

January 19, 2023

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

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

Dear Sir/Madam,

**Sub: Outcome of the Board Meeting held on January 19, 2023**

We wish to inform that the Board of Directors of the Company at its meeting held today i.e., January 19, 2023, approved the unaudited financial statements of the Company (both standalone and consolidated) prepared in accordance with Indian Accounting Standards (IndAS) for the quarter and nine months ended on December 30, 2022.

The copies of the said financial results together with Auditor's review reports for the quarter are enclosed below.

The Board meeting commenced at 1.00 pm and concluded at 1.50 pm.

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



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM UNAUDITED CONSOLIDATED  
FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF

HAPPIEST MINDS TECHNOLOGIES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of HAPPIEST MINDS TECHNOLOGIES LIMITED (the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), for the quarter and nine months ended December 31, 2022 (the "Statement") which includes the financial results of Happiest Minds Technologies Share Ownership Trust (the "ESOP trust"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the interim financial results of the following entities:

- a) Happiest Minds Inc. (formerly know as PGS Inc) (Subsidiary)
- b) Happiest Minds Technologies Share Ownership Plan Trust

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditor referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results of the ESOP trust included in the Statement, whose unaudited consolidated interim financial results reflect total revenues of Rs. Nil and Rs. Nil for the quarter and nine months ended December 31, 2022, total net profit after tax of Rs. 68 Lakhs and Rs. 178 Lakhs for the quarter and nine months ended December 31, 2022 and total comprehensive loss of Rs. 5,142 Lakhs and Rs. 11,023 lakhs for the quarter and nine months ended December 31, 2022 respectively, as considered in the Statement. The interim financial results have been reviewed by other auditor whose report have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of ESOP trust, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 008072S)



Vikas Bagaria  
Partner

(Membership No. 060408)

(UDIN: )

Place: Bengaluru  
Date: January 19, 2023

Happlest Minds Technologies Limited

CIN : L72900KA2011PLC057931

Regd. Office:#53/1-4, Hosur Main Road, Madivala (next to Madivala Police Station) Bengaluru 560 068, Karnataka, India

Website: www.happlestminds.com , Email: IR@happlestminds.com , Tel: +91 80 6196 0300

(Rs. in lakhs)

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2022

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>I. Income</b>						
(a) Revenue from contracts with customers	36,688	35,551	28,394	105,131	79,308	109,365
(b) Other income	780	382	834	1,266	2,719	3,710
<b>Total Income</b>	<b>37,468</b>	<b>35,933</b>	<b>29,228</b>	<b>106,397</b>	<b>82,027</b>	<b>113,075</b>
<b>II. Expenses</b>						
(a) Employee benefits expense	20,882	19,856	16,049	58,572	45,306	62,000
(b) Finance costs	576	452	241	1,311	648	995
(c) Depreciation and amortisation expense	992	971	847	2,897	2,404	3,288
(d) Other expenses	6,860	6,543	5,548	19,890	15,463	21,598
<b>Total expenses</b>	<b>29,310</b>	<b>27,922</b>	<b>22,685</b>	<b>82,670</b>	<b>63,821</b>	<b>87,881</b>
<b>III. Profit before exceptional items and tax (I-II)</b>	<b>8,158</b>	<b>8,011</b>	<b>6,543</b>	<b>23,727</b>	<b>18,206</b>	<b>25,194</b>
IV. Exceptional items (refer note 6)	(634)	-	-	(634)	(609)	(609)
<b>V. Profit before tax (III+IV)</b>	<b>7,524</b>	<b>8,011</b>	<b>6,543</b>	<b>23,093</b>	<b>17,597</b>	<b>24,585</b>
<b>VI. Tax expense</b>						
Current tax	2,335	1,638	1,466	6,298	4,529	6,286
Tax expense for earlier periods	-	-	-	-	44	44
Deferred tax	(569)	432	185	(538)	115	155
<b>Total Tax expense</b>	<b>1,766</b>	<b>2,070</b>	<b>1,651</b>	<b>5,760</b>	<b>4,688</b>	<b>6,465</b>
<b>VII. Profit for the period / year (V-VI)</b>	<b>5,758</b>	<b>5,941</b>	<b>4,892</b>	<b>17,333</b>	<b>12,909</b>	<b>18,120</b>
<b>VIII. Other comprehensive income/ loss, net of tax</b>						
(i) Item to be reclassified to profit or loss in subsequent periods / year						
Exchange difference on translating the financial statements of a foreign operation	109	208	48	564	173	202
Net movement of effective portion of cash flow hedges [gain/(loss)]	165	(608)	234	(1,414)	89	(316)
Income tax effect	(41)	153	(58)	356	(22)	80
(ii) Item not to be reclassified to profit or loss in subsequent periods / year						
Re-measurement gains/ (losses) on defined benefit plans	13	(313)	(49)	(169)	(123)	(97)
Income tax effect	(3)	19	12	43	31	24
	<b>243</b>	<b>(481)</b>	<b>187</b>	<b>(620)</b>	<b>148</b>	<b>(107)</b>
<b>IX. Total comprehensive income for the period / year (VII-VIII)</b>	<b>6,001</b>	<b>5,460</b>	<b>5,079</b>	<b>16,713</b>	<b>13,057</b>	<b>18,013</b>
<b>X. Paid-up equity share capital (Rs. 2/- each)</b>						<b>2,854</b>
<b>XI. Other equity</b>						<b>63,726</b>
<b>XII. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters and nine months):</b>						
Basic EPS (Rs.)	4.02	4.15	3.44	12.15	9.07	12.84
Diluted EPS (Rs.)	3.98	4.09	3.38	12.01	8.92	12.55

**Notes to Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2022**

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2022 ("Unaudited Consolidated Financial Results") of Happiest Minds Technologies Limited (the "Parent" or the "Company") and its subsidiary (the Parent and its subsidiary together referred to as the "Group") has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on January 19, 2023 and subjected to a limited review by the Statutory Auditors of the Company.

2. The Unaudited Consolidated Financial Results of the Group have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act 2013, as amended, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and SEBI Circular No.CIR/CFD/CMD1/44/2019 dated March 29, 2019.

3. The financial results of the Company on standalone basis is as follows:

Particulars	(Rs. in lakhs)					
	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total income	35,294	34,176	27,431	100,385	77,401	107,125
Profit before tax	7,325	7,559	6,005	21,910	17,001	25,085
Profit for the period / year	5,727	5,531	4,478	16,512	12,427	18,648
<b>Total comprehensive income for the period / year</b>	<b>5,861</b>	<b>4,842</b>	<b>4,617</b>	<b>15,328</b>	<b>12,402</b>	<b>18,339</b>

4. The segment reporting of the Group has been prepared in accordance with Ind AS-108 on 'Operating Segments'. The Group executive management committee examines the Group's performance on the basis of its business units and has identified three reportable segments: Infrastructure Management & Security Services (IMSS), Digital Business Solutions (DBS) and Product Engineering Services (PES).

Segment wise revenue and results are as follows:

Particulars	(Rs. in lakhs)					
	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment revenue</b>						
IMSS	7,910	7,904	6,322	23,169	17,320	24,168
DBS	11,267	10,719	8,510	31,890	24,125	32,887
PES	17,511	16,928	13,562	50,072	37,863	52,310
<b>Total</b>	<b>36,688</b>	<b>35,551</b>	<b>28,394</b>	<b>105,131</b>	<b>79,308</b>	<b>109,365</b>
<b>2. Segment results</b>						
IMSS	2,535	2,492	1,553	7,124	4,178	5,917
DBS	3,082	3,172	2,649	9,416	6,528	8,789
PES	6,842	6,982	5,396	20,691	14,764	20,693
<b>Total</b>	<b>12,459</b>	<b>12,646</b>	<b>9,598</b>	<b>37,231</b>	<b>25,470</b>	<b>35,399</b>
Unallocable other income	780	382	834	1,266	2,719	3,710
Unallocable finance cost	(576)	(452)	(241)	(1,311)	(648)	(995)
Unallocable depreciation and amortisation expenses	(992)	(971)	(847)	(2,897)	(2,404)	(3,288)
Other unallocable expenses	(4,147)	(3,594)	(2,801)	(11,196)	(7,540)	(10,241)
Tax (expense) / credit	(1,766)	(2,070)	(1,651)	(5,760)	(4,688)	(6,465)
<b>Profit after tax</b>	<b>5,758</b>	<b>5,941</b>	<b>4,892</b>	<b>17,333</b>	<b>12,909</b>	<b>18,120</b>

Segment wise assets and liabilities are as follows:

Particulars	(Rs. in lakhs)			
	As at			
	December 31, 2022	September 30, 2022	March 31, 2022	December 31, 2021
	(Unaudited)	(Unaudited)	Refer note 2	Refer note 2
<b>1. Segment assets</b>				
IMSS	7,528	8,842	7,269	6,946
DBS	22,241	20,354	19,160	20,086
PES	16,470	15,620	12,648	11,706
Other unallocable assets	95,881	92,429	73,611	70,587
<b>Total assets</b>	<b>142,120</b>	<b>137,246</b>	<b>112,688</b>	<b>109,325</b>
<b>2. Segment liabilities</b>				
IMSS	1,212	1,467	1,301	1,553
DBS	9,926	9,652	9,164	12,126
PES	2,657	1,599	1,900	1,802
Other unallocable liabilities	50,534	49,936	33,743	32,711
<b>Total liabilities</b>	<b>64,329</b>	<b>62,653</b>	<b>46,108</b>	<b>48,192</b>

5. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been 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 and will record any related impact in the period in which the Code becomes effective.

6. The Company had acquired 100% voting interest in Happiest Minds Inc. (erstwhile PGS Inc.) vide definitive agreements signed on January 27, 2021, for a total recorded consideration of US \$ 13.31 million (INR 9,720 lakhs), comprising cash consideration of US \$ 8.25 million (INR 6,025 lakhs) and fair-valued contingent consideration in the form of warrants of US \$ 5.06 million (INR 3,696 lakhs) payable over the next 3 years. The contingent consideration payable by Happiest Minds Inc. was classified as a financial liability within the scope of Ind AS 109 'Financial Instruments' and was measured at fair value. Ind AS 109 mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss.

The company paid US\$ 2.5 million (INR 1,861 Lakhs) in January 22 and carried out a fair valuation at the end of the reporting periods and an increase in the liability of Rs 634 lakhs as of December 31, 2022 and 609 lakhs as of March 31, 2022 has been recognised in the statement of profit and loss and disclosed as 'Exceptional Item'.

7. The above Unaudited Consolidated Financials Results of the Group are available on Company's website www.happiestminds.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.

For and on behalf of the Board  
For Happiest Minds Technologies Limited



Venkatraman Narayanan  
Managing Director & Chief Financial Officer  
DIN : 01856347

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM UNAUDITED STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF

HAPPIEST MINDS TECHNOLOGIES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of HAPPIEST MINDS TECHNOLOGIES LIMITED (the "Company"), for the quarter and nine months ended December 31, 2022 (the "Statement"), which includes the financial results of Happiest Minds Technologies Share Ownership Plans Trust (the "ESOP trust"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

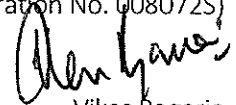
We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. Based on our review conducted as stated in paragraph 3 above and based on the consideration of the review report of the other auditor as referred in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We did not review the interim financial results of the ESOP trust included in the Statement, whose unaudited standalone interim financial results reflect total revenues of Rs. Nil and Rs. Nil for the quarter and nine months ended December 31, 2022, total net profit after tax of Rs. 68 Lakhs and Rs. 178 Lakhs for the quarter and nine months ended December 31, 2022 and total comprehensive loss of Rs. 5,142 Lakhs and Rs. 11,023 lakhs for the quarter and nine months ended December 31, 2022 respectively, as considered in the Statement. The interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of ESOP trust, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 008072S)



Vikas Bagaria  
(Partner)

(Membership No. 060408)

(UDIN: )

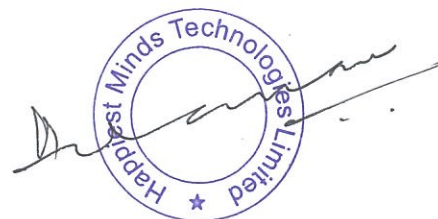
Place: Bengaluru

Date: January 19, 2023

(Rs. in lakhs)

**Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2022**

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>I. Income</b>						
(a) Revenue from contracts with customers	34,476	33,765	26,588	99,022	74,672	103,354
(b) Other income	818	411	843	1,363	2,729	3,771
<b>Total income</b>	<b>35,294</b>	<b>34,176</b>	<b>27,431</b>	<b>100,385</b>	<b>77,401</b>	<b>107,125</b>
<b>II. Expenses</b>						
(a) Employee benefits expense	20,740	19,719	15,876	58,150	44,718	61,210
(b) Finance costs	601	451	240	1,289	645	830
(c) Depreciation and amortisation expense	752	739	630	2,201	1,758	2,423
(d) Other expenses	5,876	5,708	4,680	16,835	12,670	17,577
<b>Total expenses</b>	<b>27,969</b>	<b>26,617</b>	<b>21,426</b>	<b>78,475</b>	<b>59,791</b>	<b>82,040</b>
<b>III. Profit before exceptional items and tax (I-II)</b>	<b>7,325</b>	<b>7,559</b>	<b>6,005</b>	<b>21,910</b>	<b>17,610</b>	<b>25,085</b>
IV. Exceptional items (Refer note 5)	-	-	-	-	(609)	-
<b>V. Profit before tax (III+IV)</b>	<b>7,325</b>	<b>7,559</b>	<b>6,005</b>	<b>21,910</b>	<b>17,001</b>	<b>25,085</b>
<b>VI. Tax expense</b>						
Current tax	2,113	1,538	1,262	5,768	4,232	6,004
Deferred tax	(515)	490	265	(370)	342	433
<b>Total tax expense</b>	<b>1,598</b>	<b>2,028</b>	<b>1,527</b>	<b>5,398</b>	<b>4,574</b>	<b>6,437</b>
<b>VII. Profit for the period / year (V-VI)</b>	<b>5,727</b>	<b>5,531</b>	<b>4,478</b>	<b>16,512</b>	<b>12,427</b>	<b>18,648</b>
<b>VIII. Other comprehensive income/ loss, net of tax</b>						
(i) Item to be reclassified to profit or loss in subsequent periods / year						
Net movement of effective portion of cash flow hedges [gain/(loss)]	165	(608)	234	(1,414)	89	(316)
Income tax effect	(41)	153	(58)	356	(22)	80
(ii) Item not to be reclassified to profit or loss in subsequent periods / year						
Re-measurement gains/ (losses) on defined	13	(313)	(49)	(169)	(123)	(97)
Income tax effect	(3)	79	12	43	31	24
	134	(689)	139	(1,184)	(25)	(309)
<b>IX. Total comprehensive income for the period / year (VII-VIII)</b>	<b>5,861</b>	<b>4,842</b>	<b>4,617</b>	<b>15,328</b>	<b>12,402</b>	<b>18,339</b>
<b>X. Paid-up equity share capital (Rs. 2/- each)</b>						<b>2,854</b>
<b>XI. Other equity</b>						<b>64,120</b>
<b>XII. Earnings per share ("EPS") (of Rs. 2/- each) (not annualised for quarters and nine months):</b>						
Basic EPS (Rs.)	4.00	3.86	3.14	11.57	8.74	13.21
Diluted EPS (Rs.)	3.96	3.81	3.09	11.44	8.59	12.91



Happiest Minds Technologies Limited

CIN : L72900KA2011PLC057931

Regd. Office:#53/1-4, Hosur Main Road, Madivala (next to Madivala Police Station) Bengaluru 560 068, Karnataka, India

Website: www.happiestminds.com , Email: IR@happiestminds.com , Tel: +91 80 6196 0300

Notes to Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2022

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2022 ("Unaudited Standalone Financial Results") of Happiest Minds Technologies Limited (the "Company") has been reviewed by the Audit Committee, approved by the Board of Directors at their meeting held on January 19, 2023 and subjected to a limited review by the Statutory Auditors of the Company.

2. The Unaudited Standalone Financial Results of the Company have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act 2013, as amended, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and SEBI Circular No.CIR/CFD/CMD1/44/2019 dated March 29, 2019.

3. The Company publishes standalone financial results along with the consolidated financial results. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the unaudited consolidated financial results. Accordingly, the segment information is given in the unaudited consolidated financial results of Happiest Minds Technologies Limited and its subsidiary for the quarter and nine months ended December 31, 2022.

4. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

5. The Company had acquired 100% voting interest in Happiest Minds Inc. (erstwhile PGS Inc.) vide definitive agreements signed on January 27, 2021, for a total recorded consideration of US \$ 13.31 million (INR 9,720 Lakhs), comprising cash consideration of US \$ 8.25 million (INR 6,025 lakhs) and fair-valued contingent consideration in the form of warrants of US \$ 5.06 million (INR 3,696 lakhs) payable over next 3 years. The contingent consideration was classified as a financial liability within the scope of Ind AS 109 'Financial Instruments' and was measured at fair value. Ind AS 109 mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss, the Company carried out a fair valuation and there was an increase in the liability as at June 30, 2021 basis increasing expectation of payout. The said increase of INR 609 lakhs was recognized in the statement of profit and loss disclosed as 'Exceptional Item' during the Nine months ended December 31, 2021.

During the quarter ended March 31, 2022, the Company re-evaluated its primary obligation for pay-outs of the contingent consideration and concluded that the obligation for the pay-out of the contingent consideration was with its subsidiary, Happiest Minds Inc., and the Company's obligation was restricted to ensure that sufficient cash flows were available with Happiest Minds Inc. to meet its obligations. Consequently, the contingent consideration of US \$ 5.89 million (INR 4,305 lakhs) and investment in Happiest Minds Inc. (erstwhile PGC Inc.) of US\$ 5.06 million (INR 3,696 lakhs) was reversed in the standalone balance sheet of the Company. As a result, fair value loss on contingent consideration of INR 609 lakhs recognized as an exceptional item in the quarter ended June 30, 2021 was reversed in profit and loss account for quarter ended March 31, 2022.

6. The above Unaudited Standalone Financials Results of the Company are available on Company's website www.happiestminds.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.



For and on behalf of the Board  
For Happiest Minds Technologies Limited

Venkatraman Narayanan  
Managing Director & Chief Financial Officer  
DIN : 01856347

Place: Bengaluru, India  
Date: January 19, 2023