

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating activities			
Profit before tax		30,986	24,585
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation/ amortisation of property, plant and equipment, intangibles and right-of-use assets	28	4,191	3,288
(Gain)/ loss on disposal of property, plant and equipment, net	26	-	(10)
Share-based payment expense	27	120	300
Gain on investment carried at fair value through profit and loss	26	-	(368)
Gain on sale of investment carried at fair value through profit and loss	26	(803)	(1,377)
Interest income	26	(2,610)	(636)
Fair value loss on contingent consideration	31	634	609
Net unrealised foreign exchange loss	26	1,219	404
Rent concession	26	(71)	(323)
Impairment loss on financial assets	30	-	189
Finance costs	29	2,186	995
Operating cash flow before working capital changes		35,852	27,656
Movements in working capital:			
Increase in trade receivables		(3,468)	(4,526)
Decrease in loans		964	10
Increase in non-financial assets		(1,190)	(1,610)
Increase in financial assets		(1,961)	(3,078)
Increase/ (decrease) in trade payables		756	1,489
Increase/ (decrease) in financial liabilities		(1,362)	1,004
Increase in provisions		478	58
Increase/ (decrease) in contract liabilities		(225)	660
Increase in other non-financial liabilities		(245)	496
		29,599	22,159
Income tax paid, net of refunds		(8,882)	(5,347)
Net cash flows from operating activities	(A)	20,717	16,812
Investing activities			
Purchase of property, plant and equipment	3	(13,106)	(67)
Purchase of intangible assets	4	(835)	(346)
Proceeds from sale of property, plant and equipment		-	10
Acquisition of subsidiary		(10,987)	-
Investment in equity shares of Tech4TH Solutions Inc.		(827)	(762)
Investment in bank deposit, net		(56,995)	(3,020)
Proceeds from sale of mutual funds		47,203	34,542
Purchase of mutual funds		-	(40,049)
Interest received		445	84
Net cash flows used in investing activities	(B)	(35,102)	(9,608)

Consolidated Statement of Cash Flows (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Financing activities			
Repayment of long-term borrowings		(2,609)	(2,053)
Proceeds from long-term borrowings		12,383	-
Proceeds / (Repayment) of short-term borrowings (net)		4,617	4,012
Proceeds from issue of redeemable non-convertible debentures		4,500	-
Security deposits given		-	-
Payment of principal portion of lease liabilities		(2,004)	(1,702)
Payment of interest portion of lease liabilities		(544)	(487)
Payment of contingent consideration		(2,034)	(1,861)
Dividend paid		(5,715)	(6,830)
Proceeds from exercise of share options		147	171
Interest paid		(1,534)	(328)
Net cash flows from/ (used) in financing activities	(C)	7,207	(9,078)
Net decrease in cash and cash equivalents	[(A)+(B)+(C)]	(7,178)	(1,874)
Net foreign exchange difference		323	20
Cash and cash equivalents at the beginning of the year		6,729	8,583
Cash acquired on acquisition of subsidiary		6	-
Cash and cash equivalents at the end of the year		(120)	6,729
Components of cash and cash equivalents	13		
Balance with banks			
- on current account		5,346	5,649
- in EEFC accounts		1,653	1,080
Less : Bank overdraft		(7,119)	-
Total cash and cash equivalents		(120)	6,729
Non-cash investing activities:			
Acquisition of subsidiary		2,707	-
Acquisition of Right-of-use assets	5	4,317	5,487
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 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 08, 2023

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 08, 2023

Venkatraman Narayanan
Managing Director & Chief
Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 08, 2023

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 08, 2023