

May 13, 2025

Listing Compliance & Legal Regulatory  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 001  
Stock Code: 543227, 974820 & 975101

Listing & Compliance  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra East, Mumbai 400 051  
Stock Code: HAPPSTMNDS

Dear Sir/Madam,

**Sub: Report of the Monitoring Agency**

Pursuant to Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Regulation 173A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed herewith Monitoring Agency Report dated May 13, 2025, in respect of utilization of proceeds of QIP for the quarter ended March 31, 2025, issued by M/s. CARE Ratings Limited, Monitoring Agency.

*Note: Since the Company has fully utilized the proceeds raised through the issue of QIP, the requirement of filing the statement under Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Regulation 173A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 will not be applicable to the Company from next quarter onwards, unless any further amount is raised through issue of QIP.*

This is for your information and records.

Thanking you,  
Yours faithfully,  
For **Happiest Minds Technologies Limited**

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



**No. CARE/HO/GEN/2025-26/1013**

**Shri Sriranganarayana Krishnamacharya**

**Vice President (Finance)**

**Happiest Minds Technologies Limited**

No 53/1-4, Hosur Main Road, Madivala, Next To Madivala Police Stn,  
Bengaluru  
Karnataka 560068

May 13, 2025

Dear Sir,

**Monitoring Agency Report for the quarter ended March 31, 2025 - in relation to the QIP issue of Happiest Minds Technologies Limited ("the Company")**

We write in our capacity of Monitoring Agency for the QIP Issue for the amount aggregating to Rs. 500.00 crore of the Company and refer to our duties cast under 173A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2025 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated August 04, 2023.

Request you to kindly take the same on records.

Thanking you,  
Yours faithfully,



**Sonal Bhageria**

Assistant Director

[Sonal.Bhageria@careedge.in](mailto:Sonal.Bhageria@careedge.in)



CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai  
Phone: +91-22-6754 3456 • [www.careedge.in](http://www.careedge.in)

CIN-L67190MH1993PLC071691

**Report of the Monitoring Agency**

Name of the issuer: Happiest Minds Technologies Limited

For quarter ended: March 31, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: NIL

(b) Range of Deviation: Not Applicable

**Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Sonal Bhageria

Designation of Authorized person/Signing Authority: Assistant Director



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**1) Issuer Details:**

Name of the issuer	: Happiest Minds Technologies Limited
Name of the promoter	: Mr. Ashok Soota
Industry/sector to which it belongs	: Information Technology

**2) Issue Details**

Issue Period	: July 11, 2023 to July 14, 2023
Type of issue (public/rights)	: Qualified Institutional Placement
Type of specified securities	: Equity shares
IPO Grading, if any	: Not applicable
Issue size (in crore)	: Rs. 500 crore



### 3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant Certificate * Bank statement	<i>The unutilized issue proceeds were invested in fixed deposits in several bank accounts. Upon maturity, these funds were either directly utilized or transferred to other accounts and were expensed towards the stated objects of the issue. However, due to numerous other transactions in these bank accounts, we were not clearly able to ascertain the interim utilization of the issue proceeds. CARE Ratings have thus relied on management declaration issued by the company and the CA certificate issued by the peer-reviewed firm, along with bank account statement highlighting the specific end utilization of the proceeds.</i>	Nil
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No	Company declaration.	Nil	Nil
Whether the means of finance for the disclosed objects of the issue have changed?	No	Company declaration.	Nil	Nil
Is there any major deviation observed over the earlier monitoring agency reports?	No	NA	Nil	Nil
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA	Company declaration.	NA	Nil
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA	Company declaration.	NA	Nil
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Company declaration.	NA	Nil
Is there any other relevant information that may materially affect the decision making of the investors?	No	Company declaration.	NA	Nil

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

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4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Investment in Subsidiaries	Placement document/Bank statements	25.00	NA	Nil	Nil	Nil	Nil
2	Working Capital requirement	Placement document/Bank statements	300.00	NA	Nil	Nil	Nil	Nil
3	Inorganic Growth	Placement document/Bank statements	50.00	NA	Nil	Nil	Nil	Nil
4	General Corporate Purpose	Placement document/Bank statements	111.00	NA	Nil	Nil	Nil	Nil
<b>Total</b>			<b>486.00</b>					

*\*As per Chartered Accountant certificate from ADITHYA and VISHWAS dated May 03, 2025.*

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(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Investment in Subsidiaries	Placement document/Bank statements	25.00	-	25.00	25.00	-	Investment by way of debt towards working capital requirements of Happiest Minds Inc and Sri Mookambika Infosolutions Private Limited. Rs.15.50 crore was transferred from the SBI OD account of the company to the Monitoring account (Rs.9.50 crore balance in monitoring account as on January 01, 2025) and Rs.12.5 crore each was remitted to Happiest Minds Inc and Sri Mookambika Infosolutions Private Limited	Nil	Nil



Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
2	Working Capital requirement	Placement document/Bank statements	300.00	300.00	-	300.00	-	Nil	Nil	Nil
3	Inorganic Growth	Placement document/Bank statements	50.00	50.00	-	50.00	-	Nil	Nil	Nil
4	General Corporate Purpose	Placement document/Bank statements	111.00	111.00	-	111.00	-	Nil	Nil	Nil
<b>Total</b>				<b>461.00</b>	<b>25.00</b>	<b>486.00</b>	<b>-</b>			

***\*As per Chartered Accountant certificate from ADITHYA and VISHWAS dated May 03, 2025.***

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(iii) Deployment of unutilized proceeds: Nil as on March 31, 2025

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
-	-	-	-	-	-	-

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Investment in Subsidiaries	FY 2024*	March 29, 2025	12 months	Nil	Nil
Working Capital requirement	FY 2024 & FY 2025	FY 2024 and FY 2025	Partially Delayed	Nil	Nil
Inorganic Growth	FY 2024*	May 21, 2024	1.5 Months	Nil	Nil
General Corporate Purpose	FY 2024 & FY 2025	FY 2024 and FY2025	Partially Delayed	Nil	Nil

*\*As per the company placement document, the estimated timeline of execution is FY24, however the document states that in the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the subsequent fiscals, as may be decided by the Company, in accordance with applicable laws.*

**5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:** Nil for quarter ended March 31, 2025

Sr. No	Item Head <sup>^</sup>	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	-	Nil	Company declaration and CA Certificate	Nil	Nil

<sup>^</sup> Section from the offer document related to GCP:

*"Our company intends to deploy Rs 11,100 lacs out of the Net Proceeds towards general corporate purpose subject to the amount allocated towards general corporate purpose not exceeding 25% of the Gross Proceeds in compliance with the circular bearing reference No. NSE/CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE.*

*We will have flexibility in utilizing the Net Proceeds for general corporate purpose, including but not restricted to strategic initiatives, investments, repayment and pre-payment penalty on loans as applicable, strengthening of our research and development (R&D), meeting exigencies and expenses incurred by our Company, as may be*

*applicable, funding any shortfall in any of the objects is set forth above, or such other purposes as may be determined by the Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilization of funds or the deployment towards each of the above purposes will be determined by our Board or a committee thereof, based on the amount actually available under this head and business requirements of our Company, from time to time." earmarked for general corporate purposes."*

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**Disclaimers to MA report:**

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as "**Monitoring Agency/MA**"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.



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