

Cyient Europe Limited

Balance Sheet as at March 31, 2020

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

Particulars	Notes	As at	
		31-Mar-20	31-Mar-19
ASSETS			
Non-current assets			
Property, Plant and Equipment	3A	2,612,808	2,488,712
Capital work-in progress	3A	81,847	-
Right of use asset	3B	2,673,798	-
Goodwill	4	18,968,153	18,968,153
Intangible assets	5	1,268,704	2,245,250
Financial Assets			
(a) Investments	6	1,139,456	1,949
(b) Other financial assets	7	232,220	324,404
Deferred tax assets (net)	16	34,001	-
Income Tax Assets	16	375,448	572,180
Total Non - Current Assets		27,386,436	24,600,648
Current assets			
Financial Assets			
(a) Trade receivables	9	23,895,502	20,414,274
(b) Cash and cash equivalents	10A	10,678,789	6,136,992
(c) Other bank Balances	10B	713,904	1,323,565
(d) Other financial assets	7	8,062,373	7,923,840
Other current assets	8	761,794	1,366,255
Total Current Assets		44,112,363	37,164,926
Total Assets		71,498,799	61,765,574
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	11	1,850,000	1,850,000
Other Equity	12	4,403,559	3,281,840
Total Equity		6,253,559	5,131,840
Non-current liabilities			
Financial Liabilities			
(a) Borrowings	13	9,920,910	12,817,196
(b) Lease liability		2,237,269	-
(c) Other financial liabilities	14	3,046,231	4,960,733
Total Non - Current Liabilities		15,204,410	17,777,929
Current liabilities			
Financial Liabilities			
(a) Borrowings	18	4,092,993	1,600,000
(b) Trade payables	19	36,076,667	27,984,598
(c) Other financial liabilities	14	4,245,897	4,687,863
(d) Lease liability		597,249	-
Provisions	15	941,615	859,479
Income Tax Liabilities (Net)	16	751,201	865,928
Other current liabilities	17	3,335,208	2,857,937
Total Current Liabilities		50,040,830	38,855,805
Total Liabilities		65,245,240	56,633,733
Total Equity and Liabilities		71,498,799	61,765,574

Cyient Europe Limited

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

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

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations	20	70,221,003	66,905,947
Other Income	21	1,321,349	(36,003)
Total income		71,542,352	66,869,945
EXPENSES			
Cost of traded goods	22	473,718	168,164
Employee benefits expense	23	27,007,561	26,696,795
Finance costs	24	704,918	717,858
Depreciation and amortisation expense	25	2,246,118	1,775,756
Other operating expenses	26	39,623,941	39,385,072
Total Expenses		70,056,257	68,743,643
Profit before exceptional item and tax		1,486,095	(1,873,699)
Exceptional Item		-	-
Profit/(loss) before tax		1,486,095	(1,873,699)
Tax Expense			
Current tax	16	788,511	602,841
Deferred tax	16	(11,380)	540,028
Total tax expense		777,131	1,142,869
Profit / (loss) for the year		708,964	(3,016,568)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Exchange differences in translating the financial statements of foreign operations		-	-
Remeasurements of the net defined benefit liability		-	-
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating the financial statements of foreign operations	12	490,310	(17,652)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		-	-
Income tax on items that may be reclassified to profit or loss	16	-	-
Total other comprehensive income		490,310	(17,652)
Total comprehensive income for the year		1,199,274	(3,034,220)

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

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

a. Equity share capital

Particulars	Note	Equity share capital
Balance at March 31, 2018		1,850,000
Changes in equity share capital during the year	11	-
Balance at March 31, 2019		1,850,000
Changes in equity share capital during the year	11	-
Balance at March 31, 2020		1,850,000

Particulars	Note	Attributable to shareholders of the Company				Total
		Reserves and Surplus		of other comprehensive		
		Securities premium reserve	Retained earnings	Capital reserve	Foreign currency translation Reserve	
Balance at March 31, 2019		552,427	5,583,187	-	145,599	6,281,213
Exchange difference arising on translating the foreign operation	12	-	-	-	(17,652)	(17,652)
Additions during the year	12	-	-	34,847	-	34,847
Profit for the year		-	(3,016,568)	-	-	(3,016,568)
Balance at March 31, 2020		552,427	2,566,619	34,847	127,947	3,281,840
Exchange difference arising on translating the foreign operation	12	-	-	-	490,310	490,310
Profit for the year		-	708,964	-	-	708,964
Ind AS 116 leases adjustment		-	(77,555)	-	-	(77,555)
Balance at March 31, 2020		552,427	3,198,028	34,847	618,257	4,403,559

Cyient Europe Limited

Notes forming part of the financial statements

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

3A. Property, plant and equipment

Particulars	As at	
	March 31, 2020	March 31, 2019
Carrying amount of:		
Leasehold Improvements	265,938	292,771
Vehicles	10,856	12,632
Plant and Equipment - Freehold	1,177,152	528,846
Office Equipment	227,685	324,790
Furniture and Fixtures	391,731	458,351
Computers	539,446	871,322
Total tangible assets	2,612,808	2,488,712
Capital work-in progress	81,847	-
TOTAL	2,694,656	2,488,712

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

Description of Assets							Amt in GBP
	Leasehold	Vehicles	Office Equipment	Plant & Equipment	Furniture and Fixtures	Computers	Total
I. Cost							
Balance as at March 31, 2018	11,489	11,895	551,873	579,397	311,395	1,613,334	3,079,383
Additions			67,913	45,988	246,868	680,414	1,041,184
Disposals		(3,480)	(21,105)		(5,967)	(350,116)	(380,668)
Acquisitions through business combination	324,484	10,158		76,658	78,933	36,630	526,863
Foreign currency translation adjustments	(4,494)	909	(10,323)	6,206	1,954	52,758	47,010
Balance as at March 31, 2019	331,479	19,482	588,358	708,248	633,183	2,033,021	4,313,771
Additions	6,360		1,633	747,893	1,081	153,458	910,424
Disposals						(9,588)	(9,588)
Change in class of assets			5,722	6,132	-13,820	1,967	0
Foreign currency translation adjustments	10,919	259	(5,369)	17,184	3,591	(24,440)	2,143
Balance as at March 31, 2020	348,757	19,741	590,344	1,479,456	624,035	2,154,417	5,216,751
II. Accumulated depreciation							
Balance as at March 31, 2018	1,161	2,537	180,145	90,868	138,971	642,769	1,056,450
Depreciation for the year	38,104	5,691	103,274	89,094	39,173	544,106	819,443
Disposals		(1,341)	(15,967)		(3,250)	(212,841)	(233,399)
Other adjustments						210,683	210,683
Foreign currency translation adjustments	(556)	(38)	(3,884)	(561)	(63)	(23,018)	(28,120)
Balance as at March 31, 2019	38,708	6,850	263,568	179,401	174,832	1,161,699	1,825,058
Depreciation for the year	41,271	1,961	102,488	120,259	60,351	489,746	816,076
Disposals						(8,754)	(8,754)
Change in class of assets			(1,902)	(1,237)	3,512	(373)	0
Foreign currency translation adjustments	2,840	74	(1,495)	3,881	(6,391)	(27,347)	(28,438)
Balance as at March 31, 2020	82,819	8,885	362,659	302,304	232,304	1,614,971	2,603,942
III. Carrying Amounts (I-II)							
Balance as at March 31, 2019	292,771	12,632	324,790	528,847	458,351	871,322	2,488,713
Balance as at March 31, 2020	265,938	10,856	227,685	1,177,152	391,731	539,446	2,612,808

Cyient Europe Limited

Notes forming part of the financial statements

(All amounts in GBP 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 GBP 2,766,847 and a lease liability of GBP 2,977,081 and a net adjustment to opening balance of retained earnings of GBP 77,555 (net of deferred tax and accrued lease). 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
Balance as at April 1, 2019	2,766,847
Additions	524,201
Deletions	(173,549)
Depreciation	(438,846)
Translation difference	(4,856)
Balance as at March 31, 2020	2,673,798

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

Particulars	As at March 31, 2020
Current lease liabilities	597,249
Non-current lease liabilities	2,237,269

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

Particulars	March 31, 2020
Balance at the beginning of the year	2,977,081
Additions	508,576
Deletions	(205,809)
Finance cost accrued during the year	19,388
Payment of lease liabilities	(496,642)
Translation difference	31,923
Balance at the end of the year	2,834,518

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 GBP 481,277 included under other expenses in the consolidated statement of profit and loss.

Cyient Europe Limited

Notes forming part of the financial statements

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

4. Goodwill

Particulars	As at	
	March 31, 2020	March 31, 2019
Opening balance	18,968,153	18,968,153
Balance at end of the year	18,968,153	18,968,153

5. Intangible assets

Particulars	As at	
	March 31, 2020	March 31, 2019
Carrying amount of:		
Computer software	130,868	256,932
Other intangible assets	833,149	1,447,878
Customer Contracts/ Relationships	304,687	540,441
Total Intangible assets	1,268,704	2,245,250

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

Description of assets	Computer Software	Other Intangible	Customer Contracts/	Total
I. Cost				
Balance as at March 31, 2018	405,745	863,938	900,000	2,169,683
Additions	101,278			101,278
Additions through business combination	28,317	1,534,623	112,497	1,675,437
Foreign currency translation adjustments	(5,001)			(5,001)
Balance as at March 31, 2019	530,340	2,398,561	1,012,497	3,941,397
Additions	14,614			14,614
Foreign currency translation adjustments	(1,780)			(1,780)
Balance as at March 31, 2020	543,175	2,398,561	1,012,497	3,954,231
II. Accumulated amortisation				
Balance as at March 31, 2018	132,879	368,973	240,000	741,852
Amortisation for the year	142,547	581,709	232,056	956,313
Foreign currency translation adjustments	(2,019)			(2,019)
Balance as at March 31, 2019	273,408	950,682	472,056	1,696,146
Amortisation for the year	140,712	614,729	235,753	991,195
Foreign currency translation adjustments	(1,814)			(1,814)
Balance as at March 31, 2020	412,306	1,565,411	707,810	2,685,527
III. Carrying Amounts (I-II)				
Balance as at March 31, 2019	256,932	1,447,878	540,441	2,245,251
Balance as at March 31, 2020	130,868	833,149	304,687	1,268,704

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

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

6. Investments

Particulars	As at	
	March 31, 2020	March 31, 2019
A. Investments - Non-current		
Investment carried at fair value through OCI (refer note (i) below)		
(i) Equity instruments of other entities (unquoted)	1,949	1,949
Investments carried at FVTPL		
(i) Investment in Class A units of Partnership fund (unquoted)	1,137,507	-
	1,139,456	1,949

Note (i): Details of investments - non-current

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity instruments of other entities (unquoted)				
Trafficmaster Plc., United Kingdom	10,000	1,949	10,000	1,949
Investment in Class A units of Partnership fund (unquoted)				
Vasuki 2019 SCSp, Luxembourg	-	1,137,507	-	-

Note (ii) Carrying values:

Particulars	As at	
	March 31, 2020	March 31, 2019
Aggregate amount of investments carried at fair value through OCI	1,949	1,949
Aggregate value of unquoted investments carried at FVTPL	1,137,507	-

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

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

7. Other Financial assets

Particulars	As at	
	March 31, 2020	March 31, 2019
Non - Current		
Security Deposits		
- Unsecured, considered good	232,220	324,404
Total other non-current financial assets	232,220	324,404
Current		
Unbilled revenue	7,794,921	7,496,085
Advance to employees	267,452	427,755
Total other current financial assets	8,062,373	7,923,840
Total other financial assets	8,294,593	8,248,244

8 - Other assets

Particulars	As at	
	March 31, 2020	March 31, 2019
Current (unsecured):		
Prepaid expenses	713,111	1,213,294
Other advances, unsecured, considered good	48,683	152,961
Total other assets	761,794	1,366,255

Cyient Europe Limited

Notes forming part of the financial statements

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

9 - Trade receivables

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade receivables		
Unsecured, considered good	23,895,502	20,414,274
Doubtful	173,892	40,866
Less: Allowance for doubtful debts (expected credit loss allowance)	(173,892)	(40,866)
Total	23,895,502	20,414,274

10: Cash and Bank Balances

10A. Cash and Cash equivalents

Particulars	As at	
	March 31, 2020	March 31, 2019
Balances with Banks - in current accounts	9,448,011	6,136,551
Cash on hand	398	441
Remittances in Transit	1,230,381	-
Total Cash and Cash equivalents	10,678,789	6,136,992

10B. Other Bank balances

Particulars	As at	
	March 31, 2020	March 31, 2019
Balances in Escrow Account	668,325	1,310,700
Deposits held as margin money/security for bank guarantees	45,579	12,865
Total	713,904	1,323,565

11. Equity share capital

Particulars	As at	
	March 31, 2020	March 31, 2019
Authorised share capital		
185,000,000 equity shares of 1 pence each	1,850,000	1,850,000
	1,850,000	1,850,000
Issued and subscribed capital		
185,000,000 shares of 1 pence each fully paid up	1,850,000	1,850,000
Total Equity share capital	1,850,000	1,850,000

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

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

12. Other equity

Particulars	As at	
	March 31, 2020	March 31, 2019
(a). General reserve		
(i) Opening balance	-	-
(ii) Movement during the year	-	-
(b). Securities premium account		
(i) Opening balance	552,427	552,427
(ii) Options exercised during the year	-	-
(iii) Premium received on allotment of shares	-	-
	552,427	552,427
(c). Foreign currency translation reserve		
(i) Opening balance	127,947	145,599
(ii) Additions / (deductions) during the year (net)	490,310	(17,652)
	618,256	127,947
(d). Capital Reserve		
(i) Opening balance	34,847	-
(ii) Additions / (deductions) during the year (on acquisition)	-	34,847
	34,847	34,847
(e). Retained earnings		
(i) Opening balance	2,566,619	5,583,187
(ii) Profit/(loss) for the year	708,964	(3,016,568)
(iii) Ind AS 116 leases adjustment	(77,555)	-
	3,198,028	2,566,619
Total	4,403,559	3,281,840

Nature of reserves**(a). General reserve**

This represents appropriation of profit by the Company.

(b). Securities premium account

Amounts received on issue of shares in excess of the par value has been classified as securities premium.

(c). Foreign currency translation reserve

Exchange difference relating to the translation of the keep it of the Company's foreign operations from their functional currency.

(d). Retained earnings

Retained earnings comprises of prior years' undistributed earnings after taxes.

Cyient Europe Limited

Notes forming part of the financial statements

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

13. Non-current borrowings

Particulars	As at	
	March 31, 2020	March 31, 2019
Unsecured - at amortised cost		
Term loans		
from banks	8,281,286	10,621,952
from related parties	1,639,624	2,195,243
Total non-current borrowings	9,920,910	12,817,196

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

14. Other financial liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current		
Liability towards acquisition of business	3,046,231	4,960,733
Total	3,046,231	4,960,733
Current		
Current maturities of long term borrowings		
- from related parties	632,681	609,393
- from banks	2,791,825	1,817,625
Interest accrued - banks	46,094	65,238
Interest accrued - related parties	106,972	20,641
Payables on purchase of subsidiary	668,325	2,174,965
Total	4,245,897	4,687,863

15. Provisions

Particulars	As at	
	March 31, 2020	March 31, 2019
Employee benefits	941,615	859,479
	941,615	859,479
Current:		
Employee benefits	941,615	859,479
	941,615	859,479
Total	941,615	859,479

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

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

16. Income taxes**16.1 - Tax Expense****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	788,511	602,841
	788,511	602,841
Deferred taxes expense/(benefit):		
In respect of the current year	(11,380)	540,028
	(11,380)	540,028
Total	777,131	1,142,869

16.2. Deferred tax assets and liabilities

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

Amt in GBP

Particulars	As at	
	March 31, 2020	March 31, 2019
Deferred tax assets	34,001	-
Total deferred tax balance	34,001	-

16.3. Income tax assets and liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
Current tax assets		
Current tax assets	375,448	572,180
Current tax liabilities		
Income tax payable	751,201	865,928

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

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

17. Other liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
Current		
Unearned revenue	495,455	1,030,073
Statutory remittances	2,839,752	1,827,864
Total other current liabilities	3,335,208	2,857,937

18. Current borrowings

Particulars	As at	
	March 31, 2020	March 31, 2019
Secured - at amortised cost		
Short Term Loans from Banks	4,092,993	1,600,000
Total	4,092,993	1,600,000

19. Trade Payables

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade Payables	36,076,667	27,984,598
Total	36,076,667	27,984,598

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

(All amounts in GBP 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	69,387,382	66,647,235
Sale of products	833,621	258,713
Total	70,221,003	66,905,947

21. 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	163,338	159,112
	163,338	159,112
Other non-operating income		
Miscellaneous income (net)	308,005	4,983
Rental Income	-	18,540
	308,005	23,523
Other gains and losses		
Net foreign exchange (loss) / gain	(1,303,139)	(206,834)
Liabilities no longer required, written back	2,153,787	-
Gain on disposal of property, plant and equipment	(643)	(11,803)
	850,006	(218,637)
Total	1,321,349	(36,003)

22. Cost of traded goods

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cost of traded goods	473,718	168,164
Total	473,718	168,164

23. Employee Benefits Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages, including bonus	25,966,785	25,432,964
Social security and other benefits to overseas employees	438,400	365,392
Share based payment transactions expenses	37,249	30,944
Staff welfare expenses	565,127	867,495
Less: Capitalised		
Total	27,007,561	26,696,795

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

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

24. Finance Cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on bank overdrafts and loans	221,167	234,542
Interest on loans from related parties	84,074	95,628
Interest expense on account of deferred consideration	69,070	71,278
Interest on lease liabilities	19,388	-
Other interest expense	311,219	316,409
Total	704,918	717,858

25. 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	816,076	819,443
Depreciation on ROU assets	438,846	-
Amortisation of intangible assets	991,195	956,313
Total	2,246,118	1,775,756

26. Other operating expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent including lease rentals	481,277	1,047,627
Rates and taxes	173,827	135,466
Insurance	354,798	174,197
Travelling and conveyance	2,023,522	2,339,404
Sub-contracting charges	32,074,073	31,723,261
Communication	305,545	267,354
Printing and stationery	67,594	60,981
Power and fuel	119,512	96,698
Marketing expenses	330,892	354,575
Advertisement	18,087	-
Repairs and maintenance		
- Buildings	121,174	198,168
- Machinery	1,575,627	1,149,339
- Others	30,027	95,588
Non executive directors commission		-
Legal & professional charges	814,362	896,377
Provision for doubtful debts (net)	142,442	(5,557)
Bad debts written off	-	46,549
Auditors' remuneration	87,218	73,250
Recruitment expenses	127,632	92,188
Training and development	107,753	145,879
Software charges	36,401	55,771
Miscellaneous expenses	632,180	437,955
Total	39,623,941	39,385,072