

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Operating activities			
Profit before tax		18,602	7,361
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	28	2,274	2,023
Share-based payment expense	27	297	266
Gain on investment carried at fair value through profit and loss	26	(184)	(121)
Gain on sale of investment carried at fair value through profit and loss	26	(671)	(455)
Interest income	26	(838)	(466)
Impairment of goodwill	31	-	1,126
Gain on liquidation of subsidiary	26	(82)	-
Unrealised foreign exchange (gain)/ loss	26	66	(173)
Fair value loss on warrant liability	29	28	-
Rent concession	26	(302)	-
Impairment loss	30	1,021	762
Finance costs	29	669	802
Operating cash flow before working capital changes		20,880	11,125
Movements in working capital:			
(Increase)/ decrease in trade receivables		(511)	1,352
(Increase)/ decrease in loans		64	(105)
Increase in non-financial assets		(279)	(189)
Increase in financial assets		(1,443)	(2,776)
Increase/ (decrease) in trade payables		(644)	477
Increase/ (decrease) in financial liabilities		(1,684)	1,976
Decrease in provisions		516	424
Decrease in contract liabilities		(43)	(249)
Increase/ (decrease) in other non-financial liabilities		1,109	(208)
		17,965	11,827
Income tax paid		(3,600)	(605)
Net cash flows from operating activities	(A)	14,365	11,222
Investing activities			
Purchase of property, plant and equipment	3	(78)	(46)
Purchase of intangible assets	4	(19)	(67)
Proceeds from subleasing the premises		7	75
Investment in bank deposit, net		6,931	(9,769)
Acquisition of subsidiary		(6,025)	-
Proceeds from sale of mutual funds		39,313	2,054
Purchase of mutual funds		(69,269)	-
Interest received		777	379
Net cash flows used in investing activities	(B)	(28,363)	(7,374)

Consolidated Statement of Cash Flows (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Financing activities			
Repayment of long-term borrowings		(1,256)	(755)
Proceeds from long-term borrowings		6,025	-
Proceeds / (Repayment) of short-term borrowings (net)		4,213	1,430
Security deposits given		(300)	-
Payment of principal portion of lease liabilities		(1,661)	(1,710)
Payment of interest portion of lease liabilities		(328)	(414)
Proceeds from issue of Equity share capital (net of transaction costs)		10,544	-
Proceeds from exercise of share options		72	442
Interest paid		(373)	(327)
Net cash flows used in financing activities	(C)	16,936	(1,334)
Net increase in cash and cash equivalents	[(A)+(B)+(C)]	2,938	2,514
Net foreign exchange difference		(6)	212
Cash and cash equivalents at the beginning of the year		4,353	1,627
Cash acquired on acquisition of subsidiary		1,298	-
Cash and cash equivalents at the end of the year		8,583	4,353
Components of cash and cash equivalents	13		
Balance with banks			
- on current account		4,179	1,431
- in EEFC accounts		2,029	1,922
Deposits with original maturity of less than three months		2,375	1,000
Total cash and cash equivalents		8,583	4,353
Non-cash investing activities:			
Acquisition of subsidiary	44	3,695	-
Acquisition of Right-of-use assets	19	1,052	706
Refer note 18 and 19 for changes in liabilities arising from financing activities and for non-cash financing activities.			
Summary of significant accounting policies	2		

The notes referred to above form an integral part of the Consolidated Financial Statement.

As per our report of even date
 for **S.R. Batliboi & Associates LLP**
 Chartered Accountants
 ICAI Firm's Registration Number : 101049W/E300004

for and on behalf of the Board of Directors:
Happiest Minds Technologies Limited
 CIN : L72900KA2011PLC057931

per **Sumit Mehra**
 Partner
 Membership no.: 096547
 Place: Bengaluru, India
 Date: May 12, 2021

Ashok Soota
 Executive Chairman
 DIN : 00145962
 Place: Bengaluru, India
 Date: May 12, 2021

Venkatraman Narayanan
 Managing Director &
 Chief Financial Officer
 DIN : 01856347
 Place: Bengaluru, India
 Date: May 12, 2021

Praveen Darashankar
 Company Secretary
 FCS No.: F6706
 Place: Bengaluru, India
 Date: May 12, 2021