

Cyient DLM Private Limited
(CIN No.: U31909KA1993PTC014470)
Balance Sheet as at Mar 31, 2020

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

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	572.36	444.80
Right of use assets	3B	452.68	-
Capital work-in-progress	3	774.00	10.28
Goodwill	4	30.30	30.30
Intangible assets	5	6.58	7.62
Financial assets			
(a) Investments	6	3.19	0.03
Other financial assets	7B	55.88	60.09
Deferred tax assets (net)	18.2	62.00	49.15
Income tax assets	8	8.52	11.11
Other non-current assets	8	89.24	88.35
Total non-current assets		2,054.76	701.73
Current assets			
Inventories	9	2,225.77	1,789.34
Financial assets			
(a) Trade receivables	10	545.85	1,196.70
(b) Cash and cash equivalents	11A	234.58	232.97
(c) Other bank balances	11B	426.87	363.44
(d) Other financial assets	7B	28.85	17.50
Other current assets	8	418.26	359.65
Total current assets		3,880.19	3,959.60
Total assets		5,934.94	4,661.33
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	13.67	13.67
Other equity	13	243.39	335.58
Total equity		257.06	349.25
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(a) Borrowings	15	651.88	81.42
(b) Lease liabilities	3B	417.50	-
Provisions	17	49.23	30.10
Total non-current liabilities		1,118.60	111.52
Current liabilities			
Financial liabilities			
(a) Borrowings	20	1,946.04	1,484.21
(b) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	20A	22.98	11.84
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	20A	1,025.65	950.28
(c) Lease liabilities	3B	48.23	-
(d) Other financial liabilities	16	181.41	80.85
Income tax liabilities (net)	18.3	2.42	3.37
Provisions	17	12.44	8.99
Other current liabilities	19	1,320.11	1,661.02
Total current liabilities		4,559.28	4,200.56
Total liabilities		5,677.88	4,312.08
Total equity and liabilities		5,934.94	4,661.33
Corporate information and significant accounting policies	1 & 2		
Accompanying notes form an integral part of the consolidated financial statements			
As per our report of even date			
For S.R. BATLIBOI & ASSOCIATES LLP Chartered Accountants ICAI Firm registration number: 101049W/E300004		For and on behalf of the Board of Directors	
Shankar Srinivasan Partner Membership No.: 213271	Parvati K R Company Secretary M.No.A23584	Ajay Aggarwal Director DIN/02565242	Rajendra Velagapudi Managing Director & CEO DIN/06528470
Place: Hyderabad Date:	Place: Hyderabad Date :	Place: Hyderabad Date:	Place: Hyderabad Date:

Cyient DLM Private Limited
(CIN No.: U31909KA1993PTC014470)

Statement of Profit and Loss for the period ended Mar 31, 2020

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

Particulars	Note	For the Year ended March 31, 2020	For the Year ended March 31, 2019
INCOME			
Revenue from operations	21	4,570.87	4,804.70
Other income	22	53.30	24.55
Total income		4,624.17	4,829.25
EXPENSES			
Cost of materials consumed	24	3,881.80	3,737.85
Changes in inventories of finished goods and work-in-progress	25	(232.69)	94.84
Employee benefits expense	23	440.95	455.44
Finance costs	26	181.94	140.64
Depreciation and amortisation expense	27	105.79	83.15
Other expenses	28	318.54	331.15
Total expenses		4,696.33	4,843.07
Loss before exceptional item and tax		(72.16)	(13.82)
Loss before tax		(72.16)	(13.82)
Tax expense			
(a) Current tax	18.1	(0.96)	3.37
(b) Deferred tax	18.1	(4.17)	(7.86)
Total tax expense		(5.12)	(4.49)
Loss for the year		(67.04)	(9.33)
Other comprehensive income (OCI)			
(a) Items that will not be reclassified subsequently to statement of profit or loss:			
(i) Remeasurements gain/(loss) of the net defined benefit liability	17(i)	(14.26)	(4.59)
(ii) Income tax relating to items that will not be reclassified to profit or loss	18.1 (B)	3.59	1.43
Total other comprehensive income for the year		(10.67)	(3.16)
Total comprehensive income for the year		(77.71)	(12.49)
Earnings per equity share (par value of ₹ 10 each)	32		
Basic (₹)		(49.04)	(6.83)
Diluted (₹)		(49.04)	(6.83)
Weighted average number of equity shares			
Basic		1,367,000	1,367,000
Diluted		1,367,000	1,367,000
Corporate information and significant accounting policies			
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

Place: Hyderabad
Date:

Parvati K R
Company Secretary
M.No.A23584

Place: Hyderabad
Date :

For and on behalf of the Board of Directors

Ajay Aggarwal
Director
DIN/02565242

Place: Hyderabad
Date:

Rajendra Velagapudi
Managing Director & CEO
DIN/06528470

Place: Hyderabad
Date:

Cyient DLM Private Limited
(CIN No.: U31909KA1993PTC014470)

Statement of changes in equity for the year ended Mar 31, 2020

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

A. Equity share capital

Particulars	No's	Amount
Balance as at March 31, 2019	1,367,000.00	13.67
Balance as at March 31, 2020	1,367,000.00	13.67

B. Other Equity

Particulars	Reserves and Surplus			Total other equity
	Securities premium	General reserve	Retained earnings	
Balance at April 01, 2018	92.09	3.72	252.26	348.07
Profit/(Loss) for the period			(9.33)	(9.33)
Other comprehensive Income			(3.16)	(3.16)
Total comprehensive income for the year	92.09	3.72	239.77	335.58
Balance as at March 31, 2019	92.09	3.72	239.77	335.58
Impact on transition of Ind AS-116			(14.48)	(14.48)
Other comprehensive Income	-	-	(10.67)	(10.67)
Profit/(Loss) for the period	-	-	(67.04)	(67.04)
Balance at March 31, 2020	92.09	3.72	147.59	243.39

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors

Shankar Srinivasan

Partner

Membership No.: 213271

Place: Hyderabad

Date:

Parvati K R

Company Secretary

M.No.A23584

Place: Hyderabad

Date:

Ajay Aggarwal

Director

DIN/02565242

Place: Hyderabad

Date:

Rajendra Velagapudi

Managing Director & CEO

DIN/06528470

Place: Hyderabad

Date:

Cyient DLM Private Limited
(CIN No.: U31909KA1993PTC014470)
Cash Flow Statement for the year ended Mar 31, 2020
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	Year ended		Year ended	
	March 31, 2020		March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) for the year	(67.04)		(9.33)	
Adjustments for:				
Tax expense	(5.12)		(4.49)	
Depreciation and amortisation expense	87.37		83.15	
(Profit)/loss on sale of Plant,Property and Equipment (net)	-		0.11	
Net unrealised exchange (gain)/loss	14.68		12.29	
Finance costs	181.94		140.64	
Interest income	(27.26)		(16.77)	
Rental income from operating leases	(14.48)		-	
Trade receivables written off (net)	-		-	
Provision for doubtful debts, net	128.46		44.79	
Operating profit before working capital changes		298.56		250.39
Changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	551.90		118.46	
Inventories	(436.43)		(567.68)	
Other assets and other financial assets	(69.92)		(487.80)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	55.71		(261.91)	
Other financial liabilities	544.18		0.20	
Provisions and other liabilities	(289.48)		1,238.07	
Cash generated from operations		654.52		289.73
Income taxes paid		(15.79)		(0.99)
Net cash flow from operating activities (A)		638.73		288.74
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment towards purchase of property, plant and equipment and intangible assets (refer note (ii) below)	(1,040.92)		(117.35)	
Proceeds from sale of property, plant and equipment	(0.02)		0.93	
Right-of-use asset	(452.69)			
Interest received	27.26		16.77	
Net cash flow from investing activities (B)		(1,466.36)		(99.65)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(repayment) in long term borrowings (net)	592.56		17.22	
Proceeds/(repayment) in short term borrowings (net)	448.43		91.69	
Finance costs	(181.98)		(140.64)	
Interest accrued	(29.78)		15.80	
Net cash flow from financing activities (C)		829.23		(15.93)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		1.61		173.16
Cash and cash equivalents at the beginning of the year		232.97		59.80
Cash and cash equivalents at the end of the year*		234.58		232.97
Notes :				
(i) Cash and cash equivalents comprises of: (refer note 11A)				
Balances with Banks		220.54		147.94
Remittances in transit		14.01		84.97
Cash Balance		0.03		0.06
		234.58		232.97

(ii) Payments to acquire property, plant and equipment and intangible assets include payments for items in capital work-in-progress, intangible assets under development and capital advances for purchase of the same. Adjustments for increase/decrease in financial liabilities relating to the acquisition of these assets has been made to the extent identified.

Accompanying notes form an integral part of the consolidated financial statements
In terms of our report attached

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

For and on behalf of the Board of Directors

Shankar Srinivasan
Partner
Membership No.: 213271
Place:Hyderabad
Date:

Parvati K R
Company Secretary
M.No.A23584
Place: Hyderabad
Date :

Ajay Aggarwal
Director
DIN/02565242
Place : Hyderabad
Date:

Rajendra Velagapudi
Managing Director & CEO
DIN/06528470
Place: Hyderabad
Date:

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)

3. Property, plant and equipment

Particulars	As at	
	March 31, 2020	March 31, 2019
Carrying amount of:		
Buildings	82.42	
Leasehold improvements	7.81	8.16
Computers	21.49	12.94
Plant and equipment	354.85	321.65
Office equipment	4.47	4.61
Furniture and fixtures	60.44	67.19
Electrical installations	12.03	10.82
Vehicles	0.01	0.01
Tools and equipment	28.84	19.42
Total	572.36	444.80
Capital work-in-progress	774.00	10.28
Total	1,346.36	455.08

Notes :

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

Particulars	Buildings	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, 2018		16.83	29.52	604.01	16.59	109.98	26.44	0.27	79.13	882.77
Additions		0.48	9.68	55.17	1.81	7.62	1.17	-	4.76	80.69
Disposals	-	-	-	10.58	-	-	-	-	-	10.58
Balance as at March 31, 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	-	17.53	210.79
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	83.56	19.03	56.19	731.64	20.04	120.79	30.73	0.27	101.42	1,163.67
II. Accumulated depreciation										-
Balance as at April 1, 2018		7.13	20.95	295.52	12.02	41.15	14.68	0.26	56.74	448.45
Depreciation for the year		2.02	5.31	40.97	1.77	9.26	2.11	-	7.73	69.17
Disposals		-	-	9.53	-	-	-	-	-	9.53
Balance as at March 31, 2019		9.15	26.26	326.96	13.79	50.41	16.79	0.26	64.46	508.08
Depreciation for the year	1.14	2.07	8.44	49.85	1.78	9.93	1.91	-	8.12	83.24
Disposals		-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	1.14	11.22	34.70	376.80	15.57	60.34	18.70	0.26	72.58	591.33
III. Carrying Amounts (I-II)										
Balance as at March 31, 2019	-	8.16	12.94	321.66	4.61	67.18	10.82	0.01	19.43	444.81
Balance as at March 31, 2020	82.42	7.81	21.49	354.85	4.47	60.44	12.03	0.01	28.84	572.35

Cyient Limited**Notes forming part of the consolidated financial statements**

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

3B. Right of use assets ("ROU" assets)**Transition**

Effective April 1, 2019, the Company has 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 has applied modified retrospective approach for all leases existing at the date of initial application and the cumulative effect of applying Ind AS 116 has 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 and a lease liability of ₹ 513 and a net adjustment to opening balance of retained earnings of ₹ 14 (net of deferred tax). The effect of adopting this standard is not material on the profit for the year.

(a) Movement in the carrying value of right of use assets is as below:

Particulars	Building	Land	Total
Balance as at April 1, 2019			
Additions	65.42	428.20	493.62
Deletions			
Depreciation	18.42	22.52	40.94
Translation difference			
Balance as at March 31, 2020	47.00	405.68	452.68

The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2020
Current lease liabilities	48.23
Non-current lease liabilities	417.50

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

Particulars	March 31, 2020
Balance at the beginning of the year	-
Additions	513.19
Deletions	
Finance cost accrued during the year	43.97
Payment of lease liabilities	91.43
Translation difference	
Balance at the end of the year	465.73

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

Particulars	As at March 31, 2020
Less than one year	54.27
One to five years	212.04
More than five years	691.04
Total	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.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the statement of profit and loss relating to Unit-1,2 &3 and relating to Unit-4 depreciation is capitalised.

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)

4. Goodwill

Particulars	As at March 31,2020	As at March 31,2019
Balance at beginning of year	30.30	30.30
Additions on account of business combinations	-	-
Derecognised on account of amalgamation	-	-
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. As of March 31, 2020, the Directors of the Company have assessed the goodwill for impairment by determining the "value in use" of the CGU. The "value in use" of the CGU is determined as an aggregate of present value of cash flow projections covering a five year period and the terminal value. These estimates and assumptions, primarily include, but are not limited to, revenue growth and profitability during the forecast period, the discount rate and the terminal growth rate. The cash flows are discounted using a pre tax discount rate of **14%**. Terminal growth rate considered is Nil.

The projections used for determining the "Value in use" of cash generating unit are based on past experience of the business acquired and other sources of information (internal and external) regarding the business of the unit.

5. Intangible assets

Particulars	As at March 31,2020	As at March 31,2019
Carrying amount of:		
Computer Software	6.58	7.62
Total	6.58	7.62

(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, 2018	82.19	82.19
Additions	3.64	3.64
Disposals	-	-
Balance as at March 31, 2019	85.83	85.83
Additions	3.09	3.09
Disposals	-	-
Balance as at March 31, 2020	88.92	88.92
II. Accumulated amortisation		
Balance as at April 1, 2018	64.23	64.23
Amortisation for the year	13.98	13.98
Disposals	-	-
Balance as at March 31, 2019	78.21	78.21
Amortisation for the year	4.13	4.13
Disposals	-	-
Balance as at March 31, 2020	82.34	82.34
III. Carrying amounts (I-II)		
Net book value as at March 31, 2019	7.62	7.62
Net book value as at March 31, 2020	6.58	6.58

6. Investments

Particulars	As at March 31,2020	As at March 31,2019
(i) Equity instruments in ESDM Cluster (31,93,237 Equity Shares at face value of Rs. 1)	3.19	0.03
Balance as at Mar 31, 2020	3.19	0.03

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.

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)

7B. Other financial assets

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current (at amortised cost)		
a) Security Deposits Unsecured, considered good	46.20	52.51
b) Trade Receivables Unsecured, considered good	9.68	7.58
	55.88	60.09
Current (at amortised cost)		
a) Interest accrued on deposits	27.93	13.51
b) Advance to Employees	0.89	0.80
c) Others	0.03	3.19
Total other current financial assets	28.85	17.50
Total other financial assets	84.73	77.59

8. Other assets

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current : (at amortised cost)		
Capital advances	89.24	25.92
Advances to Income taxes, net	8.52	11.11
Deferred contract cost	-	62.43
Total other non-current assets	97.76	99.46
Current : (at amortised cost)		
Prepaid expenses	11.05	17.73
Advance to Suppliers	285.60	295.57
Balances with government authorities	46.98	41.31
Deferred contract cost	58.58	-
Other Current assets	16.05	5.04
Total other current assets	418.26	359.65
Total other assets	516.02	459.11

9. Inventories

Particulars	As at	
	March 31, 2020	March 31, 2019
Inventories (lower of cost and net realisable value)		
Raw materials	1,686.58	1,502.92
Work-in-progress	140.32	22.25
Finished goods	366.76	252.14
Stores and spares	32.11	12.03
Total	2,225.77	1,789.34

Inventories are measured at lower of cost or net realisable value.

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)

10. Trade receivables

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade receivables		
Unsecured, considered good	545.85	1,196.70
Doubtful	128.46	44.79
Less: Allowance for doubtful debts	(128.46)	(44.79)
Total	545.85	1,196.70

* includes an amount of Rs. 57.53 mio as at March 31, 2020 (Rs. 17.83 mio as at March 31, 2019), receivable from related parties

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, 2020	March 31, 2019
Within the credit period	318.67	680.32
1-90 days past due	150.35	345.36
91-180 days past due	43.05	84.70
181-365 days past due	40.18	31.57
More than 365 days past due	122.08	99.53
	674	1,241

Movement in the expected credit loss allowance	As at	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	44.78	14.59
Provision for ECL	85.04	33.19
Reversal of bad debts collected	(1.36)	(3.00)
Reversal of provision for ECL	-	-
Balance at the end of the year	128.46	44.78

11: Cash and Bank Balances

11A. Cash and cash equivalents

Particulars	As at	
	March 31, 2020	March 31, 2019
Cash on hand*	0.03	0.06
Balances with banks	220.54	147.94
Remittances in transit	14.01	84.97
Total	234.58	232.97

* Cash balance aggregate 0.03 as on March 31, 2020 (March 31, 2019 is 0.06)

11B. Other bank balances

Particulars	As at	
	March 31, 2020	March 31, 2019
Deposits held as margin money/security for bank guarantees	426.87	363.44
Total	426.87	363.44

Deposits held as margin money is towards non-fund based limits sanctioned by the bank for establishment of Bank Guarantee & Letter of Credits.

12. Equity share capital

Particulars	As at	
	March 31, 2020	March 31, 2019
Authorised share capital: 4,750,000 (as at March 31, 2019 : 4,750,000) equity shares of Rs. 10/- each	47.50	47.50
Issued and subscribed capital: 1,367,000 (as at March 31, 2019 : 1,367,000) fully paid up equity shares of Rs 10 each	13.67	13.67
Total	13.67	13.67

(A) Reconciliation of the number of shares outstanding:

Particulars	As at	
	March 31, 2020	March 31, 2019
Opening Balance	1,367,000.00	1,367,000.00
Add: Issue of shares in the current year	-	-
Balance as at Mar 31, 2020	1,367,000.00	1,367,000.00

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

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares Cyient Ltd (Holding Company)	1,367,000.00	100.00%	1,367,000.00	100.00%

(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, 2020	March 31, 2019
(a) General reserve		
(i) Opening balance	3.72	3.72
(ii) Transfer to capital redemption reserve upon Buyback of equity shares		
	3.72	3.72
(b) Securities premium account		
(i) Opening balance	92.09	92.09
	92.09	92.09
(c) Retained earnings	147.58	239.76
(i) Opening balance	239.76	252.26
(ii) profit attributable to owners of the company	(67.04)	(9.33)
(iii) Other Comprehensive Income arising out of remeasurement of defined benefit obligation (net of income tax)	(10.67)	(3.16)
(iv) Impact on transition of Ind AS 116	(14.48)	-
	147.58	239.77
Total	243.39	335.59

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 account

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.

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)

15. Borrowings

Particulars	As at	
	March 31, 2020	March 31, 2019
Non - Current		
Unsecured - at amortised cost		
Term loans		
from related parties	651.88	65.63
Secured - at amortised cost		
Term loans		
from banks	-	15.79
Total	651.88	81.42

* Current maturities on non-current borrowings have been disclosed under the head Other Financial Liabilities and Current Borrowings

15.1 Non current borrowings

Nature of Security & Terms of Repayment :

1. Nature of Security -

Term Loans are borrowed from HDFC Bank Ltd., and are secured by -

- i. First pari-passu charge on all existing and future fixed assets of the Borrower, to be shared with existing term lenders
- ii. Second pari-passu charge on Current assets and other movable asset of the company
- iii. Guarantees : Corporate Guarantee of Cyient Limited

2. Terms of Repayment and Rate of Interests**a. Term Loan - Rs. 150.00 Mio [HDFC]:**

Outstanding of Non- Current balance as at 31st March 2020 is Rs 15.79 mio. Outstanding balance as at 31st March 2019 is Rs. 53.69 mio.

There is no default in the repayment of principal loan and interest amount.

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)

16. Other financial liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
Secured - at amortised cost		
Current maturities of long-term debt	15.80	37.90
Payables on purchase of fixed assets	156.19	3.74
Interest accrued but not due on borrowings	9.42	39.21
Total other financial liabilities	181.41	80.85

* Includes an amount of Rs. 7.32 mio as at March 31, 2020 (March 31, 2019 is Rs. 35.52 mio), payable to Cyient Limited.

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)

17. Provisions

Particulars	As at	
	March 31, 2020	March 31, 2019
Gratuity	38.71	21.09
Compensated absences	22.96	18.00
	61.67	39.09
Non-current:		
Gratuity	29.52	14.26
Compensated absences	19.71	15.84
Total Non-current provisions	49.23	30.10
Current:		
Gratuity	9.19	6.83
Compensated absences	3.25	2.16
Total Current provisions	12.44	8.99
Total	61.67	39.10

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)

18. Income taxes

18.1 Tax Expense

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
In respect of the current year	-	3.37
In respect of prior years	(0.96)	-
	(0.96)	3.37
Deferred taxes expense/(benefit):		
In respect of the current year	(4.17)	(4.49)
MAT credit	0.96	(3.37)
	(3.21)	(7.86)
Total	(4.17)	(4.49)

B. Income tax expense/(benefit) recognised in other comprehensive income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Income tax expense/(benefit) recognised directly in equity consists of:		
Tax effect on remeasurements of the net defined benefit liability	(3.59)	(1.43)
	(3.59)	(1.43)

C. Reconciliation of effective tax rate

The following is the reconciliation of the company's effective tax rate for the year ended March 31, 2020 and 2019:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	(72.16)	(13.82)
Enacted rate in India	25.17%	31.20%
Computed expected tax expense	(18.16)	(4.31)
Tax effect of adjustments to reconcile expected tax expense:		
Effect of expenses that are not deductible in determining taxable profit	(7.76)	(5.92)
Others	3.59	1.43
	(14.00)	0.18
Income tax expense	(18.17)	(4.31)
Effective tax rate	25.17%	31.21%

18.2. Deferred tax assets and liabilities

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

Particulars	As at	
	March 31, 2020	March 31, 2019
Deferred tax assets		
Provision for Inventory Obsolescence, doubtful receivables etc.,	32.37	13.97
Section 43B disallowances	20.02	10.31
Carry forward for losses	25.74	40.43
MAT Credit Entitlement	2.42	3.37
Impact on transition of Ind AS 116	5.09	-
Total of Deferred Tax Assets	85.64	68.08
Deferred tax liabilities		
Fixed assets	(14.73)	(18.93)
On Lease	(8.91)	-
Total of Deferred Tax Liabilities	(23.64)	(18.93)
Deferred tax asset, net (A+B)	62.00	49.15

18.3. 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, 2020	March 31, 2019
Income tax assets,net.		
Income tax assets (net of provisions)	-	-
Income tax liabilities,net.	2.42	3.37

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)

19. Other liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
Current		
Advance from customers	1,282.71	1,603.39
Statutory Dues	8.46	20.74
Other Current liabilities	28.94	36.89
Total	1,320.11	1,661.02

20. Current borrowings

Particulars	As at	
	March 31, 2020	March 31, 2019
Unsecured - at amortised cost		
Loans from related parties - Refer Note (i) Below	428.75	319.37
Unsecured - at amortised cost		
from banks (bank overdraft) - Refer Note (ii) Below	1,517.29	1,164.84
Total	1,946.04	1,484.21

Notes:**(i) Unsecured Loan - From Holding Company- Cyient Ltd.,**

(a) Unsecured loans from Cyient Limited is disclosed under Non-Current Borrowings and Current Borrowings. Outstanding as on March 31, 2020 is Rs. 1080.63 Mio (Outstanding as on March 31, 2019 is Rs. 385 Mio).

(b) Interest rate of 8.30% per annum, on working capital loan outstanding as on 31.03.2020 is 315 Mio (31.03.2019 is 385 Mio)

(c) Interest rate of 9.05% per annum, on term loan outstanding as on 31.03.2020 is 765.63 Mio (31.03.2019 is Nil)

(ii) Loans from banks**(a) HDFC Bank :**

Loan outstanding balance as on March 31, 2020 is Rs. 681.31 Mio (March 31, 2019: Rs. 830.09 Mio) This loan is secured by a corporate guarantee from Cyient Limited.

Primary Security: Current Assets - Paripassu charge on Current Assets

Security: Movable Fixed Assets - Paripassu charge on Movable fixed assets of the company.

(b) State Bank of India:

Loan outstanding balance as on March 31, 2020 is Rs. 513.28 Mio (March 31, 2019 Rs. 334.75 Mio). This loan is secured by a corporate guarantee from Cyient Limited.

Primary Security: Current Assets - Paripassu charge on Current Assets

Security: Movable Fixed Assets - Paripassu charge on Movable fixed assets of the company.

(C) Federal Bank :

Loan outstanding balance as on March 31, 2020 is Rs. 298.16 Mio (March 31, 2019 Rs. Nil). This loan is secured by a corporate guarantee from Cyient Limited.

Primary Security: Current Assets - Paripassu charge on Current Assets

Security: Movable Fixed Assets - Paripassu charge on Movable fixed assets of the company.

20 A. Trade Payables

Particulars	As at	
	March 31, 2020	March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises	22.98	11.84
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,025.65	950.28
Total	1,048.63	962.12

* includes an of amount of Rs. 196.88 Mio as on 31.03.2020 (Rs. 129.43 mio as at 31.03.2019), payable to its related parties (refer note 31)

** 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)

21. Revenue from contracts with customers

Particulars	For the year ended March 31, 2020	For the year ended 'March 31, 2019
Revenue from products	4,550.27	4,767.03
Revenue from services	20.60	37.67
Total revenue from operations	4,570.87	4,804.70

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

Performance obligations and 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.

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. Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
Interest income on financial assets carried at amortised cost:		
Bank deposits	27.26	16.77
	27.26	16.77
Other income		
Scrap Sales	2.47	3.12
Other Income	17.51	1.32
	19.98	4.44
Other non-operating income		
Export Incentives (Refer Note (i))	31.01	12.83
	31.01	12.83
Other gains and losses		
Foreign exchange gain / (loss)	(24.95)	(9.49)
	(24.95)	(9.49)
Total	53.30	24.55

Note:

(i) During the year, the company has recognized export incentives of Rs 31.01 Mio (2018-19 : Rs 12.83 Mio) under scheme defined by the government of India, as other income upon satisfying the conditions specified in the applicable scheme.

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)

23. Employee benefits expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages, including bonus	392.04	381.24
Contribution to provident and other funds	23.51	18.52
Staff welfare expenses	25.40	55.68
Total	440.95	455.44

24. Cost of materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	1,502.92	829.69
Add: Purchases	4,065.46	4,411.08
Less: Closing stock	1,686.58	1,502.92
Cost of materials consumed	3,881.80	3,737.85

25. Changes in inventories of finished goods, Stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock:		
Finished goods	252.14	188.90
Work-in-progress	22.25	180.34
	274.39	369.24
Closing Stock:		
Finished goods	366.77	252.14
Work-in-progress	140.32	22.25
	507.09	274.39
(Increase) / Decrease	(232.69)	94.84

26. Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
Interest on bank overdrafts and loans (other than those from related parties)	112.76	115.10
Interest on loans from related parties	61.51	25.54
Others	7.67	-
Total	181.94	140.64

27. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of tangible assets	83.24	69.17
Depreciation of right-of-use assets	18.42	-
Amortisation of intangible assets	4.13	13.98
Total	105.79	83.15

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)

28. Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent including lease rentals	(3.58)	25.27
Rates and taxes	0.80	4.84
Insurance	8.59	3.34
Stores and spares consumed	20.76	71.72
Freight and handling charges	64.81	38.10
Travelling and conveyance	11.29	7.93
Communication	3.16	3.26
Printing and stationery	0.49	3.72
Power and fuel	26.23	26.93
Marketing expenses	38.62	39.06
Repairs and maintenance		
- Machinery	7.70	24.27
- Others	13.91	11.53
Legal and professional charges	11.35	16.65
Provision for doubtful debts (net)	83.68	30.19
Auditors' remuneration		-
-For audit	1.90	1.80
-For other services	0.29	0.15
Training and development	1.80	1.42
Loss on sale of Asset	-	0.11
Miscellaneous expenses	26.74	20.86
Total	318.54	331.15

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

Notes forming part of the financial statements

29. Contingent liabilities and Commitments

	As at	
	March 31, 2020	March 31, 2019
(A) Contingent liabilities:		
Claims against the Company not acknowledged as debt: (note i, ii, iii, iv and v)		
(i) Pending statutory forms (C/H/I)	13.34	19.31
(ii) EPCG licence obligation	7.46	7.46
(iii) Pending Obligation under DEPB scheme	7.86	8.98
	28.66	35.75
(B) Commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	194.57	13.86
	195	13.86
Total	223.23	49.61
Total (A+B)	223.23	49.61

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. 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 Rs. 15.33 Mio (2018-19 : Rs. 12.51 Mio). As at March 31, 2020, Contributions of Rs. 2.57 Mio (as at March 31, 2019 is Rs. 2.16 Mio) due in respect of 2019-20 (2018-19) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

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.

This plan typically expose the group to actuarial risks such as : investment risk, interest rate risk, longevity risk and salary risk.

No other post retirement benefits are provided to these employees.

The principal assumptions used for the purposes of the actuarial valuations were as follows:	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount Rate (%)	6.69%	7.60%
Salary Increase rate (%)	10.00%	10.00%
Attrition (%)	8.00%	8.00%
Mortality Table	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Retirement age	58 years	58 years

The following table sets out the Defined Benefit Plan - as per actuarial valuation as at March 31, 2020 and March 31, 2019:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows		
Current Service cost	6.94	5.09
Net interest cost		
Interest Expense on Defined Benefit Obligation	2.84	2.44
Interest (Income on Plan Assets)	(1.59)	(1.51)
Defined benefit cost included in P&L	8.18	6.01
Remeasurement effects recognised in Other Comprehensive Income		
Actuarial (Gain) / Loss due to demographic assumptions change in DBO	(0.38)	9.54
Actuarial (Gain) / Loss due to Financial assumptions change in DBO	6.30	(26.94)
Actuarial (Gain) / Loss due to Experience on DBO	8.35	21.53
Return on plan assets (Greater)/Less than Discount rate	-	0.46
Components of defined benefit costs recognised in Other Comprehensive Income	14.26	4.59

The current service cost and the net interest expense for the year are included in the Employee benefits expense line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

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, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	65.74	43.13
Fair value of plan assets	(27.03)	(22.04)
Net liability arising from defined benefit obligation	38.71	21.09

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)

Movement in the present value of the defined benefit obligation	Year ended March 31, 2020	Year ended March 31, 2019
Projected benefit obligation at the beginning of the year	43.13	32.63
Current service cost	6.94	5.09
Interest cost	2.84	2.44
Actuarial loss/(gain)	14.26	4.14
Benefits paid	(1.42)	(1.17)
Defined benefit obligation at the end of the year	65.74	43.13
Change in Plan Assets		
Plan assets at the beginning of the year	22.04	18.70
Expected return on plan assets	1.59	1.51
Employer contribution	4.83	3.46
Benefits payment	(1.42)	(1.17)
Asset (loss)/Gain	-	(0.46)
Plan Assets at the end of the year	27.03	22.04

The estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligation.

Composition of plan assets

Plan assets comprise of 100% insurer managed funds. Fund is managed by LIC as per 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.

Sl. No.	Particulars	% increase in DBO	Liability	Increase in DBO
1	Discount Rate + 100 basis points	-10.26%	58.99	(6.75)
2	Discount Rate - 100 basis points	12.08%	73.68	7.94
3	Salary Growth + 100 basis points	11.27%	73.15	7.41
4	Salary Growth - 100 basis points	-9.77%	59.31	(6.42)
5	Attrition Rate + 100 basis points	-3.05%	63.73	(2.01)
6	Attrition Rate - 100 basis points	3.50%	68.03	2.30
7	Mortality Rate 10% Up	0.09%	65.68	(0.06)

Expected Contributions to the plan for the next annual reporting period

	Discounted Values/Present Value	Undiscounted Values/Actual Value
Five Year Payouts		
Year (I)	2.85	2.98
Year (II)	2.86	3.18
Year (III)	2.53	3.00
Year (IV)	2.38	3.02
Year (V)	4.08	5.41
Next 5 year payouts (6-10 years)	12.53	20.44
Payouts above ten years	38.51	121.19

ii. Provision for Compensated absences of Rs. 22.96 mio (March 31, 2019 - Rs. 18.00 mio) is based on actuarial valuation:

Actuarial assumptions for long-term compensated absences	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	6.69%	7.60%
Salary escalation	10%	10%
Attrition	8%	8%
Leave availment ratio	5%	5%

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 estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligation.

Cyient DLM Private Limited
Notes forming part of the financial statements

31. Related Party Transactions

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

Name of the Holding Company	Country of incorporation	Extent of holding	Extent of holding
		(%) as at 31-Mar-20	(%) as at 31-Mar-19
Cyient Limited	India	100%	100%

Subsidiaries of Holding Company:

Name of the Subsidiary	Country of incorporation	Extent of holding	Extent of holding
		(%) as at 31-Mar-20	(%) as at 31-Mar-19
Cyient Inc.	USA	100%	100%
Cyient GmbH	Germany	100%	100%
Cyient Israel India Ltd.	Israel	100%	100%

Key Managerial Personnel:

Name	Designation
Krishna Bodanapu	Director
Ajay Aggarwal	Director
Rajendra Velagapudi	Managing Director & Chief Executive Officer
Suchitra R C	Additional Director (From 16/10/2019)
Jehangir Ardeshir	Independent Director (Cessation on 13/09/2019)
Haritha Saranga	Independent Director (Cessation on 13/09/2019)
Avinash Chander	Independent Director (Cessation on 13/09/2019)

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

Nature of the transaction	Party name	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Revenue - Sale of goods/services	Cyient Limited	33.04	32.60
Revenue - Sale of goods/services	Cyient Inc.,	4.47	14.40
Revenue - Sale of goods/services	Cyient Israel India Limited	0.16	-
Business Development Expenses	Cyient Israel India Limited	61.17	20.41
Re-imburement of common expenditure	Rangsons Schuster Technologies Private Limited	-	1.30
Re-imburement of expenditure	Cyient Limited	51.85	50.75
Re-imburement of expenditure	Cyient Inc.,	-	5.82626
Re-imburement of expenditure	Cyient Limited - IT Park	-	-
Remuneration to Key Managerial Personnel	Rajendra Velagapudi	13.77	13.64
Remuneration to Key Managerial Personnel	Suchitra R C	5.80	-
Interest on unsecured loan	Cyient Limited	61.51	14.85
Receipt of Unsecured Loans during the year	Cyient Limited	900.00	120.00

Note: **Interest on unsecured loan need to up date interest rate**

Cyient DLM Private Limited
Notes forming part of the financial statements

(iii) Balances at the year-end:

Nature of the transaction	Party name	As at Mar 31, 2020	As at Mar 31, 2019
Trade Receivables	Rangsons Schuster Technologies Private Limited	-	0.46
Trade Receivables	Cyient Inc.,	4.48	3.58
Trade Receivables	Cyient Limited	59.36	13.79
Trade Receivables	Cyient Germany	0.10	-
Trade Receivables	Cyient Israel	0.16	-
Lease / Rental Deposit paid	VCT Labs	-	7.50
Rent Payable	VCT Labs	-	3.37
Trade Payables	Cyient Inc.,	-	0.12
Trade Payables	Cyient Limited	170.42	116.89
Trade Payables	Rangsons Defence Solutions Private Limited	-	0.89
Trade Payables	Cyient Israel India Limited	57.04	8.16
Reimbursement of exps payable	Cyient Israel India Limited	-	-
Advance Received from customer	Cyient Limited	7.20	0.20
Advance Received from customer	Cyient Israel India Limited	19.26	-
Unsecured Loans	Cyient Limited	1,080.63	385.00
Interest Payable on unsecured loan	Cyient Limited	7.32	35.52

Cyient DLM Private Limited
Notes forming part of the financial statements

32. Earnings per share

Particulars	For the year ended	
	31-Mar-20	31-Mar-19
Loss for the year attributable to shareholders of the Company (Rs in Million)	(67.04)	(9.33)
Basic:		
Number of 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 (` Rs)	(49.04)	(6.83)
Diluted:		
Weighted average number of equity shares outstanding	1,367,000	1,367,000
Earnings per share (` Rs)	(49.04)	(6.83)

Cyient DLM Private Limited**Notes forming part of the financial statements****33. Financial Instruments****33.1 Capital management**

The Company manages its capital to ensure that it continues as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists only equity. There is no debt liability for the Company.

33.1.1 Gearing ratio

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

Particulars	As at	
	March 31, 2020	March 31, 2019
Borrowings*	1,533.09	1,218.53
Less: Cash and bank balances	661.45	596.41
Net debt	871.64	622.13
Total equity	257.06	349.25
Net debt to equity ratio (in %)	339.08%	178.13%

33.1.2 : Financial Instruments by category

Particulars	Carrying value as at	
	March 31, 2020	March 31, 2019
Financial assets:		
Amortised cost		
Trade receivables	545.85	1,196.70
Cash and cash equivalents	234.58	232.97
Other bank balances	426.87	363.44
Other financial assets	84.73	77.59
Total financial assets	1,292	1,871
Financial liabilities:		
Amortised cost		
Borrowings*	2,598	1,566
Trade payables	1,049	962
Other financial liabilities	1,502	1,742
Total financial liabilities	5,148	4,270

Cyient DLM Private Limited

Notes forming part of the financial statements

33.3 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 Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

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.

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 INR	201.32	12.29	-	-
Trade receivables				
In Foreign Currency	3.31	0.11	0.00	-
Equivalent INR	249.79	9.29	0.31	-
Trade payables				
In Foreign Currency	(6.75)	(0.64)	(0.00)	(2.89)
Equivalent INR	(508.70)	(53.36)	(0.26)	(61.16)
Other financial liabilities				
In Foreign Currency	(8.03)	-	-	-
Equivalent INR	(605.78)	(61.50)	-	-

The following table analyzes foreign currency risk from financial instruments as of March 31, 2019:

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies
Cash and cash equivalents				
In Foreign Currency	2.10	0.07	-	-
Equivalent INR	145.23	5.79	-	-
Trade receivables				
In Foreign Currency	11.91	0.51	0.00	-
Equivalent INR	825.10	39.56	0.30	-
Trade payables				
In Foreign Currency	(6.09)	(0.21)	(0.01)	(1.08)
Equivalent INR	(421.41)	(16.30)	(0.59)	(0.69)
Other financial liabilities				
In Foreign Currency	(4.84)	-	-	-
Equivalent INR	(335.18)	-	-	-

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

The management assessed that fair value of cash & cash equivalents and other bank balances, trade receivables, other financial assets, trade payables, borrowings 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.

Sensitivity analysis:**The Company is mainly exposed to the currency: USD;EUR;GBP and JPY**

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the rupee strengthens 5% against the relevant currency. For a 5% weakening of the rupee against the relevant currency, there would be a comparable impact on the profit or equity.

For the year ended March 31, 2020, every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact by INR **12.09** Mio (For year ended March 31, 2019, INR 12.09 Mio)

Equity Risk

There is no material equity risk relating to the Company's equity investments which are detailed in note 6 Investments.

Interest Risk

There is no material interest risk relating to the Company's financial liabilities which are detailed in note 14 and 19

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 incurred losses in respect of trade and other receivables and investments.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

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 2020, and 31 March 2019, the Company had unutilized credit limits from banks of Rs. 1491 mio & Rs. 637 mio respectively.

As of March 31, 2020, the Company had working capital of (Rs. 679.09 Mio), including cash and cash equivalents of Rs. 234.58 Mio

As of March 31, 2019, the Company had working capital of (Rs. 240.94 Mio), including cash and cash equivalents of Rs. 232.99 Mio

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020:

Particulars	Less than 1 year	1-5 years	5 years and more
Trade and other payables	1,048.63	-	-
Other liabilities	181.41	-	-
Lease Liability	54.27	212.04	691.04
Total	1,230.03	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019:

Particulars	Less than 1 year	1-5 years	5 years and more
Trade and other payables	962.12	-	-
Other liabilities	80.85	-	-
Total	1,043	-	-

Cyient DLM Private Limited
Notes forming part of the financial statements

34. Segment information

The company's various operations are managed as a single business unit. The leadership team makes resources allocations decision based on profitability. The objective in making decisions is to optimise financial results. The primary financial information reviewed by leadership team is based on the results of the company, based on the way the company aggregates it managing operations and manner in which resource allocation decisions are made. The Company has only one reportable segment for financial reporting purposes being the financial results of the company.

Revenue by Geographical location of customers is as follows-

Particulars	As at 31st March, 2020		
	India	ROW	Total
Revenue	2,085.94	2,484.93	4,570.87
Segment Revenue	2,085.94	2,484.93	4,570.87

Particulars	As at 31st March, 2019		
	India	ROW	Total
Revenue	3,473.47	1,331.23	4,804.70
Segment Revenue	3,473.47	1,331.23	4,804.70

Segment Assets by location as follows :

Particulars	As at 31st March, 2020		
	India	ROW	Total
Segment Assets	1,278.22	550.40	1,828.62
Un-allocable Assets	-	-	4,106.32
Total Assets			5,934.94
Segment Liabilities	386.34	588.04	974.38
Un-Allocable Liabilities			4,960.56
Total Liabilities			5,934.94
Other Information -			
Capital Expenditure(Un-Allocable)	-	-	214.42
Depreciation (Allocable)	-	-	-
Depreciation (Un-Allocable)			105.79

Particulars	As at 31st March, 2019		
	India	ROW	Total
Segment Assets	2,462.69	387.80	2,850.50
Un-allocable Assets	-	-	1,810.83
Total Assets			4,661.33
Segment Liabilities	128.08	472.81	600.89
Un-Allocable Liabilities			4,060.44
Total Liabilities			4,661.33
Other Information -			
Capital Expenditure(Allocable)	-	-	-
Capital Expenditure(Un-Allocable)	-	-	84.33
Depreciation (Allocable)	-	-	-
Depreciation (Un-Allocable)			83.15

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers:

Particulars	For year ended			
	31-Mar-20	Percentage	31-Mar-19	Percentage
Revenue from top 5 customers	2,699.34	59%	2,734.81	57%
Others	1,871.53	41%	2,069.89	43%
Total Revenue	4,570.87	100%	4,804.70	100%

35. Current liabilities at balance sheet date was Rs. 4,559.28 mio as against current assets of Rs. 3,880.19 mio. 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. 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 and thereby realize its assets and discharge its liabilities in the normal course of its business.

Cyient DLM Private Limited
Notes forming part of the financial statements

36. The Company has adopted the new revenue accounting standard 'Ind AS 115 - Revenue from Contracts with Customers' with effect from April 1, 2018. The Company has evaluated the effect of this amendments on the financial statements and concluded that the impact is not material.

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

Particulars	As at	
	March 31, 2020	March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	22.98	11.84
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.02	NIL
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	NIL	NIL
(iv) The amount of interest due and payable for the year	NIL	NIL
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	NIL	NIL
(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	NIL	NIL

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. This has been relied upon by the auditors.

38. Previous year figures have been regrouped or reclassified wherever necessary to conform to current year's grouping or classification.

For and on behalf of the Board of Directors

Parvati K R Company Secretary MM No. A23584	Ajay Aggarwal Director DIN/02565242	Rajendra Velagapudi Managing Director & CEO DIN/06528470
Place: Hyderabad Date:	Place: Hyderabad Date:	Place: Hyderabad Date: