

Cyient Inc.

Consolidated Balance Sheet as at March 31, 2020

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

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	3A	6,520,973	4,892,523
Capital work-in-progress	3A	56,730	23,773
Right of use assets	3B	9,051,029	-
Goodwill	4	11,982,842	11,982,842
Other Intangible assets	5	8,350,177	9,438,953
Intangible assets under development	5	608,146	1,585,961
Financial Assets			
(a) Investments	6	3,576,500	3,048,473
(b) Other Financial Assets	7	225,577	211,194
Other non-current assets	8	1,019,136	137,214
Income tax assets (net)	17	-	4,640,626
Total Non - Current Assets		41,391,111	35,961,559
Current assets			
Inventories	9	537,810	629,798
Financial Assets			
(a) Trade receivables	10	55,382,665	51,612,167
(b) Cash and cash equivalents	11A	15,483,384	10,980,730
(c) Bank balances other than (b) above	11B	335,637	268,119
(d) Other Financial Assets	7	26,115,147	23,633,579
Other current assets	8	1,435,609	2,565,373
Total Current Assets		99,290,252	89,689,766
Total Assets		140,681,363	125,651,325
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	21,450,000	21,450,000
Other Equity	13	37,451,618	26,401,335
Equity attributable to owners of the Company		58,901,618	47,851,335
Total equity		58,901,618	47,851,335
Non-current liabilities			
Financial Liabilities			
(a) Borrowings	14	1,138,003	2,921,476
(b) Lease liabilities	3B	7,795,507	-
(c) Other financial liabilities	15	1,266,718	3,576,647
Provisions	16	2,289,543	2,032,377
Deferred tax liabilities (Net)	17	3,181,809	3,497,021
Non Current Tax Liabilities (Net)		-	286,193
Other Non current liabilities	18	320,428	-
Total Non - Current Liabilities		15,992,009	12,313,713
Current liabilities			
Financial Liabilities			
(a) Borrowings	14	13,000,158	9,700,000
(b) Trade payables	19	45,615,895	46,904,070
(c) Lease liabilities	3B	2,432,041	-
(d) Other financial liabilities	15	2,440,406	2,797,864
Provisions	16	817,450	858,450
Current Tax Liabilities (Net)	17	580,570	4,313,217
Other current liabilities	18	901,216	912,675
Total Current Liabilities		65,787,735	65,486,276
Total liabilities		81,779,744	77,799,989
Total Equity and liabilities		140,681,363	125,651,325

Cyient Inc.

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in USD 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	20	288,931,935	293,641,796
Other Income	21	2,964,185	2,617,775
Total Income		291,896,119	296,259,571
EXPENSES			
Cost of materials consumed		3,248,456	2,715,993
Changes in inventories of finished goods and work-in-progress	25	91,988	752,766
Employee benefits expense	22	165,535,738	166,405,076
Finance costs	23	2,130,394	1,874,024
Depreciation and amortisation expense	24	5,823,814	4,073,534
Impairment of Assets		971,844	-
Other expenses	26	98,714,709	111,556,359
Profit before tax		15,379,176	8,881,819
Tax expense			
Current tax	17	3,385,339	2,767,023
Deferred tax		26,173	(339,190)
Adjustments of tax relating to earlier operations			
Total tax expense		3,411,512	2,427,833
Profit for the year		11,967,664	6,453,986
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Equity instruments through other comprehensive income		98,567	189,159
Income tax on the above		(33,167)	(56,748)
Items that will be reclassified subsequently to profit and loss			
Exchange differences in translating the financial statements of foreign operations		(470,429)	(214,251)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(45,713)	(20,562)
Total other comprehensive income		(437,027)	(96,233)
Total comprehensive income for the year		11,530,637	6,357,753
Earnings per share:			
Basic (USD)		23.91	13.06
Diluted (USD)		23.91	13.06

Cyient Inc.

Statement of changes in equity for the period ended March 31, 2020

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

a. Equity share capital

Particulars	Note	Equity share capital
Balance at March 31, 2018	13	21,450,000
Changes in equity share capital during the year		-
Balance at March 31, 2019	13	21,450,000
Changes in equity share capital during the year		-
Balance at March 31, 2020		21,450,000

b. Other Equity

Particulars	Note	Reserves and Surplus		Items of OCI		Total other equity
		Foreign Currency Translation Reserve	Retained earnings	Cash flow hedge	Equity Instruments through OCI	
Balance at April 1, 2018		(14,503)	18,229,710	24,826	1,803,549	20,043,582
Profit for the year		-	6,453,986	-	-	6,453,986
Gain recognised in OCI transferred to retained earnings on disposal of investment		-	1,669,326	-	(1,669,326)	-
Equity instruments through OCI		-	-	-	189,159	189,159
Tax relating to equity instruments through OCI		-	-	-	(56,748)	(56,748)
Foreign currency translation adjustments		(214,251)	-	-	-	(214,251)
Fair value changes on cash flow hedge		-	-	(20,562)	-	(20,562)
Balance at March 31, 2019		(228,754)	26,353,022	10,433	266,635	26,401,335
Profit for the year		-	11,967,664	-	-	11,967,664
Leases IND AS 116 Impact		-	(480,354)	-	-	(480,354)
Equity instruments through OCI		-	-	-	98,567	98,567
Tax relating to equity instruments through OCI		-	-	-	(33,167)	(33,167)
Transfer to retained earnings on disposal of equity instruments through OCI		-	332,035	-	(332,035)	-
Foreign currency translation adjustments		(470,429)	-	-	-	(470,429)
Fair value changes on cash flow hedge		-	-	(45,713)	-	(45,713)
Tax relating to fair value changes on cash flow hedge		-	-	13,715	-	13,715
Balance at March 31, 2020		(699,183)	38,172,368	(21,567)	(0)	37,451,618

Cyient Inc.

Notes forming part of the Consolidated financial statements

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

3. Property, plant and equipment and capital work -in-progress

Particulars	As at	
	March 31, 2020	March 31, 2019
Carrying amount of:		
Leasehold Improvements	901,151	865,913
Office Equipment	1,146,792	1,454,732
Furniture and Fixtures	1,150,234	1,060,833
Electrical Installations	456,244	108,692
Computers	835,050	775,051
Manufacturing Equipment	1,989,552	604,467
Vehicles	41,951	22,835
Total	6,520,973	4,892,523
Capital work-in-progress	56,730	23,773

Description of Assets	Leasehold Improvements	Office Equipment	Furniture and Fixtures	Electrical Installations	Computers	Manufacturing Equipment	Vehicles	Total
I. Cost or deemed cost								
Balance as at April 01, 2018	1,440,759	2,449,202	1,299,736	133,311	1,677,861	574,366	27,496	7,602,731
Additions	285,900	299,812	239,284	27,532	592,276	28,154	-	1,472,958
Disposals	-	(38,889)	(141)	-	(28,501)	-	-	(67,531)
Other Adjustments	-	-	-	-	-	1,117	-	1,117
Additions through business combination	14,410	3,803	-	-	-	120,093	-	138,306
Balance as at March 31, 2019	1,741,070	2,713,928	1,538,878	160,842	2,241,522	723,730	27,496	9,147,466
Additions	278,922	132,160	221,209	374,262	439,446	1,504,897	23,320	2,974,216
Disposals	-	(33,512)	-	-	-	-	-	(33,512)
Other Adjustments	(24,437)	-	-	24,435	-	-	-	(2)
Effect of foreign currency translation	-	-	-	-	72	-	-	72
Balance as at March 31, 2020	1,995,555	2,812,576	1,760,087	559,539	2,681,040	2,228,627	50,816	12,088,240
II. Accumulated depreciation and impairment								
Balance as at April 01, 2018	692,483	858,842	347,654	39,392	1,192,759	12,894	665	3,144,689
Depreciation / amortisation expense for the year	182,674	427,849	130,501	12,759	298,561	105,252	3,997	1,161,593
Eliminated on disposal of assets	-	(27,496)	(110)	-	(24,940)	-	-	(52,546)
Other Adjustments	-	-	-	-	-	1,117	-	1,117
	-	-	-	-	90	-	-	90
Balance as at March 31, 2019	875,157	1,259,195	478,045	52,150	1,466,471	119,263	4,662	4,254,943
Depreciation / amortisation expense for the year	248,241	440,683	131,808	22,150	379,700	117,780	4,203	1,344,567
Eliminated on disposal of assets	-	(31,838)	-	-	-	-	-	(31,838)
Other Adjustments	(28,994)	(2,257)	-	28,994	-	2,032	-	(225)
Effect of foreign currency translation	-	-	-	-	(181)	-	-	(181)
Balance as at March 31, 2020	1,094,404	1,665,784	609,853	103,295	1,845,990	239,076	8,865	5,567,267
III. Carrying amounts (I-II)								
Net book value as at March 31, 2019	865,913	1,454,732	1,060,833	108,692	775,051	604,467	22,835	4,892,522
Net book value as at March 31, 2020	901,151	1,146,792	1,150,234	456,244	835,050	1,989,552	41,951	6,520,973

Cyient Inc.**Notes forming part of the Consolidated financial statements**

(All amounts in USD, 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 USD10,474,053 and a lease liability of USD 11,763,256 and a net adjustment to opening balance of retained earnings of USD 480,354 (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	As at March 31, 2020
Additions	1,201,671
Depreciation	(2,624,697)
Balance as at March 31, 2020	9,051,029

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

Particulars	As at March 31, 2020
Non-current lease liabilities	7,795,507

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

Particulars	March 31, 2020
Balance at the beginning of the year	11,763,257
Additions	1,201,671
Finance cost accrued during the year	439,275
Balance at the end of the year	10,227,548

The Group 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 consolidated statement of profit and loss.

Rental expense for low value assets and short-term leases was USD 1,288,600 included under other expenses in the consolidated statement of profit and loss.

Cyient Inc.
Notes forming part of the Consolidated financial statements
(All amounts in USD, except share and per share data and where otherwise stated)

4. Goodwill

Cost or deemed cost	As at	
	March 31, 2020	March 31, 2019
Balance at beginning of year	11,982,842	11,517,572
Additions on account of business combinations	-	465,270
Balance at end of the year	11,982,842	11,982,842

Goodwill of USD 4,669,022 (March 31, 2019: USD 4,669,022) has been allocated to the DLM segment. The estimated value-in-use of this CGU is based on the future cash flows using a 2% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 13%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), 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.

Goodwill of USD 7,313,820 (March 31, 2019: USD 7,313,8210) has been allocated to the MI segment. The estimated value-in-use of this CGU is based on the future cash flows using a 2% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 13%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), 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, 2020	March 31, 2019
Carrying amount of:		
Computer software	246,146	84,767
Other intangible assets	4,910,219	5,461,276
Process knowhow	440,000	680,000
Developed Intellectual Property	1,165,695	928,347
Total	8,350,177	9,438,953
Intangible assets under development (refer note (i) below)	608,146	1,585,961
Total Intangible assets	8,958,323	11,024,914

Note:

(i). Intangible assets under development:

a) As a part of Certon Software Inc. ("Certon") acquisition in February 2017, CERTSAFE, a multifaceted tool to streamline development and the certification process with a focus on early life-cycle product validation and automated verification through simulation, was primarily used in several internal projects and hence was not specifically identified as an asset in business combination accounting of Certon acquisition. During the current year, management continued to invest in CERTSAFE to establish commercial market of licensing the IP. Accordingly, the costs incurred during the year in development of CERTSAFE IP of USD 971,844 (March 31, 2018: 528,404) was capitalized under 'intangible assets under development. Based on management assessment of the future cash flow projections, carrying value of this asset amounting to USD 971,844 has been impaired during the year.

b) Amounts incurred by the Company pursuant to an agreement with a customer towards efficiency improvement in certain equipment on a risk sharing model USD 608,146 (March 31, 2019: 1,057,556). During the year, Company has capitalized USD 510,804 pursuant to successful completion of a block relating to efficiency improvement project which is expected to generate revenue over the next six years. This has been classified under 'other intangible assets'.

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

Description of Assets	Computer Software	Other Intangible	Customer contracts	Process Knowhow	Developed Intellectual Property	Total
I. Cost or deemed cost						
Balance as at April 01, 2018	4,589,045	12,008,909	3,211,383	1,200,000	1,171,804	22,181,142
Additions	45,207	-	-	-	-	45,207
Disposals	(160,030)	-	-	-	-	(160,030)
Acquisitions through business combination	-	30,985	216,667	-	-	247,652
Balance as at March 31, 2019	4,474,223	12,039,894	3,428,050	1,200,000	1,171,804	22,313,971
Additions	254,972	-	-	-	510,804	765,777
Balance as at March 31, 2020	4,729,195	12,039,894	3,428,050	1,200,000	1,682,608	23,079,748
Balance as at April 01, 2018	3,277,708	6,027,421	447,046	280,000	48,156	10,080,331
Amortisation	1,229,001	551,197	696,442	240,000	195,301	2,911,941
Eliminated on disposal of assets	(117,253)	-	-	-	-	(117,253)
Balance as at March 31, 2019	4,389,456	6,578,618	1,143,488	520,000	243,457	12,875,019
Amortisation	93,593	551,057	696,446	240,000	273,457	1,854,552
Balance as at March 31, 2020	4,483,049	7,129,675	1,839,933	760,000	516,914	14,729,571
III. Carrying amounts (I-II)						
Net book value as at March 31, 2019	84,767	5,461,276	2,284,563	680,000	928,347	9,438,953
Net book value as at March 31, 2020	246,146	4,910,219	1,588,117	440,000	1,165,695	8,350,177

Cyient Inc.

Notes forming part of the Consolidated financial statements

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

6. Investment

Particulars	As at	
	March 31, 2020	March 31, 2019
Investments, Non-current (refer note (i) below)		
Investment carried at FVTOCI		
Equity instruments of other entities (quoted)	-	546,546
Equity instruments of other entities (unquoted)	-	1,928
Investments carried at FVTPL		
Preferred instruments of other entities (unquoted)	2,060,000	1,000,000
Debt instruments of other entities (unquoted)	1,516,500	1,500,000
	3,576,500	3,048,473

(i) Details of non-current investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Investment classified as FVTOCI				
Equity instruments of other entities (Quoted)				
Murata Manufacturing Co. Limited	-	-	11,154	546,546
10,752 shares of \$ 61 per shares each fully paid (refer note below)				
Equity instruments of other entities (Unquoted)				
Canesta Inc., USA	-	-	10,000	1,928
(10,000 shares of \$ 0.19275 par value each fully paid)				
Investment classified as FVTPL				
Preferred stock of other entities (Unquoted)				
Jana Care Inc.	368,297	1,060,000	368,297	1,000,000
(368,297 shares of \$ 2.7152 per shares each fully paid)				
(668,986 shares valued at par value of NIS 0.01 per share)				
Debt Instrument of other entities (Unquoted)				
Spry Health Inc.	-	1,516,500	-	1,500,000
Total	368,297	3,576,500	389,451	3,048,473

i. During the year, Company has sold outstanding equity shares held in Murata Manufacturing Co. Limited for a consideration of \$ 645,113 resulting in a gain of USD 98,567 which is accounted as a part of 'Other comprehensive income'.

Cyient Inc.**Notes forming part of the Consolidated financial statements**

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

7. Other financial assets (carried at amortised cost)

Particulars	As at	
	31 March 2020	31 March 2019
Non - Current		
Secured, considered good		
- Unsecured, considered good	225,577	211,194
Total Other non-current financial assets	225,577	211,194
Secured, considered good		
Unbilled revenue	25,965,601	23,257,465
Derivative asset (refer note 29)	(0)	16,377
Advance to Employees	72,737	136,835
Others	76,810	222,902
Total other current financial assets	26,115,147	23,633,579
Total Other Financial assets	26,340,724	23,844,773

8. Other assets

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current:		
Secured, considered good		
Capital advances	676,482	58,435
Other advances	342,654	72,994
Total non-current assets	1,019,136	137,214
Current:		
Secured, considered good		
Prepaid expense	1,162,448	2,017,849
Advances to suppliers, unsecured, considered good	273,161	275,403
Total current assets	1,435,609	2,293,251
Total other assets	2,454,745	2,430,465

9. Inventories

Particulars	As at	
	March 31, 2020	March 31, 2019
Inventories (lower of cost and net realisable value)		
Work-in-progress	537,810	629,798
Total	537,810	629,798

Cyient Inc.**Notes forming part of the Consolidated financial statements**

(All amounts in USD, 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	55,382,665	51,612,167
Trade receivables which have significant increase in credit risk		
Trade receivables - credit impaired	930,576	1,325,253
	56,313,241	52,937,420
Expected credit loss allowance	(930,576)	(1,325,253)
TOTAL	55,382,665	51,612,167

11A. Cash and Cash Equivalents

Particulars	As at	
	March 31, 2020	March 31, 2019
Balances with Banks		
in current accounts	13,255,776	8,797,443
Cheques in hand	291,143	-
Remittances in transit	1,936,466	2,183,287
Total Cash and cash equivalents	15,483,384	10,980,730

11B. Other Bank balances

Particulars	As at	
	March 31, 2020	March 31, 2019
Deposits held as margin money/security for bank guarantees	335,637	166,322
Balance in escrow account (refer note below)	-	101,798
Total	335,637	268,119

a) During the year, Company paid the balance in escrow account of USD 101,798 to the previous shareholders of New Technology Precision Machining Co., Inc. on fulfilment of specified terms and conditions as a part of acquisition of New Technology Precision Machining Co., Inc..

Cyient Inc.

Notes forming part of the Consolidated financial statements

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

12. Equity share capital

Particulars	As at	
	March 31, 2020	March 31, 2019
Equity share capital	21,450,000	21,450,000
Total	21,450,000	21,450,000

12.1 Fully Paid equity shares

Particulars	Number of shares	Share capital (Amount)
Balance at April 01, 2018	500,500	21,450,000
Issue of shares	-	-
Issue of shares	-	-
Balance at January 31, 2020	500,500	21,450,000

12.2 Details of shares held by each shareholder holding more than 5% shares

Particulars	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 Limited	500,500	100.00%	500,500	100.00%

13. Other equity

13.1 Cash flow hedge reserve

Particulars	As at	
	March 31, 2020	March 31, 2019
Balance at beginning of year	10,433	24,827
Effective portion of loss arising on changes in fair value of designated portion of hedging instruments	(31,998)	(14,393)
Balance at end of year	(21,565)	10,433

Represents effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge, net of tax.

13.2 Foreign currency translation reserve

Particulars	As at	
	March 31, 2020	March 31, 2019
Balance at beginning of year	(228,754)	(14,503)
Exchange difference arising on translating the foreign operation	(470,429)	(214,251)
Balance at end of year	(699,183)	(228,754)

Exchange difference relating to the translation of the Group's foreign operations from their functional currencies to the Company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

13.3 Retained earnings

Particulars	As at	
	March 31, 2020	March 31, 2019
Opening balance	26,353,022	18,229,710
Profit for the year	11,967,664	6,453,986
Transfer to retained earnings on disposal of equity instruments through OCI	332,035	1,669,326
Ind AS 116 leases impact	(480,354)	-
Balance at end of year	38,172,367	26,353,022

Retained earnings comprises of the prior years' undistributed earnings after taxes along with current year profits.

13.4 Equity Instruments through OCI

Particulars	As at	
	March 31, 2020	March 31, 2019
Opening balance	266,635	1,803,549
Increase in fair value of equity instruments, net of tax	-	132,412
Gain on disposal of equity instruments through OCI, net of tax	65,400	-
Transfer to retained earnings on disposal of equity instruments through OCI	(332,035)	(1,669,326)
Balance at end of year	(0)	266,635

Represents the cumulative gains and losses arising on fair valuation of the equity instruments measured at fair value through Other Comprehensive Income, net of amounts reclassified to retained earnings on disposal of such equity instruments.

Total Other Equity	37,451,618	26,401,336
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Cyient Inc.**Notes forming part of the Consolidated financial statements**

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

14. Non-current borrowings

Particulars	As at	
	March 31, 2020	March 31, 2019
Secured - carried at amortised cost		
Term loans		
- from banks (refer note below)	1,138,003	2,921,476
Total non-current borrowings	1,138,003	2,921,476
Current borrowings		
Secured - at amortised cost	13,000,158	9,700,000
Total non-current borrowings	14,138,161	12,621,476

* Current maturities on long-term borrowings have been disclosed under the head "Other current financial liabilities"

(a) Cyient Inc. availed a term loan of USD 10,000,000 taken from HSBC Bank on April 1, 2014 repayable in quarterly installments over a period of 4 years. Interest Rate on the term loan is LIBOR+1.25% p.a payable monthly. Amount outstanding as on January 31, 2018 USD 625,000 (March 31, 2017 (USD 3,125,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 2.2825% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited. During the year, the Company has repaid the outstanding loan as on March 31, 2018.

(b) Cyient Inc. availed a term loan of USD 5,500,000 taken from HSBC Bank on May 21, 2015 repayable in quarterly installments over a period of 3 years. Interest Rate on the term loan is LIBOR+1.25% p.a payable monthly. Amount outstanding as on January 31, 2018 USD 550,000 (March 31, 2017: (USD 2,350,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 2.175% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited. During the year, the Company has repaid the outstanding loan as on March 31, 2018.

(a) Cyient Inc. availed a term loan of USD 4,000,000 taken from HSBC Bank on Feb 8, 2017 repayable in quarterly installments over a period of 4 years. Interest Rate on the term loan is LIBOR+1.50% p.a payable monthly. Amount outstanding as on March 31, 2020 USD 1,000,000 (March 31, 2019 (USD 2,000,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 2.503% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited.

(c) During the year, the Company has borrowed loan aggregating USD 13,000,158 and repaid during the year USD 9,700,000 (March 31, 2019: 9,700,000), which has been secured by a stand by letter of credit from HSBC Bank, India. Cyient Limited has provided corporate guarantee for this borrowing.

Cyient Inc.**Notes forming part of the Consolidated financial statements**

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

(d) During the previous year, Cyient Inc has received financial assistance in the form of loan of USD 500,000 from 'The Connecticut Department of Economics and Community Development' (DECD) at interest rate of 2.5% for a term of 10 years and repayable in monthly installments, as a part of the Company's project in East Hartford, Connecticut, USA ("Assistance agreement"). The Company may be eligible for a principal loan forgiveness of USD 200,000 based on creation of 85 new jobs and retention of 456 existing jobs at a specified average salary and retaining the same for 24 consecutive months. The Company is required to use the loan funds for the acquisition of machinery and equipment. As at March 31, 2020, the Company is in the process of meeting specified terms and conditions of the assistance agreement. Loan outstanding as on March 31, 2020 USD 421,138.

15. Other financial Liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
Non - current		
Contingent consideration (refer note 4(ii))	1,262,135	3,567,821
Total	1,266,718	3,576,647
Current		
Current maturities of long-term borrowings (refer note 14)	1,783,135	1,793,720
Derivative financial liability (refer note 31.3)	30,809	1,473
Interest accrued but not due on borrowings	3,082	5,313
Contingent consideration	623,380	997,357
Total Other current financial liabilities	2,440,406	2,797,864
Total Other financial liabilities	3,707,124	6,374,511

16. Provisions

Particulars	As at	
	March 31, 2020	March 31, 2019
Provisions		
Compensated absences	3,106,994	2,890,826
Total	3,106,994	2,890,826
Current	817,450	858,450
Non-current	2,289,543	2,032,377
Total	3,106,994	2,890,826

Cyient Inc.
Notes forming part of the Consolidated financial statements
(All amounts in USD, except share and per share data and where otherwise stated)

17. Income taxes

a. Deferred tax balance

Particulars	As at	
	March 31, 2020	March 31, 2019
Deferred tax assets	-	5,299,860
Deferred tax liabilities	(3,181,809)	(8,796,882)
Total	(3,181,809)	(3,497,021)

b. Movement in deferred tax balances

2019-20	Opening Balance	Recognised in profit or loss	Recognised in OCI	Retained Earnings	Closing balance
Deferred tax (liabilities)/assets in relation to					
Deferred revenue	(5,088,741)	(206,403)	-	-	(5,295,144)
Depreciation & Amortization	232,982	(468,848)	-	-	(235,866)
Employee benefit expense	996,873	48,499	-	-	1,045,372
Finance leases	183,131	(183,131)	-	-	-
ROU	-	148,481	-	213,299	361,780
Tax losses & Tax offsets	353,555	103,790	-	-	457,345
Provision for doubtful debts	404,726	(120,053)	-	-	284,672
Financial assets	(829,697)	715,426	(33,167)	147,438	0.39
Insights loan write off	554,596	(147,438)	-	-	407,158
Investment thorough	-	(23,524)	-	-	(23,524)
Others	(184)	(358)	-	-	(442)
Total	(3,497,021)	(26,173)	(19,452)	360,737	(3,181,809)

26,173

2018-19	Opening Balance	Recognised in profit or loss	Recognised in OCI	Retained Earnings	Closing balance
Deferred tax (liabilities)/assets in relation to					
Deferred revenue	(4,302,757)	(785,984)	-	-	(5,088,741)
Intangible assets	(1,438,632)	1,138,842	-	-	(299,790)
Employee benefit expense	933,562	63,311	-	-	996,873
Finance leases	160,543	22,588	-	-	183,131
Tax losses & Tax offsets	270,627	82,927	-	-	353,555
Provision for doubtful debts	222,157	182,569	-	-	404,726
Financial assets	(772,949.00)	-	(56,748)	-	(829,697)
Insights loan write off	-	554,596	-	-	554,596
Others	-	-	-	-	(184)
Cash flow hedges (including forward element of forward contracts)	(10,639.83)	-	6,169	-	(4,471)
Total	(3,785,448)	339,190	(50,579)		(3,497,021)

b. Current tax Assets & Liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
Current tax assets		
Current tax assets	-	4,640,626
Current tax liabilities		
Income tax payable	580,570	4,313,217
Total Current tax liabilities	580,570	4,313,217

Particulars	For the Year ended March 31, 2020	For the period ended March 31, 2019
Current tax		
In respect of the current year	3,641,061	2,762,021
In respect of prior years	(255,722)	5,002
	3,385,339	2,767,023
Deferred tax		
In respect of the current year	26,173	(339,190)
	26,173	(339,190)
Total	3,411,512	2,427,833

d. Income tax expense/(benefit) recognised in the statement of Other comprehensive income

Particulars	For the Year ended March 31, 2020	For the period ended March 31, 2019
Deferred tax		
In respect of the current year	19,452	50,579
	19,452	50,579
Total	19,452	50,579

Cyient Inc.
Notes forming part of the Consolidated financial statements

The Income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax from continuing operations	15,379,176	8,881,819
Income tax expense calculated at 30.75%	4,729,096	2,731,159
Income not taxable	(550,107)	(306,230)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(121,010)	(77,912)
Effect of expenses that are not deductible in determining taxable profit	165,973	210,653
Reversal of deferred tax Liabilities	(715,426)	-
Adjustment entry passed towards ROU	(104,587)	-
Adjustments recognised in the current year in relation to the current tax of prior years	(255,723)	5,002
Others	263,296	(134,840)
Income tax expense recognised in profit or loss	3,411,511	2,427,833

Cyient Inc.**Notes forming part of the Consolidated financial statements**

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

18. Other Liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
Non - Current		
Unearned revenue	320,428	-
Total Other Non current liabilities	320,428	-
Current		
Unearned revenue	454,812	257,654
Statutory remittances	387,696	264,283
Advance from customers	58,708	390,738
Total Other current liabilities	901,216	912,675

19. Trade Payables

Particulars	As at	
	March 31, 2020	March 31, 2019
Total	45,615,895	46,904,070

Cyient Inc.

Notes forming part of the Consolidated financial statements

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

20. Revenue from operations

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Sale of services	279,677,214	283,700,450
Sale of products	9,254,721	9,941,345
Total	288,931,935	293,641,796

21. Other income

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest income on financial assets carried at amortised cost		
Bank deposits	2	961
Interest income from related parties (refer note 28 (ii)(a))	-	280,516
Others		
	2	281,476
Dividend income on investment carried at fair value through OCI	15,591	28,297
	15,591	28,297
Other non-operating income		
Liabilities no longer required, written back	2,266,797	1,194,259
Miscellaneous income (net)	114,947	1,054,426
	2,381,744	2,248,685
Net foreign exchange gain/loss	488,578	116,562
Gain on fair valuation of investments carried at FVTPL	76,500	-
Loss on disposal of property, plant and equipment	1,770	(57,246)
	566,848	59,316
Total	2,964,185	2,617,775

22 Employee Benefits Expense

Salaries and wages, including bonus	152,537,279	155,352,970
Social security and other benefits	1,707,658	1,759,704
Share based payment transactions expense	152,815	124,978
Staff welfare expenses	11,642,819	9,881,186
Less: Capitalized (Refer note 5 (i))	(504,833)	(713,761)
Total	165,535,738	166,405,076

23. Finance Cost

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
- Interest on borrowings	444,046	442,108
- Interest expense on account of deferred consideration	106,660	178,652
- Interest on lease liability	439,275	-
- Other interest expense	1,140,413	1,253,264
Total	2,130,394	1,874,024

24. Depreciation and amortisation expense

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Depreciation of property, plant and equipment	1,344,567	1,161,593
Amortisation of intangible assets	1,854,550	2,911,941
Depreciation of ROU Assets	2,624,697	-
Total	5,823,814	4,073,534

25. Changes in inventories

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Opening Stock		
Work-in-progress	629,798	1,382,564
	629,798	1,382,564
Closing stock		
Work-in-progress	537,810	629,798
	537,810	629,798
Net (increase) / decrease	91,988	752,766

Cyient Inc.**Notes forming part of the Consolidated financial statements**

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

26. Other expenses

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Rent including lease rentals	1,288,600	3,883,822
Rates and taxes	254,375	223,909
Insurance	680,506	642,822
Travelling and conveyance	5,327,245	6,659,935
Sub-contracting charges	81,174,384	87,481,122
Communication	908,983	950,000
Printing and stationery	194,788	164,836
Power and fuel	278,363	253,499
Marketing and advertising expenses	1,177,649	1,560,681
Repairs and maintenance		
- Buildings	50,551	-
- Others	20,536	37,200
Legal & professional charges	2,476,901	1,807,432
Provision for doubtful debts	708,097	767,079
Loans to related party written off	-	4,237,945
Auditors' remuneration	91,865	96,386
Recruitment expenses	230,358	265,052
Training & development	429,691	240,052
Miscellaneous expenses	1,119,298	868,347
	98,714,709	111,556,359