s. KFin Technologies Limited

Unit: Happiest Minds Technologies Limited

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

Serilingampally, Hyderabad-500032, Rangareddy,Telangana, India

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

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

E-mail: einward.ris@kfintech.com

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

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

6. Share Transfer System

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

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

7. Distribution of Shareholding

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

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

(b) Shareholding pattern:

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

*Post consolidation of multiple folios/client IDs

8. Dematerialization of shares and liquidity

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

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

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

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

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

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

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

11. Locations

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

12. Address for Correspondence

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

Mr. Praveen Kumar Darshankar

Company Secretary & Compliance Officer

Happiest Minds Technologies Limited

#53/1-4, Hosur Main Road, Madivala (Next to Madivala Police Station), Bengaluru-560068,

Karnataka, India; Tel No.: +91 80 61960300

Email: investors@happiestminds.com

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

13. Credit Ratings

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

Care Ratings Limited:

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

Annexure III to CG Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

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

Details of Directors:

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

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

For **V SREEDHARAN & ASSOCIATES**
Company Secretaries

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

Place: Bengaluru
Date: May 12, 2025

UDIN: F002347G000316430

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

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

II. Product/Services

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

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

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

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

III. Operations

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

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

19. Markets served by the entity

a. Number of locations

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

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

85.67%

c. A brief on types of customers

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

IV. Employees

20. Details as at the end of financial year:

a. Employees and workers (including differently abled):

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

b. Differently abled Employees and workers:

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

21. Participation/Inclusion/Representation of women:

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

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

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

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

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

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

VI. CSR Details

24.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹) 1,48,137 Lakhs

(iii) Net worth (in ₹) 1,55,209 Lakhs

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	NA	0	0		0	0	NA
Investors (other than shareholders)	NA	0	0		0	0	NA
Shareholders	Yes	101	0		104	0	NA
Employees and workers	Yes	0	0		0	0	NA
Customers	Yes	9	0		19	1	NA
Value Chain Partners	NA	0	0		0	0	NA
Other (please specify)	NA	0	0		0	0	NA

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Resource management	R, O	**Risk**: Inefficient resource utilization may result in resource scarcity, supply chain disruptions, price volatility, and potential reputational damage due to unsustainable practices. **Opportunity:** Effective resource management enables cost savings, operational efficiency, and demonstrates proactive stewardship of natural resources, thereby supporting the Company's long-term sustainability goals.	The Company is focused on optimizing resource utilization across its operations with the objective of minimizing waste generation and advancing circular economy practices. It has set a target to significantly reduce water consumption and waste generation by the year 2030.	**Positive**: Strategic investments in efficient resource use can unlock innovation opportunities, attract ESG-focused investors, and drive long-term value creation. **Negative:** Inefficient resource utilization could lead to regulatory penalties, increased operational expenses, and loss of client confidence due to unsustainable practices.
3	Biodiversity	R, O	**Risk:** Unsustainable business activities can contribute to habitat loss and fragmentation, pollution, and adverse impacts on local ecosystems, thereby increasing ecological and regulatory risks for the Company. **Opportunity:** Investing in biodiversity conservation initiatives can help reduce business vulnerability, enhance ecosystem resilience, and demonstrate environmental responsibility. The implementation of sustainable and nature-positive practices also supports long-term value creation and regulatory preparedness.	The Company supports biodiversity conservation across its operations by adopting responsible land management practices, preserving natural habitats, and promoting biodiversity-friendly operational approaches.	**Positive:** Proactive biodiversity initiatives can enhance brand reputation, support compliance with emerging environmental regulations, and open avenues for green partnerships. **Negative:** Neglecting biodiversity risks can result in operational disruptions, regulatory penalties, and reputational damage due to perceived environmental negligence.
4	Innovation	O	**Opportunity:** Innovation presents opportunities to unlock new markets, drive cost optimization and operational efficiency, and enable sustainable solutions that address pressing environmental challenges. It also supports the Company's efforts in expanding market presence through responsible and forward-looking product and service development.	As a Born Digital, Born Agile organization, we are actively exploring business opportunities in sustainable technologies to drive innovation and long-term value creation.	**Positive:** Leveraging innovation can lead to the development of sustainable, cutting-edge solutions that enhance market competitiveness, drive revenue growth, and strengthen the Company's leadership in responsible technology.
5	Cyber security and data privacy	R, O	**Risk:** Ransomware/Malware threat **Opportunity:** To address the Data subject rights of the employees.	The Company has established robust controls to prevent and contain the spread of malware across its IT environment and critical applications. A defined employee notification process is in place to ensure that data subject rights of Happiest Minds' employees are recognized and the necessary actions are taken to uphold these rights.	**Positive:** Strengthening data privacy practices to uphold data subject rights enhances employee trust, ensures regulatory compliance, and reinforces the Company's reputation for ethical data governance. **Negative**: Cyber threats like ransomware or malware attacks can lead to operational disruptions, data breaches, and significant financial and reputational damage.
6	Systemic risk management	O	**Opportunity:** To strengthen the risk assessment framework for critical business functions, enabling improved resilience and informed decision-making.	The risk assessment process has been enhanced to evaluate impacts on the confidentiality, integrity, availability, and privacy of information assets. This approach enables the design and implementation of targeted controls that address specific areas of risk.	**Positive:** Enhancing the risk assessment framework for critical business functions enables timely identification and mitigation of threats, improving business continuity, operational resilience, and strategic agility.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Business capability & resilience	R	**Risk:** Loss of data / Impact to business & functions	While the Company follows a mature business resilience framework, it recognizes the importance of periodic testing to ensure alignment with evolving business and security expectations. To this end, the Company conducts regular security incident simulations and tabletop exercises. These tests help identify potential real-world challenges, enabling continuous enhancement of the resilience of both business and IT processes.	**Negative:** Failure to address systemic risks effectively may lead to data loss or disruptions in critical business functions, resulting in financial losses, regulatory penalties, and erosion of stakeholder trust.
8	Social Responsibility	O	**Opportunity:** Demonstrating social responsibility enhances employee morale, strengthens the Company's reputation, and fosters brand value within the communities it serves.	Our CSR efforts focus on environmental initiatives under the 'Vasundhara' program, including rural solar electrification, groundwater recharge through percolation wells, social forestry, and habitat restoration. Additionally, over 9.13 million meals have been distributed through the 'Annapurna' initiative, and employees are actively encouraged to engage in volunteering activities.	**Positive:** Proactive social responsibility initiatives can lead to increased employee engagement and loyalty, while also enhancing the company's reputation and fostering stronger community relationships, ultimately supporting sustainable business growth.
9	Responsible supply chain	R, O	**Risk:** Supply chain disruptions from natural disasters, non-compliance with sustainability standards, and increased operational complexity. Opportunity: Strengthened supply chain resilience, access to new markets, supplier diversity, and product differentiation. **Opportunity:** Responsible supply chain ensures ethical sourcing, minimizes environmental and social risks, and enhances transparency. This not only strengthens stakeholder trust but also drives long-term operational resilience, cost efficiency, and regulatory compliance, positioning the company as a sustainable and reliable partner.	Happiest Minds promotes supply chain sustainability by engaging with environmentally responsible suppliers and aims to ensure that at least 50% of its top vendors comply with sustainability standards by 2028.	**Positive:** Implementing a responsible supply chain enhances brand credibility, ensures compliance with ESG standards, and fosters long-term supplier partnerships. **Negative:** Lack of oversight in the supply chain can lead to ethical breaches, regulatory penalties, and reputational damage, affecting stakeholder confidence and business continuity.
10	Customer engagement and satisfaction	O	**Opportunity:** Customer engagement and the CHS survey provide valuable channels for clients to share feedback, helping Happiest Minds assess service effectiveness, identify improvement areas, and drive innovation.	Happiest Minds conducts an annual CHS survey to gather feedback from all existing clients, reflected in a strong NPS score of 63. Feedback is promptly addressed through discussions between the delivery team and clients, and resolved within the defined turnaround time.	**Positive:** Active customer engagement through CHS surveys enables continuous service improvement, strengthens client relationships, and drives innovation aligned with customer expectations, enhancing long-term loyalty and business growth.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Human Rights	O	**Opportunity:** Offering employees a direct channel to senior management fosters open communication, enhances engagement, and builds trust. It also reinforces the organization's commitment to fairness by providing a safe space to address concerns related to discrimination or workplace violations, promoting a transparent and inclusive culture.	'Ask EB – Just Ask' offers employees a direct line to the Executive Board and Functional Heads for questions, insights, and concerns, with assured responses within 24 hours. Issues related to discrimination or equal opportunity can be reported via the WE HEAR portal or to the D&I Council, which is led by the Chief People Officer and operates under the Whistle-blower Policy to ensure transparent and timely resolution.	**Positive:** Providing employees with direct access to senior management fosters a culture of transparency and trust, enhances employee morale, and reinforces the company's commitment to upholding human rights and inclusivity.
12	Employee health, safety & well-being	O	**Opportunity:** Strengthening employee health, safety, and well-being through wellness programs, safety measures, and mental health support fosters a positive work environment, enhances satisfaction and performance, and helps attract and retain top talent—contributing to overall organizational success.	At Happiest Minds, our wellness program, HappiZest—inspired by the motto "Experience the joy of living"—was named through an internal contest. The HappiZest Council, comprising members from diverse roles, locations, and age groups, leads and drives key wellness initiatives across the organization.	**Positive:** Investing in employee health, safety, and well-being boosts workforce morale and productivity, reduces absenteeism, and strengthens the organization's ability to attract and retain high-quality talent.
13	Diversity, Equity & Inclusion	O	**Opportunity:** Advancing DEI fosters a more inclusive and innovative workplace, enhances employee engagement, and builds a resilient workforce equipped for global challenges.	Our organisation's gender diversity ratio actively promotes inclusion through initiatives such as the Women Mentoring Program, PWD hiring, Women in Break Hiring, D&I Summit, and the Oorja Train & Hire model. The DEIB Council, comprising diverse members across levels, leads these efforts with guidance from senior leaders, including the Executive Board and Business Unit Heads. Key programs like Women Care, Women Development, and Hiring Women in Tech aim to foster inclusive leadership and empower individuals of all abilities.	**Positive:** Promoting diversity, equity, and inclusion fosters a collaborative and innovative workplace culture, enhances decision-making through varied perspectives, and strengthens the organization's reputation as an equitable employer.
14	Talent attraction & retention	O	**Opportunity:** In the IT services sector, skilled talent is a key differentiator for growth and sustainability, making talent attraction and retention a strategic priority across all levels.	The organization uses a dedicated applicant tracking system to connect with prospective candidates through channels such as the career portal, job sites, member referrals, and recruitment partners. Candidates undergo quality assessments, and selected individuals are offered competitive benefits. Continuous learning is emphasized through engaging onboarding, access to member portals, instructor-led and online training, and partnerships with global learning platforms.	**Positive:** Strategic focus on attracting and retaining skilled talent ensures sustained business growth, drives innovation, and enhances the company's competitive edge in the IT services sector.
15	Disclosure & Compliance	R	**Risk:** Delays in identifying and complying with evolving regulatory, governance, and disclosure requirements can lead to increased compliance costs.	Timely disclosure of mandatory and non-mandatory information to stock exchanges and on the website is ensured, along with regular investor communication through post-result calls, analyst meets, and emails. A tech-enabled Compliance Management System supports proactive tracking of compliances and strengthens overall Governance, Risk, and Compliance (GRC) efforts.	**Negative:** Though setting up a compliance management system requires upfront investment, the long-term savings from reduced risks, fines, and penalties can outweigh the initial costs.

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

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

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

10. Details of review of NGRBCs by the Company:

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

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

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

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

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

SECTION C: PRINCIPAL WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Not applicable

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

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

9. **Open-ness of business**

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

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

Leadership Indicators

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

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

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

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

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

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

Essential Indicators

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

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

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

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

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

21%

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

(a) Plastics (including packaging)

(b) E-waste

(c) Hazardous waste and

(d) other waste.

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

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

Not applicable owing to the nature of business.

Leadership Indicators

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

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

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

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

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

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

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

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

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

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

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

Essential Indicators

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

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

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

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

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

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

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

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

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

3. **Accessibility of workplaces**

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

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

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

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

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

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

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

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

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

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

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

8. **Details of training given to employees and workers:**

Category	FY 2025					FY 2024				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	3545	Nil	Nil	3203	90%	3540	Nil	Nil	2795	79%
Female	1341	Nil	Nil	1126	84%	1344	Nil	Nil	1120	83%
Total	**4886**	**Nil**	**Nil**	**4329**	**89%**	**4884**	**Nil**	**Nil**	**3915**	**80%**
Workers										
Male	Not applicable									
Female										
Total										

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

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

10. Health and safety management system:

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

No

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14. Assessment for the year:

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

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

Not applicable

Leadership Indicators

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

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

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

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

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

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

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

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

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

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

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

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

5. **Details on assessment of value chain partners:**

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

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

Not applicable

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

Essential Indicators

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

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

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

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Project-related calls, and meetings; project management reviews; relationship meetings and reviews; executive meetings and briefings; customer visits; responses to RFIs/ RFPs; sponsored events; mailers; newsletters; brochures, Company website; social media (LinkedIn, Instagram, YouTube, Threads, X, Facebook); Customer Happiness Surveys; sponsored community events	Continuous/ Annually	These interactions facilitate a deeper understanding of client needs, industry dynamics, and business challenges, while also helping to identify opportunities for customer acquisition and ensuring the delivery of high-quality services to existing clients.
People	No	Town halls; project or operations reviews; video conferences; audio conference calls; PEP; Yammer (employee forum); one-on-one counselling; iAppreciate (Portal for employee appreciation); Leave donation scheme (Donating Leave for fellow Employees in need); Wellness programs; Employee Engagement programs; Annual reviews; Employee Committees	Continuous/ Annually	Employee engagement is conducted throughout the year with the following key objectives: * To communicate important developments * To involve employees in decision-making processes and align them with the Company's Vision, Values, and business strategy; * To motivate and empower employees, thereby enhancing job satisfaction and fulfilling the Company's employee value proposition; * To provide an effective grievance redressal mechanism; and * To conduct internal surveys for gathering insights and continuous improvement.
Shareholders & Investors	No	Press releases and press conferences; email advisories; in-person meetings; investor conferences; disclosure; social and environmental sustainability, financial statements in IND AS and IFRS; earnings call; exchange notifications; press conferences; Investors page, on our website Annual General Meeting; Annual Report.	Continuous/ Annually	This approach fosters transparency, addresses shareholder concerns, and strengthens investor relations, ensuring that the company remains responsive to their priorities.
Alliance Partners	No	Meetings/calls; visits; Partner events; Conference calls; Business reviews	Others-as needed	The engagements serve to help in strategic collaboration, innovation, capability building, operational efficiency, sustainability and shared values
Community	Yes	Presentations; Project meetings; Reviews; calls and meetings; surveys; consultative sessions; field visits; due diligence; conferences and seminars; surveys; press releases; press conferences; sponsored events; contribute time and financial resources in a social cause, actively engage, participate and support social and environmental causes and associate with organizations working towards this goal.	Others-as needed	The engagement facilitates effective communication of the Company's performance and strategic direction. Collaboration with partner NGOs plays a vital role in identifying focus areas for implementation and development of the Company's CSR initiatives.
Vendors	No	Meetings, Audits, Self-assessments	Others-as needed	Compliance with regulations/ agreements entered into with Vendors.
Government and Regulatory Bodies	No	Inputs towards drafting new policies, rules & regulations	Others-as needed	Regulatory compliances

Leadership Indicator

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

   Not applicable

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

   Not applicable

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

   Not applicable

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2025			FY 2024		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	4886	4886	100%	4884	4884	100%
Other than permanent	212	212	100%	284	284	100%
Total Employees	**5098**	**5098**	**100%**	**5168**	**5168**	**100%**
Workers						
Permanent						
Other than permanent	Not applicable					
Total Workers						

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

Category	FY 2025					FY 2024				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	**4886**	**NA**	**NA**	**4886**	**100%**	**4,884**	**NA**	**NA**	**4,884**	**100%**
Male	3545	NA	NA	3545	100%	3,540	NA	NA	3,540	100%
Female	1341	NA	NA	1341	100%	1,344	NA	NA	1,344	100%
Other than Permanent	**212**	**4**	**2%**	**208**	**100%**	**284**	**41**	**14%**	**74**	**26%**
Male	152	1	1%	151	99%	197	23	12%	50	25%
Female	60	3	5%	57	95%	87	18	21%	24	28%
Workers										
Permanent										
Male										
Female										
Other than Permanent	Not applicable									
Male										
Female										

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

   a. **Median remuneration/wages:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10. **Assessment for the year:**

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

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

Not applicable

Leadership Indicators

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

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

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

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

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

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

4. **Details on assessment of value chain partners:**

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

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

Not applicable

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

Essential Indicators

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

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

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

No, the Company has not conducted any external assurance.

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

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

Not applicable owing to the nature of business.

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

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

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

No, the Company has not conducted any external assurance.

4. **Provide the following details related to water discharged:**

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

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

No, the Company has not conducted any external assurance.

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

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

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

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

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

No, the Company has not conducted any external assurance.

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

Parameter	Unit	FY 2025	FY 2024
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	1012	1242
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	2872	2842
Total Scope 1 and Scope 2 emission intensity per lakh rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.03	0.02
Total Scope 1 and Scope 2 emission intensity per lakh rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.54	0.62
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA

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

No, the Company has not conducted any external assurance.

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

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

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

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

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

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

No External assurance done.

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

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

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

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

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

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

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

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

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

Leadership Indicators

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

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

i) Name of the area

ii) Nature of operations

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

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

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

Not applicable

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

Parameter	Unit	FY 2025	FY 2024
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	4672	3295
Total Scope 3 emissions per lakh rupee of turnover		0.03	0.02
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

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

No, the Company has not conducted any external assurance

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

Not applicable

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

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

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

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

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

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

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

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

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

   a. By the listed entity

   b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners.

   None

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

Essential Indicators

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

   4

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

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

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

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

Leadership Indicators

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

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

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

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

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

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

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

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

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

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

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

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

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

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

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not applicable	

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

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

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

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

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

   Not applicable

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

   Not applicable

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

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

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

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

6. **Details of beneficiaries of CSR Projects:**

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

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

Essential indicators

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. **Provide the following information relating to data breaches:**
   a. Number of instances of data breaches

      0

   b. Percentage of data breaches involving personally identifiable information of customers

      0%

   c. Impact, if any, of the data breaches

      Not applicable

Leadership Indicators

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

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

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

Not applicable owing to the nature of business.

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

Not applicable owing to the nature of business.

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

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

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, 2025, 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 and other explanatory information in which are incorporated the 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 reports 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, 2025, and its profit, total comprehensive income, 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 Ind AS 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. We identified the revenue recognition for fixed price contracts where the percentage-of-completion method is used as a key audit matter because of the significant judgement involved in estimating the efforts to complete such contracts. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts incurred to-date and estimates of efforts to complete the contract. This required a high degree of auditor judgement in evaluating the audit evidence supporting the estimated efforts to complete and a higher extent of audit effort to evaluate the reasonableness of the total estimated efforts used to recognise revenue on fixed-price contracts.	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. b. We evaluated management's ability to reasonably estimate the progress towards satisfying the performance obligation, by comparing actual information to estimates, for performance obligations that have been fulfilled. c. We selected a sample of fixed price contracts with customers accounted using percentage-of-completion method and performed the following: • Read the contract and based on the terms and conditions evaluated whether recognizing revenue over time was appropriate, and the contract was included in management's calculation of revenue over time. • Evaluated the appropriateness of and consistency in the application of management's policies and methodologies to estimate progress towards satisfying the performance obligation. • Compared efforts incurred with data from the timesheet application system. • Tested the estimate for consistency with the status of delivery of milestones and customer acceptances to identify possible delays in achieving milestones, which require changes in estimated efforts to complete the remaining performance obligations. • We assessed the adequacy of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable Indian Accounting Standards.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report 2024-25, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. This report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the ESOP trust, is traced from their financial statements audited by the Trust auditors.

- When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of the ESOP trust included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 15,476 lakhs as at March 31, 2025 and total revenue of ₹ Nil for the year ended on that date, as considered in the standalone financial statements. The financial statements of the ESOP trust have been audited by the Trust auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the ESOP trust and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid ESOP trust, is based solely on the report of such Trust auditors.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the Trust auditors on the separate financial statements of the ESOP trust, referred to in the Other Matters section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the Trust auditors, except for not complying with the requirement of audit trail as stated in (i)(vi) below.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and with the financial statements received from the Trust auditors.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the Directors as on March 31, 2025 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2025 from being appointed as a Director in terms of Section 164(2) of the Act.

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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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 47 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, 2025 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 that:

- In respect of an accounting software used for maintaining revenue records, audit trail was not enabled at the database level to log any direct data changes.

Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with, in respect of said accounting software for the period for which the audit trail feature was enabled and operating.

Additionally, the audit trail that was enabled and operated for the year ended March 31, 2024, has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 008072S)

Vikas Bagaria
Partner
(Membership No. 060408)
(UDIN : 25060408BMOCIW6222)

Place: Bengaluru
Date: May 12, 2025

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, 2025 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 in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to standalone financial statements 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.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 008072S)

Vikas Bagaria
Partner
(Membership No. 060408)
(UDIN : 25060408BMOCIW6222)

Place: Bengaluru
Date: May 12, 2025

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 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 our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable 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.

(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, 2025 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 crores, 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 (stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, 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.

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

(a) The Company has provided loans, the details of which are given below:

(₹ in Lakhs)

	Loans	Advances in nature of loans	Guarantees	Security
A. Aggregate amount granted / provided during the year:				
- Subsidiaries	1,250	-	7,265	-
- Joint Venture	-	-	-	-
- Associates	-	-	-	-
- Others	28	-	-	-
B. Balance outstanding as at balance sheet date in respect of above cases:				
- Subsidiaries	1,250	-	7,265	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	2	-	-	-

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, not prejudicial to the Company's interest.

(c) In respect of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

vii. In our opinion, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have not generally been regularly deposited by it with the appropriate authorities though the delays in deposit have not been serious.

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, 2025 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, 2025 on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Goods and Service Tax act, 2017	Ineligible ITC on IPO Expenses	710^	2020-21	Appellate Authority	-
Goods and Service Tax act, 2017	Difference 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 wilfull defaulter by any bank or financial institution or government or any government authority.

(c) 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.

(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) The Company has not made any preferential allotment or private placement of shares during the year. In regard to the private placement of shares made in the previous year, we report that unutilised funds out of such shares raised in the previous year have been, utilised during the year for the purposes for which they were raised by the Company. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

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.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for transactions with the related parties, except for the following:

(INR in Lakhs)

Nature of related party relationship	Underlying transaction	Amount involved	Remarks
Subsidiary Company	Purchase of services	792	The transaction was carried out on a cost basis without any markup being added up by the Subsidiary Company and hence may not be at arm's length.

In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2025, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its Directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment Company with the Group (as identified in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 008072S)

Vikas Bagaria
Partner
(Membership No. 060408)
(UDIN : 25060408BMOCIW6222)

Place: Bengaluru
Date: May 12, 2025

Standalone Balance Sheet

as at March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	3	13,640	13,687
Capital work-in-progress	3	-	9
Goodwill	4	611	611
Other intangible assets	4	359	312
Intangible assets under development	4	18	22
Right-of-use assets	5	5,971	5,698
Financial assets			
i. Investments	6A	92,446	19,719
ii. Loans	7	1,250	-
iii. Other financial assets	8	7,136	2,450
Income tax assets (net)	9	3,529	1,330
Other assets	10	81	32
Deferred tax assets (net)	11	2,133	1,636
Total non-current assets		**1,27,174**	**45,506**
Current assets			
Financial assets			
i. Investments	6B	35,039	-
ii. Trade receivables	12	26,431	23,196
iii. Cash and cash equivalents	13	4,511	10,682
iv. Bank balance other than cash and cash equivalents	14	93,030	1,21,673
v. Loans	7	2	1,684
vi. Other financial assets	8	14,083	13,611
Other assets	10	5,163	4,435
Total current assets		**1,78,259**	**1,75,281**
Total assets		**3,05,433**	**2,20,787**
Equity and liabilities			
Equity			
Equity share capital	15	3,001	2,987
Other equity	17	1,52,208	1,44,383
Total equity		**1,55,209**	**1,47,370**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	33,537	10,445
ii. Lease liabilities	20	4,439	4,570
iii. Other financial liabilities	21	612	401
Provisions	22	4,044	2,988
Total non-current liabilities		**42,632**	**18,404**

Standalone Balance Sheet (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
Current liabilities			
Contract liabilities	23	1,342	1,417
Financial liabilities			
i. Borrowings	19	76,750	33,792
ii. Lease liabilities	20	2,787	2,412
iii. Trade payables	24		
(A) Total outstanding due of Micro enterprises and Small enterprises		184	165
(B) Total outstanding due of creditors other than Micro enterprises and Small enterprises.		8,474	6,715
iv. Other financial liabilities	21	13,071	5,751
Other current liabilities	25	2,258	2,671
Provisions	22	2,726	2,090
Total current liabilities		**1,07,592**	**55,013**
Total liabilities		**1,50,224**	**73,417**
Total equity and liabilities		**3,05,433**	**2,20,787**
Summary of material accounting policies	**2**		

The notes referred to above form an integral part of the Standalone Financial Statements.

As per our report of even date

for **Deloitte Haskins and Sells**
Chartered Accountants
ICAI Firm's Registration Number : 008072S

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: May 12, 2025.

for and on behalf of the Board of Directors:
Happiest Minds Technologies Limited
CIN : L72900KA2011PLC057931

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 12, 2025.

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 12, 2025.

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 12, 2025.

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from contract with customers	26	1,48,137	1,47,288
Other income	27	16,757	11,126
Total income		**1,64,894**	**1,58,414**
Expenses			
Employee benefits expense	28	1,01,794	94,772
Depreciation and amortisation	29	3,719	3,430
Finance costs	30	9,168	4,227
Other expenses	31	25,018	23,199
Impairment loss allowance on trade and unbilled receivables	31A	1,524	433
Total expenses		**1,41,223**	**1,26,061**
Profit before exceptional items and tax		**23,671**	**32,353**
Exceptional items; charge / (credit)	32	2,344	(143)
Profit before tax		**21,327**	**32,496**
Tax expense	33		
Current tax		4,770	8,320
Adjustment of tax relating to earlier periods		-	-
Deferred tax charge/ (credit)		(299)	(397)
		4,471	**7,923**
Profit for the year		**16,856**	**24,573**
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)	(315)	403
Income tax effect	33	79	(101)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(236)**	**302**

Standalone Statement of Profit and Loss (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement losses on defined benefit plans	35	(474)	(376)
Income tax effect	33	119	95
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(355)**	**(281)**
Other comprehensive income for the year, net of tax		**(591)**	**21**
Total comprehensive income for the year		**16,265**	**24,594**
Earnings per equity share:	34		
Equity shares of par value ₹ 2/- each			
Basic, computed on the basis of profit for the year attributable to equity holders of the company (₹)		11.19	16.55
Diluted, computed on the basis of profit for the year attributable to equity holders of the company (₹)		11.19	16.55
Summary of material accounting policies	**2**		

The notes referred to above form an integral part of the Standalone Financial Statements.

As per our report of even date

for **Deloitte Haskins and Sells**
Chartered Accountants
ICAI Firm's Registration Number : 008072S

for and on behalf of the Board of Directors:
Happiest Minds Technologies Limited
CIN : L72900KA2011PLC057931

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: May 12, 2025.

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 12, 2025.

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 12, 2025.

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 12, 2025.

Standalone Statement of Cash Flows

for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

		For the year ended March 31, 2025	For the year ended March 31, 2024
Operating activities			
Profit before tax		**21,327**	**32,496**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation/ amortisation of property, plant and equipment, intangibles and right-of-use assets		3,719	3,430
(Gain)/ loss on disposal of property, plant and equipment, net		(6)	-
Share-based payment expense		-	47
Gain on sale of investment carried at fair value through profit and loss		(1,240)	(18)
(Gain)/loss on recognition/derecognition of contingent consideration		2,344	(143)
Interest income		(8,756)	(8,036)
Unrealised foreign exchange (gain)/ loss		104	(105)
Impairment loss on financial assets		1,524	433
Dividend from subsidiaries		(6,850)	(2,500)
Provision no longer required/ written-off		-	(78)
Finance costs		9,168	4,227
Operating cash flow before working capital changes		**21,334**	**29,753**
Movements in working capital:			
Increase in trade receivables		(4,615)	(3,656)
Decrease in loans		14	48
Decrease/ (Increase) in non-financial assets		(777)	(227)
Increase in financial assets		(1,037)	(1,316)
Increase in trade payables		1,769	633
(Increase)/ Decrease in financial liabilities		(284)	205
Increase in provisions		1,218	766
(Decrease)/ Increase in contract liabilities		(75)	727
(Decrease)/ Increase in other non-financial liabilities		(412)	428
		17,135	**27,361**
Income tax paid, net of refunds		(6,969)	(8,454)
Net cash flows from operating activities	**(A)**	**10,166**	**18,907**
Investing activities			
Purchase of property, plant and equipment		(546)	(823)
Purchase of intangible assets		(351)	(207)
Proceeds from sale of property, plant and equipment		6	-
Maturities of / (Investment in) bank deposit, net		24,040	(53,080)
Acquisition of subsidiaries		(66,081)	-
Proceeds from loan to subsidiary		1,668	830
Loan given to subsidiary		(1,250)	-
Purchase of mutual funds		(37,549)	(2,550)
Proceeds from sale of mutual funds		3,751	2,568
Interest received		8,693	7,253
Dividend from Subsidiaries		6,850	2,500
Net cash flows used in investing activities	**(B)**	**(60,769)**	**(43,509)**
Financing activities			
Repayment of long-term borrowings		(969)	(2,608)
Proceeds from long-term borrowings (net)		24,061	-
(Repayments)/ Proceeds from short-term borrowings (net)		47,444	(1,439)
Repayment of redeemable non-convertible debentures		(4,500)	

Standalone Statement of Cash Flows (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

		For the year ended March 31, 2025	For the year ended March 31, 2024
Proceeds from issue of redeemable non-convertible debentures		-	8,000
Proceeds of Loan from subsidiary		3,500	-
Repayment of Loan from subsidiary		(3,150)	(900)
Payment of principal portion of lease liabilities		(2,812)	(2,161)
Payment of interest portion of lease liabilities		(668)	(614)
Proceeds from issue of equity shares (net of share issue expense)		-	48,556
Dividend paid		(8,588)	(8,604)
Proceeds from exercise of share options		182	181
Payment of contingent consideration		(1,401)	(1,244)
Interest paid		(8,092)	(3,346)
Net cash flows from/ (used) in financing activities	**(C)**	**45,007**	**35,821**
Net decrease in cash and cash equivalents		(5,596)	11,219
Net foreign exchange difference		(2)	43
Cash and cash equivalents at the beginning of the year		10,682	5,966
Less : Bank overdraft at the beginning of the year		(573)	(7,119)
Cash and cash equivalents at the end of the year		**4,511**	**10,109**
Components of cash and cash equivalents	13		
Balance with banks			
- on current account		4,098	3,842
- in EEFC accounts		412	4,640
Deposits with original maturity of less than three months		1	2,200
Less : Bank overdraft		-	(573)
Total cash and cash equivalents		**4,511**	**10,109**
Non-cash investing activities:			
Acquisition of subsidiary / Changes in value of contingent consideration		8,855	1,389
Acquisition of Right-of-use assets	5	3,103	2,571

Summary of material accounting policies **2**

The notes referred to above form an integral part of the Standalone Financial Statements.

As per our report of even date

for **Deloitte Haskins and Sells**
Chartered Accountants
ICAI Firm's Registration Number : 008072S

for and on behalf of the Board of Directors:
Happiest Minds Technologies Limited
CIN : L72900KA2011PLC057931

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: May 12, 2025.

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 12, 2025.

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 12, 2025.

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 12, 2025.

Standalone Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

a) Equity share capital

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	**14,93,54,426**	**2,987**
Issue of shares	-	-
Exercise of share options - refer note 15 (ii) (1)	6,92,441	14
As at March 31, 2025	**15,00,46,867**	**3,001**

For the year ended March 31, 2024	No of Shares	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid		
At April 1, 2023	**14,31,88,555**	**2,866**
Issue of shares	54,11,255	106
Exercise of share options - refer note 15 (ii) (1)	7,54,616	15
As at March 31, 2024	**14,93,54,426**	**2,987**

b) Other equity

For the half year ended March 31, 2025	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, 2024	**90,318**	**163**	**53,930**	**(28)**	**1,44,383**
Profit for the year	-	-	16,856	-	16,856
Other comprehensive income	-	-	(355)	(236)	(591)
Total comprehensive income	**-**	**-**	**16,501**	**(236)**	**16,265**
Exercise of share option by employees	168	-	-	-	168
Transaction costs, net of recovery or reimbursement of expense on issue of shares	-	-	-	-	-
Transferred to retained earnings for options forfeited	-	(1)	1	-	-
Transferred to securities premium for options exercised	94	(94)	-	-	-
On issue of equity shares	-	-	-	-	-
Dividend - refer note 18	-	-	(8,608)	-	(8,608)
Share-based payments expense - refer note 42	-	-	-	-	-
As at March 31, 2025	**90,580**	**68**	**61,825**	**(264)**	**1,52,208**

Standalone Statement of Changes in Equity (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

c) Other equity

For the year ended March 31, 2024	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, 2023	**41,556**	**266**	**38,240**	**(330)**	**79,732**
Profit for the year	-	-	24,573	-	24,573
Other comprehensive income	-	-	(281)	302	21
Total comprehensive income	**-**	**-**	**24,292**	**302**	**24,594**
Exercise of share option by employees	164	-	-	-	164
Transaction costs, net of recovery or reimbursement of expense on issue of shares	(1,444)	-	-	-	(1,444)
Transferred to retained earnings for options forfeited	-	(6)	6	-	-
Transferred to securities premium for options exercised	144	(144)	-	-	-
On issue of equity shares	49,894				49,894
Dividend - refer note 18	-	-	(8,604)	-	(8,604)
Share-based payments expense - refer note 42	-	47	-	-	47
As at March 31, 2024	**90,314**	**163**	**53,934**	**(28)**	**1,44,383**

The notes referred to above form an integral part of the Standalone Financial Statements.

As per our report of even date

for **Deloitte Haskins and Sells**
Chartered Accountants
ICAI Firm's Registration Number : 008072S

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: May 12, 2025.

for and on behalf of the Board of Directors:
Happiest Minds Technologies Limited
CIN : L72900KA2011PLC057931

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 12, 2025.

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 12, 2025.

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 12, 2025.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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, Netherlands, Singapore, Malaysia and Dubai. The registered office of the Company is situated at #53/1-4, Hosur Main Road, Madivala (next to Madivala Police Station) Bengaluru - 560068.

The Company's Standalone Financial Statements for the year ended March 31, 2025 were approved by Board of Directors on May 12, 2025.

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, 2025.

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.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding estimate. Changes in estimate are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone Financial Statements.

Judgements:

Information about judgements made in applying accounting policies that have the most material effects on the amounts recognised in the Standalone Financial Statements is included in the following notes:

- Note 2 (c) and Note 2 (d)- Useful life of property, plant and equipment and intangible assets;
- Note 2 (g) - Lease classification;
- Note 2(i) - Financial instrument; and
- Note 2 (m) - Measurement of defined benefit obligations: key actuarial assumptions.

Assumption and estimation uncertainties :

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2025 is included in the following notes:

- Note 2 (e) - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 2 (p) - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 2 (i) - Impairment of financial assets
- Note 2 (r) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

(d) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(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, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Revenue from license

Revenue for supply of third party products, services or licenses are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Where the Company is a reseller for sale of right to use licenses and acting as agent in the arrangement, the revenue for sale of right to use license is recognised on a net basis. In case, where the licenses are required to be substantially customized as part of implementation service, the entire arrangement fee is considered as single performance obligation and revenue is recognized as per input method.

Where the Company acts as principal, revenue from sale of licenses, where the customer obtains a “right to use” the licenses is recognized at the point in time when the related license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period and is included in Revenue from Services.

Contract balances

Contract assets: The Company classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current assets. Trade receivables and unbilled revenue is presented net of impairment.

Contract liabilities: A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is received.

Interest income

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head ‘other income’ in the Statements of profit and loss.

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statements of profit and loss.

Dividend income

Dividend income on investments is accounted for when the right to receive the dividend is established, which is generally when shareholders approve the dividend. Dividend income is included under the head ‘Other income’ in the Statements of profit and loss.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(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 payment 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 subsequently 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, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(c) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss if any.

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalization criteria are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Subsequent costs related to an item of property, plant and equipment are recognized 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in the Statement of Profit and Loss during the reporting period when they are incurred.

An item of property, plant and equipment is derecognized 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

Property, plant and equipment individually costing ₹ 5,000 or less are depreciated at 100% in the year in which such assets are ready to use.

Depreciation is calculated using the straight-line method over their estimated useful lives as follows:

The estimates of useful lives of tangible assets are as follows:

Class of asset	Useful life as per schedule II	Useful life as per Company
Furniture and fixtures	10 years	5 years
Office equipment (including solar panels)	5 years - 15 years	4 years-15 years
Buildings	60 years	50 years
Computer systems	6 years for servers 3 years for other than servers	2.5-3 years

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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.

(e) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash generating unit's (CGU's) to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or cash generating unit's (CGU's) recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (CGU) (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(f) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(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.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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.

Lease and non-lease component

As per Ind AS - 116, "As a practical expedient, a lessee may elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The company have not opted for this practical expedient and have accounted for Lease component only.

Extension and termination option

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Management have not considered any future cash outflow for which they are potentially exposed arising due to extension and termination options.

(h) Investment in subsidiary

The Company recognizes its investments in subsidiary and associate companies at cost less accumulated impairment loss, if any. Cost represents amount paid for acquisition of the said investments. The details of such investment is given in note 6. Refer to the accounting policies in note 2(e) for policy on impairment of non-financial asset.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

(i) Financial Instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Non-derivative financial instruments :

a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS - 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principle and interest (SPPI)' on the principle amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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 12.

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(All amounts in ₹ lakhs, unless otherwise stated)

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.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments:

All equity investments in scope of Ind AS - 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS - 103 applies are classified as at Fair Value Through Profit and Loss (FVTPL). For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at Fair Value Through Other Comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognised in the Other Comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Reclassification of financial assets

The Company determines classification of financial assets on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains or losses attributable to changes in own credit risk are recognised in other comprehensive income (OCI). These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

c) Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains or losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings. For more information refer note 19.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company current has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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Derivative financial instruments and hedge accounting:

Initial recognition and subsequent measurement :

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income (OCI) and later reclassified to Statement of Profit and Loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The Company designates certain foreign exchange forward and cross currency interest rate swaps as cash flow hedges with an intention to hedge its existing liabilities and highly probable transaction in foreign currency. When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve till the period the hedge 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.

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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.

(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.

(m) Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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Other long-term employee benefit obligations

The liabilities for leave balance are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The company operates the following post-employment schemes:

(a) defined benefit plans - gratuity, and

(b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the Statement of Profit and Loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as past service costs.

Defined contribution plan

Retirement benefit in the form of provident fund scheme, Social security, National Insurance, Superannuation, Medicare schemes are the defined contribution plans. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.

(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.

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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 Group 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.

In the situations where Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

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Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(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.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Company has identified three reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

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.

(t) Earnings/(Loss) per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period (including treasury share).

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions.

Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

(u) Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(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 35.

(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.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(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, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

3 Property, plant and equipment

	Land	Building	Computer Systems	Office equipments	Furniture and fixtures	Leasehold improvements	Total	Capital work-in-progress
Cost or valuation								
As at April 01, 2023	**4,423**	**8,354**	**381**	**265**	**67**	**230**	**13,720**	**185**
Additions	-	-	188	103	3	-	294	529
Transfers from CWIP	-	132	169	183	133	88	705	(705)
Disposals	-	-	(16)	-	-	-	(16)	-
As at March 31, 2024	**4,423**	**8,486**	**722**	**551**	**203**	**318**	**14,703**	**9**
Additions	-	-	222	73	8	-	303	227
Transfers from CWIP	-	-	-	-	22	214	236	(236)
Disposals	-	-	-	-	-	-	-	
As at March 31, 2025	**4,423**	**8,486**	**944**	**624**	**233**	**532**	**15,242**	**-**
Accumulated depreciation								
As at April 01, 2023	**-**	**119**	**243**	**136**	**29**	**82**	**609**	**-**
Charge for the year	-	168	142	53	21	39	423	-
Disposals	-	-	(16)	-	-	-	(16)	-
As at March 31, 2024	**-**	**287**	**369**	**189**	**50**	**121**	**1,016**	**-**
Charge for the year	-	170	245	76	40	56	586	
Disposals	-	-	-	-	-	-	-	
As at March 31, 2025	**-**	**457**	**614**	**265**	**90**	**177**	**1,602**	**-**
Net book value								
As at March 31, 2024	**4,423**	**8,199**	**353**	**362**	**153**	**197**	**13,687**	**9**
As at March 31, 2025	**4,423**	**8,029**	**330**	**359**	**143**	**355**	**13,640**	**-**

Note:

(i) Refer note 19 for details of charge created on the Property, plant and equipment.

(ii) All property, plant and equipment are owned by the Company unless otherwise stated.

(iii) There are no proceeding initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Capital work-in-progress (CWIP) Ageing

As at March 31, 2025

	Amount in CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Capital work-in-progress (CWIP) Ageing

As at March 31, 2024

Projects in progress	Amount in CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9	-	-	-	**9**
Projects temporarily suspended	-	-	-	-	-
Total	**9**	**-**	**-**	**-**	**9**

4 Goodwill and other intangible assets

i) Goodwill

Cost or valuation	March 31, 2025	March 31, 2024
Deemed cost		
As at March 31	2,498	2,498
As at March 31	**2,498**	**2,498**
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	**611**	**611**

ii) Other intangible assets

	Other intangible assets		Intangible assets under development
	Computer software	Total	
Cost or valuation			
As at March 31, 2023	**964**	**964**	**81**
Additions	230	230	11
Transfer from intangible assets under development	36	36	(70)
As at March 31, 2024	**1,230**	**1,230**	**22**
Additions	328	328	23
Transfer from intangible assets under development	27	27	(27)
As at March 31, 2025	**1,585**	**1,585**	**18**
Accumulated amortisation			
As at March 31, 2023	**570**	**570**	**-**
Charge for the year	348	348	-
As at March 31, 2024	**918**	**918**	**-**
Charge for the year	308	308	
As at March 31, 2025	**1,226**	**1,226**	**-**
Net book value			
As at March 31, 2024	**312**	**312**	**22**
As at March 31, 2025	**359**	**359**	**18**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Intangible Assets under Development (IAUD) Ageing

As at March 31, 2025

	Amount in IAUD for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	18	-	-	-	**18**
Projects temporarily suspended	-	-	-	-	-
Total	**18**	**-**	**-**	**-**	**18**

As at March 31, 2024

	Amount in IAUD for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	46	35	-	-	**81**
Projects temporarily suspended	-	-	-	-	-
Total	**46**	**35**	**-**	**-**	**81**

Impairment of goodwill

The Goodwill of ₹ 1,887 lakhs relates to business acquisition of OSS Cube Solutions Limited and ₹ 611 lakhs relates to the business acquisition of Cupola Technology Private Limited which has been allocated to OSS Cube and Internet of things (IoT) cash generating units (CGUs) respectively. 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:

	IoT	
	March 31, 2025	March 31, 2024
Discount rate	19.30%	19.30%
Long term growth rate	4.00%	4.00%
Sales growth	25.00%	15.00%
Carrying value of goodwill	611	611

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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 IoT CGU 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 of the IoT CGU lower than the carrying amount of CGU.

5 Right-of-use assets

	Computer systems	Office equipment	Office buildings	Motor vehicles	Total
As at March 31, 2023	**1,535**	**116**	**3,973**	**162**	**5,786**
Additions	1,069	-	1,440	62	2,571
Disposals	-	-	-	-	-
Depreciation	(1,320)	(20)	(1,253)	(66)	(2,659)
As at March 31, 2024	**1,284**	**96**	**4,160**	**158**	**5,698**
Additions	1,132	13	1,279	680	3,103
Disposals	-	-	-	(4.95)	(5)
Depreciation	(1,047)	(25)	(1,579)	(174)	(2,825)
As at March 31, 2025	**1,368**	**84**	**3,860**	**659**	**5,971**

The average lease period of the leased assets is 3.8 years (March 31, 2024: 4 years).

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

	March 31, 2025	March 31, 2024
Interest expense on lease liabilities - refer note 30	668	614
Depreciation of Right-of-use assets - refer note 29	2,825	2,659
Rent expense pertaining to short- term leases - refer note 31	482	483
	3,975	**3,756**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

6A Investments

Unquoted, carried at cost less impairment

	March 31, 2025	March 31, 2024
Investment in Subsidiary:		
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 Sri Mookambika Infosolutions Private Limited	13,694	13,694
10,000 (March 31, 2024 : 10,000) equity shares of face value of ₹ 100 each, fully paid		
Investment in Equity shares of PureSoftware Technologies Private Limited	70,303	-
3,24,11,166 equity shares of face value of ₹ 1 each, fully paid		
Investment in Equity shares of Happiest Minds Edutech Private limited (formaly known as Macmillan Learning India Private limited)	445	-
1,00,000 equity shares of face value of ₹ 1 each, fully paid		
Investment in Equity shares of InnovazIT Technologies LLC	1,293	-
8,200 equity shares of face value of ₹ 1 each, fully paid		
Investment in Equity shares of GAVS Technologies LLC	664	-
2,47,500 equity shares of face value of ₹ 1 each, fully paid		
Investment in Equity shares of GAVS Technologies Saudi Arabia for Telecommunications and Information Technology	22	-
100 equity shares of face value of ₹ 1 each, fully paid		
	92,446	19,719
Less: Impairment in value of investment	-	-
	92,446	**19,719**
Aggregate amount of quoted investment and market value thereof	-	-
Aggregate amount of unquoted investment	92,446	19,719
Aggregate amount of impairment in the value of investments	-	-

Note : Investment in subsidiaries includes principal place of business and proportion of ownership interest:

Name of entity	Nature	Country of incorporation	Ownership interest held by Company in %	
			March 31, 2025	March 31, 2024
Happiest Minds Inc. (formerly known as PGS Inc.)	Subsidiary	USA	100	100
Sri Mookambika Infosolutions Private Limited	Subsidiary	India	100	100
PureSoftware Technologies Private Limited	Subsidiary	India	100	-
Happiest Minds Edutech Private Limited (formerly known as Macmillan)	Subsidiary	India	100	-
InnovazIT Technologies LLC	Subsidiary	Dubai	100	-
GAVS Technologies LLC	Subsidiary	Oman	100	-
GAVS Technologies Saudi Arabia for Telecommunications and Information Technology	Subsidiary	Saudi	100	-

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

6B Investments

Carried at fair value through statement of profit and loss

	March 31, 2025	March 31, 2024
	Amount	Amount
Current		
Investment in mutual funds	35,039	-
	35,039	**-**
Note:		
Aggregate market value of quoted investments	35,039	-

7 Loans

Carried at amortised cost

	March 31, 2025	March 31, 2024
Non-current		
Loans considered good - Unsecured		
Loans to Subsidiary - refer note 39	1,250	-
	1,250	**-**
Current		
Loans considered good - Unsecured		
Loans to Subsidiary - refer note 39	-	1,668
Loans to employees	2	16
	2	**1,684**

8 Other financial assets

	March 31, 2025	March 31, 2024
(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	15	11
Margin money deposits - refer note (i) below	6,286	1,688
Security deposit	835	751
	7,136	**2,450**
(i) Margin money deposit is used to secure:		
Term loan - Federal bank	6,252	914
Guarantees given	34	774
Current		
Interest accrued on fixed deposit	1,814	1,618
Unbilled revenue #	10,246	11,064
Security deposit	116	111
Interest accrued on loan to subsidiary - refer note 39	-	193
Other receivables	1,609	422
	13,784	**13,408**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2025	March 31, 2024
Security deposit - credit impaired	-	1
Less: Allowance for credit impaired loans	-	1
Less: loss allowance on unbilled revenue	177	227
	13,607	**13,181**
# Classified as financial asset as right to consideration is unconditional and is due only after a passage of time. Includes ₹ 234 lakhs (March 31, 2024 : ₹ 71 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)	235	111
Cross currency interest rate swap - refer note 37 (B)	241	319
	476	**430**
Total other current financial assets	**14,083**	**13,611**

9 Income tax assets (net)

	March 31, 2025	March 31, 2024
Non - current		
Income tax assets (net)	3,529	1,330
	3,529	**1,330**

10 Other assets

	March 31, 2025	March 31, 2024
Non - current		
Prepaid expenses	81	32
	81	**32**
Current		
Prepaid expenses	2,271	2,027
Balances with statutory / government authorities	594	387
Advance to employees against expenses	269	165
Advance to suppliers - refer note 39	408	445
Contract assets	1,650	1,437
	5,192	**4,461**
Less: loss allowance on contract assets	29	26
	5,163	**4,435**

11 Deferred tax assets (net)

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

	March 31, 2025	March 31, 2024
Deferred tax assets (net)	2,133	1,636
	2,133	**1,636**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(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	Recognised in profit or loss [(charge)/credit]	Recognised in Other comprehensive income [(charge)/ credit]	March 31, 2025
Mutual funds	-	(312)		(312)
Goodwill	(154)	-		(154)
Property, plant and equipment and intangible assets	(232)	(106)		(338)
Derivative assets	10	-	79	89
Loss allowance on trade receivables	217	264		481
Lease liability and right-of-use assets	329	(15)		314
Provision for gratuity and leave encashment	932	315	119	1,366
Employee related liabilities	308	147		455
Others	227	6		233
Deferred tax assets (net)	**1,636**	**299**	**198**	**2,133**

Significant components and movement in deferred tax assets and liabilities during the year ended March 31, 2024 :

	April 1, 2023	Recognised in profit or loss [(charge)/credit]	Recognised in Other comprehensive income [(charge)/ credit]	March 31, 2024
Mutual funds	-	-	-	-
Goodwill	(154)	-	-	(154)
Property, plant and equipment and intangible assets	(22)	(210)	-	(232)
Derivative assets	111	-	(101)	10
Loss allowance on trade receivables	132	85	-	217
Lease liability and right-of-use assets	212	117	-	329
Provision for gratuity and leave encashment	735	102	95	932
Employee related liabilities	-	308	-	308
Others	232	(6)	-	227
Deferred tax assets (net)	**1,246**	**397**	**(6)**	**1,636**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

12 Trade receivables

Carried at amortised cost

	March 31, 2025	March 31, 2024
Current		
Trade receivables - others	23,704	20,899
Trade receivables - related party- Refer note 39	2,727	2,297
Total trade receivables	**26,431**	**23,196**
Break-up for security details		
Unsecured, considered good	26,431	23,196
Unsecured, considered doubtful	1,952	859
	28,383	**24,055**
Impairment allowance		
Unsecured, considered good	(1,952)	(859)
Trade receivables net of impairment	**26,431**	**23,196**

Trade receivables Ageing Schedule:

As at March 31, 2025

	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	17,767	8,484	263	-	-	-	26,514
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-		-
Undisputed Trade receivables - credit impaired	-	1,244	252	126	69	178	1,869
Disputed Trade receivables - considered good	-	-	-	-	-		-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-		-
Disputed Trade receivables - credit impaired	-	-	-	-	-		-
Total	**17,767**	**9,728**	**515**	**126**	**69**	**178**	**28,383**
Less: Impairment allowance	-	-	-	-	-		1,952
Total							**26,431**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

As at March 31, 2024

	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	17,038	6,311	61	-	-	-	23,410
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	45	143	232	216	9	645
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**17,038**	**6,356**	**204**	**232**	**216**	**9**	**24,055**
Less: Impairment allowance	-	-	-	-	-	-	859
Total							**23,196**

(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, 2025	March 31, 2024
Balances with banks:		
- in current accounts	4,098	3,842
- in EEFC accounts	412	4,640
Deposits with original maturity of less than three months - refer note below	1	2,200
	4,511	**10,682**

Note:

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

14 Bank and bank balance other than cash and cash equivalents

	March 31, 2025	March 31, 2024
Fixed deposit	19,092	1,10,748
Margin money deposits - refer note (i) below	73,892	10,900
Balances with bank in unpaid dividend account	46	25
	93,030	**1,21,673**
(i) Margin money deposit is used to secure:		
Working capital facility and bank overdrafts	65,880	10,900
Guarantees given	8,012	-

15 Share Capital

Equity share capital

i) **Authorised share capital**

	Numbers	Amount
Equity share capital of ₹ 2 each		
As at April 01, 2023	22,93,00,000	4,586
Increase during the year	-	-
As at March 31, 2024	**22,93,00,000**	**4,586**
Increase during the year	-	-
As at March 31, 2025	**22,93,00,000**	**4,586**

ii) **Issued, subscribed and fully paid up Equity share capital**

	Numbers	Amount
Equity share capital of ₹ 2 each, fully paid up		
As at April 01, 2023	**14,31,88,555**	**2,866**
Issue of shares - refer note (3) below	54,11,255	106
Exercise of share options - refer note (1) below	7,54,616	15
As at March 31, 2024	**14,93,54,426**	**2,987**
Exercise of share options - refer note (1) below	6,92,441	14
As at March 31, 2025	**15,00,46,867**	**3,001**

(1) During the year ended March 31, 2025, Employee Stock Option Trust (ESOP trust) issued 6,92,441 (March 31, 2024 - 7,54,616) equity shares to the employees upon exercise of employee stock options.

(2) The outstanding equity shares as at April 01, 2023, March 31, 2024 and March 31, 2025 are presented net of treasury shares.

(iii) **Terms/ rights attached to equity shares**

The Company has a single class of equity share of par value ₹ 2 each. Each holder of the equity shares is entitled to one vote per share and carries a right to dividends as and when declared by the Company.

In the event of liquidation of the Company, the holders of equity shares, will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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

	March 31, 2025		March 31, 2024	
	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	32.82%	5,83,82,277	39.09%
Ashok Soota Medical Research LLP	1,79,48,784	11.96%	1,79,48,784	12.02%
SBI Small Cap Fund	1,17,12,365	7.81%	-	0.00%

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, 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	5,83,82,277	(91,36,490)	4,92,45,787	32.97%	(15.65)%
Equity shares of ₹ 2 each fully paid	Ashok Soota Medical Research LLP	1,79,48,784	-	1,79,48,784	12.02%	0.00%

As at March 31, 2024

	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	6,00,75,393	(16,93,116)	5,83,82,277	39.09%	(2.82)%
Equity shares of ₹ 2 each fully paid	Ashok Soota Medical Research LLP	1,79,48,784	-	1,79,48,784	12.02%	0.00%

16 Treasury shares

	No of shares
As at April 01, 2023	**36,75,001**
Issue for cash on exercise of share options	(7,54,616)
As at March 31, 2024	**29,20,385**
Issue for cash on exercise of share options	(6,92,441)
As at March 31, 2025	**22,27,944**

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, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

17 Other equity

	March 31, 2025	March 31, 2024
Securities premium account	90,580	90,318
Retained earnings	61,825	53,930
Cash flow hedge reserve	(264)	(28)
Share options outstanding reserve	68	163
	1,52,208	**1,44,383**

	March 31, 2025	March 31, 2024
a) Securities premium account		
Opening balance	90,318	41,556
Transaction costs, net of recovery or reimbursement of expense on issue of shares	-	(1,444)
On issue of shares - refer note 15 (ii) (3)	-	49,894
Exercise of share option by employees	168	164
Transferred from ESOP reserve for options exercised	94	144
Transferred from Retained earnings for options exercised	-	4
Closing balance	**90,580**	**90,318**
b) Retained earnings		
Opening balance	53,930	38,240
Profit for the year	16,856	24,573
Other comprehensive income recognised directly in retained earnings	(355)	(281)
Dividend - refer note 18	(8,608)	(8,604)
Transferred from share option outstanding reserve for options forfeited	1	6
Transferred to securities premium on options exercised	-	(4)
Closing balance	**61,825**	**53,930**
c) Cash flow hedge reserve		
Opening balance	(28)	(330)
Net movement on effective portion of cash flow hedges - refer note 37 (B)	(236)	302
Closing balance	**(264)**	**(28)**
d) Share options outstanding reserve		
Opening balance	163	266
Employee compensation expense for the year - refer note 42	-	47
Transferred to retained earnings for options forfeited	(1)	(6)
Transferred to securities premium for options exercised	(94)	(144)
Closing balance	**68**	**163**

(i) Nature and purpose of other reserves

a) **Securities premium account :**

Securities premium account has been created consequent to issue of shares at premium. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

b) **Retained earnings :**

Retained earnings comprises of prior years and current year's undistributed earnings/accumulated losses after tax.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(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, 2025	March 31, 2024
Dividends on equity shares declared and paid :		
Final dividend paid for the year ended on March 31, 2024 : 3.25/- per share (March 31, 2023 : ₹ 3.4/- per share)	4,854	4,879
Interim dividend for the year ended on March 31, 2025 : ₹ 2.5/- per share (March 31, 2024 : 2/- per share)	3,754	3,725
	8,608	**8,604**

19 Borrowings

Carried at amortised cost

	March 31, 2025	March 31, 2024
Non current		
Secured		
Term loan from bank - refer note (a)	10,444	11,278
Unsecured		
Term loan from bank - refer note (b)	24,061	-
	34,505	**11,278**
Less: Current maturities of secured term loan	(968)	(833)
Less: Current maturities of unsecured term loan	-	-
Total non-current borrowings	**33,537**	**10,445**
Current		
Secured		
Loans from banks		
Foreign currency loan (PCFC) - refer note (d)	22,654	19,886
Bank overdraft - refer note (d)	44,777	573
Unsecured		
Loans from banks		
Redeemable non-convertible debentures - refer note (c)	8,000	12,500
Loan from subsidiary - Sri Mookambika Infosolutions Private Limited	-	-
Loan from subsidiary - PureSoftware Technologies Private limited	350	-
Current maturities of term loans		
Secured term loan from bank - refer note (a)	968	833
Total current borrowings	**76,750**	**33,792**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Notes

(a) Rupee term loan of ₹ 12,430 lakhs from Federal bank carries an effective interest rate of 7.9% per annum (March 31, 2024 : 7.9%). The loan is repayable in 120 monthly installment commencing from August 15, 2022 and will mature on July 15, 2032. The proceeds from the loan was utilized for the acquisition of building - SJR Equinox, including the land comprised therein, situated at Electronic City, Bangalore. The loan is secured by way of exclusive charge on such land and building together with all the fixtures in the building along with lien on fixed deposits equivalent to three months equated monthly instalments (refer note 8).

The Company had entered into a Cross currency interest rate swap with respect to this loan, equal to the tenor of the loan, resulting in an effective interest rate of 4.21% per annum.

(b) During the year, the Company has taken unsecured loan with limit reducing over the tenure of 60 months from Federal bank, which carries interest rate of 8.60% p.a. The loan is repayable in 60 months.

(c) 4,500 rated, listed, negotiable, unsecured, redeemable non-convertible debentures (NCDs) aggregating to ₹ 4,500 lakhs were issued during FY 22-23 on a private placement basis carrying a coupon rate of 3m T-bill + 2.35% p.a payable quarterly. Each NCD has face value of ₹ 1 lakh and is redeemable at face value at the end of 3rd year from the date of allotment. The NCDs were allotted on March 27, 2023 and will mature on March 27, 2026. The proceeds from NCDs has been utilised for general corporate purpose. The investor and the Company has put and call option respectively, for the redemption of debenture at face value on the coupon payment date falling at the expiry of one year or two years from the deemed date of allotment. During FY24-25, Company has exercised the call option on March 27, 2025 (call option date) and repaid ₹ 4,500 lakhs.

The company had issued 4,500 and 3,500 rated, listed, negotiable, unsecured, redeemable non-convertible debentures (NCDs) aggregating to ₹ 8,000 lakhs were issued during FY 23-24 on a private placement basis, carrying a coupon rate of 3m T-bill + 2.35% p.a payable quarterly. Each NCD has face value of ₹ 1 lakh and is redeemable at face value at the end of 3rd year from the date of respective allotment. NCDs were allotted on 8th May, 2023 and 26th September, 2023 respectively and will mature on 8th May, 2026 and 26th September, 2026 respectively. The proceeds from NCDs has been utilised for general corporate purpose. The investor and the issuer has put and call option respectively, for the redemption of debenture at face value on the coupon payment date falling on the expiry of one year or two years from the deemed date of allotment. Consequently, the NCDs are classified as current borrowings.

(d) Company has availed lines of credit from banks in the form of Packing Credit in Foreign Currency (PCFC) and Overdraft to meet the working capital requirements and other short term requirements.

Packing credit in foreign currency:

During the current year the total sanctioned limit was ₹ 31,500 lakhs (March 31, 2024 - ₹ 29,000 lakhs). Loans were drawn in USD which carried floating interest rate benchmarked to SOFR + Spread. Interest rates ranged from 5.04% to 6.27% (March 31, 2024 : 4.76% to 6.24%). Tenor of the loan ranged from 90 days to 180 days. Loans were secured by way of pari-passu charge on current assets of the Company. These loans were sanctioned as revolving credit which will be renewed on periodic basis. The loans stipulate certain financial covenants as per the terms agreed and the Company has complied with all the covenants to the satisfaction of the banks.

Overdraft facility:

During the current year the total sanctioned limit was ₹ 59,800 lakhs (March 31, 2024 - ₹ 9,500 lakhs). Interest rates ranged from 7.90% to 8.55% (March 31, 2024 8.50%). Loans were fully secured by way of lien on fixed deposit equivalent to ₹ 65,880 lakhs (March 31, 2024 - ₹ 10,700 lakhs) (refer note 14)

Non-fund based facility:

Company has non-fund based revolving facility of ₹ 7,827 lakhs (March 31, 2024 - ₹ 767 lakhs) which can be used for issuance of letter of credits and bank guarantees

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(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, 2023	**13,856**	**26,680**
Financing cash flows (net)	(2,608)	5,661
Non cash movements:		
Amortisation of transaction cost	17	-
Foreign exchange difference	13	45
As at March 31, 2024	**11,278**	**32,386**
Financing cash flows (net)	23,223	(1,821)
Non cash movements:		
Amortisation of transaction cost	-	-
Foreign exchange difference	4	439
As at March 31, 2025	**34,505**	**31,004**

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

##Current borrowing movement doesn't includes bank overdraft which forms part of cash and cash equivalent for the purpose of Cash flow statement.

20 Lease liabilities

Carried at amortised cost

	March 31, 2025	March 31, 2024
Non current		
Lease liabilities	7,226	6,982
	7,226	**6,982**
Less: Current maturities of lease liabilities	(2,787)	(2,412)
Total non-current lease liabilities	**4,439**	**4,570**
Current		
Lease liabilities	2,787	2,412
Total current lease liabilities	**2,787**	**2,412**

(i) Movement in lease liabilities for year ended March 31, 2025 and March 31, 2024:

	March 31, 2025	March 31, 2024
Balance at beginning of the year	6,982	6,620
Additions	3,060	2,523
Finance cost incurred during the period - refer note 30	668	614
Disposal	(11)	-
Payment of lease liabilities	(3,460)	(2,775)
Exchange difference	(13)	-
Balance at the end of the year	**7,226**	**6,982**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 and March 31, 2024

	March 31, 2025	March 31, 2024
Less than one year	3,315	2,925
one to five years	4,694	5,074
more than five years	-	-

(iii) The Company had total cash outflow of ₹ 3,460 lakhs during the year ended March 31, 2025 (March 31, 2024 - ₹ 2,775 lakhs) for leases recognized in balance sheet. The Company has made a non-cash addition to lease liabilities of ₹ 3,060 lakhs during the year ended March 31, 2025 (March 31, 2024 - ₹ 2,523 lakhs).

21 Other financial liabilities

	March 31, 2025	March 31, 2024
Non-current		
Carried at fair value through other comprehensive income		
Cash flow hedges		
Cross currency interest rate swap - refer note 37 (B)	612	401
	612	**401**
Total non - current financial liabilities	**612**	**401**
Current		
Carried at amortised cost		
Employee related liabilities	3,167	3,873
Unpaid dividend	46	26
Capital creditors	287	303
Consideration payable	422	-
Accrued interest payable#	76	92
	3,998	**4,294**
Carried at fair value through profit or loss		
Contingent consideration - refer note 36 (iv) and 36 (v)	8,855	1,389
	8,855	**1,389**
Carried at fair value through other comprehensive income		
Cash flow hedges		
Foreign currency forward contracts - refer note 37 (B)	217	68
	217	**68**
Total other current financial liabilities	**13,071**	**5,751**

Includes ₹ 65 lakhs (March 31, 2024 : ₹ 4 lakhs) payable to related party. Refer note 39

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

22 Provisions

	March 31, 2025	March 31, 2024
Non-current		
Provision for gratuity - refer note 35	4,044	2,988
Provision for compensated absences - refer note 35	-	
	4,044	**2,988**
Current		
Provision for gratuity - refer note 35	-	-
Provision for compensated absences - refer note 35	2,715	2,080
Other provisions		
Provision for warranty	11	10
	2,726	**2,090**

23 Contract liabilities

	March 31, 2025	March 31, 2024
Unearned revenue - refer note (i) below	1,342	1,417
	1,342	**1,417**

(i) The Company has rendered the service and have recognised the revenue of ₹ 75 lakhs (March 31, 2024: ₹ 566 lakhs) during the year from the unearned revenue balance at the beginning of the year.

24 Trade payables

Carried at amortised cost

	March 31, 2025	March 31, 2024
Total outstanding dues of Micro enterprises and Small enterprises	184	165
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	8,474	6,715
	8,658	**6,880**

Trade payables Ageing Schedule

As at March 31, 2025

	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	-	184	-	-	-	184
Total outstanding dues of creditors other than micro enterprises and small enterprises	11	1,534	12	5	-	1,562
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Provision for expenses	-	-	-	-	-	6,912
	11	**1,718**	**12**	**5**	**-**	**8,658**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

As at March 31, 2024

	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	-	165	-	-	-	165
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	1,009	5	-	2	1,016
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Provision for expenses	-	-	-	-	-	5,699
	-	**1,174**	**5**	**-**	**2**	**6,880**

Terms and conditions of above trade payables:

(i) Trade payables are non-interest bearing and are normally settled on 0 to 90 days terms

(ii) For explanation of company's liquidity risk - refer note 37 (D)

(iii) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 - refer below note

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006

Particulars	March 31, 2025	March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	184	165
Interest due on the above	*	-
(i) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(ii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

* amount below rounding off norm of the Company

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

25 Other liabilities

	March 31, 2025	March 31, 2024
Current		
Statutory dues payable	2,218	2,648
Other payables	40	23
	2,258	**2,671**

26 Revenue from contract with customers

	For the year ended	
	March 31, 2025	March 31, 2024
Revenue from service	1,47,699	1,47,196
Revenue from license	623	287
Gross revenue from operations	**1,48,322**	**1,47,483**
Less : cash discounts	(184)	(195)
Net revenue from operations	**1,48,137**	**1,47,288**
Revenue from service	1,47,514	1,47,001
Revenue from license (net)	623	287
	1,48,137	**1,47,288**

26.1 Disaggregated revenue information

Segment	For the year ended March 31, 2025			
	Infrastructure Management & Security Services	Product and Digital Engineering Services	Generative AI Business Services#	Total
Revenue from contract with customers	31,431	1,13,144	3,562	1,48,137
Total revenue from contracts with customers	**31,431**	**1,13,144**	**3,562**	**1,48,137**
India	3,202	18,222	1,021	22,445
Outside India	28,229	94,923	2,540	1,25,692
Total revenue from contracts with customers	**31,431**	**1,13,144**	**3,562**	**1,48,137**
Timing of revenue recognition				
Licenses transferred at a point in time	454	169	-	623
Fixed price project - services transferred over time	5,689	10,195	1,288	17,172
Time and material - services transferred over time	25,288	1,02,780	2,274	1,30,342
Total revenue from contracts with customers	**31,431**	**1,13,144**	**3,562**	**1,48,137**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Segment	For the year ended March 31, 2024			
	Infrastructure Management & Security Services	Digital Business Solutions	Product Engineering Services	Total
Revenue from contract with customers	29,615	41,584	76,089	1,47,288
Total revenue from contracts with customers	**29,615**	**41,584**	**76,089**	**1,47,288**
India	8,188	6,211	12,225	26,624
Outside India	21,427	35,373	63,864	1,20,664
Total revenue from contracts with customers	**29,615**	**41,584**	**76,089**	**1,47,288**
Timing of revenue recognition				
Licenses transferred at a point in time	287	-	-	287
Fixed price project - services transferred over time	14,090	15,551	7,464	37,105
Time and material - services transferred over time	15,238	26,033	68,625	1,09,896
Total revenue from contracts with customers	**29,615**	**41,584**	**76,089**	**1,47,288**

The Company has established new business unit Generative AI Business Services (GBS) and re-structured two of its existing business units, namely Digital Business Services ("DBS") and Product Engineering Services ("PES") by merging into new business unit Product and Digital business service ("PDES"). The Business unit Infrastructure Management & Security Services (IMSS) continues to operate in the same name. This new structure is effective April 01, 2024.

26.2 Contract balances

	March 31, 2025	March 31, 2024
Trade receivables, net of expected credit loss	26,431	23,196
Unbilled revenue, net of expected credit loss	10,069	10,837
Contract assets	1,621	1,411
Contract liability	1,342	1,417

26.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contract price	1,49,299	1,48,246
Discount	(1,161)	(958)
Revenue from contract with customers	**1,48,137**	**1,47,288**

26.4 The Company has applied practical expedient as given in Ind AS 115 for not disclosing the remaining performance obligation for contracts that have original expected duration of one year or lesser and for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time-and-material. The Company has fixed price contracts for a period of more than one year, the remaining performance obligation for these contracts is ₹ 6,955 lakhs (March 31, 2024: ₹ 818 lakhs). The revenue for remaining performance obligation is expected to be recognised over period of 1-3 years (March 31, 2024: 1-3 years).

Notes to the Standalone Financial Statements for the year ended March 31, 2025
(All amounts in ₹ lakhs, unless otherwise stated)

27 Other income

	For the year ended	
	March 31, 2025	March 31, 2024
Interest income on:		
Deposits with bank	8,673	7,883
Loan to subsidiary - refer note 39	22	119
Financial instrument measured at amortised cost	60	34
	8,756	**8,036**
Fair value gain on investment measured at FVTPL	1,240	-
Gain on sale of investments measured at FVTPL	-	18
Exchange gain/ (loss)	(130)	475
Gain on property, plant and equipment sold / scrapped, net	6	-
Dividend received from subsidiary - refer note 39	6,850	2,500
Miscellaneous income	35	97
	8,001	**3,090**
	16,757	**11,126**

28 Employee benefits expense

	For the year ended	
	March 31, 2025	March 31, 2024
Salaries, wages and bonus	94,389	87,890
Contribution to provident and other funds	4,891	4,551
Employee stock compensation expense - refer note 42	-	47
Gratuity expense - refer note 35	856	778
Compensated absences	1,140	988
Staff welfare expenses	518	518
	1,01,794	**94,772**

29 Depreciation and amortisation expense

	For the year ended	
	March 31, 2025	March 31, 2024
Depreciation of property, plant and equipment - refer note 3	586	423
Amortisation of intangible assets - refer note 4	308	348
Depreciation of right-of-use assets - refer note 5	2,825	2,659
	3,719	**3,430**

30 Finance costs

	For the year ended	
	March 31, 2025	March 31, 2024
Interest expense on:		
Borrowings	6,851	2,460
Non convertible debenture	1,125	948
Loan from Subsidiary - refer note 39	100	37
Lease liabilities- refer note 20	668	614
Unwinding of interest in contingent consideration - refer note 36	424	168
	9,168	**4,227**

Notes to the Standalone Financial Statements for the year ended March 31, 2025
(All amounts in ₹ lakhs, unless otherwise stated)

31 Other expenses

	For the year ended	
	March 31, 2025	March 31, 2024
Power and fuel	480	549
Subcontractor charges	9,645	10,044
Repairs and maintenance		
- Buildings	421	332
- Equipments	30	63
- Others	285	476
Rent expenses - refer note (ii) below	482	483
Advertising and business promotion expenses	621	509
Commission	73	-40
Communication costs	187	252
Insurance	128	138
Legal and professional fees	1,721	986
Audit fees - refer note (i) below	115	102
Software license cost	5,415	4,629
Rates and taxes	101	62
Recruitment charges	592	782
Sitting fees to Non-Executive Directors - refer note 39	70	70
Commission to Non-Executive Directors - refer note 39	55	25
Corporate social responsibility ('CSR') expenditure - refer note 40	574	450
Travelling and conveyance	3,392	2,704
Postage and courier	41	39
Training expense	442	412
Miscellaneous expenses	148	132
	25,018	**23,199**

(i) Payment to auditors:

	For the year ended	
	March 31, 2025	March 31, 2024
As auditor:		
Audit fee	115	95
In other capacity		
Certification fees	8	205
Reimbursement of expenses	-	2
	123	**302**

(ii) Rent expense recorded under other expenses are lease rental for short-term leases

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

31A Impairment loss allowance

	For the year ended	
	March 31, 2025	March 31, 2024
Impairment loss allowance on trade and unbilled receivables	1,524	433
	1,524	**433**

32 Exceptional Items

	For the year ended	
	March 31, 2025	March 31, 2024
Loss/(Gain) on remeasurement of contingent consideration	2,344	(143)
	2,344	**(143)**

(i) 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' for the year ended March 31, 2025.

(ii) On January 1, 2023, the Company obtained operational and management control of Sri Mookambika Infosolutions Private Limited ('SMI'), a Madurai based Company which provides IT services. The Company acquired 100% equity in SMI for total consideration of ₹ 13,694 lakhs, comprising cash consideration of ₹ 11,132 lakhs and fair-value of contingent consideration of ₹ 2,562 lakhs payable over the next 2 years subject to achievement of set targets.

The contingent consideration was classified as a financial liability as per Ind AS 109 'Financial Instruments' and was 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 total consideration for acquisition of SMI includes a contingent consideration payable over a period of 2 years ending December 31, 2024. The Group has re-measured the fair value of the liability as at March 31, 2024 and the change in fair value of ₹ 143 lakhs and is recognized as gain on derecognition of contingent consideration in the statement of profit and loss and disclosed as an 'Exceptional Item' for the year ended March 31, 2024.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

33 Income tax expense

	For the year ended	
	March 31, 2025	March 31, 2024
a) Statement of profit or loss		
Current tax	4,770	8,320
Adjustment of tax relating to earlier periods	-	-
Deferred tax credit	(299)	(397)
Income tax expense	**4,471**	**7,923**
b) Statement of other comprehensive income		
On net movement on effective portion of cash flow hedges	79	(101)
On re-measurement losses on defined benefit plans	119	95
	198	**(6)**
Reconciliation of tax expense and tax based on accounting profit:		
Profit before income tax expense	21,327	32,496
Tax at the Indian tax rate of 25.17% (March 31, 2024: 25.17%)	5,368	8,179
Tax effect of:		
Expenses that are not deductible in determining taxable profit	842	297
Income not taxable in determining taxable profit	(1,726)	(629)
Others	(13)	76
Income tax expense	**4,471**	**7,923**

34 Earnings per share ['EPS']

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended	
	March 31, 2025	March 31, 2024
Profit after tax attributable to equity holders of the Company (a) (₹ in lakhs)	16,856	24,573
Weighted average number of shares outstanding during the year for basic EPS (b)	15,05,68,775	14,84,59,435
Weighted average number of shares outstanding during the year for diluted EPS (c)	15,05,67,547	14,84,69,587
Basic earnings per share (in ₹) (a/b)	11.19	16.55
Diluted earnings per share (in ₹) (a/c)	11.19	16.55
Equity share reconciliation for EPS		
Equity share outstanding	15,05,68,775	14,84,59,435
Total considered for basic EPS	**15,05,68,775**	**14,84,59,435**
Add: ESOP options	-	10,152
Total considered for diluted EPS	**15,05,68,775**	**14,84,69,587**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(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 ₹ 4,891 lakhs (March 31, 2024 : ₹ 4,551 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. 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 salary 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, 2025	March 31, 2024
Current	-	-
Non-current	4,044	2,988
	4,044	**2,988**

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, 2025:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 1, 2024	**3,767**	**779**	**2,988**
Current service cost	644	-	644
Net interest expense	268	56	212
Total amount recognised in statement of profit and loss	**912**	**56**	**856**
Benefits paid	(460)	(460)	-
Remeasurement			
Return on plan assets	-	8	(8)
Actuarial (gains)/losses arising from changes in demographic assumptions	245	-	245
Actuarial (gains)/losses arising from changes in financial assumptions	(72)	-	(72)
Experience adjustments	316	-	316
Total amount recognised in other comprehensive income	**489**	**8**	**481**
Contributions by employer	-	281	(281)
As at March 31, 2025	**4,708**	**664**	**4,044**

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2024:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 1, 2023	**2,887**	**708**	**2,179**
Current service cost	616	-	616
Net interest expense	214	52	162
Total amount recognised in statement of profit and loss	**830**	**52**	**778**
Benefits paid	(324)	(278)	(46)
Remeasurement			
Return on plan assets	-	(3)	3
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	16	-	16
Experience adjustments	358	-	357
Total amount recognised in other comprehensive income	**374**	**(3)**	**376**
Contributions by employer	-	300	(300)
As at March 31, 2024	**3,767**	**779**	**2,988**

The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2025	March 31, 2024
Insurance fund	664	779
Total	**664**	**779**

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

	March 31, 2025	March 31, 2024
Discount rate	4.60% - 6.55%	4.60% - 7.29%
Expected return on plan assets	6.55%	7.29%
Future salary increases	4% p.a. - 7% p.a	4% p.a. - 8% p.a
Employee turnover	18.00%	25.00%
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

A quantitative sensitivity analysis for significant assumptions are as shown below:

	Sensitivity Level	March 31, 2025		March 31, 2024	
		Defined benefit obligation on increase/decrease in assumptions			
		Increase	Decrease	Increase	Decrease
Discount rate	1% increase / decrease	(200)	219	(113)	122
Future salary increase	1% increase / decrease	208	(196)	116	(111)
Attrition rate	1% increase / decrease	(34)	35	(26)	26

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, 2025 is ₹ 240 lakhs (March 31, 2024 : ₹ 240 lakhs). The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2024: 4 years). The expected maturity analysis of undiscounted gratuity is as follows:

	March 31, 2025	March 31, 2024
Within the next 12 months	685	610
Between 2 and 5 years	2,452	1,736
Between 6 and 10 years	1,933	983
Beyond 10 years	1,575	443

36 Fair value measurement

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

	March 31, 2025	March 31, 2024
Measured at fair value through other comprehensive income (FVOCI)		
Foreign currency forward contracts	235	111
Cross currency interest rate swap	241	319
Total financial assets measured at FVOCI	**476**	**430**
Measured at fair value through statement of profit and loss (FVTPL)		
Investment in mutual funds	35,039	-
Total financial assets measured at FVTPL	**35,039**	**-**
Measured at amortised cost		
Investment in subsidiary	92,446	19,719
Security deposits	950	862
Loans to employees	2	16
Loans to related parties	1,250	1,668
Other financial assets	19,793	14,769
Trade receivables	26,431	23,196
Bank and bank balance other than cash and cash equivalents	93,030	1,21,673
Cash and cash equivalents	4,511	10,682
Total financial assets measured at amortised cost	**2,38,414**	**1,92,585**
Total financial assets	**2,73,929**	**1,93,015**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

ii) The carrying value of financial liabilities by categories is as follows:

	March 31, 2025	March 31, 2024
Measured at fair value through statement of profit and loss (FVTPL)		
Contingent consideration	8,855	1,389
Total financial liabilities measured at FVTPL	**8,855**	**1,389**
Measured at fair value through other comprehensive income (FVOCI)		
Foreign currency forward contracts	217	68
Cross currency interest rate swap	612	401
Total financial liabilities measured at FVOCI	**830**	**469**
Measured at amortised cost		
Term loan from bank	34,505	11,278
Redeemable non-convertible debentures	8,000	12,500
Foreign currency loan (PCFC)	22,654	19,886
Loan from subsidiary	350	-
Bank Overdraft	44,777	573
Lease liabilities	7,226	6,982
Trade payables	8,658	6,880
Other financial liabilities	3,998	4,294
Total financial liabilities measured at amortised cost	**1,30,168**	**62,393**
Total financial liabilities	**1,39,853**	**64,251**

iii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
	March 31, 2025			
Financial assets 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**
Financial liabilities measured at fair values				
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 to the Standalone Financial Statements for the year ended March 31, 2025

(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, 2024			
Financial assets and liabilities measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	111	-	111
Cross currency interest rate swap	-	319	-	319
Measured at fair value through statement of profit and loss (FVTPL)				
Investment in mutual funds	-	-	-	-
Total financial asset measured at fair value	**-**	**430**	**-**	**430**
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	68	-	68
Cross currency interest rate swap	-	401	-	401
Measured at fair value through statement of profit and loss (FVTPL)				
Financial assets measured at fair values	-	-	1,389	1,389
Total financial liabilities measured at Fair value	**-**	**469**	**1,389**	**1,858**

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 forecast 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 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. Further the management also estimates that the carrying amount of foreign currency term loan at fixed interest rates are the reasonable approximation of their fair value and the difference between carrying amount and their fair value is not significant.

d) The Company has valued contingent consideration by using the monte carlo simulation approach.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

e) 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.

iv) Valuation Inputs and relationship to fair value

	Level 3 inputs	Weighted range	Sensitivity
	March 31, 2025		
Contingent consideration	Standard deviation on revenue and EBIDTA growth on both service and product business	5%	Increase and decrease in standard deviation by 1% would decrease and increase contingent consideration by ₹ 42 lakhs and ₹ 78 lakhs respectively.
	Discount rate	7.07%	Increase and decrease in discount rate by 1% would decrease and increase contingent consideration by ₹ 46 lakhs and ₹ 45 lakhs respectively.

	Level 3 inputs	Weighted range	Sensitivity
	March 31, 2024		
Contingent consideration	Standard deviation on revenue and EBIDTA growth	5%	Increase and decrease in standard deviation by 1% would decrease and increase contingent consideration by ₹ 45 lakhs and ₹ 14 lakhs respectively.
	Discount rate	7.34%	Increase and decrease in discount rate by 1% would decrease and increase contingent consideration by ₹ 1 lakhs and ₹ 19 lakhs respectively.

v) Reconciliation of Contingent consideration measured at FVTPL

	March 31, 2025	March 31, 2024
As at April 1	1,389	2,608
Acquisition of subsidiary	6,150	-
Amount recognised in profit and loss statement - refer note 30	424	168
Loss on derecognition of contingent consideration - refer note 32	2,344	(143)
Settlement during the year	(1,452)	(1,244)
As at March 31	**8,855**	**1,389**

37 Financial risk management

The Company's principal financial liabilities comprise of borrowings, lease obligation, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits, investments, trade and other receivables and cash and cash equivalents that is derived directly from its operations. The Company also enters into derivative transactions for hedging purpose.

The Company's activities exposes it to market risk, liquidity risk and credit risk. The Company's risk management is carried out by the management under the policies approved by the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assessed for the impact on the financial performance. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes will be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Notes to the Standalone Financial Statements for the year ended March 31, 2025
(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 three types of risk: interest rate risk, currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

i. Foreign currency risk

The Company's operates in various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts in various currencies but foreign currency risk primarily arises from USD, GBP and EUR.

The Company uses foreign currency forward contract and CCIRS governed by its board approved policy to mitigate its foreign currency risk that are expected to occur within the period for forecasted sales. The counterparty for these contracts is generally a reputed scheduled bank. The Company reports quarterly to a committee of the board, which monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of sale that is denominated in the foreign currency.

Hedge effectiveness is determined at inception and periodic prospective effectiveness testing is done to ensure the relationship exist between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedge items.

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

Currency	Particulars	March 31, 2025		March 31, 2024	
		FC	INR	FC	INR
	Financial assets				
USD	Trade receivables	211	18,006	181	15,104
	Loans	15	1,246	22	1,862
	Other financial assets	97	8,272	92	7,638
	Bank accounts	35	3,001	79	6,622
	Net exposure on foreign currency risk (assets)	**357**	**30,525**	**374**	**31,226**
	Financial liability				
	Borrowings	260	22,194	226	18,807
	Trade payables	34	2,884	7	571
	Other financial liabilities	10	826	36	2,964
	Other liabilities	7	579	6	496
	Net exposure on foreign currency risk (liabilities)	**310**	**26,483**	**274**	**22,837**
	Net exposure on foreign currency risk (assets-liabilities)	**47**	**4,042**	**101**	**8,389**
EURO	**Financial assets**				
	Trade receivables	23	2,082	8	696
	Other financial assets	6	515	5	481
	Bank accounts	0	9	2	198
	Other assets	*	*	*	10
	Net exposure on foreign currency risk (assets)	**28**	**2,606**	**15**	**1,384**
	Financial liability				
	Trade payables	*	*	*	*
	Borrowings	5	460	12	1,079
	Other liabilities	0	37	1	54
	Net exposure on foreign currency risk (liabilities)	**5**	**497**	**13**	**1,134**
	Net exposure on foreign currency risk (assets-liabilities)	**23**	**2,109**	**3**	**251**
	Financial assets				
GBP	Trade receivables	4	458	6	598
	Loans	0	29		
	Other financial assets	2	227	1	155
	Bank accounts	5	541	2	194
	Other assets	*	*	*	32
	Net exposure on foreign currency risk (assets)	**11**	**1,255**	**9**	**979**
	Financial liability				
	Trade payables	0	44	1	68
	Other financial liabilities	6	660	4	439
	Other liabilities	1	81	1	76
	Net exposure on foreign currency risk (liabilities)	**7**	**786**	**6**	**583**
	Net exposure on foreign currency risk (assets-liabilities)	**4**	**469**	**3**	**395**

The Group enters into derivative financial instruments such as foreign currency forward contracts and Cross currency interest rate swaps to mitigate the risk of changes in exchange rates. Details of the derivative contracts held by the Company are included in Note 37(B)

* Represents number below rounding off norms of the Company.

b) The sensitivity of profit or loss to changes in foreign exchange rates arising mainly from foreign currency denominated financial instrument:

	Impact on profit before tax	
	March 31, 2025	March 31, 2024
USD sensitivity		
INR/ USD increases by 5%	202	419
INR/ USD decreases by 5%	(202)	(419)
EURO sensitivity		
INR/ EURO increases by 5%	105	13
INR/ EURO decreases by 5%	(105)	(13)
GBP sensitivity		
INR/ GBP increases by 5%	23	20
INR/ GBP decreases by 5%	(23)	(20)

* Sensitivity is calculated holding all other variables constant

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Redeemable Non-convertible debenture (NCD)s with floating interest rates. The Company was not exposed to interest rate risk as at March 31, 2025 since all its financial assets or liabilities were either non-interest bearing or are at fixed interest rate and are carried at amortised cost.

Sensitivity:

The impact of change in interest rate by +/- 50 basis point have an immaterial impact on the profit before tax of the Company. Hence, the sensitivity has not been disclosed.

iii. Price risk

The Company is not exposed to Price risk as at March 31, 2025. During the year ended March 31, 2025, the company exposure to price risk arises for investment in mutual funds held by the company. To manage its price risk arising from investments in mutual funds, the Company diversified its portfolio.

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, 2025	March 31, 2024
NAV increases by 5%	1,752	-
NAV decreases by 5%	(1,752)	-

B) Impact of Hedge activities

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

	March 31, 2025					
	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	INR/USD	447	38,503	Other financial assets/ (liabilities)	(39)
- Foreign currency forward contracts	< 1 year	INR/EURO	21	2,024	Other financial assets/ (liabilities)	57
- Cross currency interest rate swaps	<1 year	INR/USD	12	968	Other financial assets/ (liabilities)	
	1-5 year	INR/USD	87	6,957	Other financial assets/ (liabilities)	(372)
	> 5year	INR/USD	32	2,553	Other financial assets/ (liabilities)	

* represents the impact of mark to market value at year end.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2024					
	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	INR/USD	575	48,301	Other financial assets/ (liabilities)	45
- Foreign currency forward contracts	< 1 year	INR/EURO	22	2,005	Other financial assets/ (liabilities)	(2)
- Cross currency interest rate swaps	<1 year	INR/USD	10	838	Other financial assets/ (liabilities)	
	1-5 year	INR/USD	78	6,225	Other financial assets/ (liabilities)	(82)
	> 5year	INR/USD	53	4,254	Other financial assets/ (liabilities)	

* represents the impact of mark to market value at year end.

(ii) The effect of cash flow hedge in hedge reserve and statement of profit and loss:

	Foreign currency forward contracts	Cross currency interest rate swaps	Total
Balance as at April 01, 2023	**(75)**	**(255)**	**(330)**
Hedge gain/(loss) recognised in OCI	43	(82)	(39)
Amount reclassified from OCI to statement of profit and loss	101	341	442
Income tax effect	(36)	(65)	(101)
Balance as at March 31, 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)**

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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).

Revenue from one customer comprises around 13% of the total revenue of the Company. The remaining revenue of the Company is spread across wide range of customers. For receivables turnover ratio, refer note 43.

(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, 2025	March 31, 2024
Opening balance as at April, 1	**(858)**	**(524)**
Allowance made during the year (net) - refer note 31	(1,575)	(443)
Utilised during the year	477	110
Exchange gain/ (loss)	2	(1)
Closing balance as at March, 31	**(1,953)**	**(858)**

Reconciliation of loss allowance - unbilled revenue and other financial assets	March 31, 2025	March 31, 2024
Opening balance as at April, 1	**(254)**	**(207)**
Allowance made during the year - refer note 31	51	(47)
Closing balance as at March, 31	**(203)**	**(254)**

Other financial assets and cash deposit

Credit risk from balances with the banks, loans, investments in mutual funds and other financial assets are managed by the company based on the company policy and is managed by the Company's Treasury Team. Investment of surplus fund is made only with approved counterparties. The Company's maximum exposure to credit risk is the carrying amount of such assets as disclosed in note 37 above.

D) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its position and maintains adequate source of financing.

As of the end of the reporting period, the Group has access to undrawn borrowing facilities amounting to ₹ 21,370 lakhs (March 31, 2024: ₹ 18,054 lakhs).

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	On demand	Less than 1 year	More than 1 year	Total
As at March 31, 2025				
Borrowings (including current maturities)	52,777	23,972	33,537	1,10,286
Lease liabilities	-	3,315	4,694	8,009
Trade payables	-	8,646	12	8,658
Contingent consideration	-	8,953	-	8,953
Foreign currency forward contracts	-	217	612	830
Other current financial liabilities #	-	6,215	-	6,215
	52,777	**51,319**	**38,855**	**1,42,952**
As at March 31, 2024				
Borrowings (including current maturities)	573	33,232	11,322	45,127
Lease liabilities	-	2,925	5,082	8,008
Trade payables	-	6,880	-	6,880
Contingent consideration	-	1,464	-	1,464
Foreign currency forward contracts	-	68	401	469
Other current financial liabilities #	-	6,141	3,241	9,382
	573	**50,711**	**20,046**	**71,330**

Includes future interest payable on outstanding borrowings

38 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves. The primary objective of the Company's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders value. The capital management focuses to maintain an optimal structure that balances growth and maximizes shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. The Company's gearing ratio, which is net debt divided by total capital plus net debt is as below:

Particulars	March 31, 2025	March 31, 2024
Borrowings (including current maturities)	1,10,286	44,237
Less : Cash and cash equivalents	(4,511)	(10,682)
Net (cash and cash equivalents)/debt (A)	**1,05,775**	**33,555**
Equity	1,55,209	1,47,370
Total equity capital (B)	**1,55,209**	**1,47,370**
Total debt and equity (C)=(A)+(B)	**2,60,984**	**1,80,925**
Gearing ratio (A)/(C)	**41%**	**19%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025 and March 31, 2024.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

39 Related party disclosure

(i) List of related parties and relationship

Key management personnel (KMP)	1. Mr. Ashok Soota (Executive Chairman)
	2. Mr. Venkatraman Narayanan (Managing Director and CFO)
	3. Mr. Joseph Vinod Anantharaju (Director)
	4. Mr. Rajiv Indravadan Shah (Director)
	5. Mr. Praveen Darshankar (Company Secretary)
	5. Mrs. Anita Ramachandran (Independent Director)
	6. Mr. Rajendra Kumar Srivastava (Lead Independent Director)
	7. Mrs. Shuba Rao Mayya (Independent Director)
	8. Mr. Seshashayee Sampathiyengar Sridhara (Independent Director, w.e.f August.05.2024)
Wholly owned subsidiaries	1. Happiest Minds Inc
	2. Sri Mookambika Infosolutions Private Limited
	3. PureSoftware Technologies Private Limited
	4. PureSoftware Pte Limited (Singapore)
	5. PureSoftware Private Limited (UK)
	6. PureSoftware Corp (USA)
	7. PureSoftware Sdn. Bhd. (Malaysia)
	8. PureSoftware Technology S. De. R. L. De. C.V., (Mexico)
	9. PureSoftware HK Limited (Hongkong)
	10. PureSoftware Africa Limited (Kenya)
	11. PureSoftware Technologies Romania SRL (Romania)
	12. Pure Conference Private Limited
	13. PureSoftware Private Limited (Nepal)
	14. PureSoftware Pty (Australia)
	15. Aureus Tech Systems LLC
	16. Aureus Tech Systems Private Limited
	17. Aureus Tech Systems Canada Ltd
	18. Happiest Minds Edutech Private Limited (formerly known as Macmillan Learning India Private Limited)
	19. GAVS Technologies LLC
	20. GAVS Technologies Saudi Arabia for Telecommunications and Information Technology
	21. InnovazIT Technologies LLC
Relatives of KMP	1. Mr. Suresh Soota
	2. Mr. Deepak Soota
	3. Ms. Kunku Soota
	4. Mrs. Usha Samuel
	5. Mrs. Jayalakshmi Venkatraman
	6. Ms. Veena Soota
Entities under the control of KMP	SKAN Research Trust
	Happiest Health Systems Private Limited
	Ashok Soota Medical Research LLP
Post employment benefit plan (PEBP)	Happiest Minds Technologies Pvt. Ltd. Employees group gratuity trust

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

a) The following table is the summary of significant transactions with related parties by the Company:

		March 31, 2025	March 31, 2024
(i)	**Sale of service**		
	Happiest Minds Inc.	3,706	5,116
	SKAN Research Trust	1,110	605
	PureSoftware Technologies Private Limited	72	-
	Ashok Soota Medical Research LLP	19	53
	Happiest Health Systems Private Limited	1,760	2,788
(ii)	**Director's sitting fees:**		
	Mrs. Anita Ramachandran	23	27
	Mr. Rajendra Kumar Srivastava	21	16
	Mrs. Shuba Rao Mayya	22	27
	Mr. Seshashayee Sampathiyengar Sridhara	8	
(iii)	**Commission to Directors**		
	Mrs. Anita Ramachandran	7	3
	Mr. Rajendra Kumar Srivastava	14	19
	Mrs. Shuba Rao Mayya	8	3
	Mr. Seshashayee Sampathiyengar Sridhara	22	-
(iv)	**Contribution made to post employee benefit plan:**		
	Happiest Minds Technologies Pvt. Ltd. Employees group gratuity trust	281	300
(v)	**Loans taken**		
	Sri Mookambika Infosolutions Private Limited	3,815	-
	PureSoftware Technologies Private Limited	3,500	-
(vi)	**Loans repayment**		
	Sri Mookambika Infosolutions Private Limited	3,815	-
	PureSoftware Technologies Private Limited	3,150	-
(vii)	**Loans given**		
	Happiest Minds Inc.	1,250	-
(viii)	**Interest income on Loans given**		
	Happiest Minds Inc.	22	119
(ix)	**Legal and professional fees**		
	Happiest Health Systems Private Limited	62	72
(x)	**Advertising and business promotion expenses**		
	Happiest Health Systems Private Limited	43	16
(xi)	**Dividend received**		
	Sri Mookambika Infosolutions Private Limited	3,350	2,500
	PureSoftware Technologies Private Limited	3,500	
(xii)	**Interest expense on Loans taken**		
	Sri Mookambika Infosolutions Private Limited	57	37
	PureSoftware Technologies Private Limited	43	-
(xiii)	**Managerial remuneration# :**		
	Mr. Venkatraman Narayanan		
	Salary, wages and bonus	171	155
	Employee stock compensation expense	-	-
	Mr. Ashok Soota		

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

		March 31, 2025	March 31, 2024
	Salary, wages and bonus	182	155
	Mr. Praveen Darshankar		
	Salary, wages and bonus	63	60
	Employee stock compensation expense	-	*
	Mr. Joseph Vinod Anantharaju		
	Salary, wages and bonus	432	415
	Employee stock compensation expense	-	1
	Mr. Rajiv Shah		
	Salary, wages and bonus	365	-
	Employee stock compensation expense	-	-
(xiv)	**Reimbursement of expenses received:**		
	SKAN Research Trust	-	*
	Happiest Health Systems Private Limited	-	*
xv)	**Dividend paid**		
	Mr. Joseph Vinod Anantharaju	24	25
	Mr. Ashok Soota	3,129	3,502
	Mr. Venkatraman Narayanan	28	30
	Ashok Soota Medical Research LLP	1,032	1,059
	Deepak Soota	3	3
	Suresh Soota	-	2
	Kunku Soota	1	1
	Usha Samuel	4	4
	Jayalakshmi Venkatraman	-	7
	Praveen Kumar Darshankar	3	3
	Rajiv Shah	10	-
	Veena Soota	1	-

#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

b) **The balances receivable from and payable to related parties are as follows :**

		March 31, 2025	March 31, 2024
(i)	**Trade receivables:**		
	Happiest Minds Inc.	1,787	1,588
	SKAN Research Trust	470	52
	Happiest Health Systems Private Limited	464	652
	Ashok Soota Medical Research LLP	6	5
(ii)	**Unbilled receivables:**		
	Happiest Minds Inc.	-	-
	SKAN Research Trust	49	64
	Ashok Soota Medical Research LLP	-	-
	Happiest Health Systems Private Limited	204	-
(iii)	**Advance to suppliers**		
	Sri Mookambika Infosolutions Private Limited	-	90

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

		March 31, 2025	March 31, 2024
(iv)	**Loans given**		
	Happiest Minds Inc.	1,250	1,668
(v)	**Loans taken**		
	Sri Mookambika Infosolutions Private Limited	-	-
	PureSoftware Technologies Private Limited	350	-
(vi)	**Accrued interest on Loans given**		
	Happiest Minds Inc.	-	193
(vii)	**Accrued interest on Loans taken**		
	Sri Mookambika Infosolutions Private Limited	22	4
	PureSoftware Technologies Private Limited	43	-
(vii)	**Trade payables**		
	Happiest Health Systems Private Limited	-	2
	Happiest Minds Edutech Private Limited	790	-
	PureSoftware Technologies Private Limited	21	-
	Sri Mookambika Infosolutions Private Limited	4	-
(viii)	**Commission payables**		
	Mrs. Anita Ramachandran	7	3
	Mr. Rajendra Kumar Srivastava	14	19
	Mrs. Shuba Rao Mayya	8	3
	Mr. Seshashayee Sampathiyengar Sridhara	22	-
	* amount below rounding off norm of the Company		
(ix)	**Other Receivables**		
	Happiest Minds Edutech Private Limited	252	-
	Sri Mookambika Infosolutions Private Limited	290	-
	PureSoftware Technologies Private Limited	134	-
	Happiest Minds Inc.	591	-
	Aureus Tech Systems Private Limited	331	-

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Loan of ₹ 2520 Lakhs (USD 3 mn) which was given to Happiest Minds Inc. during the previous year which carried an interest rate of 4.93% p.a. has been repaid in full during the current year. Fresh loan of ₹ 1250 Lakhs(USD 1.46 mn) at the rate overnight SOFR + spread of 50bps has been given during the current year. tenure of the loan is for a period of 3 years.

Loan from Sri Mookambika Infosolutions Private Limited of ₹ 3815 Lakhs carries an interest rate of 7.90% p.a. is repaid in FY 24-25.

Loan from PureSoftware Technologies Private Limited of ₹ 3500 Lakhs carries an interest rate of 7.90% p.a.Outstanding balance as on 31.03.25 is ₹ 350 Lakhs.

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%.

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. For the year ended March 31, 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2024: 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

40 Corporate Social Responsibility ('CSR') expenditure

Details of CSR expenditure are as follows:

		March 31, 2025	March 31, 2024
(a) Gross amount required to be spent by the Company during the year		559	446
(b) Amount approved by the board to be spent during the year		574	450
(c) 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	140	574
(d) Amount spent during the year ending on March 31, 2024 :	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/ Acquisition of any asset	-	-	-
ii) On purpose other than above	226	224	450
(e) Details related to spent/ unspent obligations:			
i) Contribution to Public Trust		-	-
ii) Contribution to Charitable Trust		434	226
ii) Unspent amount in relation to:			
- Ongoing project		140	224
- Other than ongoing project		-	-
		574	**450**

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
-	224	559	434	224	125	-

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
(36)	559	574	(51)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

41 Commitments and Contingent Liabilities

i) Contingent Liabilties:

	March 31, 2025	March 31, 2024
Claims against the Company, not acknowledged as debts (including interest and penalty)		
Goods and Service Tax - denial of input tax credit on expenses and difference in GSTR-3B and GSTR-1	836	-

ii) Capital Commitments

	March 31, 2025	March 31, 2024
Capital commitments towards purchase of capital assets	892	413

iii) Other claims against the Company not provided for in the books

a) The Company is also subject to certain other claims and suits that arise from time to time in the ordinary conduct of its business. While the Company currently believes that such claims, individually or in aggregate, will not have a material adverse impact on its financial position, cash flows, or results of operations, the litigation and other claims are subject to inherent uncertainties, and management's view of these matters may change in the future. Where an unfavourable final outcome to occur in any one or more of these matters, there exists the possibility of a material adverse impact on the Company's business, reputation, financial condition, cash flows, and results of operations for the period in which the effect becomes reasonably estimable.

42 Share based payments

Employee Share Option Plan (ESOP)

The Company instituted the Employee Share Option Plan 2011 ("ESOP 2011") and Equity Incentive Plan 2011 ("EIP 2011") for eligible employees during the year ended March 2012 which was approved by the Board of Directors (Board) on October 18, 2011 and January 19, 2012 duly amended by the Board on January 22, 2015.

Besides the above plan, the Company has also instituted Employee Share Option Plan 2014 ("ESOP 2014") duly approved by the Board on October 20, 2014 and by the shareholders on January 22, 2015. The Company has also instituted Employee Share Option Plan 2015 ("ESOP 2015") duly approved by the Board on June 30, 2015 and by the shareholders on July 22, 2015. During year ended 2018, the Company has amended ESOP 2014 and all options granted under ESOP 2014 be deemed to be granted under ESOP 2011 duly approved by the Board on October 25, 2017. The plans are separate for USA employees (working out of the United States America - "USA") and employees working outside USA. The Company administers these plans.

On April 29, 2020 the Board of the Company approved Happiest Minds Employee Stock Option Scheme 2020 ("ESOP 2020") consisting of 70,00,000 equity shares. The Company will henceforth issue grants under the ESOP 2020 only.

The contractual term of each option granted is 5-8 years.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(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.			
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.	No grant has been made under this scheme
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, 2025	March 31, 2024
Employee stock compensation expense	-	47

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Movements during the year

The following table illustrates the number and weighted average exercise price of share options during the year

March 31, 2025

Options - India/UK Plan	Employee Stock Ownership Plan 2011		Employee Stock Ownership Plan 2015	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	-	-	11,86,869	25.95
Granted during the year	-	-	-	-
Exercised during the year	-	-	(6,94,066)	26.00
Forfeited during the year	-	-	(8,135)	26.00
Outstanding options as at the end of the year	-	-	4,84,668	25.89
Weighted Average Remaining Contractual Life	-		2.03 years	

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	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	-	-	-	0.00
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	

March 31, 2024

Options - India/UK Plan	Employee Stock Ownership Plan 2011		Employee Stock Ownership Plan 2015	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	-	-	19,92,633	25.95
Granted during the year	-	-	-	-
Exercised during the year	-	-	(7,51,716)	26.00
Forfeited during the year	-	-	(54,049)	26.00
Outstanding options as at the end of the year	-	-	11,86,869	25.95
Weighted Average Remaining Contractual Life	-	-	2.89 years	

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	-	-	19,475	26.00
Granted during the year	-	-	-	-
Exercised during the year	-	-	(7,825)	26.00
Forfeited during the year	-	-	-	-
Outstanding options as at the end of the year	-	-	11,650	26.00
Weighted Average Remaining Contractual Life	-	-	1.85 years	

*Weighted Average Exercise Price

No options were granted during the year (March 31, 2024 - Nil)

The weighted average share price of shares exercised during the year is ₹ 770.44 (March 31, 2024 - ₹ 875.62)

Exercisable options as at March 31, 2025 - 4,96,318 options (March 31, 2024 - 11,98,519 options) and weighted average exercise price - ₹ 25.93 (March 31, 2024 - ₹ 25.96)

43 Additional Information

(a) Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.66	3.19	(48)%	Increased current liabilities arising from overdraft facilities used to finance a business acquisition
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.76	0.35	118%	Increased debt arising from overdraft facilities used for financing the business acquisition.
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)	5.70	5.07	12%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.11	0.21	(48)%	Increase in PDD and loss on remeasurement of contingent consideration which is classified as 'Exceptional item'.
Trade Receivable Turnover Ratio	Net revenue	Average Trade Receivable	5.97	6.84	(13)%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.22	3.54	(9)%	
Net Capital Turnover Ratio	Net revenue	Working capital = Current assets – Current liabilities	2.10	1.22	71%	Increased current liabilities arising from overdraft facilities used for financing the business acquisition.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.11	0.17	(32)%	Increase in PDD and loss on remeasurement of contingent consideration which is classified as 'Exceptional item'.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	0.11	0.19	(40)%	Increase in PDD and loss on remeasurement of contingent consideration which is classified as 'Exceptional item' has impact on EBIT. Also, amount borrowed for the business acquisition has resulted in increase in debt.
Return on Investment	Interest (Finance Income) and gain from mutual funds	Investments (includes mutual funds, and fixed deposits)	0.07	0.06	17%	Improvement in average rate return from 7.22% in FY 24 to 8.17% in FY 25

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(b) The Company has not given any loans and advances in the nature of loan granted to promoters, Directors and KMPs.

(c) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

(d) The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013.

(e) The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017

(g) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (a) 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 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(h) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(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.

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

45 The Company has maintained proper books of account as required by law and has backup on daily basis of such books of account maintained in electronic mode and has used an accounting software for maintaining its books of account for the year ended March 31, 2025 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 by the Company as per the statutory requirements for record retention.

46 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, 2025.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

47 The Board of Directors of the Company at their meeting held on May 12, 2025, recommended the payout of a final dividend of ₹ 3.5/- per equity share of face value ₹ 2/- each for the financial year ended March 31, 2025 . This recommendation is subject to approval of shareholders at the 14th Annual General Meeting of the Company scheduled to be held on July 29, 2025.

48 Rules in relation to 'The Code on Social Security, 2020 ('Code')' yet to be notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect.

49 The Company maintains the information and documents as required under the transfer pricing regulations under Section 92-92F of the Income Tax Act, 1961. The management is in the process of updating the transfer pricing documentation for the financial year 2022 - 2023 and is of the view that its transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

50 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
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 12, 2025.

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 12, 2025.

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 12, 2025.

Independent Auditor's Report

To The Members of Happiest Minds Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Happiest Minds Technologies Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated 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 and other explanatory information in which are incorporated the 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 (the "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 reports of the Trust Auditors and other auditors on separate financial statements of the ESOP trust and the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Group 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 consolidated 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 and other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 consolidated Ind AS 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. We identified the revenue recognition for fixed price contracts where the percentage-of-completion method is used as a key audit matter because of the significant judgement involved in estimating the efforts to complete such contracts. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts incurred to-date and estimates of efforts to complete the contract. This required a high degree of auditor judgement in evaluating the audit evidence supporting the estimated efforts to complete and a higher extent of audit effort to evaluate the reasonableness of the total estimated efforts used to recognise revenue on fixed-price contracts.	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. b. We evaluated management's ability to reasonably estimate the progress towards satisfying the performance obligation, by comparing actual information to estimates, for performance obligations that have been fulfilled. c. We selected a sample of fixed price contracts with customers accounted using percentage-of-completion method and performed the following: • Read the contract and based on the terms and conditions evaluated whether recognizing revenue over time was appropriate, and the contract was included in management's calculation of revenue over time. • Evaluated the appropriateness of and consistency in the application of management's policies and methodologies to estimate progress towards satisfying the performance obligation. • Compared efforts incurred with data from the timesheet application system. • Tested the estimate for consistency with the status of delivery of milestones and customer acceptances to identify possible delays in achieving milestones, which require changes in estimated efforts to complete the remaining performance obligations. • We assessed the adequacy of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable Indian Accounting Standards.
2	Business Combination (refer note 2(b) and note 45 of the consolidated financial statement) During the current year, the Group completed two material business combinations. The purchase consideration for these acquisitions included cash consideration as well as contingent consideration. The Group has accounted for business combinations in accordance with Ind AS 103, "Business Combinations" ('Ind AS 103'), which requires the measurement of purchase consideration at fair values, the recognition of identifiable assets and liabilities at acquisition date fair values, with the excess of the purchase consideration over the net assets acquired, recognised as goodwill. The allocation of the purchase consideration to identifiable assets and liabilities including intangibles acquired was performed by external valuation expert. The assumptions underpinning such valuations includes estimates of future cash flows, contributory asset charges, discount rate applied, etc., which are subject to estimation uncertainty. Considering, the materiality of the amounts involved and the degree of subjectivity and auditor judgement involved, the accounting and valuation of these business combinations is considered as a key audit matter for the current year.	Principal audit procedures performed: Our audit procedures included: o We obtained an understanding and the business rationale for these acquisitions from the management. o We tested the design and operating effectiveness of the Group's controls over the accounting for business combinations. o We read the agreements and contracts relating to these acquisitions. o We read the valuation reports prepared by the external valuation specialist and assessed the competence, objectivity and integrity of the specialist. o We evaluated the completeness of the acquired assets and liabilities identified by the management. o We evaluated the reasonableness of the underlying assumptions relating to future growth, margins and discount rate. o With the assistance of our internal valuation specialists, we have assessed overall reasonableness of the methodology and the assumptions used particularly relating to the weighted average cost of capital, attrition rates, royalty rate and contributory asset charges. o We assessed the adequacy of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report 2024-25, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Company's Annual Report 2024-25 is expected to be made available to us after the date of this auditor's report.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, identified above, when it becomes available and in doing so, compare with the financial statements of the ESOP trust and the subsidiaries audited by the Trust Auditors and other auditors respectively, to the extent it relates to these entities and, in doing so, place reliance on the work of the Trust Auditors and the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the ESOP trust and subsidiaries, is traced from their financial statements audited by the Trust Auditors and other auditors.

- When we read the Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Parent has adequate internal financial controls with reference to consolidated 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the ESOP trust or entities included in the consolidated financial statements, which have been audited by the Trust Auditors or other auditors, such Trust Auditors and other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of the ESOP trust included in the standalone financial statements of the Parent whose financial statements reflect total assets of ₹ 15,476 lakhs as at March 31, 2025 and total revenue of ₹ Nil for the year ended on that date, as considered in the respective standalone financial statements of the companies included in the Group. The financial statements of the ESOP trust have been audited by the Trust Auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the ESOP trust and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid ESOP trust, is based solely on the report of such Trust auditors.

(b) We did not audit the financial statements of 20 subsidiaries whose financial statements reflect total assets of ₹ 24,511 lakhs as at March 31, 2025, total revenues of ₹ 51,891 lakhs and net cash inflows amounting to ₹ 1,607 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the Trust Auditors and other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the Trust auditors and other auditors on the separate financial statements of the ESOP trust and subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group including relevant records so far as it appears from our examination of those books, except in relation to compliance with the requirements of audit trail, refer paragraph (i)(vi) below.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the Directors of the Parent as on March 31, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a Director in terms of Section 164 (2) of the Act.

    f) The modifications 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 consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and the subsidiary companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

    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 Parent to the 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 42 to the consolidated financial statements;

        ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

        iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, and its subsidiary companies.

        iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, to the best of their 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 Parent or any of such subsidiaries 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 Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, to the best of their knowledge and belief, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries, 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 that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors 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 Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year and until the date of this report is in compliance with section 123 of the Act.

As stated in Note 49 to the consolidated financial statements, the Board of Directors of the Parent, whose financial statements have been audited under the Act, have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination, which included test checks, and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Parent Company and its subsidiary companies have used an accounting software for maintaining their respective books of account for the year ended March 31, 2025, 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:

- In respect of the Parent and two subsidiary companies, the accounting software used for maintaining revenue records, did not have audit trail enabled at the database level to log any direct data changes.
- In respect of the one subsidiary company, the accounting software used for maintaining payroll records, did not have audit trail enabled at the database level to log any direct data changes.

Further, during the course of our audit, we and the respective other auditors of subsidiaries incorporated in India whose financial statement have been audited under the Act, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating.

Additionally, audit trail that was enabled and operated for the year ended March 31, 2024, has been preserved by the Company and above referred subsidiaries, as per the statutory requirements for record retention.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Aureus Tech Systems Private Limited	U72900TG2019FTC132331	Subsidiary Company	Clause vii (a)
Sri Mookambika Infosolutions Private Limited	U72200TN2010PTC075806	Subsidiary Company	Clause vii (a)
PureSoftware Technologies Private Limited	U72900DL2021PTC388597	Subsidiary Company	Clause vii (b)
Happiest Minds Edutech Private Limited (formerly known as Macmillan Learning India Private Limited)	U72200KA2015FTC082947	Subsidiary Company	Clause xiii.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 008072S)

Vikas Bagaria
Partner
(Membership No. 060408)
(UDIN: 25060408BMOCIV9539)

Place: Bengaluru
Date: May 12, 2025

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 consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of **Happiest Minds Technologies Limited** (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

The respective Company's management and Board of Directors of the Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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 (ICAI). 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 respective 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 internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated 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 consolidated 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 in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 3 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 008072S)

Vikas Bagaria
Partner
(Membership No. 060408)
(UDIN: 25060408BMOCIV9539)

Place: Bengaluru
Date: May 12, 2025

Consolidated Balance Sheet

as at March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	3	14,096	13,778
Capital work-in-progress	3	0	9
Goodwill	4	76,230	14,032
Other intangible assets	4	23,831	7,786
Intangible assets under development	4	18	22
Right-of-use assets	5	6,958	5,698
Financial assets			
i. Investments	11	-	-
ii. Other financial assets	7	7,358	2,480
Income tax assets (net)	8A	3,537	1,529
Other assets	9	170	32
Deferred tax assets (net)	10 A	3,613	1,636
Total non-current assets		**1,35,811**	**47,002**
Current assets			
Financial assets			
i. Investments	11	35,039	-
ii. Trade receivables	12	35,813	25,444
iii. Cash and cash equivalents	13	11,912	11,470
iv. Bank balance other than cash and cash equivalents	14	93,911	1,22,183
v. Loans	6	12	37
vi. Other financial assets	7	17,726	13,850
Other assets	9	5,682	4,793
Total current assets		**2,00,095**	**1,77,777**
Total assets		**3,35,906**	**2,24,779**
Equity and liabilities			
Equity			
Equity share capital	15	3,001	2,987
Other equity	17	1,54,457	1,45,037
Equity attributable to equity holders of the parent		**1,57,458**	**1,48,024**
Non-controlling interest		-	-
Total equity		**1,57,458**	**1,48,024**

Consolidated Balance Sheet (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	33,537	10,445
ii. Lease liabilities	20	5,010	4,570
iii. Other financial liabilities	21	8,330	401
Provisions	22	5,940	3,338
Deferred tax liabilities (net)	10 B	4,841	1,303
Total non-current liabilities		**57,658**	**20,057**
Current liabilities			
Contract liabilities	23	2,194	1,825
Financial liabilities			
i. Borrowings	19	82,554	33,792
ii. Lease liabilities	20	3,258	2,412
iii. Trade payables	24		
(A) Total outstanding dues of Micro enterprises and Small enterprises		225	165
(B) Total outstanding dues of creditors other than Micro enterprises and Small enterprises.		10,256	7,750
iv. Other financial liabilities	21	14,526	5,810
Income tax liabilities (net)	8B	422	12
Other current liabilities	25	3,836	2,796
Provisions	22	3,519	2,136
Total current liabilities		**1,20,790**	**56,698**
Total liabilities		**1,78,448**	**76,755**
Total equity and liabilities		**3,35,906**	**2,24,779**
Summary of material accounting policies	**2**		

The notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date

for **Deloitte Haskins and Sells**
Chartered Accountants
ICAI Firm's Registration Number : 008072S

for and on behalf of the Board of Directors:
Happiest Minds Technologies Limited
CIN : L72900KA2011PLC057931

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: May 12, 2025.

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 12, 2025.

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 12, 2025.

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 12, 2025.

Consolidated Statement of Profit and Loss
for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from contracts with customers	26	2,06,084	1,62,466
Other income	27	10,138	8,537
Total income		**2,16,222**	**1,71,003**
Expenses			
Employee benefits expense	28	1,36,534	1,01,469
Depreciation and amortisation	29	8,870	5,829
Finance costs	30	9,948	4,227
Other expenses	31	32,518	26,882
Impairment loss allowance on trade and unbilled receivables	31A	1,590	530
Total expenses		**1,89,460**	**1,38,937**
Profit before exceptional items and tax		**26,762**	**32,066**
Exceptional items: charge / (credit)	32	1,216	(1,402)
Profit before tax		**25,546**	**33,468**
Tax expense	33		
Current tax		8,443	9,518
Deferred tax charge/ (credit)		(1,363)	(889)
		7,080	**8,629**
Profit for the year		**18,466**	**24,839**
Other comprehensive income (OCI)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translating the financial statements of a foreign operation		421	124
Net movement on effective portion of cash flow hedges	37(B)	(292)	403
Income tax effect	33	73	(101)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**202**	**426**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Net loss on equity instruments carried at fair value through OCI	36 (v)	(503)	(1,319)
Income tax effect	33	106	277
Re-measurement losses on defined benefit plans	35	(553)	(346)

Consolidated Statement of Profit and Loss (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income tax effect	33	139	87
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(811)**	**(1,301)**
Other comprehensive income for the year, net of tax		**(609)**	**(875)**
Total comprehensive income for the year		**17,857**	**23,964**
Profit for the year		18,466	24,839
Attributable to:			
Equity holders of the parent		18,466	24,839
Non-controlling interests		-	-
Total comprehensive income for the year		17,857	23,964
Attributable to:			
Equity holders of the parent		17,857	23,964
Non-controlling interests		-	-
Earnings per equity share	34		
Equity shares of par value ₹ 2/- each			
Basic, computed on the basis of profit for the year attributable to equity holders of the parent (₹)		12.26	16.73
Diluted, computed on the basis of profit for the year attributable to equity holders of the parent (₹)		12.26	16.73

Summary of material accounting policies 2

The notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date

for **Deloitte Haskins and Sells**
Chartered Accountants
ICAI Firm's Registration Number : 008072S

for and on behalf of the Board of Directors:
Happiest Minds Technologies Limited
CIN : L72900KA2011PLC057931

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: May 12, 2025.

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Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 12, 2025.

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Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 12, 2025.

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 12, 2025.

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

		For the year ended March 31, 2025	For the year ended March 31, 2024
Operating activities			
Profit before tax		**25,546**	**33,468**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation/ amortisation of property, plant and equipment, intangibles and right-of-use assets		8,870	5,829
Share-based payment expense		-	47
Gain on sale of investment carried at fair value through profit and loss		(1,240)	(18)
(Gain)/loss on recognition/derecognition of contingent consideration		1,216	(1,402)
Interest income		(8,976)	(7,958)
Net unrealised foreign exchange (gain)/ loss		(102)	(84)
Impairment loss on financial assets		1,590	530
Provision no longer required/ written-off		-	(78)
(Gain)/ loss on disposal of property, plant and equipment, net		(19)	
Finance costs		9,948	4,227
Operating cash flow before working capital changes		**36,833**	**34,561**
Movements in working capital:			
Increase in trade receivables		(2,114)	(4,533)
Decrease in loans		33	27
Decrease/ (Increase) in non-financial assets		533	(210)
Increase in financial assets		(2,686)	(1,240)
Increase in trade payables		937	823
Increase in financial liabilities		731	35
Increase in provisions		23	887
Increase in contract liabilities		369	737
(Decrease)/ Increase in other non-financial liabilities		(1,020)	411
		33,639	**31,498**
Income tax paid, net of refunds		(9,997)	(10,242)
Net cash flows from operating activities	**(A)**	**23,642**	**21,256**
Investing activities			
Purchase of property, plant and equipment		(766)	(823)
Purchase of intangible assets		(351)	(207)
Proceeds from sale of property, plant and equipment		19	4
Maturities of / (Investment in) bank deposit, net		23,647	(52,847)
Acquisition of subsidiaries		(73,121)	-
Investment in equity shares of Solvio		(503)	-
Purchase of mutual funds		(37,549)	(2,550)
Proceeds from sale of mutual funds		3,751	2,568
Interest received		8,657	7,214
Net cash flows used in investing activities	**(B)**	**(76,216)**	**(46,641)**
Financing activities			
Repayment of long-term borrowings		(834)	(2,608)
Proceeds from long-term borrowings		24,061	-

Consolidated Statement of Cash Flows (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

		For the year ended March 31, 2025	For the year ended March 31, 2024
Proceeds / (Repayment) of short-term borrowings (net)		53,322	(1,439)
Repayment of redeemable non-convertible debentures		(4,500)	-
Proceeds from issue of redeemable non-convertible debentures		-	8,000
Payment of principal portion of lease liabilities		(3,172)	(2,161)
Payment of interest portion of lease liabilities		(727)	(614)
Payment of contingent consideration		(1,401)	(1,659)
Proceeds from issue of equity shares (net of share issue expenses)		-	48,556
Dividend paid		(8,588)	(8,604)
Proceeds from exercise of share options		185	181
Interest paid		(8,401)	(3,305)
Net cash flows from/ (used) in financing activities	**(C)**	**49,945**	**36,347**
Net increase in cash and cash equivalents	**[(A)+(B)+(C)]**	(2,628)	10,962
Net foreign exchange difference		19	55
Cash and cash equivalents at the beginning of the year		11,470	6,999
Cash acquired on acquisition of subsidiary		3,624	-
Less : Bank overdraft at the beginning of the year		(573)	(7,119)
Cash and cash equivalents at the end of the year		**11,912**	**10,897**
Components of cash and cash equivalents	13		
Balance with banks			
- on current account		11,481	4,511
- in EEFC accounts		430	4,759
Deposits with original maturity of less than three months		1	2,200
Less : Bank overdraft		-	(573)
Total cash and cash equivalents		**11,912**	**10,897**

Summary of material accounting policies **2**

The notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date

for **Deloitte Haskins and Sells**
Chartered Accountants
ICAI Firm's Registration Number : 008072S

for and on behalf of the Board of Directors:
Happiest Minds Technologies Limited
CIN : L72900KA2011PLC057931

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: May 12, 2025.

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 12, 2025.

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 12, 2025.

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 12, 2025.

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

a) Equity share capital

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	**14,93,54,426**	**2,987**
Issue of shares	-	-
Exercise of share options - refer note 15 (ii) (1)	6,92,441	14
As at March 31, 2025	**15,00,46,867**	**3,001**

For the year ended March 31, 2024	No of Shares	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid		
At April 1, 2023	**14,31,88,555**	**2,866**
Issue of shares	54,11,255	106
Exercise of share options - refer note 15 (ii) (1)	7,54,616	15
As at March 31, 2024	**14,93,54,426**	**2,987**

b) Other equity

For the year ended March 31, 2025	Attributable to the equity holders of the parent						
	Reserves and Surplus			Other components of equity			Total
	Securities premium (Note 17)	Share options outstanding reserve (Note 17)	Retained earnings (Note 17)	Cash flow hedge reserve (Note 17)	Foreign currency translation reserve (Note 17)	Equity instrument through OCI (Note 17)	
As at April 1, 2024	**90,318**	**163**	**55,042**	**(28)**	**861**	**(1,319)**	**145,037**
Profit for the year	-	-	18,466	-	-	-	18,466
Other comprehensive income	-	-	(414)	(218)	421	(397)	(608)
Total comprehensive income	**-**	**-**	**18,052**	**(218)**	**421**	**(397)**	**17,858**
On issue of shares - refer note 15 (ii) (3)	-	-	-	-	-	-	-
Exercise of share option by employees	170	-	-	-	-	-	170
Transaction costs, net of recovery or reimbursement of expense on issue of shares	-	-	-	-	-	-	-
Transferred to retained earnings for options forfeited	-	(1)	1	-	-	-	-
Transferred to securities premium for options exercised	94	(94)	-	-	-	-	-
Dividend - refer note 18	-	-	**(8,608)**	-	-	-	**(8,608)**
Share-based payments expense - refer note 44	-	-	-	-	-	-	-
As at March 31, 2025	**90,582**	**68**	**64,487**	**(246)**	**1,282**	**(1,716)**	**154,457**

Consolidated Statement of Changes in Equity (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

For the year ended March 31, 2024	Attributable to the equity holders of the parent						
	Reserves and Surplus			Other components of equity			Total
	Securities premium (Note 17)	Share options outstanding reserve (Note 17)	Retained earnings (Note 17)	Cash flow hedge reserve (Note 17)	Foreign currency translation reserve (Note 17)	Equity instrument through OCI (Note 17)	
As at April 1, 2023	**41,556**	**266**	**39,064**	**(330)**	**737**	**(277)**	**81,016**
Profit for the year	-	-	24,839	-	-	-	24,839
Other comprehensive income	-	-	(259)	302	124	(1,042)	(875)
Total comprehensive income	**-**	**-**	**24,580**	**302**	**124**	**(1,042)**	**23,964**
On issue of shares - refer note 15 (ii) (3)	49,894					-	49,894
Exercise of share option by employees	164	-	-	-	-	-	164
Transaction costs, net of recovery or reimbursement of expense on issue of shares	(1,444)					-	(1,444)
Transferred to retained earnings for options forfeited	4	(6)	2	-	-	-	-
Transferred to securities premium for options exercised	144	(144)	-	-	-	-	-
Dividend - refer note 18	-	-	(8,604)	-	-	-	(8,604)
Share-based payments expense - refer note 44	-	47	-	-	-	-	47
As at March 31, 2024	**90,318**	**163**	**55,042**	**(28)**	**861**	**(1,319)**	**1,45,037**

Summary of material accounting policies 2

The notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date

for **Deloitte Haskins and Sells**
Chartered Accountants
ICAI Firm's Registration Number : 008072S

for and on behalf of the Board of Directors:
Happiest Minds Technologies Limited
CIN : L72900KA2011PLC057931

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: May 12, 2025.

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Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 12, 2025.

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 12, 2025.

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 12, 2025.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Corporate Information

Happiest Minds Technologies Limited ("Happiest Minds" or "the Company" or "the Parent") together with its subsidiary (collectively "the Group") is engaged in a 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 Group 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 Group 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, Netherlands, Singapore, Malaysia and Dubai. The registered office of the Company is situated at #53/1-4, Hosur Main Road, Madivala (next to Madivala Police Station) Bengaluru - 560068.

The Group's Consolidated Financial Statements (CFS) for the year ended March 31, 2025 were approved by Board of Directors on May 12, 2025.

1 Basis of preparation of Consolidated Financial Statements

(a) Basis of preparation

The Consolidated Financial Statements (CFS) 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 CFS.

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

These Consolidated Financial Statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Group's annual reporting date, March 31, 2025.

The Consolidated 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:

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 and

d) Contingent consideration

(b) Functional currency and presentation currency

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

(c) Use of estimates and judgements

In preparing these Consolidated 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.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding estimate. Changes in estimate are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated Financial Statements.

Judgements:

Information about judgements made in applying accounting policies that have a material effects on the amounts recognised in the Consolidated Financial Statements is included in the following notes:

- Note 2(c) and 2(d)- Useful life of property, plant and equipment and intangible assets;
- Note 2(g) - Lease classification;
- Note 2(h) - Financial instrument; and
- Note 2(l) - Measurement of defined benefit obligations: key actuarial assumptions.

Assumption and estimation uncertainties :

Information about assumptions and estimation uncertainties that have a material risk of resulting in a material adjustment in the year ended March 31, 2025 is included in the following notes:

- Note 2(e) - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 2(o)- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 2(h) - Impairment of financial assets
- Note 2(q) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and
- Note 2(i) - Fair value measurement
- Note 2(b) - Determination of whether the company exercises control or significant influence on its investee and date such control or significant influence was acquired

(d) Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities 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 Group has identified twelve months as its operating cycle.

(e) Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent and its subsidiary as at March 31, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries on line by line basis. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit and loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit and loss. Any investment retained is recognised at fair value.

The subsidiaries which are included in the consolidation and the Company's holdings therein are as under:

Name of Company	Nature of Business	Country of incorporation	Ownership interest as at March 31, 2025	Ownership interest as at March 31, 2024
Sri Mookambika Infosolutions Private Limited	IT services	India	100%	100%
Happiest Minds Inc. (formerly known as PGS Inc.)	IT services	United States of America	100%	100%
Aureus Tech Systems LLC	IT services	United States of America	100%	-
Aureus Tech Systems Private Limited	IT services	India	100%	-
PureSoftware Technologies Private Limited	IT services	India	100%	-
PureSoftware Pte Limited, Singapore ("PS Pte Ltd")	IT services	Singapore	100%	-
PureSoftware Corp, USA	IT services	United States of America	100%	-
PureSoftware Technology, S de R L de C.V, Mexico	IT services	Mexico	100%	-
PureSoftware Sdn Bhd, Malaysia	IT services	Malaysia	100%	-
PureSoftware Pty Ltd, Australia	IT services	Australia	100%	-
PureSoftware HK Limited, Hong Kong	IT services	Hong Kong	100%	-
PureSoftware Africa Ltd, Kenya	IT services	Kenya	100%	-
PureSoftware Technologies Romania S.R.L, Romania	IT services	Romania	100%	-
PureSoftware Private Limited, Nepal	IT services	Nepal	100%	-
PureConference Solutions Private Limited	IT services	India	100%	-
PureSoftware Private Limited, UK	IT services	United Kingdom	100%	-
Macmillan Learning India Private limited (formerly known as Intellus Software India Private Limited)	IT services	India	100%	-
InnovazIT Technologies LLC	IT services	Dubai	100%	-
GAVS Technologies LLC	IT services	Oman	100%	-
GAVS Technologies Saudi Arabia for Telecommunications and Information Technology	IT services	Saudi	100%	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

2 Material accounting policies

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

(a) Revenue recognition

The Group derives revenue primarily from rendering of services and sale of licenses. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. The Group is a 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 includes 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 recognised when the Group satisfies its performance obligations to its customers as below:

Revenue from rendering of services

The Group 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 Group 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 recognised net of trade and cash discounts. The Group allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Group is unable to determine the stand-alone selling price, the Group uses 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 recognised 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 Group 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 labor 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 recognised 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.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

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Revenue from license

Revenue for supply of third party products, services or licenses are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Group recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Where the Group is a reseller for sale of right to use licenses and acting as agent in the arrangement, the revenue for sale of right to use license is recognised on a net basis. In case, where the licenses are required to be substantially customized as part of implementation service, the entire arrangement fee is considered as single performance obligation and revenue is recognized as per input method.

Where the Group acts as principal, revenue from sale of licenses, where the customer obtains a “right to use” the licenses is recognized at the point in time when the related license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period and is included in Revenue from Services.

Contract balances

Contract assets: The Group classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current assets. Trade receivables and unbilled revenue is presented net of impairment.

Contract liabilities: A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head ‘other income’ in the statement of profit and loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'other income' in the statement of profit and loss.

Dividend income

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend. Dividend income is included under the head “Other income” in the statement of profit and loss.

(b) Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in other expenses.

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(All amounts in ₹ lakhs, unless otherwise stated)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised 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 recognised 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 Group 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 Groups) 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 on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group 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 recognised 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 recognised in statement of 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 recognised in statement of profit and loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequently 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 Group 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 recognised 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 recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises 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 Group'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.

(c) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalisation criteria are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

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Subsequent costs related to an item of property, plant and equipment 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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in statement of profit and loss during the reporting period when they are incurred.

An item of property, plant and equipment 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.

Property, plant and equipment individually costing ₹ 5,000 or less are depreciated at 100% in the year in which such assets are ready to use.

Depreciation is calculated using the straight-line method over their estimated useful lives as follows:

Capital work in progress is stated at cost, net of accumulated impairment loss if any.

The estimates of useful lives of tangible assets are as follows:

Class of asset	Useful life as per Schedule II	Useful life as per Group
Furniture and fixtures	10 years	5 years
Office equipment (including solar panels)	5 years - 15 years	4 years-15 years
Buildings	60 years	50 years
Vehicles	8-10 years	4 years
Computer systems	6 years for server 3 years for other than server	2.5-3 years

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 Group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Group 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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 Group 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
Non compete fees	3 years
Customer relations	3-7 years
Trade mark	2-3 years
Exclusive license	2 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 Group 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 Group and the cost of the item can be measured reliably.

(e) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's Cash Generating Unit's (CGU's) to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or Cash Generating Unit's (CGU's) recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each Cash Generating Unit (CGU) (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(f) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(g) Leases

The Group 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 Group 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.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group 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 Group 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.

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(All amounts in ₹ lakhs, unless otherwise stated)

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 Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 Group 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.

Lease and non-lease component

As per Ind AS - 116, "As a practical expedient, a lessee may elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component."

The Group has not opted for this practical expedient and have accounted for Lease component only.

Extension and termination option

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Management have not considered any future cash outflow for which they are potentially exposed arising due to extension and termination options.

(h) Financial Instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Non-derivative financial instruments :

a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI), and fair value through profit or loss.

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(All amounts in ₹ lakhs, unless otherwise stated)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS - 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principle and interest (SPPI)' on the principle amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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 Group 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 12.

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Debt instrument at 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 Group 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 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 FVTPL

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 Fair Value Through Profit or Loss (FVTPL).

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS - 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS - 103 applies are classified as at Fair Value Through Profit or Loss (FVTPL). For all other equity instruments, the Group may make an irrevocable election to present in Other Comprehensive Income (OCI) subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at Fair Value Through Other Comprehensive Income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Consolidated Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Reclassification of financial assets

The Group determines classification of financial assets on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Impairment of financial assets

In accordance with Ind AS - 109, the Group 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 receivables 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 Group 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 Group 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 Group 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 Group 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 Group 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

b) Financial Liabilities :

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at Fair Value Through Profit or Loss (FVTPL), 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 Group'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 or Loss (FVTPL)

Financial liabilities at Fair Value Through Profit or Loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. 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 Group 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. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS - 109 are satisfied. For liabilities designated as FVTPL, fair value gains or losses attributable to changes in own credit risk are recognised in Other Comprehensive Income (OCI). These gain or loss are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

c) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains or losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 19.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group current has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Derivative financial instruments

Initial recognition and subsequent measurement :

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss, except for the effective portion of cash flow hedges, which is recognised in Other Comprehensive Income (OCI) and later reclassified to statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The Group designates certain foreign exchange forward and Cross currency interest rate swaps as cash flow hedges with an intention to hedge its existing liabilities and highly probable transaction in foreign currency. When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

recognised in cash flow hedge reserve till the period the hedge 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.

(i) 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 principal or, in its absence, the most advantageous market to which the Group 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 financial statements 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 Group 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.

(j) 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 Consolidated Cash Flow Statement, 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 Group's cash management.

(k) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Group 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 Parent.

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.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception of the following:

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in the statement of profit and loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., Consolidated Financial Statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in Other Comprehensive Income (OCI). These exchange differences are reclassified from equity to the statement of profit and loss on disposal of the net investment.

- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to the Statement of Profit and Loss.

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or the statement of profit and loss are also recognised in OCI or the statement of profit and loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the statement of profit and loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 1, 2018), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the Parent and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date

(l) Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the balance sheet.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Other long-term employee benefit obligations

The liabilities for leave balance are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans - gratuity, and

(b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the Statement of Profit and Loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as past service costs.

Defined contribution plan

Retirement benefit in the form of provident fund scheme, Social security, National Insurance, Superannuation, Medicare schemes are the defined contribution plans. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.

(m) Employee share based payments

Certain employees of the Group 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.

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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 Group'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 Group'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.

(n) Exceptional items

Exceptional items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Group 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.

(o) 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 Group 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.

In the situations where one or more entities in the Group are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first

Notes to the Consolidated Financial Statements for the year ended March 31, 2025
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Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new 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 profit and loss.

The Group 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

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(All amounts in ₹ lakhs, unless otherwise stated)

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.

(p) Treasury shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares from the Parent, for giving shares to employees. The Group 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 Group's own equity instruments.

On consolidation of EBT with the Group, 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 the treasury shares.

(q) 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 Group provides post-contract services / warranty support to some of its customers. The Group 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 Group 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 Group does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Group has identified three reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Refer note 43 for segment information.

(s) Earnings/(Loss) per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of Parent Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period (including treasury shares).

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The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit and loss for the period attributable to equity shareholders of the Parent and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions.

Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

(t) Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

(u) Critical estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping 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 judgments 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 35.

(b) Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group 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.

(c) Business combination and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Judgement is required to determine the date on which the group acquired control. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. These valuations are conducted by external valuation experts. Estimates are required to be made in determining the value of contingent consideration and intangible assets. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management. Judgement is required to determine the acquisition date i.e. the date on which the group acquired control.

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(All amounts in ₹ lakhs, unless otherwise stated)

(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) Investment of equity instrument at fair value through Other comprehensive income

The Group applies judgement to assess whether it has significant influence or control over the investee entities. Where the group determines that it does not exercise significant influence or control, the fair value of equity instrument is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Refer note 36(iv) and 36(v).

(f) 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. Also refer note 10 (A) and 10 (B).

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(All amounts in ₹ lakhs, unless otherwise stated)

3 Property, plant and equipment

	Land	Building	Computer Systems	Office equipments	Furniture and fixtures	Vehicles	Leasehold improvements	Total	Capital work-in-progress
Cost or valuation									
As at April 01, 2023	**4,423**	**8,354**	**509**	**276**	**79**	**33**	**230**	**13,904**	**185**
Additions	-	-	188	103	3	-	-	294	529
Transfers from CWIP	-	132	169	183	133	-	88	705	(705)
Disposals	-	-	(16)	-	-	(4)	-	(20)	-
As at March 31, 2024	**4,423**	**8,486**	**850**	**562**	**215**	**29**	**318**	**14,883**	**9**
Additions	-	-	443	91	8	0	-	542	227
Acquisition of subsidiary - refer note 45	-	-	310	55	19	22	-	407	-
Transfers from CWIP	-	-	-	-	22	-	215	237	(236)
Disposals	-	-	(128)	(2)	-	(14)	-	(144)	-
Exchange difference	-	-	3	-	-	-	-	3	-
As at March 31, 2025	**4,423**	**8,486**	**1,479**	**707**	**264**	**38**	**533**	**15,930**	**0**
Accumulated depreciation									
As at April 01, 2023	**-**	**119**	**257**	**138**	**29**	**1**	**82**	**626**	**-**
Charge for the year	-	168	198	57	25	8	39	495	-
Disposals	-	-	(16)	-	-	(*)	-	-16	-
As at March 31, 2024	**-**	**287**	**439**	**195**	**54**	**9**	**121**	**1,105**	**-**
Charge for the year	-	189	465	95	45	13	55	863	-
Disposals	-	-	(124)	(2)	-	(11)	-	(136)	-
Exchange difference	-	-	3	(0)	-	0	-	3	-
As at March 31, 2025	**-**	**476**	**782**	**289**	**99**	**11**	**176**	**1,834**	**-**
Net book value									
As at March 31, 2024	**4,423**	**8,199**	**411**	**367**	**161**	**20**	**197**	**13,778**	**9**
As at March 31, 2025	**4,423**	**8,010**	**697**	**418**	**165**	**26**	**357**	**14,096**	**0**

(*) Represents number below rounding off norms of the Company.

Note:

(i) Refer note 19 for details of charge created on the Property, plant and equipment.

(ii) All property, plant and equipment are owned by the Group unless otherwise stated.

(iii) There are no proceeding initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Capital work-in-progress (CWIP) Ageing

As at March 31, 2025

	Amount in CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0	-	-	-	**0**
Projects temporarily suspended	-	-	-	-	-
Total	**0**	**-**	**-**	**-**	**0**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Capital work-in-progress (CWIP) Ageing

As at March 31, 2024

Projects in progress	Amount in CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9	-	-	-	9
Projects temporarily suspended	-	-	-	-	-
Total	**9**	**-**	**-**	**-**	**9**

4 Goodwill and other intangible assets

i) Goodwill

Cost or valuation	March 31, 2025	March 31, 2024
Deemed cost		
As at April 01	**15,920**	**15,801**
Acquisition of subsidiary	61,886	-
Exchange difference	312	119
As at March 31	**78,118**	**15,920**
Accumulated Impairment		
As at April 01	**1,888**	**1,888**
As at March 31	**1,888**	**1,888**
Net book value as at March 31	**76,230**	**14,032**

The allocation of goodwill is as follows:

	March 31, 2025	March 31, 2024
OSS Cube Solutions Limited	1,888	1,888
Cupola Technology Private Limited (IoT)	611	611
Happiest Minds Inc. (formerly known as PGS Inc.) (PGS)	8,216	8,017
Sri Mookambika Infosolutions Private Limited (SMI)	5,404	5,404
Aureus Tech System LLC ('Aureus')	4,896	-
PureSoftware Technologies Private Limited ('PSTPL')	56,742	-
InnovazIT Technologies LLC, Dubai; GAVS Technologies LLC, Oman and GAVS Technologies Saudi Arabia for Telecommunications and Information Technology, Saudi Arabia (these three entities together are referred as 'GAVS Middle East')	361	-
	78,118	**15,920**
Less: Accumulated Impairment		
OSS Cube Solutions Limited	1,888	1,888
	76,230	**14,032**

Goodwill is tested for impairment on an annual basis by the Group. 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

The Group acquired PSTPL and Aureus during the year ended March 31, 2025 and as required under Ind AS 36, the Group carried out an impairment test on the goodwill arising from these acquisitions as of March 31, 2025. Based on the impairment test, the carrying value of goodwill remains unchanged, and no impairment loss has been recognized. The Group acquired GAVS Middle East in February 2025 and therefore it was not tested for impairment

There is no impairment noted in the IoT and other 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.

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

	GAVS Middle East	Aureus	PSTPL	SMI		IoT		PGS	
	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Discount rate	20.00%	16.74%	19.57%	19.61%	20.00%	19.30%	19.30%	19.36%	19.32%
Long term growth rate	2.00%	2.00%	4.00%	2.00%	2.00%	4.00%	4.00%	2.00%	1.00%
Sales growth	2.00%	22.29%	18.00%	15.00%	15.00%	25.00%	15.00%	10.00%	15.00%
Carrying value of goodwill	361	4,896	56,742	5,404	5,404	611	611	8,216	8,017

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 Cash Generating Unit (CGU).

ii) Other intangible assets

	Other intangible assets					Intangibles assets under development
	Technology Platform	Customer relationships	Non-compete	Computer software	Total	
Cost or valuation						
Deemed cost						
As at April 01, 2023	**-**	**11,073**	**397**	**1,683**	**13,153**	**81**
Additions		-	-	230	230	11
Transfer from intangible assets under development				36	36	(70)
Exchange difference		44	1	4	49	-
As at March 31, 2024	**-**	**11,117**	**398**	**1,953**	**13,468**	**22**
Additions	-	-	-	328	328	23
Acquisition of subsidiary - refer note 45	949	18,674	768	-	20,392	-
Transfer from intangible assets under development	-	-	-	27	27	(27)
Exchange difference	(0)	199	1	17	217	-
As at March 31, 2025	**949**	**29,990**	**1,168**	**2,325**	**34,432**	**18**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	Other intangible assets					Intangibles assets under development
	Technology Platform	Customer relationships	Non-compete	Computer software	Total	
Accumulated amortisation/ Impairment						
As at April 01, 2023	**-**	**2,056**	**80**	**835**	**2,971**	**-**
Charge for the year		1,958	124	593	2,675	-
Exchange difference		31	1	4	36	-
As at March 31, 2024	**-**	**4,045**	**205**	**1,432**	**5,682**	**-**
Charge for the year	122	3,901	324	480	4,827	-
Exchange difference	0	75	2	15	92	-
As at March 31, 2025	**122**	**8,021**	**531**	**1,928**	**10,601**	**-**
Net book value						
As at March 31, 2024	**-**	**7,072**	**193**	**521**	**7,786**	**22**
As at March 31, 2025	**826**	**21,970**	**637**	**397**	**23,831**	**18**

The customer relationships will be fully amortized in 7-8 years (March 31, 2024: 7 Years)

Intangibles assets under development Ageing (IAUD)

As at March 31, 2025

	Amount in IAUD for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	18	-	-	-	**18**
Projects temporarily suspended	-	-	-	-	-
Total	**18**	**-**	**-**	**-**	**18**

As at March 31, 2024

	Amount in IAUD for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17	5	-	-	**22**
Projects temporarily suspended	-	-	-	-	-
Total	**17**	**5**	**-**	**-**	**22**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

5 Right-of-use assets

	Computer systems	Office equipment	Office buildings	Motor vehicles	Total
As at April 01, 2023	**1,534**	**116**	**3,974**	**162**	**5,786**
Additions	1,069	-	1,440	62	2,571
Disposals	-	-	-	-	-
Depreciation	(1,320)	(20)	(1,253)	(66)	(2,659)
As at March 31, 2024	**1,283**	**96**	**4,161**	**158**	**5,698**
Additions	1,682	13	1,596	680	3,970
Acquisition of subsidiary - refer note 45	18	-	548	-	566
Disposals	-	-	(103)	(5)	(108)
Depreciation	(1,105)	(24)	(1,875)	(175)	(3,180)
Exchange Difference	0	-	12	-	12
As at March 31, 2025	**1,877**	**84**	**4,338**	**658**	**6,958**

The average lease period of the leased assets is 3.8years (March 31, 2024: 4 years).

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

	March 31, 2025	March 31, 2024
Interest expense on lease liabilities - refer note 30	727	614
Depreciation of Right-of-use assets -refer note 29	3,180	2,659
Rent expense pertaining to short- term leases -refer note 31	631	549
	4,538	**3,822**

6 Loans

Carried at amortised cost

	March 31, 2025	March 31, 2024
Current		
Loans considered good - Unsecured		
Loan to employees	12	37
	12	**37**

7 Other financial assets

	March 31, 2025	March 31, 2024
(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	37	11
Margin money deposits - refer note (i) below	6,286	1,688
Security deposit	1,035	781
	7,358	**2,480**
(i) Margin money deposit is used to secure:		
Term loan - Federal bank	6,252	914

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2025	March 31, 2024
Guarantees given	34	774
Current		
Interest accrued on fixed deposit	1,858	1,618
Unbilled revenue#	15,299	11,847
Security deposit	207	145
Other receivables	119	53
	17,483	**13,663**
Security deposit - credit impaired	11	1
Less: Allowance for credit impaired loans	(11)	(1)
Less: loss allowance on unbilled revenue	(257)	(243)
	17,226	**13,420**
# Classified as financial asset as right to consideration is unconditional and is due only after a passage of time. Includes ₹ 234 lakhs (March 31, 2024 : ₹ 64) 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)	258	111
Cross currency interest rate swap - refer note 37 (B)	241	319
	499	**430**
Total other current financial assets	**17,726**	**13,850**

8A Income tax assets (net)

	March 31, 2025	March 31, 2024
Non - current		
Income tax assets (net)	3,537	1,529
	3,537	**1,529**

8B Income tax liabilities (net)

	March 31, 2025	March 31, 2024
Current		
Income tax liabilities (net)	422	12
	422	**12**

9 Other assets

Unsecured, considered good, unless otherwise stated

	March 31, 2025	March 31, 2024
Non - current		
Prepaid expenses	170	32
	170	**32**
Current		
Prepaid expenses	2,644	2,218
Balances with statutory / government authorities	621	433
Advance to employees against expenses	278	182

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2025	March 31, 2024
Advance to suppliers	500	367
Other advances	6	-
Contract assets	1,661	1,623
	5,710	**4,823**
Less: loss allowance on contract assets	(28)	(30)
	5,682	**4,793**

10A Deferred tax assets (net)

	March 31, 2025	March 31, 2024
Deferred tax assets (net)	3,613	1,636
	3,613	**1,636**

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

	April 01, 2024	Business Acquisition - refer note 45	Recognised in profit or loss [charge/ (credit)]	Recognised in Other comprehensive income	Foreign currency translation reserve	March 31, 2025
Mutual funds	-	-	(312)	-	-	(312)
Goodwill	(154)	-	-	-	-	(154)
Property, plant and equipment and intangible assets	(232)	160	(114)	-	-	(186)
Derivative liabilities, net	10	-	-	73	-	82
Loss allowance on trade receivables	217	54	313	-	-	584
Right-of-use assets	(1,434)	(5)	(3)	-	-	(1,442)
Lease liability	1,763	-	-	-	-	1,763
Provision for gratuity and leave encashment	932	245	556	139	-	1,872
Employee related liabilities	308	-	147	-	-	455
Others	227	215	398	106	5	951
Deferred tax assets (net)	**1,636**	**669**	**985**	**318**	**5**	**3,613**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Significant components and movement in deferred tax assets and liabilities during the year ended March 31, 2024 :

	April 01, 2023	Recognised in profit or loss [charge/ (credit)]	Recognised in Other comprehensive income	Foreign currency translation reserve	March 31, 2024
Mutual funds	-	-	-	-	-
Goodwill	(154)	-	-	-	(154)
Property, plant and equipment and intangible assets	(22)	(210)	-	-	(232)
Derivative assets	111	-	(101)	-	10
Loss allowance on trade receivables	132	85	-	-	217
Right-of-use assets	(1,456)	23	-	-	(1,434)
Lease liability	1,668	95	-	-	1,763
Provision for gratuity and leave encashment	735	102	95	-	932
Employee related liabilities	0	308	-	-	308
Others	232	(6)	-	-	227
Deferred tax assets (net)	**1,246**	**397**	**(6)**	**0**	**1,636**

10B Deferred tax liabilities (net)

	March 31, 2025	March 31, 2024
Deferred tax liabilities (net)	4,841	1,303
	4,841	**1,303**

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

	April 01, 2024	Business Acquisition-refer note 45	Recognised in profit or loss [charge/ (credit)]	Recognised in Other comprehensive income #	Foreign currency translation reserve	March 31, 2025
Property, plant and equipment and intangible assets	1,902	3,915	(977)	-	-	4,841
Interest payable	(38)		38	-	-	-
Loss allowance on trade receivables	(60)		60	-	-	-
Equity instrument at FVOCI	(351)		351	-	-	-
Provision for gratuity and leave encashment	(91)		91	-	-	-
Others	(59)		59	-	-	-
Deferred tax liabilities (net)	**1,303**	**3,915**	**(378)**	**-**	**-**	**4,841**

#excludes impact of Foreign Currency Translation Reserve

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Significant components and movement in deferred tax assets and liabilities during the year ended March 31, 2024 :

	April 01, 2023	Recognised in profit or loss [charge/ (credit)]	Recognised in Other comprehensive income #	Foreign currency translation reserve	March 31, 2024
Property, plant and equipment and intangible assets	2,346	(448)	-	4	1,902
Interest payable	-	(38)	-	-	(38)
Loss allowance on trade receivables	(57)	(3)	-	-	(60)
Equity instrument at FVOCI	(74)	-	(277)	-	(351)
Provision for gratuity and leave encashment	(77)	(22)	8	-	(91)
Others	(78)	19	-	-	(59)
Deferred tax liabilities (net)	**2,060**	**(492)**	**(269)**	**4**	**1,303**

11 Investments

Non-current

Carried at fair value through other comprehensive income [FVTOCI] (fully paid)

	March 31, 2025	March 31, 2024
Unquoted		
334 (March 31, 2024 : 334) Series A Common Shares of $ 0.01 par value of TECH4TH Solutions Inc. - refer note (i) below and note 36	-	-
19,93,754 (March 31, 2024 : Nil) Series A Common Shares of $ 0.00001 par value of Solvio Solutions Inc. - refer note (ii) below and note 36	-	-

(i) The Group had invested US$ 2,005,000 (₹ 1,672 lakhs) in Tech4TH Solutions Inc (Tech4TH) and held 23.5% stake. The Group determined that it does not exercise significant influence on Tech4TH as the company does not have any representation on the Board of Directors of Tech4TH, does not participate in any policy making decisions, nor does it have any material transactions with Tech4TH. These equity shares have been designated as FVTOCI as they are not held for trading. During the previous year ended March 31, 2024, the Group conducted an impairment test on this investment. Due to a notable decline in Tech4TH's performance, the Group deemed it necessary to fully impair 100% investment.

(ii) During the year ended March 31, 2025, the Group invested US$ 600,000 (₹ 503 lakhs) in Solvio Inc (Solvio) towards 4.4% stake. These equity shares have been designated as FVTOCI as they are not held for trading. Further, during the year ended March 31, 2025, it has been proposed to wind up Solvio resulting in impairing 100% investment.

Current

Carried at fair value through statement of profit and loss

	March 31, 2025	March 31, 2024
Quoted		
Investment in mutual funds	35,039	-
	35,039	**-**
Aggregate book value of quoted investments	35,039	-
Aggregate market value of quoted investments	35,039	-
Aggregate value of unquoted investments	-	-
Aggregate amount of impairment in value of investments	1,796	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

12 Trade receivables

Carried at amortised cost

	March 31, 2025	March 31, 2024
Current		
Trade receivables - others	34,873	24,735
Trade receivables - related party - refer note 39	940	709
Total trade receivables	**35,813**	**25,444**
Break-up for security details		
Unsecured, considered good	35,813	25,444
Unsecured, considered doubtful	2,635	1,157
	38,448	**26,601**
Impairment allowance		
Unsecured, considered good	(2,635)	(1,157)
Trade receivables net of impairment	**35,813**	**25,444**

Trade receivables Ageing Schedule:

As at March 31, 2025

	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6months-1 years	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	10,313	442	9	-	-	36,185
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	1,261	459	244	69	193	2,263
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	**11,574**	**901**	**253**	**69**	**193**	**38,448**
Less: Impairment allowance						(2,635)
Total						**35,813**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

As at March 31, 2024

	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6months-1 years	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	7,372	103	-	-	-	25,898
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	45.00	143.00	286.00	220.00	9.00	703
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	**7,417**	**246**	**286**	**220**	**9**	**26,601**
Less: Impairment allowance						(1,157)
Total						**25,444**

(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 7

13 Cash and cash equivalents

	March 31, 2025	March 31, 2024
Balances with banks:		
- in current accounts	11,482	4,511
- in EEFC accounts	429	4,759
Deposits with original maturity of less than three months - refer note below	1	2,200
	11,912	**11,470**

Note:

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

14 Bank and bank balance other than cash and cash equivalents

	March 31, 2025	March 31, 2024
Fixed deposit	19,638	1,11,258
Margin money deposits - refer note (i) below	73,892	10,900
Balances with bank in unpaid dividend account	381	25
	93,911	**1,22,183**
(i) Margin money deposit is used to secure:		
Working capital facility and bank overdrafts	65,880	10,900
Term loan - Federal bank	-	-
Guarantees given	8,012	-

15 Share Capital

Equity share capital

i) **Authorised share capital**

	Numbers	Amount
Equity share capital of ₹ 2 each		
As at April 01, 2023	22,93,00,000	4,586
Increase during the year	-	-
As at March 31, 2024	**22,93,00,000**	**4,586**
Increase during the year		
As at March 31, 2025	**22,93,00,000**	**4,586**

ii) **Issued, subscribed and fully paid up Equity share capital**

	Numbers	Amount
Equity share capital of ₹ 2 each, fully paid up		
As at April 01, 2023	**14,31,88,555**	**2,866**
Issue of shares	54,11,255	106
Exercise of share options - refer note (1) below	7,54,616	15
As at March 31, 2024	**14,93,54,426**	**2,987**
Exercise of share options - refer note (1) below	6,92,441	14
As at March 31, 2025	**15,00,46,867**	**3,001**

(1) During the year ended March 31, 2025, Employee Stock Option Trust (ESOP trust) issued 6,92,441 (March 31, 2024 - 7,54,616) equity shares to the employees upon exercise of employee stock options.

(2) The outstanding equity shares as at April 01, 2023, March 31, 2024 and March 31, 2025 are presented net of treasury shares.

(iii) **Terms/ rights attached to equity shares**

The Company has a single class of equity share of par value ₹ 2 each. Each holder of the equity shares is entitled to one vote per share and carries a right to dividends as and when declared by the Company.

In the event of liquidation of the Company, the holders of equity shares, will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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

	March 31, 2025		March 31, 2024	
	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	32.82%	5,83,82,277	39.09%
Ashok Soota Medical Research LLP	1,79,48,784	11.96%	1,79,48,784	12.02%
SBI Small Cap Fund	1,17,12,365	7.81%	-	0.00%

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, 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	5,83,82,277	(91,36,490)	4,92,45,787	32.97%	(15.65%)
Equity shares of ₹ 2 each fully paid	Ashok Soota Medical Research LLP	1,79,48,784	-	1,79,48,784	12.02%	0.00%

As at March 31, 2024

	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	6,00,75,393	(16,93,116)	5,83,82,277	39.09%	(2.82%)
Equity shares of ₹ 2 each fully paid	Ashok Soota Medical Research LLP	1,79,48,784	-	1,79,48,784	12.02%	0.00%

16 Treasury shares

	No of shares
As at April 01, 2023	**36,75,001**
Issue for cash on exercise of share options	(7,54,616)
As at March 31, 2024	**29,20,385**
Issue for cash on exercise of share options	(6,92,441)
As at March 31, 2025	**22,27,944**

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

17 Other equity

	March 31, 2025	March 31, 2024
Securities premium account	90,582	90,318
Retained earnings	64,487	55,042
Cash flow hedge reserve	(246)	(28)
Foreign currency translation reserve	1,282	861
Share options outstanding reserve	68	163
Equity instrument through Other comprehensive income (OCI)	(1,716)	(1,319)
	1,54,457	**1,45,037**

		March 31, 2025	March 31, 2024
a)	**Securities premium account**		
	Opening balance	90,318	41,556
	Transaction costs, net of recovery or reimbursement of expense on issue of shares	-	(1,444)
	On issue of shares - refer note 15 (ii) (3)	-	49,894
	Exercise of share option by employees	170	164
	Transferred from ESOP reserve for options exercised	94	144
	Transferred from Retained earnings for options exercised	-	4
	Closing balance	**90,582**	**90,318**
b)	**Retained earnings**		
	Opening balance	55,042	39,064
	Profit for the year	18,466	24,839
	Other comprehensive income recognised directly in retained earnings	(414)	(259)
	Dividend - refer note 18	(8,608)	(8,604)
	Transferred from share option outstanding reserve for options forfeited	1	6
	Transferred to securities premium on options exercised	-	(4)
	Closing balance	**64,487**	**55,042**
c)	**Cash flow hedge reserve**		
	Opening balance	(28)	(330)
	Net movement on effective portion of cash flow hedges - refer note 37 (B)	(218)	302
	Closing balance	**(246)**	**(28)**
d)	**Foreign currency translation reserve**		
	Opening balance	861	737
	Additions during the period	421	124
	Closing balance	**1,282**	**861**
e)	**Share options outstanding reserve**		
	Opening balance	163	266
	Employee compensation expense for the year - refer note 44	-	47
	Transferred to retained earnings for options forfeited	(1)	(6)
	Transferred to securities premium for options exercised	(94)	(144)
	Closing balance	**68**	**163**
f)	**Equity instrument through Other comprehensive income (OCI)**		
	Opening balance	**(1,319)**	**(277)**
	Additions during the period, net of taxes - refer note 36 (v)	(397)	(1,042)
	Foreign exchange	-	
	Closing balance	**(1,716)**	**(1,319)**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Note

Securities premium account has been created consequent to issue of shares at premium. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

b) **Retained earnings :**

Retained earnings comprises of prior year's and current year's undistributed earnings/accumulated losses after tax.

c) **Cash flow hedge reserve :**

The Group 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) **Foreign currency translation reserve :**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to statement of profit and loss when the net investment is disposed-off.

e) **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.

f) **Equity instrument through Other comprehensive income (OCI)**

The Group has elected to recognise changes in the fair value of certain investments in equity shares in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity shares are derecognised.

Distribution made

18 Dividends on equity shares declared and paid :

	March 31, 2025	March 31, 2024
Final dividend paid for the year ended on March 31, 2024 : 3.25/- per share (March 31, 2023 : ₹ 3.4/- per share)	4,854	4,879
Interim dividend for the year ended on March 31, 2025 : ₹ 2.5/- per share (March 31, 2024 : 2/- per share)	3,754	3,725
	8,608	**8,604**

19 Borrowings

Carried at amortised cost

	March 31, 2025	March 31, 2024
Non current		
Secured		
Term loan from bank - refer note (b) below	10,444	11,278
Unsecured		
Term loan from bank - refer note (c) below	24,061	
	34,505	**11,278**
Less: Current maturities of rupee term loan	(968)	(833)
Less: Current maturities of unsecured term loan	-	-
Total non-current borrowings	**33,537**	**10,445**
Current		
Secured		
Loans from banks		
Foreign currency loan (PCFC) - refer note (e)	22,654	19,886
Bank overdraft - refer note (e) below	44,777	573
Foreign currency term loan - refer note (a) below	6,154	-
Unsecured		
Loans from banks		
Foreign currency loan (PCFC) - refer note (e)		
Redeemable non-convertible debentures - refer note (d) below	8,000	12,500
Current maturities of term loans		
Foreign currency term loan from bank - refer note (a) below	-	-
Rupee term loan from bank - refer note (b) below	968	833
Total current borrowings	**82,554**	**33,792**

Notes

(a) Foreign currency term loan of ₹ 7,088 lakhs (USD 8.50 million) was borrowed from Citi bank carrying a floating interest rate of O/N SOFR (Secured Over night Financing Rate) + spread. Interest rate ranged from 6.50% to 6.80% . The loan is repayable in 60 equal monthly instalments, with 1 year moratorium period, commencing from September 01, 2024. The loan is secured by the way of SBLC (Stand By Letter of Credit) by Happiest Minds Technologies Limited. The loan was raised exclusively for funding the acquisition of Aureus Tech Systems LLC.

(b) Rupee term loan of ₹ 12,430 lakhs from Federal bank carries an effective interest rate of 7.9% per annum (March 31, 2023 : 7.9%). The loan is repayable in 120 monthly installment commencing from August 15, 2022 and will mature on July 15, 2032. The proceeds from the loan was utilized for the acquisition of building -SJR Equinox, including the land comprised therein, situated at Electronic City, Bangalore. The loan is secured by way of exclusive charge on such land and building together with all the fixtures in the building along with lien on fixed deposits equivalent to three months equated monthly instalments (refer note 7).

The Company has entered into an Cross currency interest rate swap with respect to aforementioned loan over the tenure, which has resulted in an effective interest rate of 4.21% per annum.

(c) During the year, the Group has taken unsecured overdraft facility of ₹ 25,000 lakhs from Federal bank. The facility amount reduces ratably over the tenure of 60 months and carries interest rate of 8.60% p.a.

(d) 4,500 rated, listed, negotiable, unsecured, redeemable non-convertible debentures (NCDs) aggregating to ₹ 4,500 lakhs were issued during FY 22-23 on a private placement basis carrying a coupon rate of 3m T-bill + 2.35% p.a payable quarterly. Each NCD has face value of ₹ 1 lakh and is redeemable at face value at the end of 3rd year from the date of allotment. The NCDs were allotted on March 27, 2023 and will mature on March 27, 2026. The proceeds from NCDs has been utilised for general corporate purpose. The investor and the Company has put and call option respectively, for the redemption of debenture at face value on the coupon payment date falling at the expiry of one year or two years from the deemed date of allotment. During FY23-24, Company has exercised the call option on March 27, 2025 (call option date) and repaid ₹ 4500 lakhs.

The company had issued 4,500 and 3,500 rated, listed, negotiable, unsecured, redeemable non-convertible debentures (NCDs) aggregating to ₹ 8,000 lakhs were issued during FY 23-24 on a private placement basis, carrying a coupon rate of 3m T-bill + 2.35% p.a payable quarterly. Each NCD has face value of ₹ 1 lakh and is redeemable at face value at the end of 3rd year from the date of respective allotment. NCDs were allotted on 8th May, 2023 and 26th September, 2023 respectively and will mature on 8th May, 2026 and September 26, 2026 respectively. The proceeds from NCDs has been utilised for general corporate purpose. The investor and the issuer has put and call option respectively, for the redemption of debenture at face value on the coupon payment date falling on the expiry of one year or two years from the deemed date of allotment. Consequently, the NCDs are classified as current borrowings."

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(e) Company has availed lines of credit from banks in the form of Packing Credit in Foreign Currency (PCFC) and Overdraft to meet the working capital requirements and other short term requirements.

Packing credit in foreign currency:

During the current year the total sanctioned limit was ₹ 31,500 lakhs (March 31, 2024 - ₹ 29,000 lakhs). Loans were drawn in USD which carried floating interest rate benchmarked to SOFR + Spread. Interest rates ranged from 5.04% to 6.27% (March 31, 2024 4.76% to 6.24%). Tenor of the loan ranged from 90 days to 180 days. Loans were secured by way of pari-passu charge on current assets of the Company. These loans were sanctioned as revolving credit which will be renewed on periodic basis. The loans stipulate certain financial covenants as per the terms agreed and the Company has complied with all the covenants to the satisfaction of the banks.

Overdraft facility:

During the current year the total sanctioned limit was ₹ 59,800 lakhs (March 31, 2024 - ₹ 9,500 lakhs). Interest rates ranged from 7.90% to 8.55% (March 31, 2024 8.50%). Loans were fully secured by way of lien on fixed deposit equivalent to ₹ 65,880 lakhs (March 31, 2024 - ₹ 10,700 lakhs)

Non-fund based facility:

Company has non-fund based revolving facility of ₹ 7,827 lakhs (March 31, 2024 - ₹ 767 lakhs) which can be used for issuance of letter of credits and bank guarantees.

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

	Non-current borrowings #	Current borrowings ##
As at April 01, 2023	**13,856**	**25,780**
Acquisition of subsidiary	-	-
Financing cash flows (net)	(2,608)	6,561
Non cash movements:		
Amortisation of transaction cost	17	-
Foreign exchange difference	13	45
As at March 31, 2024	**11,278**	**32,386**
Financing cash flows (net)	23,223	3,983
Non cash movements:		
Amortisation of transaction cost	-	-
Foreign exchange difference	4	439
As at March 31, 2025	**34,505**	**36,808**

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

##Current borrowing movement doesn't includes bank overdraft which forms part of cash and cash equivalent for the purpose of Cash flow statement.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

20 Lease liabilities

Carried at amortised cost

	March 31, 2025	March 31, 2024
Non current		
Lease liabilities	8,268	6,982
	8,268	**6,982**
Less: Current maturities of lease liabilities	(3,258)	(2,412)
Total non-current Lease liabilities	**5,010**	**4,570**
Current		
Lease liabilities	3,258	2,412
Total current lease liabilities	**3,258**	**2,412**

(i) Movement in lease liabilities for year ended March 31, 2025 and March 31, 2024

	March 31, 2025	March 31, 2024
Balance at beginning of the year	6,982	6,620
Acquisition of subsidiary - refer note 45	588	-
Additions	3,957	2,523
Finance cost incurred during the period - refer note 30	727	614
Disposal	(79)	-
Payment of lease liabilities	(3,899)	(2,775)
Rent concession - refer note 27	-	-
Exchange difference	(8)	-
Balance at the end of the year	**8,268**	**6,982**

(ii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 and March 31, 2024

	March 31, 2025	March 31, 2024
Less than one year	3,832	2,925
One to five years	5,311	5,074
More than five years	-	-

(iii) The Group had total cash outflow of ₹ 3,899 lakhs during the year ended March 31, 2025 (March 31, 2024 - ₹ 2,775 lakhs) for leases recognized in balance sheet. The Group has made a non-cash addition to lease liabilities of ₹ 3,942 lakhs during the year ended March 31, 2025 (March 31, 2024 - ₹ 2,523 lakhs).

Notes to the Consolidated Financial Statements for the year ended March 31, 2025
(All amounts in ₹ lakhs, unless otherwise stated)

21 Other financial liabilities

	March 31, 2025	March 31, 2024
Non-Current		
Carried at fair value through profit or loss		
Contingent consideration - refer note 36 (iv) and 36 (v)	1,445	-
Optionally Convertible Redeemable Preference Shares (OCRPS)#	6,272	-
	7,717	**-**
Carried at fair value through other comprehensive income		
Cash flow hedges		
Cross currency interest rate swap - refer note 37 (B)	613	401
	613	**401**
Total non - current financial liabilities	**8,330**	**401**
Current		
Carried at amortised cost		
Employee related liabilities	4,601	3,932
Unpaid dividend	46	26
Capital creditors	287	303
Purchase consideration withheld	443	-
Accrued interest payable	76	92
	5,453	**4,353**
Carried at fair value through profit or loss		
Contingent consideration - refer note 36 (iv) and 36 (v)	8,855	1,389
	8,855	**1,389**
Carried at fair value through Other Comprehensive Income		
Cash flow hedges		
Foreign currency forward contracts - refer note 37 (B)	217	68
	217	**68**
Total other current financial liabilities	**14,526**	**5,810**

#Certain subsidiaries issued 10,000 OCRPS carrying a face value of ₹ 122 per share and 15,000 OCRPS carrying a face value of USD 241,350 pursuant to agreements dated May 28, 2024. Based on the provisions of the agreement which involve option to convert, redeem, put/call these instruments have been classified as a non current financial liability as on the Balance Sheet date.

#As at April 19, 2024, the Company has issued "100" equity shares against the "1000" Non Cumulative Compulsory Convertible Preference Shares.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025
(All amounts in ₹ lakhs, unless otherwise stated)

22 Provisions

	March 31, 2025	March 31, 2024
Non-current		
Provision for gratuity - refer note 35	5,940	3,338
	5,940	**3,338**
Provision for compensated absences - refer note 35	3,507	2,126
Provision for warranty	12	10
	3,519	**2,136**

Movement during the year - Provision for warranty

	Amount
Balance as at April 01, 2023	**29**
Arising during the year	1
Utilised/ reversed during the year	(20)
Exchange (gain)/ loss	-
Balance as at March 31, 2024	**10**
Arising during the year	10
Utilised/ reversed during the year	(8)
Exchange (gain)/ loss	-
Balance as at March 31, 2025	**12**

23 Contract liabilities

	March 31, 2025	March 31, 2024
Current		
Unearned revenue - refer note (i) below	2,194	1,825
	2,194	**1,825**

(i) The Group has rendered the service and have recognised the revenue of ₹ 369 lakhs (March 31, 2024: ₹ 964 lakhs) during the year from the unearned revenue balance at the beginning of the year.

24 Trade payables

Carried at amortised cost

	March 31, 2025	March 31, 2024
Total outstanding dues of micro enterprises and small enterprises - refer note (iii) below	225	165
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,256	7,750
	10,481	**7,915**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Trade payables Ageing Schedule

As at March 31, 2025

	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	39	186	-	-	-	225
Total outstanding dues of creditors other than micro enterprises and small enterprises	138	1,797	12	5	-	1,952
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	26	-	-	-	26
Provision for expenses	-	-	-	-	-	8,278
	177	**2,009**	**12**	**5**	**-**	**10,481**

As at March 31, 2024

	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	-	165	-	-	-	165
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	1,052	8	-	2	1,062
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Provision for expenses	-	-	-	-	-	6,688
	-	**1,217**	**8**	**-**	**2**	**7,915**

Terms and conditions of above trade payables:

(i) Trade payables are non-interest bearing and are normally settled on 0 to 90 days terms

(ii) For explanation of Group's liquidity risk - refer note 37 (D)

(iii) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 - refer below note

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006

Particulars	March 31, 2025	March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	186	165
Interest due on the above	-	-
(i) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(ii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

25 Other current liabilities

	March 31, 2025	March 31, 2024
Statutory dues payable	3,794	2,762
Other payables	43	34
	3,836	**2,796**

26 Revenue from contract with customers

	For the year ended	
	March 31, 2025	March 31, 2024
Revenue from service	2,03,820	1,62,383
Revenue from license	2,500	287
Gross revenue from operations	**2,06,319**	**1,62,670**
Less : cash discounts	(235)	(204)
Net revenue from operations	**2,06,084**	**1,62,466**
Revenue from service	2,03,585	1,62,179
Revenue from license (net)	2,500	287
	2,06,084	**1,62,466**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

26.1 Disaggregated revenue information

Segment	For the year ended March 31, 2025			
	Infrastructure Management & Security Services	Product and Digital Engineering Services	Generative AI Business Services#	Total
Revenue from contract with customers	32,382	1,69,691	3,562	2,06,084
Total revenue from contracts with customers	**32,382**	**1,69,691**	**3,562**	**2,06,084**
India	3,202	25,251	1,075	29,528
Outside India	29,630	1,44,440	2,487	1,76,556
Total revenue from contracts with customers	**32,382**	**1,69,691**	**3,562**	**2,06,084**
Timing of revenue recognition				
Licenses transferred at a point in time	454	2,046	-	2,500
Fixed price project - services transferred over time	5,694	15,159	1,288	22,141
Time and material - services transferred over time	26,684	1,52,486	2,274	1,81,443
Total revenue from contracts with customers	**32,382**	**1,69,691**	**3,562**	**2,06,084**

Segment	For the year ended March 31, 2024			
	Infrastructure Management & Security Services	Digital Business Solutions	Product Engineering Services	Total
Revenue from contract with customers	29,746	47,591	85,129	1,62,466
Total revenue from contracts with customers	**29,746**	**47,591**	**85,129**	**1,62,466**
India	8,188	6,212	12,268	26,668
Outside India	21,558	41,379	72,861	1,35,798
Total revenue from contracts with customers	**29,746**	**47,591**	**85,129**	**1,62,466**
Timing of revenue recognition				
Licenses transferred at a point in time	287	-	-	287
Fixed price project - services transferred over time	13,839	16,420	7,464	37,723
Time and material - services transferred over time	15,620	31,171	77,665	1,24,456
Total revenue from contracts with customers	**29,746**	**47,591**	**85,129**	**1,62,466**

26.2 Contract balances

	March 31, 2025	March 31, 2024
Trade receivables, net of ECL	35,813	25,444
Unbilled revenue, net of ECL	15,042	11,604
Contract assets	1,633	1,593
Contract liability	2,194	1,825

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

26.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contract price	2,07,296	1,63,433
Discount	(1,212)	(967)
Revenue from contract with customers	**2,06,084**	**1,62,466**

26.4 The Group has applied practical expedient as given in Ind AS 115 for not disclosing the remaining performance obligation for contracts that have original expected duration of one year or lesser for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time-and-material. The Group have fixed price contracts for a period of more than one year, the remaining performance obligation for these contracts is ₹ 7,798 lakhs (March 31, 2024: ₹ 818 lakhs). The revenue for remaining performance obligation is expected to be recognised over period of 1-3 years (March 31, 2024: 1-3 years).

27 Other income

	For the year ended	
	March 31, 2025	March 31, 2024
Interest income on:		
Deposits with bank	8,897	7,921
Financial instrument measured at amortised cost	78	37
	8,976	7,958
Fair value gain on investment measured at FVTPL	1,240	-
Gain on sale of investments measured at FVTPL	1	18
Exchange gain/(loss)	(338)	459
Gain on property, plant and equipment sold / scrapped, net	19	-
Miscellaneous income	241	102
	1,162	**579**
	10,138	**8,537**

28 Employee benefits expense

	For the year ended	
	March 31, 2025	March 31, 2024
Salaries, wages and bonus	1,27,226	94,291
Contribution to provident fund	5,882	4,675
Employee stock compensation expense - refer note 44	-	47
Gratuity expense - refer note 35	1,280	876
Compensated absences	1,485	1,025
Staff welfare expenses	660	555
	1,36,534	**1,01,469**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

29 Depreciation and amortisation expense

	For the year ended	
	March 31, 2025	March 31, 2024
Depreciation of property, plant and equipment - refer note 3	863	495
Amortisation of intangible assets - refer note 4	4,827	2,675
Depreciation of right-of-use assets - refer note 5	3,180	2,659
	8,870	**5,829**

30 Finance costs

	For the year ended	
	March 31, 2025	March 31, 2024
Interest expense on:		
Borrowings	7,260	2,460
Non convertible debenture	1,125	948
Lease liabilities - refer note 20	727	614
Unwinding of interest in contingent consideration	526	205
Unwinding interest on OCRPS	311	-
	9,948	**4,227**

31 Other expenses

	For the year ended	
	March 31, 2025	March 31, 2024
Power and fuel	514	567
Subcontractor charges	13,826	12,851
Repairs and maintenance		
- Buildings	453	335
- Equipments	41	68
- Others	295	483
Rent expenses - refer note (ii) below	631	549
Advertising and business promotion expenses	1,018	873
Commission	73	45
Communication costs	278	266
Insurance	182	138
Legal and professional fees	2,309	1,040
Audit fees - refer note (i) below	178	104
Loss on property, plant and equipment sold / scrapped, net	-	1
Software license cost	6,092	4,775
Rates and taxes	217	91
Recruitment charges	763	787
Sitting fees to Non-Executive Directors - refer note 39	70	70
Commission to Non-Executive Directors - refer note 39	55	25
Corporate social responsibility ('CSR') expenditure - refer note 40	655	470
Travelling and conveyance	3,957	2,753
Postage and courier	58	40
Training expense	445	413
License reseller commission expenses	158	-
Miscellaneous expenses	250	138
	32,518	**26,882**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Payment to auditors:

	For the year ended	
	March 31, 2025	March 31, 2024
As auditor:		
Audit fee	178	98
In other capacity		
Certification fees	8	205
Reimbursement of expenses	-	2
	186	**305**

(ii) Rent expense recorded under other expenses are lease rental for short-term leases

31A Impairment loss allowance

	For the year ended	
	March 31, 2025	March 31, 2024
Impairment loss allowance on trade and unbilled receivables	1,590	530
	1,590	**530**

32 Exceptional Items

	For the year ended	
	March 31, 2025	March 31, 2024
Gain/(Loss) on re-measurement/derecognition of contingent consideration (including OCRPS)	(1,216)	1,402
	(1,216)	**1,402**

Note:

(i) On May 22, 2024, the Group acquired entire equity interest of PureSoftware 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 Group has re-measured the fair value of the contingent consideration and the change in fair value of ₹ 2,344 Lakhs has been recognised as an expense in the statement of profit and loss and disclosed as an 'Exceptional Item' for the year ended March 31, 2025. Refer Note 45.

(ii) On May 24, 2024, the Group acquired entire membership interest of Aureus Tech System LLC ('Aureus'), USA for total consideration of ₹ 9,574 lakhs, comprising cash consideration of ₹ 7,149 lakhs and fair value of contingent consideration of ₹ 2,425 lakhs payable over next two years. The contingent consideration is indexed to EBITDA and revenues of 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 Group has re-measured the fair value of the contingent consideration and the change in fair value of ₹ 1,128 Lakhs has been recognised as gain on derecognition of contingent consideration in the statement of profit and loss and disclosed as an 'Exceptional Item' for the year ended March 31, 2025. Refer Note 45.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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

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

33 Income tax expense

	For the year ended	
	March 31, 2025	**March 31, 2024**
a) Statement of profit and loss		
Current tax	8,443	9,518
Deferred tax credit	(1,363)	(889)
Income tax expense	**7,080**	**8,629**
b) Statement of other comprehensive income		
On net movement on effective portion of cash flow hedges	73	(101)
On re-measurement losses on defined benefit plans	139	87
On net loss on equity instruments carried at fair value through OCI	106	277
	318	**263**

	For the year ended	
Reconciliation of tax expense and tax based on accounting profit:	**March 31, 2025**	**March 31, 2024**
Profit before income tax expense	25,546	33,468
Tax at the Indian tax rate of 25.17% (March 31, 2024 : 25.17%)	6,430	8,424
Tax effect of:		
Adjustment of tax relating to earlier periods	-	-
Expenses that are not deductible in determining taxable profit	705	393
Effect of different tax rates of subsidiaries operating in other jurisdictions	(50)	(324)
Others	(5)	136
Income tax expense	**7,080**	**8,629**

34 Earnings per share ['EPS']

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended	
	March 31, 2025	**March 31, 2024**
Profit after tax attributable to equity holders of the Parent (a) (₹ in lakhs)	18,466	24,839
Weighted average number of shares outstanding during the year for basic EPS (b)	15,05,68,775	14,84,59,435
Weighted average number of shares outstanding during the year for diluted EPS (c)	15,05,68,775	14,84,69,587
Basic Earning per share (in ₹) (a/b)	12.26	16.73
Diluted Earnings per share (in ₹) (a/c)	12.26	16.73
Equity shares reconciliation for EPS		
Equity shares outstanding	15,05,68,775	14,84,59,435
Total considered for Basic EPS	**15,05,68,775**	**14,84,59,435**
Add: ESOP options	-	10,152
Total considered for diluted shares	**15,05,68,775**	**14,84,69,587**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

35 Employee benefits plan

(i) Defined contribution plans - Provident Fund

The Group makes contributions for qualifying employees to Provident Fund and other defined contribution plans. During the year, the Group recognised ₹ 5,882 lakhs (March 31, 2024 : ₹ 4,675 lakhs) towards defined contribution plans.

(ii) Defined benefit plans (funded):

The Group provides for gratuity for employees in India as per the Payment of Gratuity (Amendment) Act, 2018. 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 salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan of the Group is funded with qualifying life insurance Company.

Gratuity is a defined benefit plan and Group 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, 2025	**March 31, 2024**
Non-current	5,940	3,338
	5,940	**3,338**

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, 2025:

	Defined benefit obligation (A)	**Fair value of plan assets (B)**	**Net amount (A-B)**
As at April 1, 2024	**4,221**	**883**	**3,338**
Acquisition of subsidiary	1,139	19	1,120
Current service cost	973	-	973
Net interest expense	355	65	290
Past service cost	12	-	12
Total amount recognised in statement of profit and loss	**1,340**	**65**	**1,275**
Benefits paid	(579)	(489)	(90)
Remeasurement			
Return on plan assets	-	(1)	1
(Gain)/loss from actuarial changes arising from changes in demographic assumptions	300	-	300

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
(Gain)/loss from actuarial changes arising from changes in financial assumptions	(1)	-	(1)
Experience adjustments	278	-	278
Total amount recognised in other comprehensive income	**577**	**(1)**	**578**
Contributions by employer	-	281	(281)
As at March 31, 2025	**6,698**	**758**	**5,940**

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2024:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 1, 2023	**3,299**	**833**	**2,466**
Current service cost	692	-	692
Net interest expense	245	61	184
Total amount recognised in statement of profit and loss	**937**	**61**	**876**
Benefits paid	(357)	(307)	(50)
Remeasurement			
Return on plan assets	-	(4)	4
(Gain)/loss from actuarial changes arising from changes in demographic assumptions	-	-	-
(Gain)/loss from actuarial changes arising from changes in financial assumptions	22	-	22
Experience adjustments	320	-	320
Total amount recognised in other comprehensive income	**342**	**(4)**	**346**
Contributions by employer	-	300	(300)
As at March 31, 2024	**4,221**	**883**	**3,338**

The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2025	March 31, 2024
Insurance fund*	758	883
Total	**758**	**883**

*The contributions of PSPTL, Aureus and GAVS Middle East is not funded

The principal assumptions used in determining gratuity benefit obligations for the Group's plans are shown below:

	March 31, 2025	March 31, 2024
Discount rate	4.60% - 6.55%	4.6% - 7.29%
Expected return on plan assets	6.55%	7.21% - 7.29%
Future salary increases	2.5% p.a. - 7% p.a	4% p.a. - 8% p.a
Employee turnover	18% - 20%	10% - 25%
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

A quantitative sensitivity analysis for significant assumptions are as shown below:

	Sensitivity Level	March 31, 2025		March 31, 2024	
		Defined benefit obligation on increase/decrease in assumptions			
		Increase	Decrease	Increase	Decrease
Discount rate	1% increase / decrease	582	(657)	(92)	100
Future salary increase	1% increase / decrease	1,174	(1,062)	96	(92)
Attrition rate	1% increase / decrease	(22)	20	(18)	18

The above sensitivity analysis 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 next year is ₹ 466 lakhs (March 31, 2024 : ₹ 454 lakhs). The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4 to 8 years (March 31, 2024: 4 to 8 years). The expected maturity analysis of undiscounted gratuity is as follows:

	March 31, 2025	March 31, 2024
Within the next 12 months	966	853
Between 2 and 5 years	3,491	2,425
Between 6 and 10 years	2,707	1,478
Beyond 10 years	2,230	948

36 Fair value measurement

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

	March 31, 2025	March 31, 2024
Measured at Fair Value Through Other Comprehensive Income (FVOCI)		
Foreign currency forward contracts	258	111
Cross currency interest rate swap	241	319
Investments in TECH4TH Solutions Inc.	-	-
Investments in Solvio Inc.	-	-
Total financial assets measured at FVOCI	**499**	**430**
Measured at Fair Value Through Statement of Profit and Loss (FVTPL)		
Investment in mutual funds	35,039	-
Total financial assets measured at FVTPL	**35,039**	**-**
Measured at amortised cost		
Security deposits	1,242	926
Loans to employees	12	37
Other financial assets	23,343	14,974
Trade receivables	35,813	25,444
Bank and bank balance other than cash and cash equivalents	93,911	1,22,183
Cash and cash equivalents	11,912	11,470
Total financial assets measured at amortised cost	**1,66,233**	**1,75,034**
Total financial assets	**2,01,771**	**1,75,464**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

ii) The carrying value of financial liabilities by categories is as follows:

	March 31, 2025	March 31, 2024
Measured at fair value through other profit or loss (FVTPL)		
Contingent consideration	10,301	1,389
Optionally Convertible Redeemable Preference Shares (OCRPS)	6,272	-
Total financial liabilities measured at FVTPL	**16,573**	**1,389**
Measured at fair value through other comprehensive income (FVOCI)		
Foreign currency forward contracts	217	68
Cross currency interest rate swap	613	401
Total financial liabilities measured at FVOCI	**830**	**469**
Measured at amortised cost		
Foreign currency term loan	6,154	-
Term loan from bank	34,505	11,278
Redeemable non-convertible debentures	8,000	12,500
Foreign currency loan (PCFC)	22,654	19,886
Bank Overdraft	44,777	573
Lease liabilities	8,268	6,982
Trade payables	10,481	7,915
Other financial liabilities	5,453	4,353
Total financial liabilities measured at amortised cost	**1,40,293**	**63,487**
Total financial liabilities	**1,57,695**	**65,345**

iii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
	March 31, 2025			
Financial assets measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	258	-	258
Cross currency interest rate swap	-	241	-	241
Investment in TECH4TH Solutions Inc.	-	-	-	-
Investment in Solvio Inc.	-	-	-	-
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**	**499**	**-**	**35,538**
Financial liabilities measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	217	-	217
Cross currency interest rate swap	-	613	-	613

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(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			
Measured at fair value through statement of profit and loss (FVTPL)				
Contingent consideration	-	-	10,301	10,301
Optionally Convertible Redeemable Preference Shares (OCRPS)	-	-	6,272	6,272
Total financial liabilities measured at fair value	**-**	**830**	**16,573**	**17,403**

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
	March 31, 2024			
Financial assets and liabilities measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	111	-	111
Cross currency interest rate swap	-	319	-	319
Investment in TECH4TH Solutions Inc.	-	-	-	-
Total financial asset measured at fair value	**-**	**430**	**-**	**430**
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	68	-	68
Cross currency interest rate swap	-	401	-	401
Measured at fair value through statement of profit and loss (FVTPL)				
Contingent consideration	-	-	1,389	1,389
Total financial liabilities measured at fair value	**-**	**469**	**1,389**	**1,858**

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) In respect of investments in mutual funds, the fair value represents net assets value (NAV) as stated by the fund house in their published statements.

b) The fair valuation of Investment in TECH4TH Solutions Inc and Solvio Inc. is determined on the reporting date by discounted cash flow method which requires management to make certain assumptions with regard to revenue growth rate, cash flows, discount rate, credit risk, volatility etc. The Group carries out the fair valuation on an annual basis.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

c) The Group has entered into foreign currency forward contract and Cross currency interest rate swap (CCIRS) to hedge the highly probable forecast 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.

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. Further the management also estimates that the carrying amount of foreign currency term loan at fixed interest rates are the reasonable approximation of their fair value and the difference between carrying amount and their fair value is not significant.

e) The Group has valued contingent consideration by using the monte carlo simulation approach.

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.

iv) Valuation Inputs and relationship to fair value

	Level 3 inputs	Weighted range	Sensitivity
	March 31, 2025		
Contingent consideration (Acquisition of PSTPL)	Standard deviation on revenue and EBIDTA growth	5%	Increase and decrease in standard deviation by 1% would decrease and increase contingent consideration by ₹ 42 lakhs and ₹ 78 lakhs respectively.
	Discount rate	7%	Increase and decrease in discount rate by 1% would decrease and increase contingent consideration by ₹ 46 lakhs and ₹ 45 lakhs respectively.
Optionally Convertible Redeemable Preference Shares (OCRPS) (Acquisition of PSTPL)	Standard deviation on revenue and EBIDTA growth	5%	Increase and decrease in standard deviation by 1% would decrease and increase contingent consideration by ₹ 112 lakhs and ₹ 165 lakhs respectively.
	Discount rate	7%	Increase and decrease in discount rate by 1% would decrease and increase contingent consideration by ₹ 48 lakhs and ₹ 49 lakhs respectively.
Contingent consideration (Acquisition of Aureus)	Standard deviation on revenue and EBIDTA growth	4%	Increase and decrease in standard deviation by 1% would increase contingent consideration by ₹ 2 lakhs and ₹ 8 lakhs respectively.
	Discount rate	5%	Increase and decrease in discount rate by 1% would decrease and increase contingent consideration by ₹ 7 lakhs and ₹ 23 lakhs respectively.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	Level 3 inputs	Weighted range	Sensitivity
	March 31, 2024		
Contingent consideration (Acquisition of SMI)	Standard deviation on revenue and EBIDTA growth	5%	Increase and decrease in standard deviation by 1% would decrease and increase contingent consideration by ₹ 45 lakhs and ₹ 14 lakhs respectively.
	Discount rate	7%	Increase and decrease in discount rate by 1% would decrease and increase contingent consideration by ₹ 1 lakhs and ₹ 19 lakhs respectively.

v) Reconciliation of Contingent consideration measured at FVTPL

	March 31, 2025	March 31, 2024
As at April 1	1,389	4,233
Acquisition of subsidiary - refer note 45	8,555	-
Amount recognised in profit and loss statement - refer note 30	526	205
Loss/(Gain) on re-measurement/derecognition - refer note 32	1,216	(1,402)
Settlement during the year	(1,401)	(1,659)
Foreign currency translation reserve	16	12
As at March 31	**10,301**	**1,389**

vi) Reconciliation of OCRPS measured at FVTPL

	March 31, 2025	March 31, 2024
As at April 1		
Acquisition of subsidiary - refer note 45	4,741	-
Additions during the year	1,113	
Amount recognised in profit and loss statement - refer note 30	311	-
Loss/(Gain) on re-measurement/derecognition - refer note 32	-	-
Settlement during the year	-	-
Foreign currency translation reserve	106	-
As at March 31	**6,272**	**-**

Reconciliation of Investment in TECH4TH Solutions Inc. measured at FVOCI

	March 31, 2025	March 31, 2024
As at April 1	-	1,296
Investment during the period	-	-
Change in fair value recognised in other comprehensive income	-	(1,319)
Foreign currency translation reserve	-	23
As at March 31	**-**	**-**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

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Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

37 Financial risk management

The Group's principal financial liabilities comprise of borrowings, bank overdraft, lease obligation, contingent consideration, OCRPS, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include security deposits, investments, trade and other receivables, unbilled revenue and contract assets and cash and cash equivalents that is derived directly from its operations. The Group also enters into derivative transactions for hedging purpose.

The Group's activities exposes it to market risk, liquidity risk and credit risk. The Group's risk management is carried out by the management under the policies approved of the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Group. These risks are identified on a continuous basis and assessed for the impact on the financial performance. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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 three types of risk: interest rate risk, currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, contingent considerations, OCRPS, trade receivables, unbilled revenues, contract assets and derivative financial instruments.

i. Foreign currency risk

The group's operates in various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the group's operating activities. The Group transacts in various currencies but foreign currency risk primarily arises from USD, GBP and EUR.

The group uses foreign currency forward contract and CCIRS governed by its board approved policy to mitigate its foreign currency risk that are expected to occur within the period for forecasted sales. The counterparty for these contracts is generally a reputed scheduled bank. The group reports quarterly to a committee of the board, which monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

When a derivative is entered into for the purpose of being a hedge, the group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of sale that is denominated in the foreign currency.

Hedge effectiveness is determined at inception and periodic prospective effectiveness testing is done to ensure the relationship exist between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedge items.

a) The Group's exposure to non-derivative financial instruments in foreign currency at the end of reporting period :

Amount in Lakhs

Currency	Particulars	March 31, 2025		March 31, 2024	
		FC	INR	FC	INR
	Financial assets				
USD	Trade receivables	229	19,556	202	16,829
	Loans	15	1,246	22	1,862
	Other financial assets	142	12,060	92	7,627
	Bank accounts	50	4,329	88	7,366
	Other assets	0	9	2	164
	Net exposure on foreign currency risk (assets)	**436**	**37,199**	**406**	**33,848**
	Financial liability				
	Borrowings	333	28,466	226	18,807
	Trade payables	19	1,620	7	612
	Other financial liabilities	33	2,831	36	2,964
	Other liabilities	36	3,092	6	496
	Net exposure on foreign currency risk (liabilities)	**421**	**36,009**	**274**	**22,878**
	Net exposure on foreign currency risk (assets-liabilities)	**14**	**1,190**	**132**	**10,970**
EURO	**Financial assets**				
	Trade receivables	23	2,082	8	723
	Other financial assets	6	515	5	481
	Bank accounts	0	9	2	198
	Other assets	-	-	*	10
	Net exposure on foreign currency risk (assets)	**28**	**2,606**	**16**	**1,411**
	Financial liability				
	Borrowings	5	460	12.00	1,079
	Trade payables	-	-	*	*
	Other liabilities	-	37	1	54
	Net exposure on foreign currency risk (liabilities)	**5**	**497**	**13**	**1,134**
	Net exposure on foreign currency risk (assets-liabilities)	**23**	**2,109**	**3**	**278**
	Financial assets				
GBP	Trade receivables	4	458	6	598
	Other financial assets	2	227	1	155
	Bank accounts	5	541	2	194
	Other assets	*	*	*	32
	Net exposure on foreign currency risk (assets)	**11**	**1,226**	**9**	**979**
	Financial liability				
	Trade payables	0	44	1	68
	Other financial liabilities	6	660	4	439
	Other liabilities	1	81	1	76
	Net exposure on foreign currency risk (liabilities)	**7**	**786**	**6**	**583**
	Net exposure on foreign currency risk (assets-liabilities)	**4**	**440**	**3**	**395**
SGD	**Financial assets**				
	Trade receivables	17	1,084	-	-
	Other financial assets	14	915	-	-
	Bank accounts	13	851	-	-
	Other assets	-	-	-	-
	Net exposure on foreign currency risk (assets)	**45**	**2,849**	**-**	**-**
	Financial liability				
	Borrowings	-	-	-	-
	Trade payables	1	82	-	-
	Other financial liabilities	0	27	-	-
	Other liabilities	**4**	**227**	-	-
	Net exposure on foreign currency risk (liabilities)	**5**	**336**	**-**	**-**
	Net exposure on foreign currency risk (assets-liabilities)	39	2,513	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

The Group enters into derivative financial instruments such as foreign currency forward contracts and Cross currency interest rate swaps to mitigate the risk of changes in exchange rates. Details of the derivative contracts held by the Group are included in Note 36(B)

* Represents number below rounding off norms of the Company.

b) The sensitivity of profit or loss to changes in foreign exchange rates arising mainly from foreign currency denominated financial instrument:

	Impact on profit before tax	
	March 31, 2025	March 31, 2024
USD sensitivity		
INR/ USD increases by 5%	60	548
INR/ USD decreases by 5%	(60)	(548)
EURO sensitivity		
INR/ EURO increases by 5%	105	14
INR/ EURO decreases by 5%	(105)	(14)
GBP sensitivity		
INR/ GBP increases by 5%	22	20
INR/ GBP decreases by 5%	(22)	(20)
SGD sensitivity		
INR/ SGD increases by 5%	17	-
INR/ SGD decreases by 5%	(17)	-

* Sensitivity is calculated holding all other variables constant

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

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. The Group's exposure to the risk of changes in market interest rates relates primarily to the Redeemable Non-convertible debenture (NCD)s with floating interest rates'. The Group was not exposed to interest rate risk as at March 31, 2025 since all its financial assets or liabilities were either non-interest bearing or are at fixed interest rate and are carried at amortised cost.

Sensitivity:

The impact of change in interest rate by +/- 50 basis point have an immaterial impact on the profit before tax of the Group. Hence, the sensitivity has not been disclosed.

iii. Price risk

The Group exposure to price risk arises for investment in mutual funds, TECH4TH Solutions Inc and Solvio Inc. held by the Group. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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, 2025	March 31, 2024
NAV increases by 5%	1,752	-
NAV decreases by 5%	(1,752)	-

B) Impact of Hedge activities

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

	March 31, 2025					
	Maturity	Currency	Notional Amount (Foreign Currency)	Contracted amount in ₹	Lime item in the balance sheet	Fair value*
	Lakhs					
Cash flow hedge of Foreign currency risk						
(for highly probable forecast transactions)						
- Foreign currency forward contracts	< 1 year	INR/USD	447	38,503	Other financial assets/ (liabilities)	(39)
- Foreign currency forward contracts	< 1 year	INR/EURO	39	3,591	Other financial assets/ (liabilities)	80
- Cross currency interest rate swaps	<1 year	INR/USD	12	968	Other financial assets/ (liabilities)	(372)
	1-5 year	INR/USD	87	6957	Other financial assets/ (liabilities)	
	> 5year	INR/USD	32	2553	Other financial assets/ (liabilities)	

* represents the impact of mark to market value at year end.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2024					
	Maturity	Currency	Notional Amount (Foreign Currency)	Contracted amount in ₹	Lime item in the balance sheet	Fair value*
	Lakhs					
Cash flow hedge of Foreign currency risk						
(for highly probable forecast transactions)						
- Foreign currency forward contracts	< 1 year	INR/USD	575	48,301	Other financial assets/ (liabilities)	45
- Foreign currency forward contracts	< 1 year	INR/EURO	22	2,005	Other financial assets/ (liabilities)	(2)
- Cross currency interest rate swaps	<1 year	INR/USD	10	838	Other financial assets/ (liabilities)	(82)
	1-5 year	INR/USD	78	6,225	Other financial assets/ (liabilities)	
	> 5year	INR/USD	53	4254	Other financial assets/ (liabilities)	

* represents the impact of mark to market value at year end.

(ii) The effect of cash flow hedge in hedge reserve and statement of profit and loss:

	Foreign currency forward contracts	Cross currency interest rate swaps	Total
Balance as at April 1, 2023	**(75)**	**(255)**	**(330)**
Hedge gain/(loss) recognised in Other Comprehensive Income (OCI)	43	(82)	(39)
Amount reclassified from OCI to statement of profit and loss	101	341	442
Income tax effect	(36)	(65)	(101)
Balance as at March 31, 2024	**33**	**(61)**	**(28)**
Hedge gain/(loss) recognised in Other Comprehensive Income (OCI)	41	(372)	(331)
Amount reclassified from OCI to statement of profit and loss	(43)	83	40
Income tax effect	0	73	73
Balance as at March 31, 2025	**31**	**(278)**	**(246)**

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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 Group 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).

Revenue from one customer comprises around 9% of the total revenue of the Group. The remaining revenue of the Group is spread across wide range of customers. For receivables turnover ratio, refer note 45.

(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 Group's policy and procedures which involves continuously monitoring the credit worthiness of customers to which the Group grants credits in the normal course of business. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected Credit Losses (ECLs) at each reporting date, right from initial recognition. The Group 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 Group's historical experience with customers.

Reconciliation of loss allowance - trade receivables	March 31, 2025	March 31, 2024
Opening balance as at April, 1	(1,157)	(781)
Loss allowance from acquisition of subsidiary	(442)	
Allowance made during the year (net) - refer note 31A	(1,602)	(530)
Utilised/written-off during the year	560	159
Exchange difference	6	(5)
Closing balance as at March, 31	**(2,635)**	**(1,157)**

Reconciliation of loss allowance - unbilled revenue and other financial assets	March 31, 2025	March 31, 2024
Opening balance as at April, 1	**(274)**	**(280)**
(Allowance)/utilisation made during the year - refer note 31A	(12)	6
Closing balance as at March, 31	**(286)**	**(274)**

(ii) Other financial assets and cash deposit

Credit risk from balances with the banks, loans, investments in mutual funds and other financial assets are managed by the Group based on the Group policy and is managed by the Group's Treasury Team. Investment of surplus fund is made only with approved counterparties. The Group's maximum exposure to credit risk is the carrying amount of such assets as disclosed in note 36 above.

D) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective it to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its position and maintains adequate source of financing.

The Group has access to undrawn borrowing facilities amounting to ₹ 21,370 lakhs (March 31, 2024: ₹ 18,054 lakhs) at the end of March 31, 2025.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	On demand	Less than 1 year	More than 1 year	Total
As at March 31, 2025				
Borrowings (including current maturities)	58,931	23,622	33,537	116,090
Lease liabilities	-	3,832	5,311	9,143
Trade payables	-	10,481	-	10,481
Foreign currency forward contracts	-	217	613	830
Contingent consideration	-	8,953	1,528	10,481
OCRPS liability	-	-	5,533	5,533
Other financial liabilities #	-	5,453	-	5,453
	58,931	**52,559**	**46,521**	**158,011**
As at March 31, 2024				
Borrowings (including current maturities)	573	36,850	13,914	51,337
Lease liabilities	-	2,925	5,082	8,008
Trade payables	-	7,915	-	7,915
Foreign currency forward contracts	-	68	401	469
Contingent consideration	-	1,389	-	1,389
Other financial liabilities #	-	6,141	3,241	9,382
	573	**55,289**	**22,638**	**78,500**

Includes future interest payable on outstanding borrowings

38 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves. The primary objective of the Group's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders value. The capital management focuses to maintain an optimal structure that balances growth and maximizes shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. The Group's gearing ratio, which is net debt divided by total capital plus net debt is as below:

Particulars	March 31, 2025	March 31, 2024
Borrowings (including current maturities)	1,16,090	44,237
Less : Cash and cash equivalents	(11,912)	(11,470)
Net (cash and cash equivalents)/debt (A)	**1,04,179**	**32,767**
Equity	1,57,458	1,48,024
Total equity capital (B)	**1,57,458**	**1,48,024**
Total debt and equity (C)=(A)+(B)	**2,61,636**	**1,80,791**
Gearing ratio (A)/(C)	**40%**	**18%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025 and March 31, 2024.

During the year the group has not defaulted in any loan covenants.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

39 Related party disclosure

Key management personnel (KMP)	1. Mr. Ashok Soota (Executive Chairman)
	2. Mr. Venkatraman Narayanan (Managing Director and CFO)
	3. Mr. Joseph Vinod Anantharaju (Director)
	4. Mr. Rajiv Indravadan Shah (Director)
	5. Mr. Praveen Darshankar (Director & Company Secretary)
	5. Mrs. Anita Ramachandran (Independent Director)
	6. Mr. Rajendra Kumar Srivastava (Lead Independent Director)
	7. Mrs. Shuba Rao Mayya (Independent Director)
	8. Mr. Seshashayee Sampathiyengar Sridhara (Independent Director, w.e.f August.05.2024)
Relatives of KMP	1. Mr. Deepak Soota
	2. Ms. Kunku Soota
	3. Ms. Suresh Soota
	4. Ms. Veena Soota
	5. Mrs. Usha Samuel
	6. Mrs. Jayalakshmi Venkatraman
Entities under the control of KMP	SKAN Research Trust
	Happiest Health Systems Private Limited
	Ashok Soota Medical Research LLP
Post employment benefit plan (PEBP)	Happiest Minds Technologies Pvt. Ltd. Employees group gratuity trust

a) The following table is the summary of significant transactions with related parties by the Group:

		March 31, 2025	March 31, 2024
(i)	**Sale of service**		
	SKAN Research Trust	1,110	605
	Ashok Soota Medical Research LLP	19	53
	Happiest Health Systems Private Limited	1,760	2,788
(ii)	**Director's sitting fees:**		
	Mrs. Anita Ramachandran	23	27
	Mr. Rajendra Kumar Srivastava	21	16
	Mrs. Shuba Rao Mayya	22	27
	Mr. Seshashayee Sampathiyengar Sridhara	8	-
(iii)	**Commission to Directors**		
	Mrs. Anita Ramachandran	7	3
	Mr. Rajendra Kumar Srivastava	14	19
	Mrs. Shuba Rao Mayya	8	3
	Mr. Seshashayee Sampathiyengar Sridhara	22	-
(iv)	**Contribution made to post employee benefit plan:**		
	Happiest Minds Technologies Pvt. Ltd. Employees group gratuity trust	281	300
(v)	**Legal and professional fees**		
	Happiest Health Systems Private Limited	62	72
(vi)	**Advertising and business promotion expenses**		
	Happiest Health Systems Private Limited	43	16
(vii)	**Managerial remuneration# :**		
	Mr. Venkatraman Narayanan		

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2025	March 31, 2024
Salary, wages and bonus	171	155
Mr. Ashok Soota		
Salary, wages and bonus	182	155
Mr. Praveen Darshankar		
Salary, wages and bonus	63	60
Employee stock compensation expense	-	*
Mr. Joseph Vinod Anantharaju		
Salary, wages and bonus	432	415
Mr. Rajiv Shah		
Salary, wages and bonus	365	-
#As the liability for gratuity and compensated leave absences is provided on an actuarial basis for the Group as a whole, the amount pertaining to the Directors are not included above.		
* amount below rounding off norm of the Group		
viii) **Dividend paid**		
Mr. Joseph Vinod Anantharaju	24	25
Mr. Ashok Soota	3,129	3,502
Mr. Venkatraman Narayanan	28	30
Ashok Soota Medical Research LLP	1,032	1,059
Deepak Soota	3	3
Suresh Soota	-	2
Kunku Soota	1	1
Usha Samuel	4	4
Jayalakshmi Venkatraman	-	7
Praveen Kumar Darshankar	3	3
Rajiv Shah	10	-
Veena Soota	1	-

b) **The balances receivable from and payable to related parties are as follows :**

	March 31, 2025	March 31, 2024
(i) **Trade receivables:**		
SKAN Research Trust	470	52
Happiest Health Systems Private Limited	464	652
Ashok Soota Medical Research LLP	6	5
(ii) **Unbilled receivables:**		
SKAN Research Trust	49	64
Happiest Health Systems Private Limited	185	-
(iii) **Trade Payables**		
Happiest Health Systems Private Limited	-	2
(iv) **Commission payable**		
Mrs. Anita Ramachandran	7	3
Mr. Rajendra Kumar Srivastava	14	19
Mrs. Shuba Rao Mayya	8	3
Mr. Seshashayee Sampathiyengar Sridhara	22	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2025 and March 31, 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. 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.

* amount below rounding off norm of the Group

.40 Corporate Social Responsibility ('CSR') expenditure

Details of CSR expenditure are as follows:

		March 31, 2025	March 31, 2024
(a) Gross amount required to be spent by the Group during the year		640	466
(b) Amount approved by the board to be spent during the year		655	470
(c) 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	4	-	4
ii) On purpose other than above	475	176	651
(d) Amount spent during the year ending on March 31, 2024 :	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/ Acquisition of any asset	-	-	-
ii) On purpose other than above	246	224	470
(e) Details related to spent/ unspent obligations:			
i) Contribution to Public Trust		-	-
ii) Contribution to Charitable Trust		479	246
ii) Unspent amount in relation to:			
- Ongoing project		140	224
- Other than ongoing project		36	-
		655	**470**

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
-	224	604	479	224	125	-

In case of S. 135(5) (Other than ongoing Project)				
Opening balance	Amount deposited in specified fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	36	-	36

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
(39)	640	655	(54)

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

41 Interest in other entities

a) Subsidiary

The Group's subsidiary is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business:

Name of Entity	Principle Activity	Country of Incorporation	Ownership interest held by the group %	Ownership interest held by the group %
			March 31, 2025	March 31, 2024
Happiest Minds Inc. (formerly known as PGS Inc.)	IT Services	USA	100%	100%
Sri Mookambika Infosolutions Private Limited	IT Services	India	100%	100%
PureSoftware Technologies Private Limited	IT Services	India	100%	0%
PureSoftware Pte Limited, Singapore ("PS Pte Ltd")	IT Services	Singapore	100%	0%
PureSoftware Corp, USA	IT Services	USA	100%	0%
PureSoftware Technology, S de R L de C.V, Mexico	IT Services	Mexico	100%	0%
PureSoftware Sdn Bhd, Malaysia	IT Services	Malaysia	100%	0%
PureSoftware Pty Ltd, Australia	IT Services	Australia	100%	0%
PureSoftware HK Limited, Hong Kong	IT Services	Hong Kong	100%	0%
PureSoftware Africa Ltd, Kenya	IT Services	Kenya	100%	0%
PureSoftware Technologies Romania S.R.L, Romania	IT Services	Romania	100%	0%
PureSoftware Private Limited, Nepal	IT Services	Nepal	100%	0%
PureConference Solutions Private Limited, India	IT Services	India	100%	0%
PureSoftware Private Limited, UK	IT Services	UK	100%	0%
Aureus Tech Systems LLC	IT Services	USA	100%	0%
Aureus Tech Systems Private Limited	IT Services	India	100%	0%
Happiest Minds Edutech Private limited (formerly know as Macmillan Learning India Private limited)	IT Services	India	100%	0%
InnovazIT Technologies LLC	IT Services	Dubai	100%	0%
GAVS Technologies LLC	IT Services	Oman	100%	0%
GAVS Technologies Saudi Arabia for Telecommunications and Information Technology	IT Services	Saudi	100%	0%

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

b) Additional information, as required under schedule III of the Companies Act, 2013, as required enterprises considered as subsidiary.

Particular	March 31, 2025							
	Net assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated net assets	Amount	As a % of Consolidated profit or loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
Parent company								
Happiest Minds Technologies Ltd	98.6%	155,211	91.3%	16,856	97.1%	(591)	91.1%	16,265
Subsidiary								
Happiest Minds Inc. (formerly known as PGS Inc.)	1.6%	2,463	17.0%	3,132	65.3%	(397)	15.3%	2,735
Sri Mookambika Infosolutions Private Limited	0.9%	1,419	16.1%	2,976	7.1%	(43)	16.4%	2,933
PureSoftware Technologies Private Limited	2.7%	4,174	29.7%	5,477	0.9%	(6)	30.6%	5,472
Aureus Tech Systems LLC	0.5%	742	1.7%	312	3.6%	(22)	1.6%	290
Happiest Minds Edutech Private limited (formerly know as Macmillan Learning India Private limited)	0.3%	464	0.0%	(8)	(4.8%)	29	0.1%	21
InnovazIT Technologies LLC	0.2%	332	(0.2%)	(33)	0.0%	-	(0.2%)	(33)
GAVS Technologies LLC	0.4%	650	(0.1%)	(9)	0.0%	-	(0.1%)	(9)
GAVS Technologies Saudi Arabia for Telecommunications and Information Technology	(0.0%)	(22)	(0.2%)	(37)	0.0%	-	(0.2%)	(37)
Other adjustments:	(5.1%)	(7,975)	(55.2%)	(10,200)	(69.1%)	421	(54.8%)	(9,779)
Total	**100%**	**157,458**	**100%**	**18,466**	**100%**	**(609)**	**100%**	**17,857**

	March 31, 2024							
Particular	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated net assets	Amount	As a % of Consolidated profit or loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
Parent company								
Happiest Minds Technologies Ltd	99.6%	147,370	98.9%	24,573	(2.4%)	21	102.6%	24,594
Subsidiary								
Happiest Minds Inc. (formerly known as PGS Inc.)	(0.2%)	(288)	10.4%	2,594	119.1%	(1,042)	6.5%	1,552
Sri Mookambika Infosolutions Private Limited	1.2%	1,836	7.3%	1,821	(2.6%)	23	7.7%	1,844
Other adjustments:	(0.6%)	(894)	(16.7%)	(4,149)	(14.1%)	123	(16.8%)	(4,026)
Total	**100%**	**148,024**	**100%**	**24,839**	**100%**	**(875)**	**100%**	**23,964**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025
(All amounts in ₹ lakhs, unless otherwise stated)

42 Commitments and Contingent Liabilities

i) Contingent Liabilties:

	March 31, 2025	March 31, 2024
Claims against the Company, not acknowledged as debts (including interest and penalty)		
Income Tax - relating to Disallowance of expense	834	-
Goods and Service Tax - denial of input tax credit on expenses and difference in GSTR-3B and GSTR-1	836	-

ii) Capital Commitments

	March 31, 2025	March 31, 2024
Capital commitments towards purchase of capital assets	892	413

iii) Other claims against the Company not provided for in the books

a) The Company is also subject to certain other claims and suits that arise from time to time in the ordinary course of its business. While the Company currently believes that such claims, individually or in aggregate, will not have a material adverse impact on its financial position, cash flows, or results of operations, the litigation and other claims are subject to inherent uncertainties, and management's view of these matters may change in the future. Were an unfavourable final outcome to occur in any one or more of these matters, there exists the possibility of a material adverse impact on the Company's business, reputation, financial condition, cash flows, and results of operations for the period in which the effect becomes reasonably estimable.

43 Segment Information

The Group executive management committee examines the Group's performance on the basis of its business units and has identified three reportable segments. The Group has established new business unit Generative AI Business Services (GBS) and re-structured two of its existing business units, namely Digital Business Services ("DBS") and Product Engineering Services ("PES") by merging into new business unit Product and Digital business service ("PDES"). The Business unit Infrastructure Management & Security Services (IMSS) continues to operate in the same name. This new structure is effective April 01, 2024. The information for earlier periods basis the new segment has not been restated as the information is not readily available and cost to identify the information would be excessive. Similarly, the information for the current period on both old basis and new basis of segmentation has not been disclosed for similar reason.

A. Segment revenue, segment results other information as at/ for the year:

Year ended March 31, 2025

	IMSS	PDES	GBS	Total
Revenue from contracts with customers				
External customers	32,832	169,691	3,562	206,084
Inter-segment				-
Segment revenue	**32,832**	**169,691**	**3,562**	**206,084**
Segment results	**9,176**	**39,745**	**(1,339)**	**47,583**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025
(All amounts in ₹ lakhs, unless otherwise stated)

Reconciliation to profit after tax:

Interest income	8,976
Net gain on investments carried at fair value through profit or loss	1,240
Unallocable income	(79)
Unallocable finance cost	(5,947)
Unallocable depreciation and amortisation expenses	(4,317)
Other unallocable expenses	(21,911)
Tax	(7,080)
Profit for the year	**18,466**

	IMSS	PDES	GBS	Total
Segment assets	10,639.12	1,52,035.08	248.27	1,62,922.47
Reconciliation to total assets:				
Investments				35,039
Derivative instruments				499
Other unallocable assets				1,37,446
Total				**3,35,906**

	IMSS	PDES	GBS	Total
Segment liability	2,648	44,039	3	46,690
Reconciliation to total liabilities:				
Borrowings				63,559
Other unallocable liabilities				68,199
Total				**1,78,448**

Year ended March 31, 2024

	IMSS	PDES	GBS	Total
Revenue from contracts with customers				
External customers	29,746	1,32,720	-	1,62,466
Inter-segment	-	-	-	-
Segment revenue	**29,746**	**1,32,720**	**-**	**1,62,466**
Segment results	**7,751**	**45,070**	**-**	**52,821**

Reconciliation to profit after tax:

Interest income	7,958
Net gain on investments carried at fair value through profit or loss	18
Other unallocable income	561
Unallocable finance cost	(4,022)
Unallocable depreciation and amortisation expenses	(3,672)
Other unallocable expenses	(20,196)
Tax	(8,629)
Profit for the year	**24,839**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

	IMSS	PDES	GBS	Total
Segment assets	7,291	55,362	-	62,653
Reconciliation to total assets:				
Investments				-
Derivative instruments				430
Other unallocable assets				161,696
Total				**224,779**

	IMSS	PDES	GBS	Total
Segment liability	2,131	8,979	-	11,110
Reconciliation to total liabilities:				
Borrowings				44,237
Other unallocable liabilities				21,408
Total				**76,755**

Note

(i) Assets (other than certain Goodwill and Intangible assets, trade receivable and unbilled revenue) and liabilities (other than unearned revenue) of the Group are used interchangeably between segments, and the management believes that it can not be allocated to specific segment.

(ii) The expense / income that are not directly attributable and that cannot be allocated to a business segment on a reasonable basis are shown as unallocable expenses.

B. Entity-wide disclosures

i) The amount of revenue from external customers broken down by location of customers is shown below:

	For the year ended	
	March 31, 2025	March 31, 2024
India	32,033	26,668
USA	1,33,134	1,14,289
Europe	16,779	14,751
Others	24,139	6,758
	2,06,084	**1,62,466**

ii) The break-up of non-current assets by location of assets is shown below:

	As at	
	March 31, 2025	March 31, 2024
India	1,03,061	32,745
USA	17,173	8,579
Middle East	647	-
Others	251	1
	1,21,133	**41,325**

Non-current assets for this purpose consists of Property, plant and equipment, intangible assets and right-of-use assets.

iii) Revenue from customers of the Group which is individually more than 10 percent of the Group's total revenue:

	For the year ended	
	March 31, 2025	March 31, 2024
One customer	9.12%	11.82%

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

44 Share based payments

Employee Share Option Plan (ESOP)

the Parent instituted the Employee Share Option Plan 2011 ("ESOP 2011") and Equity Incentive Plan 2011 ("EIP 2011") for eligible employees during the year ended March 2012 which was approved by the Board of Directors (Board) on October 18, 2011 and January 19, 2012 duly amended by the Board on January 22, 2015.

Besides the above plan, the Parent has also instituted Employee Share Option Plan 2014 ("ESOP 2014") duly approved by the Board on October 20, 2014 and by the shareholders on January 22, 2015. the Parent has also instituted Employee Share Option Plan 2015 ("ESOP 2015") duly approved by the Board on June 30, 2015 and by the shareholders on July 22, 2015. During year ended 2018, the Parent has amended ESOP 2014 and all options granted under ESOP 2014 be deemed to be granted under ESOP 2011 duly approved by the Board on October 25, 2017. The plans are separate for USA employees (working out of the United States America - "USA") and employees working outside USA. the Parent administers these plans.

On April 29, 2020 the Board of the Parent approved Happiest Minds Employee Stock Option Scheme 2020 ("ESOP 2020") consisting of 70,00,000 equity shares. the Parent will henceforth issue grants under the ESOP 2020 only.

The contractual term of each option granted is 5-8 years.

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 Parent.			
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.	No grant has been made under this scheme
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 Parent as duly approved by the shareholders at the meeting held on July 31, 2017.			

	For the year ended	
	March 31, 2025	March 31, 2024
Employee stock compensation expense	-	47

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Movements during the year

The following table illustrates the number and weighted average exercise price of share options during the year

March 31, 2025

Options - India/UK Plan	Employee Stock Ownership Plan 2011		Employee Stock Ownership Plan 2015	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	-	-	11,86,869	25.95
Granted during the year	-	-	-	-
Exercised during the year	-	-	(6,94,066)	26.00
Forfeited during the year	-	-	(8,135)	26.00
Outstanding options as at the end of the year	-	-	484,668	25.89
Weighted Average Remaining Contractual Life	-		2.03 years	

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	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			-	0.00
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	

March 31, 2024

Options - India/UK Plan	Employee Stock Ownership Plan 2011		Employee Stock Ownership Plan 2015	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	-	-	19,92,633	25.95
Granted during the year	-	-	-	-
Exercised during the year	-	-	(7,51,716)	25.93
Forfeited during the year	-	-	-54,049	26.00
Outstanding options as at the end of the year	-	-	11,86,869	25.95
Weighted Average Remaining Contractual Life	-		2.89 years	

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	-	-	19,475	26.00
Granted during the year	-	-	-	-
Exercised during the year	-	-	(7,825)	26.00
Forfeited during the year	-	-	-	-
Outstanding options as at the end of the year	-	-	11,650	26.00
Weighted Average Remaining Contractual Life	-		1.85 years	

*Weighted Average Exercise Price

No options were granted during the year (March 31, 2024 - Nil)

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

The weighted average share price of shares exercised during the year is ₹ 770.44 (March 31, 2024 - ₹ 875.62)

Exercisable options as at March 31, 2025 - 4,96,318 options (March 31, 2024 - 11,98,519 options) and weighted average exercise price - ₹ 25.93 (March 31, 2024 - ₹ 25.96)

45 Business Combinations and Asset Acquisition

A Business Combinations

(a) On May 24, 2024, the Group acquired entire membership interest of Aureus Tech System LLC ('Aureus'), USA for total consideration of ₹ 9,574 lakhs, comprising cash consideration of ₹ 7,149 lakhs and fair value of contingent consideration of ₹ 2,425 lakhs payable over next two years. The contingent consideration is indexed to EBITDA and revenues of financial year 2024-25 and 2025-26 and the maximum contingent consideration payable is ₹ 7,098 lakhs. Aureus provides digital engineering and digital transformation services, specializing in the insurance sector. The objective of the acquisition is to enhance the Company's presence in the insurance sector and expand its delivery footprint in Hyderabad, India

The following table presents the purchase consideration, fair value of assets and liabilities acquired and goodwill recognised on the date of control.

Details of Fair value recognised on acquisition:

	Amount
Property, plant and equipment	67
Intangible assets	4,398
Right-of-use assets	48
Trade receivables	677
Cash and cash equivalent	528
Other Financial assets	452
Other assets	666
Deferred tax (net)	26
Other Provisions	(108)
Borrowings	(396)
Lease Liabilities	(52)
Other current liabilities	(1,486)
Trade payables	(28)
Total fair value of net assets acquired (A)	**4,792**
Fair value of purchase consideration (B)	9,574
Goodwill arising on acquisition (C) - (A-B)	**4,782**

The goodwill of ₹ 4,782 lakhs represents the skilled workforce, domain capabilities and expected synergies arising from expanding the Group's service to other customers. Goodwill is allocated to PDES segment and is not deductible for tax purpose.

Purchase consideration	Amount
Cash consideration	7,149
Contingent consideration	2,425
Total purchase consideration	**9,574**

The Group has re-measured the fair value of the contingent consideration and the change in fair value of ₹ 1,128 Lakhs has been recognised in the statement of profit and loss and disclosed as an 'Exceptional Item' for the year ended March 31, 2025. Refer Note 32.

Transaction costs amounting to ₹ 38 lakhs relating to the acquisition have been expensed and are included in other expenses.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Revenue and profit contribution:

The acquired business contributed revenues of ₹ 4,698 lakhs and net loss after tax of ₹ 164 lakhs to the Group post acquisition.

If the acquisition had occurred on April 1, 2024, revenue would have increased by ₹ 997 lakhs and net loss after tax by ₹ 218 lakhs respectively for the year ended March 31, 2025. These amounts have been calculated using the subsidiary's financial statements and adjusting them for:

a) differences in the accounting policies between the Group and the subsidiary, and

b) the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from April 1, 2024, together with the consequential tax effects.

(b) On May 22, 2024, the Group acquired entire equity interest of PureSoftware Technologies Private Limited ('PSTPL'), India for total consideration of ₹ 75,044 lakhs, comprising cash consideration of ₹ 64,229 lakhs, consideration payable towards 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. and the maximum contingent consideration payable is ₹ 29,225 lakhs.

PSPTL provides digital engineering and digital transformation services, specializing in the financial services and healthcare sector. PSPTL also offers a Banking as a Service platform ('Arttha') to customers in the financial services industry. The objective of the acquisition is to enhance the Company's presence in the financial services and healthcare industries.

The following table presents the purchase consideration, fair value of assets and liabilities acquired and goodwill recognised on the date of control.

Details of Fair value recognised on acquisition:

	Amount
Property, plant and equipment	338
Intangible assets	15,718
Right-of-use assets	500
Trade receivables	8,152
Cash and cash equivalent	2,215
Other financial assets	93
Other assets	284
Provisions for employee benefits	(1,017)
Other Provisions	(2,401)
Lease liabilities	(517)
Other Financial liabilities	(270)
Current tax liabilities	(43)
Other current liabilities	(109)
Trade payables	(1,271)
Deferred tax liability (including intangible assets)	(3,368)
Total fair value of net assets acquired (A)	**18,304**
Fair value of purchase consideration (B)	75,044
Goodwill arising on acquisition (C) - (A-B)	**56,740**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

The goodwill of ₹ 56,655 lakhs represents the skilled workforce, domain capabilities and expected synergies arising from expanding the Group's service to other customers. Goodwill is allocated to PDES segment and is not deductible for tax purpose.

Purchase consideration	Amount
Cash consideration	64,229
Cancellation of share based payments	399
Contingent Consideration	5,674
Payment against OCRPS	4,741
Total purchase consideration	**75,044**

The Group has re-measured the fair value of the contingent consideration 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' for the year ended March 31, 2025. Refer Note 32.

Transaction costs amounting to ₹ 605 lakhs relating to the acquisition have been expensed and are included in other expenses.

Revenue and profit contribution:

The acquired business contributed revenues of ₹ 35,065 lakhs and net profit after tax of ₹ 3,917 lakhs to the Group post acquisition.

If the acquisition had occurred on April 1, 2024, revenue would have increased by ₹ 4,857 lakhs and net profit after tax of ₹ 331 lakhs respectively for the year ended March 31, 2025. These amounts have been calculated using the subsidiary's financial statements and adjusting them for:

a) differences in the accounting policies between the Group and the subsidiary, and

b) the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from April 1, 2024, together with the consequential tax effects.

(c) On February 1, 2025, the Group entered into a share purchase agreement with GAVS Technologies Limited, BVI to acquire entire equity interest in InnovazIT Technologies LLC, Dubai; GAVS Technologies LLC, Oman and GAVS Technologies Saudi Arabia for Telecommunications and Information Technology, Saudi Arabia (these three entities together are referred as 'GAVS Middle East') for a total consideration of ₹ 1,689 lakhs, entirely comprising cash consideration. As a result of this acquisition the Group recorded goodwill of ₹ 344 lakhs and other intangible assets of ₹ 276 lakhs.

GAVS Middle East specializes in application development, maintenance, and infrastructure support services and provides the company access to certain marquee BFSI customer in the Middle East.

The following table presents the purchase consideration, fair value of assets and liabilities acquired and goodwill recognised on the date of control.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Details of Fair value recognised on acquisition:

	Amount
Property, plant and equipment	3
Intangible assets	276
Right-of-use assets	18
Trade receivables	1,157
Cash and cash equivalent	410
Other Financial assets	539
Other assets	141
Deferred tax asset	66
Borrowings	(366)
Lease Liabilities	(19)
Other financial liabilities	(102)
Other liabilities	(49)
Provisions	(436)
Trade payables	(310)
Total fair value of net assets acquired (A)	**1,328**
Fair value of purchase consideration (B)	1,689
Goodwill arising on acquisition (C)- (A-B)	**361**

The goodwill of ₹ 344 lakhs represents the skilled workforce, domain capabilities and expected synergies arising from expanding the Group's service to other BFSI customers. Goodwill is allocated to IMSS segment and is not deductible for tax purpose.

Purchase consideration	Amount
Cash consideration Paid	1,299
Cash Consideration Payable	390
Total purchase consideration	**1,689**

Revenue and profit contribution:

The acquired business contributed revenues of ₹ 739 lakhs and net loss after tax of ₹ 87 lakhs to the Group post acquisition.

If the acquisition had occurred on April 1, 2024, revenue would have been ₹ 2,10,402 lakhs and net profit after tax of ₹ 18,385 lakhs respectively for the year ended March 31, 2025. These amounts have been calculated using the subsidiary's financial statements and adjusting them for:

a) differences in the accounting policies between the Group and the subsidiary, and

b) the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from April 1, 2024, together with the consequential tax effects.

B Asset Acquisition

On April 18, 2024, the Group acquired entire equity interest in Happiest Minds Edutech Private Limited (erstwhile Macmillan Learning India Private Limited) for a total cash consideration of ₹ 445 lakhs. Macmillan provides development, testing, enhancement and maintenance services solely to Intellus Learning LLC. The primary assets acquired were cash and cash equivalents of ₹ 468 lakhs, trade receivables of ₹ 86 lakhs and short term liabilities of ₹ 109 lakhs. Accordingly, the Group has accounted for this purchase as an asset acquisition.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

46 Additional Information

(a) Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.66	3.14	(47)%	Increased current liabilities arising from overdraft facilities used to finance a business acquisition
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.79	0.35	128%	Increased debt arising from overdraft facilities used for financing the business acquisition.
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments (excludes repayments for Packing credit foreign currency loan)	8.54	5.25	63%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.12	0.22	(44)%	Increase in PDD and loss on remeasurement of contingent consideration which is classified as 'Exceptional item'.
Trade Receivable Turnover Ratio	Net revenue	Average Trade Receivable	6.73	6.95	(3)%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.54	3.59	(2)%	
Net Capital Turnover Ratio	Net revenue	Working capital = Current assets – Current liabilities	2.60	1.34	94%	Increased current liabilities arising from overdraft facilities used for financing the business acquisition.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.09	0.15	(41)%	Increase in PDD and loss on remeasurement of contingent consideration which is classified as 'Exceptional item'.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Change	Reason for variance
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	0.20	0.21	(8)%	Increase in PDD and loss on remeasurement of contingent consideration which is classified as 'Exceptional item' has impact on EBIT. Also, amount borrowed for the business acquisition has resulted in increase in debt.
Return on Investment	Interest (Finance Income) and gain from mutual funds	Investments (includes mutual funds, and fixed deposits)	0.07	0.08	(14)%	

(b) The Group has not given any loans and advances in the nature of loan granted to promoters, Directors and KMPs.

(c) The Group has not been declared a wilful defaulter by any bank or financial institution or other lender.

(d) The Group does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013.

(e) The Group does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

(f) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

(g) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(h) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, unless otherwise stated)

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

48 The Company has maintained proper books of account as required by law and has backup on daily basis of such books of account maintained in electronic mode and has used an accounting software for maintaining its books of account for the year ended March 31, 2025 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 by the Company as per the statutory requirements for record retention.

49 The Board of Directors of the Parent at their meeting held on May 12, 2025, recommended the payout of a final dividend of ₹ 3.5/- per equity share of face value ₹ 2/- each for the financial year ended March 31, 2025 . This recommendation is subject to approval of shareholders at the 14th Annual General Meeting of the Company scheduled to be held on July 29, 2025.

50 Rules in relation to 'The Code on Social Security, 2020 ('Code')' yet to be notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect.

51 The Company maintains the information and documents as required under the transfer pricing regulations under Section 92-92F of the Income Tax Act, 1961. The management is in the process of updating the transfer pricing documentation for the financial year 2024 - 2025 and is of the view that its transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

52 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
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 12, 2025.

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 12, 2025.

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 12, 2025.

happiest minds
The Mindful IT Company
Born **Digital** . Born **Agile**

Corporate Information

BOARD OF DIRECTORS

Ashok Soota
Chairman & Chief Mentor

Joseph Anantharaju
Co-Chairman & CEO

Venkatraman Narayanan
Managing Director

Anita Ramachandran
Independent Director

Rajendra Kumar Srivastava
Lead Independent Director

Shuba Rao Mayya
Independent Director

Mittu Sridhara
Independent Director

Rajiv Shah
Executive Director

COMMITTEES OF THE BOARD

AUDIT
Shuba Rao Mayya – Chairperson
Anita Ramachandran – Member
Rajendra Kumar Srivastava – Member
Venkatraman Narayanan – Member

NOMINATION, REMUNERATION & BOARD GOVERNANCE
Anita Ramachandran – Chairperson
Ashok Soota – Member
Mittu Sridhara – Member
Rajendra Kumar Srivastava – Member
Shuba Rao Mayya – Member

CORPORATE SOCIAL RESPONSIBILITY
Anita Ramachandran – Chairperson
Rajendra Kumar Srivastava – Member
Rajiv Shah – Member
Venkatraman Narayanan – Member

ADMINISTRATIVE AND STAKEHOLDERS RELATIONSHIP
Shuba Rao Mayya – Chairperson
Anita Ramachandran – Member
Joseph Anantharaju – Member
Venkatraman Narayanan – Member

RISK MANAGEMENT
Rajendra Kumar Srivastava – Chairperson
Anita Ramachandran – Member
Mittu Sridhara – Member
Shuba Rao Mayya – Member
Joseph Anantharaju – Member
Venkatraman Narayanan – Member

STRATEGIC INITIATIVES
Mittu Sridhara – Chairperson
Rajendra Kumar Srivastava – Co-chairperson
Ashok Soota – Member
Joseph Anantharaju – Member
Rajiv Shah – Member
Venkatraman Narayanan – Member

COUNSEL/LEGAL CONSULTANTS

Khaitan & Co
Uday Shankar Associates
Wilson Elser Moskowitz
Edelman & Dicker LLP
Collyer Bristow LLP
Habbu & Park
Eastern Bridge
Kingston Smith LLP
Goel & Anderson, LLC

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP

CONTACT DETAILS
For queries relating to shares:
einward.ris@kfintech.com (RTA)
Toll-Free Number: 1800 3094001
Investors@happiestminds.com
Phone: +91 80 6196 0300

For queries on Results/ Management Meetings
IR@happiestminds.com
Phone: +91 80 6196 0300

WEBSITE
https://www.happiestminds.com/

BANKERS

Kotak Mahindra Bank Ltd
RBL Bank Ltd
Federal Bank Ltd
ICICI Bank Ltd
HDFC Bank Ltd
Axis Bank Limited
Standard Chartered Bank
Bank of America, NA
Citibank NA
JP Morgan Chase Bank NA

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited
IL&FS Financial Centre,
Plot no. C-22, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051

SUBSIDIARIES

1. **Happiest Minds Inc.**
   A Texas state registered entity.
   Communication Address:
   101 Metro Drive, Suite 360
   San Jose, CA - 95110-1381
   Phone: +1 408 520 7611

   Happiest Minds Inc.
   6312, Fiddlers Green Circle,
   Suite 300E, Greenwood
   Village, Colorado 80111

2. **Sri Mookambika Infosolutions Private Limited**
   SMILES 8, 25/4, Palaniappan
   Chandrika Plaza,
   New Natham Road, Reserve Line,
   Madurai, Tamil Nadu - 625014

   Sri Mookambika Infosolutions Private Limited
   SMILES 9, Vetri Gardens, 348,
   Sri Lakshmi Nagar II,
   Maheswari Nagar 4^{th} Street,
   Thaneer Panthal, Peelamedu Post,
   Coimbatore, Tamil Nadu - 641004

   Registered & Corporate Office
   #53/1-4, Hosur Main Road, Madivala
   (Next to Madivala Police Station),
   Bengaluru - 560068, Karnataka, India
   CIN: L72900KA2011PLC057931
   Phone: +91 80 6196 0300/0400

3. **Happiest Minds Edutech Private Limited**
   SMILES 1,
   SJR Equinox, Sy.No.47/8,
   Doddathogur Village, Begur Hobli,
   Electronics City Phase 1,
   Hosur Road, Bengaluru - 560 100

4. **PureSoftware Technologies Private Limited**

   Pune
   PureSoftware Technologies Private Limited
   6^{th} Floor, Pentagon P-2, Magarpatta City,
   Hadapsar, Pune, Maharashtra - 411013

   Delhi
   PureSoftware Technologies Private Limited
   Suite 523, DLF Tower B, Plot No. 11,
   Jasola New Delhi, South Delhi, DL-110025

   Gurugram
   PureSoftware Technologies Private Limited
   8^{th} Floor, Magnum Tower, Sector 58,
   Gurugram, Haryana - 122011

   Noida
   PureSoftware Technologies Private Limited
   PureSoftware Business, SMILES 10,
   Tower B, Green Boulevard Plot B9-A,
   62, Sector Rd, B Block, Noida,
   Uttar Pradesh - 201301

   SMILES 1,
   SJR Equinox, Sy.No.47/8,
   Doddathogur Village, Begur Hobli,
   Electronics City Phase 1,
   Hosur Road, Bengaluru – 560 100

   PureSoftware Corp.
   815, Brazos St, STE 500,
   Austin, TX – 78701

   PureSoftware Corp.
   Princeton Forrestal Village,
   116 Village Blvd, Suite 200,
   Princeton, New Jersey, 08540

   PureSoftware Corp.
   845 Third Avenue, Floor 6
   New York, USA – 10022

   PureSoftware Corp.
   3773 HOWARD HUGHES PKWY STE
   500S, Las Vegas,
   NV 89169 - 6014, USA

   PureSoftware Private Limited
   Sidings Court, Lakeside, Doncaster,
   DN4 5NU, United Kingdom

   PureSoftware Africa Limited
   P.O. Box 720, Village Market, Muthithi,
   Behind TRV Office Plaza,
   Muthithi Road, Westlands,
   Nairobi, Kenya- 720 -00621

   PureSoftware Technology S DE RL DE CV,
   a) Periferico Sur 4293
      Piso 3 300, Jardines en la Montaña,
      Ciudad de México
   b) Durango 245, Interior 203,
      Colonia Roma Norte,
      Alcaldía Cuauhtémoc,
      Ciudad, De Mexico, Cp 06700

   PureSoftware Romania S.R.L.
   Bucharest, District 1, 44-46
   Lainici street, room1, 2^{nd} floor,
   apartment no. 5, Romania

   PureSoftware Pte Ltd.
   Level 30, South Beach Tower,
   38 Beach Road, Singapore – 189767

   PureSoftware SDN BHD,
   Level 8, Vertical Corporate
   Tower B, Avenue 10, The Vertical,
   No. 8, Jalan Kerinchi,
   Bangsar South City 59200 Kuala
   Lumpur Malaysia

   PureSoftware HK Limited,
   20/F, Silver Fortune Plaza,
   1 Wellington Street,
   Central, Hong Kong-999077

5. **AureusTech Systems Private Limited**

   Bengaluru
   SMILES 1, SJR Equinox, Sy.No.47/8,
   Doddathogur Village, Begur Hobli,
   Electronics City Phase 1,
   Hosur Road, Bengaluru – 560 100

   Hyderabad
   a) AureusTech Systems Private Limited,
      Smiles 11,The Hive, Corporate Capital
      next to Sheraton Hotel Financial
      District, Nanakramguda, Gachibowli,
      Hyderabad, Telangana 500032, India
   b) AureusTech Systems Private Limited,
      Survey No. 322(P), Puppalaguda
      Village, Behind Continental Hospital,
      Financial District, MySpace Weave,
      Hyderabad, Telangana – 500089
   c) AureusTech Systems Private Limited,
      Level 4 , Kapil Towers, Financial
      District, Gachibowli, Hyderabad,
      Hyderabad, Telangana, India, 500032

   Chennai
   AureusTech Systems Private
   LimitedAureus Business, Smiles 12,
   IndiQube Alpine, next to Ekkatuthangal
   metro staton Labour Colony, SIDCO
   Industrial Estate, Ekkatuthangal, Guindy,
   Chennai, Tamil Nadu, 2^{nd} Floor

   Kochi
   AureusTech Systems Private
   LimitedAureus Business Smiles 13,
   XIV/396-C, Seaport Airport Road,
   Chittethukara, Kakkanad, Kerala

6. **InnovazIT Technologies LLC**
   Off no. 1164, PO box 124195,
   Tamani Arts, Burj Khalifa Street,
   Business Bay Dubai

7. **GAVS Technologies LLC**
   Office no. 11, 5^{th} Floor, Building
   No. 4, Knowledge Oasis Muscat,
   Post Box: 110, Postal Code: 124, Rusayl,
   Sultanate of Oman

8. **GAVS Technologies Saudi Arabia for Telecommunications and Information Technology**
   Office No109, 7354-Aban
   Centre, King Abdul,
   Aziz Road, Al Ghadir, PO Box :271402,
   Riyadh 1331-4672,
   Kingdom of Saudi Arabia

OFFICES

INDIA

Bengaluru - 1
Happiest Minds Technologies Limited
SMILES 1,
SJR Equinox, Sy. No. 47/8,
Doddathogur Village, Begur Hobli
Electronics City Phase 1
Hosur Road, Bengaluru - 560 100
Phone: +91 80 3965 3000

Bengaluru - 2
Happiest Minds Technologies Limited
SMILES 2, 3 & 4
Registered Office: #53/1-4, Hosur Main Road
Madivala, (Next to Madivala Police Station),
Bengaluru - 560068, Karnataka, India
Phone: +91 80 61960300,
+91 80 61960400
Fax: +91 80 6196 0700

Noida, NCR
Happiest Minds Technologies Limited
SMILES 5,
2^{nd} Floor, A-42/6, Pinnacle Tower
Sector-62, Noida, UP - 201301
Phone: +91-120-4740700

Pune
Happiest Minds Technologies Limited
SMILES 6,
8^{th} Floor B Wing, MCCIA Trade Tower
Senapati Bapat Road, Pune - 411016
Phone: +91 20 6666 8100

Bhubaneswar
Happiest Minds Technologies Limited
SMILES 7,
5^{th} Floor, Fortune Towers, Nandankanan Rd,
Chandrasekharpur,
Bhubaneswar, Odisha - 751013

UNITED STATES

California
Happiest Minds Technologies Limited
101 Metro Drive, STE 360
San Jose, CA - 95110-1381
Phone: +1 408 520 7611

New Jersey
Happiest Minds Technologies Limited
30 Knightsbridge Road
Suite 525
Piscataway
New Jersey - 08854

Seattle
Happiest Minds Technologies Limited
8441 154^{th} Avenue NE Building H,
Suite 206, Redmond,
Washington 98052

UNITED KINGDOM

Berkshire
Happiest Minds Technologies Limited
450 Brook Drive
Green Park
Reading RG2 6UU
Phone: +44 118 3340066
Fax: +44 118 3340067

London
No. 1 Royal Exchange
London, EC3V 3DG

CANADA

Toronto
Happiest Minds Technologies Limited
4950 Yonge Street, Suite 2200
Toronto ON M2N 6K1

AUSTRALIA

Sydney
Happiest Minds Technologies Limited
Level 20, Tower 2, Darling Park
201, Sussex Street
Sydney, NSW 2000
Phone: +61-2-9006 1020

UAE

Dubai
Happiest Minds Technologies Limited
Dubai Digital Park, DSO, A4 - 313
Phone: +9714 5472539

THE NETHERLANDS

Amsterdam
Happiest Minds Technologies Limited
Zuidplein 36
Amsterdam, 1077 XV
Phone: +31 020 57 888 14

GERMANY

Cologne
Happiest Minds Technologies Limited
Neumarkt Galerie, Richmodstrasse 6,
50667 Cologne

www.happiestminds.com