

Cyient Solutions and Systems Private Limited

(CIN: U72501TG2017PTC116600)

Balance Sheet as at March 31, 2021

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

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,00,476	1,12,414
Intangible assets under development	3	-	-
Other non-current assets	4	2,57,95,287	2,54,74,298
Current assets			
Financial assets			
Cash and cash equivalents	5	40,76,895	68,88,871
Other current assets	4	7,98,655	7,88,516
Total assets		3,07,71,313	3,32,64,099
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	6	2,00,000	2,00,000
Other equity	7	(28,96,22,681)	(32,27,44,439)
Total equity		(28,94,22,681)	(32,25,44,439)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	8	31,06,52,097	31,06,52,097
Current liabilities			
Financial Liabilities			
(a) Trade payables	9		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		95,16,297	4,51,56,441
Other current liabilities	10	25,600	-
Total liabilities		32,01,93,994	35,58,08,538
Total equity and liabilities		3,07,71,313	3,32,64,099
Corporate information and significant accounting policies	1		
Accompanying notes form an integral part of the financial statements			
As per our report of even date			
For S.R. Batliboi & Associates LLP		For and on behalf of the Board of Directors	
Chartered Accountants		Cyient Solutions and Systems Private Limited	
ICAI Firm registration number: 101049W/E300004			
Shankar Srinivasan		Ajay Aggarwal	
Partner		Director	
Membership number: 213271		(DIN -02565242)	
		Joseph NJ	
		Managing Director and CEO	
		(DIN - 07033585)	
Place: Hyderabad		Place: Hyderabad	
Date: May 24, 2021		Date: May 24, 2021	

Cyient Solutions and Systems Private Limited

(CIN: U72501TG2017PTC116600)

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

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

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations	11	-	-
Other income	12	905	2,61,600
Total income		905	2,61,600
EXPENSES			
Finance costs	13	-	2,84,25,255
Depreciation expense	2	11,938	11,938
Impairment of non-current assets	14	(3,53,30,537)	22,24,94,655
Other expenses	15	21,97,746	3,11,15,913
Total expenses		(3,31,20,853)	28,20,47,761
Profit/(Loss) before tax		3,31,21,758	(28,17,86,161)
Tax expense	20	-	-
Profit/(Loss) for the year		3,31,21,758	(28,17,86,161)
Total comprehensive income for the year		3,31,21,758	(28,17,86,161)
Earnings per equity share (par value of ₹ 10 each)			
Basic and Diluted (₹)	16	1,656	(14,089)
Corporate information and significant accounting policies	1		
Accompanying notes form an integral part of the financial statements			
As per our report of even date			
For S.R. Batliboi & Associates LLP		For and on behalf of the Board of Directors	
Chartered Accountants		Cyient Solutions and Systems Private Limited	
ICAI Firm registration number: 101049W/E300004			
Shankar Srinivasan		Ajay Aggarwal	Joseph NJ
Partner		Director	Managing Director and CEO
Membership number: 213271		(DIN -02565242)	(DIN - 07033585)
Place: Hyderabad		Place: Hyderabad	
Date: May 24, 2021		Date: May 24, 2021	

Cyient Solutions and Systems Private Limited**(CIN: U72501TG2017PTC116600)****Statement of changes in equity for the year ended March 31, 2021**

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

a. Equity share capital

Particulars	Note	Amount
Balance as at March 31, 2019		2,00,000
Balance as at March 31, 2020	6	2,00,000
Balance as at March 31, 2021		2,00,000

b. Other equity

Particulars	Note	Reserves and surplus	Items of other comprehensive income	Total other equity
		Retained earnings		
Balance as at March 31, 2019		(4,09,58,278)	-	(4,09,58,278)
Loss for the year	7	(28,17,86,161)	-	(28,17,86,161)
Balance as at March 31, 2020		(32,27,44,439)	-	(32,27,44,439)
Profit for the year	7	3,31,21,758	-	3,31,21,758
Balance as at March 31, 2021		(28,96,22,681)	-	(28,96,22,681)

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

For and on behalf of the Board of Directors**Cyient Solutions and Systems Private Limited****Shankar Srinivasan**

Partner

Membership number: 213271

Ajay Aggarwal

Director

(DIN -02565242)

Joseph NJ

Managing Director and CEO

(DIN - 07033585)

Place: Hyderabad

Date: May 24, 2021

Place: Hyderabad

Date: May 24, 2021

Cyient Solutions and Systems Private Limited

(CIN: U72501TG2017PTC116600)

Cash Flow Statement for the year ended March 31, 2021

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

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) for the year	3,31,21,758		(28,17,86,161)	
<i>Adjustments for :</i>				
Finance costs	-		2,84,25,255	
Depreciation and amortisation expense	11,938		11,938	
Impairment of non-current assets	(3,53,30,537)		22,24,94,655	
Operating loss before working capital changes		(21,96,841)		(3,08,54,313)
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Other financial assets	(10,139)		-	
Other assets	(3,20,989)		(39,97,978)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(3,56,40,144)		(3,28,23,139)	
Other liabilities	25,600		(2,54,928)	
Cash used in from operations		(3,81,42,513)		(6,79,30,358)
Income tax paid		-		-
Net cash used in operating activities (A)		(3,81,42,513)		(6,79,30,358)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment towards purchase of property, plant and equipment and intangible assets (net of capital advance refund) - refer note 14	3,53,30,537		-	
Net cash used in investing activities (B)		3,53,30,537		-
C. CASH FLOW FROM FINANCING ACTIVITIES				
Loan from holding company		-	5,34,629	
Net cash flow from financing activities (C)		-		5,34,629
Net decrease in cash and cash equivalents (A+B+C)		(28,11,976)		(6,73,95,729)
Cash and cash equivalents at the beginning of the year		68,88,871		7,42,84,600
Cash and cash equivalents at the end of the year		40,76,895		68,88,871
Cash and cash equivalents comprises of: (refer note 5)				
Balances with banks in current accounts		40,76,895		68,88,871
		40,76,895		68,88,871
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		For and on behalf of the Board of Directors Cyient Solutions and Systems Private Limited		
Shankar Srinivasan Partner Membership number: 213271		Ajay Aggarwal Director (DIN -02565242)	Joseph NJ Managing Director and CEO (DIN - 07033585)	
Place: Hyderabad Date: May 24, 2021		Place: Hyderabad Date: May 24, 2021		

Cyient Solutions and Systems Private Limited

Notes forming part of the financial statements

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

2. Property, plant and equipment

Particulars	As at	
	March 31, 2021	March 31, 2020
Carrying amounts of:		
Furniture and fixtures	43,387	48,543
Electrical installations	57,089	63,871
Total	1,00,476	1,12,414

Notes:

a. Movement in the carrying amounts of property, plant and equipment is as below:

Particulars	Furniture and fixtures	Electrical installations	Total
I. Cost			
Balance as at March 31, 2019	71,398	71,398	1,42,796
Additions	-	-	-
Balance as at March 31, 2020	71,398	71,398	1,42,796
Additions	-	-	-
Balance as at March 31, 2021	71,398	71,398	1,42,796
II. Accumulated depreciation			
Balance as at March 31, 2019	17,700	744	18,444
Depreciation for the year	5,155	6,783	11,938
Balance as at March 31, 2020	22,855	7,527	30,382
Depreciation for the year	5,156	6,782	11,938
Balance as at March 31, 2021	28,011	14,309	42,320
III. Carrying Amounts (I - II)			
Balance as at March 31, 2020	48,543	63,871	1,12,414
Balance as at March 31, 2021	43,387	57,089	1,00,476

3 Intangible assets under development

Particulars	As at	
	March 31, 2021	March 31, 2020
Intangible assets under development (refer note 14)	-	-
	-	-

Cyient Solutions and Systems Private Limited

Notes forming part of the financial statements

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

4. Other assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current:		
Capital advances	48,29,338	4,01,59,875
Other receivables, considered doubtful	1,92,67,319	1,92,67,319
Less: impairment (refer note 14)	(2,40,96,657)	(5,94,27,194)
Balance with government authorities	2,57,95,287	2,54,74,298
Total other non current assets	2,57,95,287	2,54,74,298
Current:		
Prepaid expenses	-	77,366
Advances to suppliers and service providers	7,98,655	7,11,150
Total other current assets	7,98,655	7,88,516
Total other assets	2,65,93,942	2,62,62,814

5. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in current accounts	40,76,895	68,88,871
Total	40,76,895	68,88,871

Reconciliation of liabilities arising from financing activities:

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

Particulars	As at March 31, 2020	Proceeds	Interest accrued	As at March 31, 2021
Non-current borrowings	31,06,52,097	-	-	31,06,52,097
Total liabilities from financing activities	31,06,52,097	-	-	31,06,52,097

Note: Interest on loan from related party for the current financial year has been waived off.

(a) for the year end March 31, 2020:

Particulars	As at March 31, 2019	Proceeds	Interest accrued	As at March 31, 2020
Non-current borrowings	28,16,92,213	5,34,629	2,84,25,255	31,06,52,097
Total liabilities from financing activities	28,16,92,213	5,34,629	2,84,25,255	31,06,52,097

Cyient Solutions and Systems Private Limited**Notes forming part of the financial statements**

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

6. Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised share capital:		
100,000 equity shares of ₹ 10 each (March 31, 2020: 100,000 equity shares)	10,00,000	10,00,000
Issued and subscribed capital:		
20,000 fully paid up equity shares of ₹ 10 each (March 31, 2020: 20,000 equity shares)	2,00,000	2,00,000
Total	2,00,000	2,00,000

a. Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Opening balance	20,000	2,00,000	20,000	2,00,000
Closing balance	20,000	2,00,000	20,000	2,00,000

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

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares				
Cyient Limited	10,200	51.00%	10,200	51.00%
Bluebird Aero systems Limited*	9,800	49.00%	9,800	49.00%

c. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 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.

7. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings		
(i) Opening balance	(32,27,44,439)	(4,09,58,278)
(ii) Profit/(Loss) for the year	3,31,21,758	(28,17,86,161)
Total	(28,96,22,681)	(32,27,44,439)

Nature of reserves:

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

Cyient Solutions and Systems Private Limited**Notes forming part of the financial statements**

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

8. Non-current borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Loan from Cyient Limited (refer note below)	31,06,52,097	31,06,52,097
Total	31,06,52,097	31,06,52,097

Note :

Unsecured loan availed from the holding company, Cyient Limited and repayable on or before by 31 March, 2023. The loan was availed @10% interest per annum for capital expenditure and working capital requirements.

9. Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 16)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	95,16,297	4,51,56,441
Total	95,16,297	4,51,56,441

Notes:

(i) Includes amount payable to its related parties (refer note 18)

(ii) The Company normally settles trade payables in 30-60 days.

10. Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Other liabilities	25,600	-
Total	25,600	-

Cyient Solutions and Systems Private Limited**Notes forming part of the financial statements**

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

11. Revenue from operations**Product sale:**

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

During the current and previous financial year, the Company has not generated revenue from sale of products.

12. Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Foreign exchange gain (net)	905	2,61,600
Total	905	2,61,600

13. Finance cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on loan from related party	-	2,84,25,255
Total	-	2,84,25,255

Note: Interest on loan from related party for the current financial year has been waived off.

14. Impairment of non-current assets

In the earlier years, the Company entered into a collaboration agreement with a third party for the development of payload and customization of UAV systems. As at March 31, 2019, ₹ 163,067,461 spent has been classified as 'intangible asset under development' and ₹ 59,427,194 under capital and other advances. In the previous year, the Company has recognised one-time impairment charge of ₹ 222,494,655 relating to above costs incurred on development of UAV systems in view of the potential delays in materialization of orders and classified under 'impairment of non-current assets'. Reversal of impairment of ₹ 35,330,537 for the year ended March 31, 2021 represents recoveries against the aforesaid impairment of non-current assets.

15. Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent	-	24,000
Rates and taxes	62,758	33,75,522
Printing and stationery	-	17,567
Travelling and conveyance	-	22,54,966
Repairs and maintenance		
- Machinery	1,60,194	17,800
- Others	1,86,601	2,55,662
Legal and professional charges	10,35,600	2,42,06,754
Auditor's remuneration - Statutory audit fee	5,00,000	5,00,000
Power and Fuel	11,500	-
Miscellaneous expense	2,41,093	4,63,642
Total	21,97,746	3,11,15,913

Cyient Solutions and Systems Private Limited
Notes forming part of the financial statements

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

16. Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit /(loss) after tax	3,31,21,758	(28,17,86,161)
Basic and Diluted*:		
Number of shares outstanding at the year end	20,000	20,000
Weighted average number of equity shares	20,000	20,000
Earnings per share (₹)	1,656.09	(14,089.31)

* There were no dilutive instruments outstanding during the year.

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

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. Based on the information available with the management, there are no vendors registered as Micro, Small and Medium suppliers as defined under Micro, Small and Medium Enterprises Development Act, 2006.

18. Related Party Transactions

The list of related parties of the Company is given below:

Party Name	Nature of relationship
Cyient Limited	Holding Company
Cyient Inc.	Fellow subsidiary
Bluebird Aero Systems Limited	Shareholder holding 49% in the Company

Key Managerial Personnel (KMP):

Name	Designation
Joseph NJ	Managing Director & CEO
B. Ashok Reddy	Non-Executive director (till 30th June, 2020)
Ronen Nadir	Non-Executive director
Mordechay Shechter	Non-Executive director
Ajay Aggarwal	Additional director (From 14th July, 2020)

Summary of the transactions and balances with the above related parties are as follows:

(a) Transactions during the year:

Nature of the transaction	Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Corporate Guarantee availed/(redeemed)	Cyient Limited	-	(4,25,93,395)
Rental expenses	Cyient Limited	-	24,000
Interest expense*	Cyient Limited	-	2,84,25,255
Reimbursement of expenses	Cyient Limited	3,37,342	2,60,85,130
	Cyient Inc.	10,237	89,226
Loan availed (including interest accrued for the year)	Cyient Limited	-	2,89,59,884
Recovery of Capital and other advances (refer note 13)	Bluebird Aero Systems Limited	3,53,30,537	-

* Interest on loan from related party for the current financial year has been waived off.

(b) Balances at the year-end:

Nature of the balance	Party Name	As at March 31, 2021	As at March 31, 2020
Corporate Guarantee outstanding	Cyient Limited	1,05,59,534	1,05,59,534
Trade payables	Cyient Limited	84,26,785	4,48,89,444
	Cyient Inc.	4,15,048	4,04,811
Borrowings	Cyient Limited	31,06,52,097	31,06,52,097

Cyient Solutions and Systems Private Limited**Notes forming part of the financial statements**

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

19. Financial Instruments**19.1 Financial instruments by category:**

Particulars	Carrying value as at	
	March 31, 2021	March 31, 2020
Financial assets:		
Amortised cost		
Cash and cash equivalents	40,76,895	68,88,871
Total financial assets	40,76,895	68,88,871
Financial liabilities:		
Amortised cost		
Borrowings	31,06,52,097	31,06,52,097
Trade payables	95,16,297	4,51,56,441
Total financial liabilities	32,01,68,394	35,58,08,538

The management assessed that fair value of cash & cash equivalents, borrowings and trade payables 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.

19.2 Financial risk management**Financial risk factors**

The Company's activities expose it to foreign exchange 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.

Foreign exchange risk

The Company monitors and manages its financial risks by analysing its foreign exchange exposures.

Foreign currency exposure unhedged

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

Particulars	US Dollars	INR Equivalent
Trade Payables	5,897	4,15,048

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

Particulars	US Dollars	INR Equivalent
Trade Payables	5,756	4,04,811

Liquidity risk

The Company's principal sources of liquidity are cash & bank balances and loans and advances from holding company. Management regularly monitors the company's liquidity position. Accordingly, no liquidity risk is perceived.

Cyient Solutions and Systems Private Limited**Notes forming part of the financial statements**

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	95,16,297	-	-
Total		-	-

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

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	4,51,56,441	-	-
Total	4,51,56,441	-	-

20. Tax expense

During the current year, the Company has not recognised tax expense on its profit generated from operations as the company has carry forward business losses which have been offset against the current year profit. Further, the Company has not recognised deferred tax on unused tax losses as there is no convincing evidence that sufficient future taxable profits will be available against which the unused tax losses can be utilised.

21. Segment information

The Company's operations are managed as a single business unit. It has only one reportable segment for financial reporting purposes being the financial results of the Company.

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

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors

Cyient Solutions and Systems Private Limited

Shankar Srinivasan

Partner

Membership number: 213271

Ajay Aggarwal

Director

(DIN -02565242)

Joseph NJ

Managing Director and CEO

(DIN - 07033585)

Place: Hyderabad

Date: May 24, 2021

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