

INDEPENDENT AUDITOR'S REPORT

To the Members of Cyient DLM Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Cyient DLM Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other 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 financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management for the 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 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 the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 control 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report 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;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) 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:



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- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the 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.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Shankar Srinivasan

Partner

Membership Number: 213271

UDIN: 21213271AAAABK4383

Place of Signature: Hyderabad

Date: May 24, 2021



Annexure 1 to the Independent Auditor's Report of even date on the financial statements of Cyient DLM Private Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the Management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company and hence not commented upon. In respect of immovable properties that have been taken on lease and classified as Right of use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of electronic manufacturing solutions, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services tax, Service tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services tax, Service tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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- (c) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added tax and Cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the Management, the Company has not raised any money by way of public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the Management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For **S. R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per **Shankar Srinivasan**

Partner

Membership Number: 213271

UDIN: 21213271AAAABK4383

Place of Signature: Hyderabad

Date: May 24, 2021



Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Cyient DLM Private Limited ("the Company")

Report on the Internal Financial Controls 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 the financial statements of Cyient DLM Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (the "Guidance Note") 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these 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 these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these financial statements included obtaining an understanding of internal financial controls with reference to these 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 these financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to 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 controls with reference to financial statements includes those policies



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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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

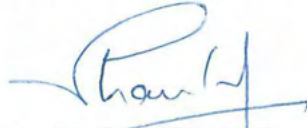
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Shankar Srinivasan

Partner

Membership Number: 213271

UDIN: 21213271AAAABK4383

Place of Signature: Hyderabad

Date: May 24, 2021



Cyient DLM Private Limited
(CIN No.: U31909TG1993PTC141346)

Balance Sheet as at March 31, 2021

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,400.89	572.36
Right of use assets	3B	420.11	452.69
Capital work-in-progress		23.16	774.00
Goodwill	4	30.30	30.30
Other intangible assets	5	4.94	6.58
Financial assets			
(a) Investments	6	3.22	3.22
(b) Loans and deposits	7A	46.20	46.20
(c) Other financial assets	7B	-	9.68
Deferred tax assets (net)	17.2	50.86	61.98
Income tax assets	17.3	5.84	8.54
Other non-current assets	8	32.52	89.24
Total non-current assets		2,018.04	2,054.79
Current assets			
Inventories	9	1,554.47	2,225.77
Financial assets			
(a) Investments	6		
(a) Trade receivables	10	2,263.83	545.85
(b) Cash and cash equivalents	11A	146.69	234.58
(c) Other bank balances	11B	195.07	426.87
(e) Loans	7A		
(d) Other financial assets	7B	30.93	28.82
Other current assets	8	241.28	418.26
Total current assets		4,432.27	3,880.15
Total assets		6,450.31	5,934.94
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	13.67	13.67
Other equity	13	362.85	243.39
Total equity		376.52	257.06
Non-controlling interests	14	-	-
Total equity		376.52	257.06
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(a) Borrowings	14	640.00	651.88
(b) Lease liabilities	3B	400.02	417.50
Provisions	16	53.78	49.23
Total non-current liabilities		1,093.80	1,118.61
Current liabilities			
Financial liabilities			
(a) Borrowings	14	1,342.02	1,832.29
(b) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	19	60.60	22.98
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	1,839.65	1,025.59
(c) Lease liabilities	3B	52.52	48.23
(d) Other financial liabilities	15	455.05	295.15
Income tax liabilities (net)	17.3	27.13	2.41
Provisions	16	12.35	12.44
Other current liabilities	18	1,190.67	1,320.18
Total current liabilities		4,979.99	4,559.27
Total liabilities		6,073.79	5,677.88
Total equity and liabilities		6,450.31	5,934.94
Corporate information and significant accounting policies	1 & 2		

Accompanying notes form an integral part of the financial statements
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Shankar Srinivasan
Partner
Membership No.: 213271



For and on behalf of the Board of Directors
Cyient DLM Private Limited

Ajay Aggarwal
Director
(DIN - 02565242)

Parvati KR
Company Secretary
(M.No. - A23584)

Rajendra Velagapudi
Managing Director & CEO
(DIN - 06507627)



Place: Hyderabad
Date: May 24, 2021

Place: Hyderabad
Date: May 24, 2021

Cyient DLM Private Limited
(CIN No.: U31909TG1993PTC141346)

Statement of Profit and Loss for the year ended March 31, 2021

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations	20	6,280.28	4,570.87
Other income	21	88.83	78.25
Total income		6,369.11	4,649.12
EXPENSES			
Cost of materials consumed	22	4,778.52	3,881.79
Changes in inventories of finished goods and work-in-progress	23	174.41	(232.69)
Employee benefits expense	24	468.63	440.95
Finance costs	25	207.70	181.94
Depreciation and amortisation expense	26	184.62	105.79
Other expenses	27	399.28	343.50
Total expenses		6,213.16	4,721.28
Profit/(loss) before tax		155.95	(72.16)
Tax expense			
(a) Current tax	17.1	5.03	(0.96)
(b) Deferred tax	17.1	32.78	(4.16)
Total tax expense		37.81	(5.12)
Profit/(Loss) for the year		118.14	(67.04)
Other comprehensive income (OCI)			
(a) Items that will not be reclassified subsequently to statement of profit or loss:			
(i) Remeasurements of the net defined benefit liability	29	1.84	(14.26)
(ii) Income tax relating to items that will not be reclassified to profit or loss	17.1 (B)	(0.52)	3.59
Total other comprehensive income for the year		1.32	(10.67)
Total comprehensive income for the year		119.46	(77.71)
Earnings per equity share (par value of ₹ 10 each)			
Basic and diluted (₹)	31	86.42	(49.04)
Corporate information and significant accounting policies	1 & 2		

Accompanying notes form an integral part of the financial statements
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Shankar Srinivasan
Partner
Membership No.: 213271



For and on behalf of the Board of Directors
Cyient DLM Private Limited

Ajay Aggarwal
Director
(DIN - 02565242)

Rajendra Velagapudi
Managing Director & CEO
(DIN - 06507627)

Parvati K R
Company Secretary
(M.No. - A23584)

Place: Hyderabad
Date: May 24, 2021



Place: Hyderabad
Date: May 24, 2021

Cyient DLM Private Limited
(CIN No.: U31909TG1993PTC141346)

Statement of changes in equity for the year ended March 31, 2021

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

A. Equity share capital

Particulars	Note	No's	Amount
Balance as at April 1, 2019	12	1,367,000	13.67
Balance as at March 31, 2020	12	1,367,000	13.67
Balance as at March 31, 2021	12	1,367,000	13.67

B. Other Equity

Particulars	Note	Reserves and Surplus			Total
		Securities premium	General reserve	Retained earnings	
Balance at April 01, 2019		92.09	3.72	239.77	335.58
Impact on account of adoption of Ind AS 116, net of tax		-	-	(14.48)	(14.48)
Loss for the year	13	-	-	(67.04)	(67.04)
Other comprehensive Income	13	-	-	(10.67)	(10.67)
Balance as at March 31, 2020		92.09	3.72	147.58	243.39
Profit for the year	13	-	-	118.14	118.14
Other comprehensive Income	13	-	-	1.32	1.32
Balance at March 31, 2021		92.09	3.72	119.46	362.85

Corporate information and significant accounting policies

Accompanying notes form an integral part of the financial statements

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Shankar Srinivasan

Partner

Membership No.: 213271



For and on behalf of the Board of Directors

Cyient DLM Private Limited

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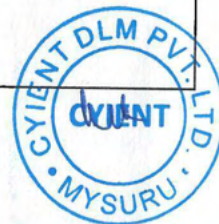
(DIN - 06507627)

Place: Hyderabad

Date: May 24, 2021

Place: Hyderabad

Date: May 24, 2021



Cyient DLM Private Limited
(CIN No.: U31909TG1993PTC141346)
Cash Flow Statement for the year ended March 31, 2021
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	Year ended	
	March 31, 2021	March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) for the year	118.14	(67.04)
Adjustments for:		
Tax expense/(income)	37.81	(5.12)
Depreciation and amortisation expense	184.62	105.79
Net unrealised exchange loss	27.92	14.68
Finance costs	207.70	181.94
Interest income	(17.59)	(78.25)
Expected credit loss allowance, net	8.68	83.68
Operating profit before working capital changes	567.28	235.68
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(1,722.86)	596.68
Inventories	671.30	(436.43)
Other assets and other financial assets	154.55	11.13
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	820.72	55.65
Provisions and other liabilities	(123.21)	(332.52)
Cash generated from operations	367.78	130.19
Income taxes recovered/(paid), net	0.73	2.57
Net cash flow from operating activities (A)	368.51	132.76
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment towards purchase of property, plant and equipment and intangible assets	(273.87)	(829.68)
Investment in equity instruments	-	(3.19)
Movement in other bank balances	231.80	(63.43)
Interest received	33.06	63.83
Net cash flow used in investing activities (B)	(9.01)	(832.47)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from non current borrowings	230.00	700.00
Repayment of non current borrowings	(15.79)	(37.90)
Proceeds from current borrowings	1,645.17	1,755.74
Repayments of current borrowings	(2,136.20)	(1,421.06)
Repayment of lease liabilities	(59.26)	(91.40)
Interest paid	(111.31)	(204.06)
Net cash flow from/(used in) financing activities (C)	(447.39)	701.32
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(87.89)	1.61
Cash and cash equivalents at the beginning of the year	234.58	232.97
Cash and cash equivalents at the end of the year (refer note (i) below)	146.69	234.58
Notes :		
(i) Cash and cash equivalents comprises of: (refer note 11A)		
Balances with banks		
in current accounts	146.62	220.54
Remittances in transit	-	14.01
Cash on hand	0.07	0.03
	146.69	234.58

Accompanying notes form an integral part of the financial statements
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Shankar Srinivasan
Partner
Membership No.: 213271



For and on behalf of the Board of Directors
Cyient DLM Private Limited

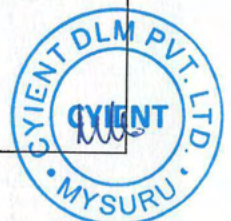
Ajay Aggarwal
Director
(DIN - 02565242)

Rajendra Velagapudi
Managing Director & CEO
(DIN - 06507627)

Parvati K R
Company Secretary
(M.No. - A23584)

Place: Hyderabad
Date: May 24, 2021

Place: Hyderabad
Date: May 24, 2021



Cyient DLM Private Limited

CIN No.: U31909TG1993PTC141346

Notes forming part of the financial statements

(All amounts in million, except share and per share data and where otherwise stated)

1. Corporate information:

The financial statements comprise financial statements of Cyient DLM Private Limited (formerly known as 'Rangsons Electronics Private Limited') (the 'Company') for the year ended March 31, 2021. The Company is a private limited company domiciled in India, and is incorporated under the provisions of the Companies Act, applicable in India. With effect from July 03, 2020, the registered office of the Company has been shifted to Cyient Limited, 3rd floor, Plot No. 11, Software Layout Units, Infocity, Hyderabad, Telangana - 500081.

The Company is principally engaged in providing total electronic manufacturing solutions in the fields of medical, industrial, automotive, telecommunication, defense and aerospace applications and machining of components for aerospace, automotive and defense industries.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 24, 2021.

2. Significant accounting policies

2.1 Statement of compliance:

The financial statements 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).

2.2 Basis of preparation & presentation:

These financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value a) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and consistent with previous year subject to changes in accounting policies. The financial statements are presented in INR, and all values are rounded to the nearest millions, except when otherwise indicated.

Cyient Limited, the holding company, continues to provide operational and financial support to the Company to enable it to carry on its business and meet the liabilities as they fall due. During the year, the Company has achieved significant growth in its revenues and substantially improved its EBITDA. Further, based on the turnaround strategy adopted by the Company, the management projects that the company will generate sufficient cash in future. Based on the above, the management believes that the company will continue as a going concern and thereby realize its assets and discharge its liabilities in the normal course of its business.

Current versus 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 current when:

- It is expected to be settled in normal operating cycle



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- 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 Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non - current classification of assets and liabilities.

2.3 Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenditure for the periods presented. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ from these estimates – estimates and underlying assumptions are reviewed on an ongoing basis. The effects of changes in accounting estimates are reflected in the financial statements in the period in which results are known and, if material, are disclosed in the financial statements.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements such as:

- Impairment assessment of Goodwill
- Provision for income tax and recoverability of deferred tax assets
- Allowance for credit losses on receivables
- Provision for slow moving/ non-moving inventory

2.4 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and, based on the current estimates, expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.



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For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. Any impairment loss for goodwill is recognized directly in statement of profit and loss. An impairment loss recognized for goodwill is not reversed in the subsequent periods.

2.6 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional and presentation currency of the Company.

Transactions and balances

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Foreign-currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

2.7 Property, plant and equipment

Property, plant and equipment are initially recognized at cost. The initial cost of property, plant and equipment comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates.

The cost of property, plant and equipment includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.



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Type of asset	Useful life
Leasehold Improvement	Shorter of lease period or estimated useful lives
Buildings	18 Years
Plant & Machinery	15 Years (Refer Note 1)
Tools & Equipment	5 Years
Furniture & Fixtures	3-10 Years
Electrical Installations	3-10 Years
Vehicles	10 Years
Computers – Servers & Networks	6 Years
– End user devices	3 Years
Office Equipment	5 Years

Note 1:

- The useful life of Plant and Machinery is determined on Single Shift Basis. The multiple shift impact as prescribed under Schedule II to the Act, has been adopted.
- Based on the technical advice obtained stencils are depreciated over 5 years.

Depreciation methods, useful lives and residual values are reviewed periodically including at each financial year-end.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their estimated useful life on a straight-line basis as follows:

Type of asset	Useful life
Computer software	3 years

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in 'other income' of statement of profit and loss when the asset is de-recognized.

Amortization methods and useful lives are reviewed periodically at each financial year end.



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2.9 Leases

Company as lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i) Right-of-use assets

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The right-of-use assets are also subject to impairment. Refer note 2.22.

ROU asset	Useful lives
Leasehold land	19 years
Buildings	3-10 years

ii) Lease liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made or a change in the assessment of extension or termination options. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset 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).

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.



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2.10 Income taxes:

The income tax expense or credit for the period is the tax payable on the taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current tax and deferred tax calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income.

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit/loss.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. MAT credit is recognized in accordance with tax laws in India as a deferred tax asset only to the extent that is probable that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

In the situations where one or more units in the Company 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 recognized 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 recognized 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.

2.11 Inventories:

Inventories are stated at the lower of cost and net realizable value.

Costs of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.



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Inventories are valued in accordance with the below method of valuation.

- (i) Raw materials & consumables: Valued at cost or net realizable value whichever is less. Cost includes purchase costs and other costs incurred in bringing the inventories to their present location and condition.
- (ii) Stores and spares: Valued at cost. Cost includes purchase costs and other costs incurred in bringing the inventories to their present location and condition.
- (iii) Work in progress & finished Goods: Valued at cost or net realizable value whichever is less. Costs includes direct material costs, wages and applicable overheads.

2.12 Cash and cash equivalents:

Cash comprises cash on hand, in bank and demand deposits with banks. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents. Such cash equivalents are subject to insignificant risk of changes in value.

Cash flows are reported using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transaction of non- cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.13 Provisions and contingent liabilities

2.13.1 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as an interest expense. Provisions are not recognized for future operating losses.

Provisions for onerous contracts are recognized when the expected benefits to be desired by the Company from a contract are lower than unavoidable costs of meeting to future obligations under the contract and are measured at the present value of lower than expected net cost of fulfilling the contract and expected cost of terminating the contract.

2.13.2 Contingencies

Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2.14 Revenue recognition

Revenue from contracts with customers is recognised, on the basis of approved contracts, when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in



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exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally upon delivery of the goods. Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the fair value of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Variable consideration includes incentives, volume rebates, discounts etc., which is estimated at contract inception considering the terms of various schemes with customers 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. It is reassessed at end of each reporting period.

Generally, the Company receives advances from few of its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.15 Interest Income

Interest income from a financial asset 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 principal outstanding and at the effective interest rate applicable.

2.16 Government grants/incentives

Government grants are recognized when there is a reasonable assurance that:

- a) The Company will comply with the conditions attached to them; and
- b) The grant will be received.

Export entitlements from government authorities are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Grants are recognized net of attributable expenses.

2.17 Employee benefit plans

Employee benefits include provided fund, employee's state insurance scheme, gratuity fund and compensated absences.

Post-employment obligations:

Defined contribution plans:

Contributions in respect of Employees Provident Fund and Pension Fund which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as an



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expense based on the amount of contribution required to be made and when service are rendered by the employees.

Defined benefit plans

Gratuity:

The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date using projected unit credit method. The liability recognized in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plant assets.

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 terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

Compensated absences:

The employees of the Company are entitled to compensate absences. The employees can carry-forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

Other short-term employee benefits

Other short-term employee benefits and performance incentives expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders service.

2.18 Operating Segments

The Company's Chief operating decision maker is the Managing Director and Chief Executive Officer who evaluates Company's performance and allocates resources based on an analysis of various performance indicators by business verticals and geographical segmentation of customers.

The company is engaged in in providing total electronic manufacturing solutions single operating segment "Total electronic manufacturing solutions" which is considered as the primary business segment.



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2.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.20 Financial instruments

a) Initial recognition:

Financial assets and financial liabilities are recognized when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

b) Subsequent Measurement:

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

Classification of financial assets:

Financial assets carried at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.



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Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(ii) Financial liability:

All financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Financial Liability subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item

c) Foreign exchange gains and losses:

For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.



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For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income'

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

d) De-recognition of financial assets and liabilities:

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risk and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

2.21 Determination of fair values

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of asset or liability of market participants when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions



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that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.22 Impairment of assets

Financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in statement of profit and loss.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

Non-financial assets

Intangible assets, Intangible assets under development, property, plant and equipment and ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. Intangible assets under development are tested for impairment annually. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been



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determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.23 Earnings per share:

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.24 New and amended standards

A. Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020.

B. Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020.



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3. Property, plant and equipment

Particulars	As at	
	March 31, 2021	March 31, 2020
Carrying amount of:		
Buildings	832.37	82.42
Leasehold improvements	6.41	7.81
Computers	37.70	21.49
Plant and equipment	395.17	354.84
Office equipment	10.62	4.47
Furniture and fixtures	68.27	60.45
Electrical installations	15.13	12.03
Vehicles	0.01	0.01
Tools and equipment	35.21	28.84
Total	1,400.89	572.36

Notes :

(a) Movement in the carrying amount of property, plant and equipment is as below:

Particulars	Buildings (refer note below)	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Tools and equipment	Total
I. Cost or Deemed Cost										
Balance as at April 1, 2019	-	17.31	39.20	648.60	18.40	117.60	27.61	0.27	83.89	952.88
Additions	83.56	1.72	16.99	83.04	1.64	3.19	3.12	-	17.54	210.80
Balance as at March 31, 2020	83.56	19.03	56.19	731.64	20.04	120.79	30.73	0.27	101.43	1,163.68
Additions	791.53	0.57	28.98	100.85	8.68	19.21	6.81	-	17.86	974.49
Balance as at March 31, 2021	875.09	19.60	85.17	832.49	28.72	140.00	37.54	0.27	119.29	2,138.17
II. Accumulated depreciation										
Balance as at April 1, 2019	-	9.15	26.26	326.95	13.79	50.41	16.79	0.26	64.47	508.08
Depreciation for the year	1.14	2.07	8.44	49.85	1.78	9.93	1.91	-	8.12	83.24
Balance as at March 31, 2020	1.14	11.22	34.70	376.80	15.57	60.34	18.70	0.26	72.59	591.32
Depreciation for the year	41.58	1.97	12.77	60.52	2.53	11.39	3.71	-	11.49	145.96
Balance as at March 31, 2021	42.72	13.19	47.47	437.32	18.10	71.73	22.41	0.26	84.08	737.28
III. Carrying Amounts (I-II)										
Balance as at March 31, 2020	82.42	7.81	21.49	354.84	4.47	60.45	12.03	0.01	28.84	572.36
Balance as at March 31, 2021	832.37	6.41	37.70	395.17	10.62	68.27	15.13	0.01	35.21	1,400.89

(b) Includes ₹ 832.37 (March 31, 2020: ₹ 82.42) relating to building constructed on leasehold land.



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3B. Leases**Transition**

Effective April 1, 2019, the Company had adopted Ind AS 116 'Leases' which sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The Company had applied modified retrospective approach for all leases existing at the date of initial application and the cumulative effect of applying Ind AS 116 had been recognised as an adjustment to the opening balance of retained earnings. On transition, the adoption of this standard resulted in the recognition of Right of Use (ROU) asset of ₹ 493.63 and a lease liability of ₹ 513.19 and a net adjustment to opening balance of retained earnings of ₹ 14.48 (net of deferred tax). The effect of adopting this standard was not material on the profit for the previous year.

(a) Right of use assets:

Particulars	Leasehold land	Buildings	Total
Balance as at April 1, 2019	428.21	65.42	493.63
Depreciation (refer note 26)	-	(18.42)	(18.42)
Depreciation transferred to CWIP	(22.52)	-	(22.52)
Balance as at March 31, 2020	405.69	47.00	452.69
Additions	-	20.27	20.27
Deletions	-	(12.87)	(12.87)
Depreciation (refer note 26)	(16.98)	(17.37)	(34.35)
Depreciation transferred to CWIP	(5.63)	-	(5.63)
Balance as at March 31, 2021	383.08	37.03	420.11

b) Current and non-current lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	52.52	48.23
Non-current lease liabilities	400.02	417.50
Total	452.54	465.73

The following is the movement in lease liabilities during the year ended:

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	465.73	513.19
Additions	20.27	-
Deletions	(17.85)	-
Finance cost accrued during the year (refer note 25)	34.56	7.67
Finance cost transferred to CWIP	9.09	36.27
Payment of lease liabilities	(59.26)	(91.40)
Balance at the end of the year	452.54	465.73

The table below provides details regarding contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	56.85	54.27
One to five years	239.62	212.04
More than five years	604.18	691.04
Total	900.65	957.35

The Company does not face a significant liquidity risk with regard to its lease liabilities, as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



4. Goodwill

Particulars	As at	
	March 31, 2021	March 31, 2020
Balance at beginning of year	30.30	30.30
Balance at end of the year	30.30	30.30

The Company has identified Techno Tools as a Cash Generating Units (CGU) and the goodwill has been allocated to this CGU for the purpose of impairment testing. This goodwill is tested for impairment at least on an annual basis or more frequently when there is an indication for impairment. The estimated value-in-use of this cash generating unit (CGU) is based on the future cash flows discounted at the rate of 14% for the forecast period of 5 years and a nil terminal growth rate. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

5. Other intangible assets

Particulars	As at	
	March 31, 2021	March 31, 2020
Carrying amount of:		
Computer software	4.94	6.58
Total	4.94	6.58

(ii). Movement in the carrying amount of intangible assets is as below:

Particulars	Computer software	Total
I. Cost or deemed cost		
Balance as at April 1, 2019	85.83	85.83
Additions	3.09	3.09
Balance as at March 31, 2020	88.92	88.92
Additions	2.67	2.67
Balance as at March 31, 2021	91.59	91.59
II. Accumulated amortisation		
Balance as at April 1, 2019	78.21	78.21
Amortisation for the year	4.13	4.13
Balance as at March 31, 2020	82.34	82.34
Amortisation for the year	4.31	4.31
Balance as at March 31, 2021	86.65	86.65
III. Carrying amounts (I-II)		
Net book value as at March 31, 2020	6.58	6.58
Net book value as at March 31, 2021	4.94	4.94

6. Investments

Particulars	As at	
	March 31, 2021	March 31, 2020
Investments carried at fair value through other comprehensive income (unquoted)		
Equity instruments in Mysore ESDM Cluster	3.22	3.22
Balance as on March 31, 2021	3.22	3.22

The Company is one of the founder promoters of the Mysore ESDM (Electronic Systems Design and Manufacturing) Cluster, an initiative of the Government of India, to establish common facilities centre, for the development of ESDM companies in this region. The objective of the investment is not to obtain economic benefits through the activities and accordingly, the Company has not presented consolidated financial statements.



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7. Loans and other financial assets

7A. Loans and deposits

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-current (at amortised cost)		
Security deposits		
- Unsecured, considered good	46.20	46.20
Total loans and deposits	46.20	46.20

7B. Other financial assets

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-current (at amortised cost)		
Retention money receivable	-	9.68
Total	-	9.68
Current (at amortised cost)		
Interest accrued on deposit accounts	12.46	27.93
Advance to employees	1.21	0.89
Others	17.26	-
Total	30.93	28.82
Total other financial assets	30.93	38.50

8. Other assets

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-current :		
(at amortised cost)		
Capital advances	17.99	89.24
Deferred contract costs	14.53	-
Total	32.52	89.24
Current :		
(at amortised cost)		
Prepaid expenses	32.40	11.05
Advance to suppliers	131.93	285.60
Balances with government authorities	21.37	46.98
Deferred contract costs	24.91	58.58
Other current assets	30.67	16.05
Total	241.28	418.26
Total other assets	273.80	507.50

9. Inventories

Particulars	As at	
	March 31, 2021	March 31, 2020
Inventories		
Raw materials	1,190.73	1,686.58
Work-in-progress	106.97	140.32
Finished goods	225.70	366.76
Consumables & stores	31.07	32.11
Total	1,554.47	2,225.77



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10. Trade receivables

Particulars	As at	
	March 31, 2021	March 31, 2020
Trade receivables		
Unsecured, considered good*	2,263.83	545.85
Trade receivables - significant increase in credit risk	-	-
Trade receivables - credit impaired	137.15	128.47
Expected credit loss allowance	(137.15)	(128.47)
Total	2,263.83	545.85

* includes amount receivable from related parties (refer note 30)

Note:

Expected Credit Loss (ECL):

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. The average credit period is between 60-90 days. Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits for each customer. Limits and scoring attributed to customers are reviewed once a year.

As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL allowance (or reversal) during the year is recognised in the statement of profit and loss

Ageing	As at	
	March 31, 2021	March 31, 2020
Within the credit period	1,528.59	318.67
1-90 days past due	647.05	150.35
91-180 days past due	82.35	43.05
181-365 days past due	31.17	40.18
More than 365 days past due	111.82	122.07
Balance at the end of the year	2,400.98	674.32

Movement in the expected credit loss allowance	As at	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	128.47	44.79
Provision made during the year (refer note 27)	22.40	85.04
Reversal of provision on account of collection (refer note 27)	(13.72)	(1.36)
Balance at the end of the year	137.15	128.47



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11: Cash and Bank Balances

11A. Cash and cash equivalents

Particulars	As at	
	March 31, 2021	March 31, 2020
Balances with banks		
in current accounts	146.62	220.54
Cash on hand	0.07	0.03
Remittances in transit	-	14.01
Total	146.69	234.58

11B. Other bank balances

Particulars	As at	
	March 31, 2021	March 31, 2020
Deposits held as margin money/security for bank guarantees	195.07	426.87
Total	195.07	426.87

Deposits held as margin money is towards non-fund based limits sanctioned by the bank for establishment of bank guarantee and letter of credits.

Note :

Reconciliation of liabilities arising from financing activities:

(a) For the year end March 31, 2021:

Particulars	As at March 31, 2020	New Leases	Proceeds	Repayment	Foreign exchange	As at March 31, 2021
Non-current borrowings (including current portion)	781.42	-	230.00	(15.79)	-	995.63
Current borrowings (net)	1,832.29	-	1,645.17	(2,136.20)	0.76	1,342.02
Lease liabilities	465.73	46.07	-	(59.26)	-	452.54
Total liabilities from financing activities	3,079.44	46.07	1,875.17	(2,211.25)	0.76	2,790.19

(b) For the year end March 31, 2020:

Particulars	As at March 31, 2019	Proceeds/ Additions	Impact on account of adoption of Ind AS 116	Repayment	Foreign exchange	As at March 31, 2020
Non-current borrowings (including current portion)	119.32	700.00	-	(37.90)	-	781.42
Current borrowings (net)	1,484.21	1,760.12	-	(1,425.44)	13.40	1,832.29
Lease liabilities	-	-	557.13	(91.40)	-	465.73
Total liabilities from financing activities	1,603.53	2,460.12	557.13	(1,554.74)	13.40	3,079.44



12. Equity share capital

Particulars	As at	
	March 31, 2021	March 31, 2020
Authorised share capital: 4,750,000 equity shares of ₹ 10 each (March 31, 2020 : 4,750,000)	47.50	47.50
Issued and subscribed capital: 1,367,000 fully paid up equity shares of ₹ 10 each (March 31, 2020: 1,367,000)	13.67	13.67
Total	13.67	13.67

Note:

(A) Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares held	Amount	No of shares held	Amount
Balance as at beginning of the year	1,367,000	13.67	1,367,000	13.67
Balance as at end of the year	1,367,000	13.67	1,367,000	13.67

(B) Details of shares held by each shareholder holding more than 5% shares

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid up equity shares Cyient Limited (Holding company)	1,367,000	100.00%	1,367,000	100.00%

As per records of the Company, including its register of shareholders and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(C) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

13. Other equity

Particulars	As at	
	March 31, 2021	March 31, 2020
(a) General reserve	3.72	3.72
(b) Securities premium account	92.09	92.09
(c) Retained earnings		
(i) Opening balance	147.58	239.77
(ii) Profit/(loss) for the year	118.14	(67.04)
(iii) Other comprehensive Income	1.32	(10.67)
(iv) Impact on account of adoption of Ind AS 116, net of tax	-	(14.48)
	267.04	147.58
Total	362.85	243.39

Notes :

a) General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

b) Securities premium reserve:

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(c) Retained earnings

(i) Retained earnings comprises of prior years' undistributed earnings after taxes along with current year profit, net of dividends declared and dividend distribution tax thereon.
(ii) 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. These are presented within retained earnings.



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14. Borrowings

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-current- at amortised cost		
Unsecured		
Term loan from related party (refer note 30)*	640.00	651.88
Total	640.00	651.88
Current- at amortised cost		
Unsecured		
Working capital loan from related party (refer note 30)	315.00	315.00
Secured		
Working capital loans from banks	1,027.02	1,517.29
Total	1,342.02	1,832.29
Total borrowings	1,982.02	2,484.17

* Current maturities of non-current borrowings have been disclosed under the head Other financial liabilities (refer note 15).

Details of the borrowings along with their terms and conditions:**a. Term loan from related party:**

The Company has obtained term loan of ₹ 1,000.00 from Cyient Limited for capital expenditure purpose, which is availed in various tranches starting from February 2019 repayable in 16 quarterly installments starting from the agreed date for each tranche. Outstanding balance of the term loan as at March 31, 2021 was ₹ 995.63 (March 31, 2020: ₹ 765.63). Rate of interest is 6.00% p.a. There is no default in the repayment of principal loan and interest amount.

b. Working capital loan from related party:

The Company has availed working capital loan repayable on demand from Cyient Limited whose outstanding balance as at March 31, 2021 is ₹ 315 (March 31, 2020: ₹ 315.00). The rate of interest is 6.00% p.a.

c. Working capital loans from banks:

- The Company has availed working capital loans from various banks whose outstanding balance as at March 31, 2021 is ₹ 659.66 (March 31, 2020 is ₹ 826.56). The rate of interest on these loans range from 6.50% to 8.15%.
- The Company has availed packing credit facility from banks whose outstanding balance as at March 31, 2021 is ₹ 367.36 (March 31, 2020 is ₹ 690.73). The rate of interest on these facilities range from 1.00% to 2.00%.

Security terms for loans from banks:

- First pari-passu charge on present and future current assets including stock and book debts of the Company
- Second pari-passu charge on all existing and future movable fixed assets of the Company
- Corporate guarantee from Cyient Limited



Cyient DLM Private Limited**Notes forming part of the financial statements**

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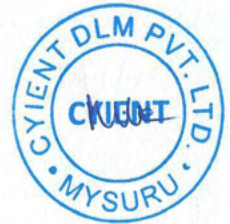
15. Other financial liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
Current (at amortised cost)		
Current maturities of non-current borrowings* (refer note 14)	355.63	129.54
Capital creditors	28.17	156.19
Interest accrued but not due on borrowings*	71.25	9.42
Total other financial liabilities	455.05	295.15

* includes amount payable to related parties (refer note 30)

16. Provisions

Particulars	As at	
	March 31, 2021	March 31, 2020
Gratuity (refer note 29)	41.02	38.71
Compensated absences (refer note 29)	25.11	22.96
Total provisions	66.13	61.67
Non-current:		
Gratuity	31.39	29.52
Compensated absences	22.39	19.71
Total	53.78	49.23
Current:		
Gratuity	9.63	9.19
Compensated absences	2.72	3.25
Total	12.35	12.44



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17. Income taxes

17.1 Tax Expense

A. Income tax expense/(benefit) recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of current year	27.13	-
In respect of prior years	-	(0.96)
Minimum Alternate Tax (MAT) credit availed	(22.10)	-
	5.03	(0.96)
Deferred taxes expense/(benefit):		
In respect of the current year	32.78	(4.16)
	32.78	(4.16)
Total	37.81	(5.12)

B. Income tax benefit recognised in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income tax benefit recognised directly in equity consists of:		
Tax effect on remeasurements of the net defined benefit liability	(0.52)	3.59
Total	(0.52)	3.59
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(0.52)	3.59
Items that may be reclassified to profit or loss	-	-

C. Reconciliation of effective tax rate

The following is the reconciliation of the company's effective tax rate for the year ended March 31, 2021 and 2020:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax		
Enacted rate in India	155.95	(72.16)
Computed expected tax expense	31.20%	31.20%
	48.66	(22.51)
Tax effect of adjustments to reconcile expected tax expense:		
Deferred tax liability reversing during tax holiday period	(10.22)	(7.07)
Reversal of deferred tax asset recognised on tax losses and other timing differences	6.43	11.13
Others	(7.06)	13.33
Income tax expense	37.81	(5.12)



Cyient DLM Private Limited

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17.2. Deferred tax assets and liabilities

A. The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at	
	March 31, 2021	March 31, 2020
Deferred tax assets		
Provision for doubtful debts	34.52	32.36
Section 43B disallowances	20.03	20.02
Carry forward of tax losses	-	22.46
MAT Credit Entitlement	24.51	2.41
Right of use assets/lease liabilities (refer note 3B)	(4.15)	10.36
Total (A)	74.91	87.61
Deferred tax liabilities		
Property, plant and equipment & Intangible assets	(24.05)	(25.63)
Total (B)	(24.05)	(25.63)
Deferred tax asset, net (A+B)	50.86	61.98

Deferred tax assets have been recognised considering the utilisation plan against future taxable profits which are supported by existing and future sale orders.

17.3. Income tax assets and liabilities

The following is the analysis of income tax assets/(liabilities) presented in the Company balance sheet:

	As at	
	March 31, 2021	March 31, 2020
Income tax assets, net		
Advances income taxes	5.84	8.54
Income tax liabilities, net		
Income tax payable	27.13	2.41

18. Other liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
Current		
Advance from customers	1,156.46	1,282.78
Statutory dues	5.27	8.46
Other current liabilities	28.94	28.94
Total	1,190.67	1,320.18

19. Trade Payables

Particulars	As at	
	March 31, 2021	March 31, 2020
(at amortised cost)		
(i) total outstanding dues of micro enterprises and small enterprises	60.60	22.98
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises (*)	1,839.65	1,025.59
Total	1,900.25	1,048.57

* includes amount payable to related parties (refer note 30)

Trade payables are non-interest bearing and are normally settled on 60-day terms



Cyient DLM Private Limited

Notes forming part of the financial statements

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

20. Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of goods	6,239.96	4,550.27
Rendering of services	40.32	20.60
Total	6,280.28	4,570.87

The Company presents revenues net of indirect taxes in the statement of profit and loss.

1. Disaggregated revenue information

	For the year ended March 31, 2021	For the year ended March 31, 2020
Type of goods or service		
Sale of printed circuit boards	6,239.96	4,550.27
Job work charges	40.32	20.60
Total	6,280.28	4,570.87
Based on geographical location of customers		
Within India	3,985.09	2,085.94
Outside India	2,295.19	2,484.93
Total	6,280.28	4,570.87
Timing of revenue recognition		
Goods transferred at a point in time	6,239.96	4,550.27
Services transferred over time	40.32	20.60
Total	6,280.28	4,570.87

2. Transaction price allocated to the remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

21. Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on financial assets carried at amortised cost		
Bank deposits	17.59	27.26
	17.59	27.26
Other non-operating income		
Export incentives (refer note (i) below)	46.88	31.01
Miscellaneous income	24.36	19.98
	71.24	50.99
Total	88.83	78.25

Note:

(i) Recognised upon satisfying the specified conditions under the applicable scheme defined by the Government of India.



Cyient DLM Private Limited

Notes forming part of the financial statements

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

22. Cost of materials consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	1,686.58	1,502.92
Add: Purchases	4,282.67	4,065.45
Less: Closing stock	(1,190.73)	(1,686.58)
Cost of materials consumed	4,778.52	3,881.79

23. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock:		
Finished goods	366.76	252.14
Work-in-progress	140.32	22.25
	507.08	274.39
Closing Stock:		
Finished goods	225.70	366.76
Work-in-progress	106.97	140.32
	332.67	507.08
Net (Increase) / Decrease	174.41	(232.69)

24. Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages, including bonus	414.83	392.04
Contribution to provident and other funds (refer note 29)	25.96	23.51
Staff welfare expenses	27.84	25.40
Total	468.63	440.95

25. Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense		
Interest on borrowings from banks	95.80	112.76
Interest on borrowings from related parties (refer note 30)	77.34	61.51
Interest on lease liabilities (refer note 3B)	34.56	7.67
Total	207.70	181.94



Cyient DLM Private Limited**Notes forming part of the financial statements**

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

26. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment	145.96	83.24
Depreciation of right-of-use assets (refer note 3B)	34.35	18.42
Amortisation of intangible assets	4.31	4.13
Total	184.62	105.79

27. Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rates and taxes	0.72	0.80
Insurance	17.42	8.59
Stores and spares consumed	19.44	20.76
Freight outwards	101.05	64.81
Travelling and conveyance	2.82	11.29
Communication	1.44	3.16
Printing and stationery	1.01	0.49
Power and fuel	30.29	26.23
Marketing expenses	62.78	38.64
Repairs and maintenance		
- Machinery	18.44	7.70
- Others	8.95	13.91
Legal and professional charges	27.75	12.09
Foreign exchange loss (net)	61.71	24.95
Expected credit loss allowance (net) (refer note 10)	8.68	83.68
Auditors' remuneration*		
-For statutory audit	1.40	1.40
-For reimbursement of expenses	0.03	0.05
Training and development	1.14	1.80
Miscellaneous expenses	34.21	23.15
Total	399.28	343.50

* Exclusive of applicable taxes



28. Contingent liabilities and Commitments

	As at	
	March 31, 2021	March 31, 2020
(A) Contingent liabilities:		
Claims against the Company not acknowledged as debt:		
(i) Pending statutory forms (C/H/I)	7.79	13.34
(ii) EPCG licence obligation	-	7.46
(iii) Pending obligation under Advance authorisation scheme	-	7.86
	7.79	28.66
(B) Commitments:		
(i) Contracts remaining to be executed on capital account and not provided for (net of capital advances)	33.82	194.57
Total	41.61	223.23

29. Employee benefits:

The employee benefit schemes are as under:

1 Defined contribution plans

i. Provident fund:

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the statement of profit and loss in the period they are incurred. Total expense recognised during the year aggregated to ₹ 16.49 (2019-20 : ₹ 15.33).

2 Defined Benefit Plans

i. Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by the Company's own trust which has subscribed to the "Group Gratuity Scheme" of Life Insurance Corporation of India.

The present value of the defined benefit obligation (DBO), and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate (%)	6.99%	6.69%
Salary increase rate (%)	10.00%	10.00%
Attrition (%)	8.00%	8.00%
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	58 years	58 years

The following table sets out the defined benefit costs as per actuarial valuation for the Company.

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	6.95	6.94
Net interest cost		
Interest expense on defined benefit obligation	4.51	2.84
Interest income on plan assets	(1.99)	(1.59)
Defined benefit cost included in P&L	9.47	8.19

Remeasurement effects recognised in Other Comprehensive Income	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (Gain) / Loss due to demographic assumptions change in defined benefit obligation	-	(0.38)
Actuarial (Gain) / Loss due to Financial assumptions change in defined benefit obligation	(2.16)	6.30
Actuarial (Gain) / Loss due to Experience on defined benefit obligation	0.32	8.34
Components of defined benefit costs recognised in Other Comprehensive Income	(1.84)	14.26

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	72.85	65.75
Fair value of plan assets	(31.83)	(27.04)
Net liability arising from defined benefit obligation	41.02	38.71

Movement in the present value of the defined benefit obligation	For the year ended March 31, 2021	For the year ended March 31, 2020
Projected benefit obligation at the beginning of the year	65.75	43.13
Current service cost	6.95	6.94
Interest cost	4.51	2.84
Actuarial loss/(gain)	(1.84)	14.26
Benefits paid	(2.52)	(1.42)
Defined benefit obligation at the end of the year	72.85	65.75



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Notes forming part of the financial statements

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Change in Plan assets	For the year ended March 31, 2021	For the year ended March 31, 2020
Plan assets at the beginning of the year		
Return on plan assets	27.04	22.04
Employer contribution	1.99	1.59
Benefits paid	5.32	4.83
Asset (loss)/Gain	(2.52)	(1.42)
Plan Assets at the end of the year	31.83	27.04

The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.

Composition of plan assets

Plan assets comprise of 100% insurer managed funds. Fund is managed by Life Insurance Corporation of India as per Insurance Regulatory and Development Authority of India (IRDA) guidelines, category wise composition of the plan assets is not available.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(7.20)	8.43	(6.75)	7.94
Future salary growth (1% movement)	7.91	(6.89)	7.41	(6.42)

Maturity profile of defined benefit obligation (discounted cash flows):

Particulars	As at March 31, 2021	As at March 31, 2020
Within 1 year		
1-2 year	3.48	2.85
2-3 year	3.10	2.86
3-4 year	2.92	2.53
4-5 year	4.68	2.38
5-10 year	2.49	4.08
Payouts above 10 years	16.17	12.53
	40.00	38.51

ii. Assumptions for compensated absences:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate (%)	6.99%	6.69%
Salary increase rate (%)	10.00%	10.00%
Attrition (%)	8.00%	8.00%
Leave availment ratio	5.00%	5.00%
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	58 years	58 years

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at year-end as per Company's policy. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to Statement of Profit and Loss in the period determined.

The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.



Cyient DLM Private Limited

Notes forming part of the financial statements

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

30. Related Party Transactions

(i) The list of related parties of the Company is given below:

Name of the related party	Nature of relationship
Cyient Limited	Holding company
Cyient Inc.	Fellow subsidiary
Cyient Israel India Limited	Fellow subsidiary
Key Managerial Personnel:	
Krishna Bodanapu	Director
Ajay Aggarwal	Director
Rajendra Velagapudi	Managing Director & CEO
Suchitra R C (w.e.f. October 16, 2019)	Additional Director & Vice President Operations
Jehangir Ardeshir (until September 13, 2019)	Independent Director
Haritha Saranga (until September 13, 2019)	Independent Director
Avinash Chander (until September 13, 2019)	Independent Director

(ii) Summary of the transactions with the above related parties are as follows:

Nature of the transaction	Party name	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	Cyient Limited	10.91	38.27
	Cyient Inc.	6.52	4.47
	Cyient Israel India Limited	-	0.16
Marketing expenses	Cyient Israel India Limited	20.00	13.88
Purchases of goods	Cyient Israel India Limited	-	4.20
	Cyient Limited	8.23	-
Reimbursement of expenses	Cyient Limited	37.09	29.51
	Cyient Inc.	22.64	-
Loans received	Cyient Limited	530.00	900.00
Loans paid	Cyient Limited	300.00	204.00
Corporate guarantee received	Cyient Limited	-	1,450.00
Corporate guarantee liquidated	Cyient Limited	-	2,210.00
Interest on loan from holding company	Cyient Limited	77.34	61.51
Managerial remuneration	Rajendra Velagapudi #1*	12.06	13.77
	Suchitra R C #1	6.26	5.80
	Independent Directors	-	0.90

#1 The above figures do not include provisions for leave encashment, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

* Managerial remuneration to Mr. Rajendra Velagapudi (Managing Director & CEO) is paid by Cyient Limited, Holding Company and is recharged to the Company.

(iii) Balances at the year-end:

Nature of the transaction	Party name	As at March 31, 2021	As at March 31, 2020
Trade Receivables	Cyient Limited	-	59.36
	Cyient Inc.	6.12	5.06
	Cyient Israel India Limited	-	0.05
Trade Payables	Cyient Limited	222.83	170.42
	Cyient Israel India Limited	44.53	62.53
	Cyient Inc.	22.96	-
Advance from customer	Cyient Limited	2.92	-
Advance to suppliers	Cyient Israel India Limited	-	19.26
Corporate guarantee outstanding	Cyient Limited	4,520.00	4,520.00
Loans outstanding	Cyient Limited	1,310.63	1,080.63
Interest on loans outstanding	Cyient Limited	70.75	7.32

31. Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(Loss) for the year	118.14	(67.04)
Basic and diluted:		
Number of equity shares outstanding at the year end	1,367,000	1,367,000
Weighted average number of equity shares	1,367,000	1,367,000
Earnings per share (₹)	86.42	(49.04)

*There were no dilutive instruments outstanding during the year



Cyient DLM Private Limited

Notes forming part of the financial statements

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

32. Financial Instruments

32.1 Capital management

The Company manages its capital to ensure that it maximises the return to stakeholders through the optimisation of the capital structure. The Company monitors the return on capital. In order to optimise the Company's position with regards to its borrowings, interest income and interest expense, treasury team performs a comprehensive corporate interest risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

32.1.1 Gearing ratio

The gearing ratio at end of the reporting period is as follows.

Particulars	As at	
	March 31, 2021	March 31, 2020
Borrowings from banks*	1,027.02	1,533.08
Less: Cash and bank balances	(341.76)	(661.45)
Net debt	685.26	871.63
Total equity	376.52	257.06
Net debt to equity	182%	339%

* Includes current, non-current and current maturities of non-current borrowings from banks (refer note 14)

32.1.2 : Financial Instruments by category

Particulars	Carrying value as at	
	March 31, 2021	March 31, 2020
Financial assets:		
Amortised cost		
Trade receivables		
Cash and cash equivalents	2,263.83	545.85
Other bank balances	146.69	234.58
Loans and deposits	195.07	426.87
Other financial assets	46.20	46.20
	30.93	38.50
Fair value through other comprehensive income		
Investments in other equity instruments (unquoted)	3.22	3.22
Total financial assets	2,685.94	1,295.22
Financial liabilities:		
Amortised cost		
Borrowings*		
Trade payables	2,337.65	2,613.71
Lease liabilities	1,900.25	1,048.57
Other financial liabilities	452.54	465.73
Total financial liabilities	99.42	165.61
	4,789.86	4,293.62

* Includes current, non-current and current maturities of non-current borrowings from banks (refer note 14)

The management assessed that fair value of cash and cash equivalents and other bank balances, trade receivables, other financial assets, loans and deposits, trade payables, borrowings, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments, and hence these are carried at amortised cost.

The fair value of the financial assets and liabilities is included 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.

32.2 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk and interest rate risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The liquidity risk is measured by the Company's inability to meet its financial obligations as they become due.

Foreign exchange risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies. The Company monitors and manages its financial risks by analysing its foreign exchange exposures.



Cyient DLM Private Limited

Notes forming part of the financial statements

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Foreign currency exposure unhedged

The following table analyzes foreign currency risk from financial instruments as of March 31, 2021:

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*
Cash and cash equivalents				
In Foreign currency	0.96	0.17	-	-
Equivalent ₹	70.50	14.65	-	-
Trade receivables				
In Foreign currency	11.28	0.08	-	-
Equivalent ₹	828.47	6.89	-	-
Trade payables				
In Foreign currency	(17.05)	(0.52)	(0.24)	(6.51)
Equivalent ₹	(1,252.13)	(44.77)	(24.23)	(94.09)
Current borrowings				
In Foreign Currency	(5.00)	-	-	-
Equivalent ₹	(367.20)	-	-	-

* Others include currencies such as Singapore \$, Israeli New Shekel, Japanese Yen etc.

The following table analyzes foreign currency risk from financial instruments as of March 31, 2020:

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*
Cash and cash equivalents				
In Foreign currency	2.67	0.15	-	-
Equivalent ₹	201.32	12.29	-	-
Trade receivables				
In Foreign currency	3.31	0.11	-	-
Equivalent ₹	249.79	9.29	0.31	-
Trade payables				
In Foreign currency	(6.75)	(0.64)	-	(2.89)
Equivalent ₹	(508.70)	(53.36)	(0.26)	(61.16)
Current Borrowings				
In Foreign currency	(8.03)	(0.74)	-	-
Equivalent ₹	(605.78)	(61.50)	-	-

* Others include currencies such as Singapore \$, Israeli New Shekel, Japanese Yen etc.

Sensitivity analysis:

For the year ended March 31, 2021, every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact by ₹ 43.04 (for year ended March 31, 2020: ₹ 40.85).

Interest Risk

There is no material interest risk relating to the Company's financial liabilities which are detailed in note 14.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of total receivables from top five customers and others:

Particulars	As at	
	March 31, 2021	March 31, 2020
Receivable from top 5 customers	72%	42%
Others	28%	58%

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31 March 2021 and 31 March 2020, the Company had unutilized credit limits from banks of ₹ 588.37 & ₹ 794.00 respectively.

The Company had negative working capital of ₹ 547.72 (March 31, 2020: ₹ 679.12), including cash and bank balances of ₹ 341.76 (March 31, 2020: ₹ 661.45)

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding borrowings and lease liabilities) as at March 31, 2021:

Particulars	Less than 1 year	1-2 years	2 years and more
Trade payables	1,900.25	-	-
Other financial liabilities	455.05	-	-
Total	2,355.30	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding borrowings and lease liabilities) as at March 31, 2020:

Particulars	Less than 1 year	1-2 years	2 years and more
Trade and other payables	1,048.57	-	-
Other financial liabilities	295.15	-	-
Total	1,343.72	-	-

The Company's obligation towards payment of borrowings has been included in note 14 and 15.

The Company's obligation towards payment of lease liabilities has been included in note 3B.



Cyient DLM Private Limited**Notes forming part of the financial statements**

(All amounts in ₹ millions, except share and per share data and where otherwise stated)

33. Segment information

The Company's operations fall within a single operating segment "Electronic manufacturing solutions" which is considered as the primary reportable business segment.

The reporting of geographical segments is based on the location of customers i.e., Domestic (Within India) and Overseas (Outside India).

Geographical segment information

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from operations	3,985.09	2,295.19	6,280.28	2,085.94	2,484.93	4,570.87
Non-current assets*	1,911.92	-	1,911.92	1,925.17	-	1,925.17

*Geographical non-current assets (property, plant and equipment, right of use assets, capital work-in-progress, goodwill, intangible assets and other non-current assets) are allocated based on location of assets.

Information about major customers

Particulars	For year ended			
	31-Mar-21	Percentage	31-Mar-20	Percentage
Revenue from top customers (*)	2,795.09	44.51%	2,170.54	47.49%
Others	3,485.19	55.49%	2,400.33	52.51%
Total Revenue	6,280.28	100.0%	4,570.87	100%

* Includes revenue from customers individually amounting to 10% or more of the Company's revenues.

34. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at	
	March 31, 2021	March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	60.60	22.28
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	0.04
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

35. The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

36. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

Accompanying notes form an integral part of

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Shankar Srinivasan
Partner

Membership No.: 213271



For and on behalf of the Board of Directors
Cyient DLM Private Limited

Ajay Aggarwal
Director
(DIN - 02565242)

Rajendra Velagapudi
Managing Director & CEO
(DIN - 06507627)

Parvati K R

Parvati K R
Company Secretary
(M.No. - A23584)



Place: Hyderabad
Date: May 24, 2021

Place: Hyderabad
Date: May 24, 2021