

## Consolidated Balance Sheet as at March 31, 2021

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	475	491
Right of use assets	3B	539	682
Capital work-in-progress		-	4
Goodwill	4	880	903
Intangible assets	5	185	298
Intangible assets under development	5	29	46
Financial assets			
(a) Investments	6	175	269
(b) Loans and deposits	7A	14	17
Other non-current assets	8	33	77
<b>Total non-current assets</b>		<b>2,330</b>	<b>2,787</b>
<b>Current assets</b>			
Inventories	9	31	41
Financial assets			
(a) Trade receivables	10	3,728	4,176
(b) Cash and cash equivalents	11A	1,026	1,167
(c) Other bank balances	11B	33	25
(d) Other financial assets	7B	855	1,969
Other current assets	8	853	109
<b>Total current assets</b>		<b>6,526</b>	<b>7,487</b>
<b>Total assets</b>		<b>8,856</b>	<b>10,274</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	12	993	993
Other equity	13	3,228	3,078
<b>Total equity</b>		<b>4,221</b>	<b>4,071</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(a) Borrowings	14	26	86
(b) Other financial liabilities	15	-	95
(c) Lease liabilities	3B	440	588
Provisions	16	156	173
Deferred tax liabilities (net)	17.2	14	351
Other non-current liabilities	18	166	24
<b>Total non-current liabilities</b>		<b>802</b>	<b>1,317</b>
<b>Current liabilities</b>			
Financial liabilities			
(a) Borrowings	14	441	980
(b) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprises	19	2,701	3,366
(c) Other financial liabilities	15	121	184
(d) Lease liabilities	3B	180	183
Provisions	16	61	62
Income tax liabilities (net)	17.3	56	44
Other current liabilities	18	273	67
<b>Total current liabilities</b>		<b>3,833</b>	<b>4,886</b>
<b>Total liabilities</b>		<b>4,635</b>	<b>6,203</b>
<b>Total equity and liabilities</b>		<b>8,856</b>	<b>10,274</b>
<b>Corporate information and significant accounting policies</b>	1 & 2		
Accompanying notes form an integral part of the consolidated financial statements			
As per our report of even date.			
<b>For S.R. Batliboi &amp; Associates LLP</b>		<b>For and on behalf of the Board of Directors of Cyient Limited</b>	
Chartered Accountants			
ICAI Firm registration number: 101049W/E300004			
<b>Shankar Srinivasan</b>		<b>Krishna Bodanapu</b>	
Partner		Managing Director & CEO	
Membership number: 213271		(DIN-00605187)	
		<b>Ajay Aggarwal</b>	
		Executive Director & Chief Financial Officer	
		(DIN-02565242)	
Place: Hyderabad		Place: Hyderabad	
Date: 24 May 2021		Date: 24 May 2021	

Cyient Inc.

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

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

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>INCOME</b>			
Revenue from operations	20	16,969	20,503
Other income	21	(128)	219
<b>Total income</b>		<b>16,841</b>	<b>20,722</b>
<b>EXPENSES</b>			
Cost of materials consumed		238	236
Changes in inventory of work-in-progress	22	10	3
Employee benefits expense	23	9,851	11,741
Finance costs	24	92	151
Depreciation and amortisation expense	25	427	385
Impairment of non-current assets	33	15	73
Other expenses	26	5,986	6,997
<b>Total expenses</b>		<b>16,619</b>	<b>19,586</b>
<b>Profit before tax</b>		<b>222</b>	<b>1,136</b>
<b>Tax expense</b>			
Current tax	17.1 (A)	376	241
Deferred tax		(333)	90
<b>Total tax expense</b>		<b>43</b>	<b>331</b>
<b>Profit for the year</b>		<b>179</b>	<b>805</b>
<b>Other comprehensive income (OCI)</b>			
(a) Items that will not be reclassified subsequently to profit or loss:			
(i) Equity instruments through other comprehensive income		-	7
(ii) Income tax relating to items that may not be reclassified to profit or loss	17.1(B)	-	(2)
(b) Items that will be reclassified subsequently to profit or loss:			
(i) Exchange differences in translating the financial statements of foreign operations		(31)	298
(ii) Effective portion of gain on designated portion of hedging instruments in a cash flow hedge		2	(3)
(iii) Income tax relating to items that may be reclassified to profit or loss	17.1(B)	-	1
<b>Total other comprehensive income</b>		<b>(29)</b>	<b>301</b>
<b>Total comprehensive income for the year</b>		<b>150</b>	<b>1,106</b>
<b>Earnings per equity share (par value of ₹ Nil each)</b>	27		
Basic and Diluted (₹)		357.91	1,608.39
<b>Corporate information and significant accounting policies</b>	1 & 2		
Accompanying notes form an integral part of the consolidated financial statements			
As per our report of even date			
<b>For S.R. Batliboi &amp; Associates LLP</b>		<b>For and on behalf of the Board of Directors of Cyient Limited</b>	
Chartered Accountants			
ICAI Firm registration number: 101049W/E300004			
<b>Shankar Srinivasan</b>		<b>Krishna Bodanapu</b>	
Partner		Managing Director & CEO	
Membership number: 213271		(DIN-00605187)	
		<b>Ajay Aggarwal</b>	
		Executive Director &	
		Chief Financial Officer	
		(DIN-02565242)	
Place: Hyderabad		Place: Hyderabad	
Date: 24 May 2021		Date: 24 May 2021	

Cyient Inc.

**Consolidated statement of changes in equity for the year ended March 31, 2021**

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

**A. Equity share capital**

Particulars	Note	Amount
<b>Balance as at April 1, 2019</b>		<b>993</b>
Changes in equity share capital during the year		-
<b>Balance as at March 31, 2020</b>	12	<b>993</b>
Changes in equity share capital during the year		-
<b>Balance as at March 31, 2021</b>		<b>993</b>

**B. Other equity**

Particulars	Note	Surplus		Items of other comprehensive income			Total other equity
		General reserve	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Equity instruments through other comprehensive income	
<b>Balance as at April 1, 2019</b>		<b>2</b>	<b>1,629</b>	-	<b>324</b>	<b>17</b>	<b>1,972</b>
Other comprehensive income	13	-	-	(2)	298	5	301
Profit for the year		-	805	-	-	-	805
<b>Total comprehensive income for the year</b>		-	<b>805</b>	<b>(2)</b>	<b>298</b>	<b>5</b>	<b>1,106</b>
Transfer of gain to retained earnings on disposal of equity instruments through OCI		-	22	-	-	(22)	-
<b>Balance as at March 31, 2020</b>		<b>2</b>	<b>2,456</b>	<b>(2)</b>	<b>622</b>	-	<b>3,078</b>
Other comprehensive income	13	-	-	2	(31)	-	(29)
Profit for the year		-	179	-	-	-	179
<b>Total comprehensive income for the year</b>		-	<b>179</b>	<b>2</b>	<b>(31)</b>	-	<b>150</b>
<b>Balance as at March 31, 2021</b>		<b>2</b>	<b>2,635</b>	-	<b>591</b>	-	<b>3,228</b>

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 of Cyient Limited**

**Shankar Srinivasan**

Partner

Membership number: 213271

**Krishna Bodanapu**

Managing Director and CEO

(DIN-00605187)

**Ajay Aggarwal**

Executive Director & Chief Financial Officer

(DIN-02565242)

Place: Hyderabad

Date: 24 May 2021

Place: Hyderabad

Date: 24 May 2021

Cyient Inc.

**Consolidated Cash Flow Statement for the year ended March 31, 2021**

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

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit for the year	179		805	
<u>Adjustments for:</u>				
Tax expense	43		331	
Depreciation and amortisation expense	427		385	
Impairment of non-current assets	15		-	
Loss on sale of property, plant and equipment (net)	9		73	
Finance costs	92		151	
Interest income	(1)		-	
Dividend income	-		(1)	
Liabilities no longer required written back	(34)		(168)	
Share based payment expense	10		11	
Provision for expected credit loss, (net)	183		50	
Loss/(gain) on fair valuation of investments carried at FVTPL, net	91		(6)	
Unrealised forex gain, net	30		351	
<b>Operating profit before working capital changes</b>		<b>1,044</b>		<b>1,982</b>
<u>Changes in operating assets and liabilities:</u>				
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Trade receivables	261		(649)	
Other financial assets	1,117		(337)	
Other assets	(742)		48	
Inventories	10		3	
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
Trade payables	(685)		192	
Other liabilities	348		41	
Provisions	(23)		35	
<b>Cash generated from operations</b>		<b>1,330</b>		<b>1,315</b>
Income taxes paid		(364)		(194)
<b>Net cash flow from operating activities (A)</b>		<b>966</b>		<b>1,121</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Payment towards purchase of property plant and equipment and intangible assets	(66)		(338)	
Proceeds from sale of financial assets - Investments in equity instruments classified as FVTOCI	-		48	
Payments to acquire financial assets - Investments in preferred and debt instruments	-		(75)	
Dividend income received	-		1	
Payment of liability towards acquisition of business	(36)		(66)	
Movement in other bank balances	(8)		(7)	
<b>Net cash flow used in investing activities (B)</b>		<b>(110)</b>		<b>(437)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid	(89)		(143)	
Interest received	1		-	
Proceeds from current borrowings	446		741	
Repayment of current borrowings	(966)		(505)	
Repayment of lease liabilities	(231)		(226)	
Repayment of non-current borrowings	(132)		(126)	
<b>Net cash flow used in financing activities (C)</b>		<b>(971)</b>		<b>(259)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>(115)</b>		<b>425</b>
Cash and cash equivalents at the beginning of the year		1,167		760
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(26)		(18)
<b>Cash and cash equivalents at the end of the year (refer note (i) below)</b>		<b>1,026</b>		<b>1,167</b>
<b>Notes:</b>				
(i) Cash and cash equivalents comprises of (refer note 11A):				
Cheques on hand		-		22
Balances with banks in current accounts		1,000		999
Remittances in transit		26		146
		<b>1,026</b>		<b>1,167</b>

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 of Cyient Limited**

**Shankar Srinivasan**  
Partner  
Membership number: 213271

**Krishna Bodanapu**  
Managing Director and CEO  
(DIN-00605187)

**Ajay Aggarwal**  
Executive Director & Chief Financial Officer  
(DIN-02565242)

Place: Hyderabad  
Date: 24 May 2021

Place: Hyderabad  
Date: 24 May 2021

Cyient Inc.

Notes forming part of the consolidated financial statements for the year ended March 31, 2021

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

### 3A. Property, plant and equipment

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Carrying amount of:</b>		
Leasehold improvements	49	68
Computers	46	63
Office equipment	65	86
Furniture and fixtures	74	87
Electrical installations	32	34
Plant and equipment	206	150
Vehicles	3	3
<b>Total</b>	<b>475</b>	<b>491</b>

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

Particulars	Leasehold improvements	Computers	Office equipment	Furniture and fixtures	Electrical installations	Plant and equipment	Vehicles	Total
<b>I. Cost or deemed cost</b>								
<b>Balance as at April 1, 2019</b>	<b>121</b>	<b>155</b>	<b>188</b>	<b>107</b>	<b>11</b>	<b>50</b>	<b>2</b>	<b>634</b>
Additions	21	33	10	17	28	113	2	224
Disposals	-	-	(3)	-	-	-	-	(3)
Foreign currency translation adjustments	8	14	17	9	3	5	-	56
<b>Balance as at March 31, 2020</b>	<b>150</b>	<b>202</b>	<b>212</b>	<b>133</b>	<b>42</b>	<b>168</b>	<b>4</b>	<b>911</b>
Additions	4	16	14	4	3	82	-	123
Disposals	(21)	(1)	(4)	(10)	-	-	-	(36)
Foreign currency translation adjustments	(16)	(5)	(7)	(3)	(1)	(5)	-	(37)
<b>Balance as at March 31, 2021</b>	<b>117</b>	<b>212</b>	<b>215</b>	<b>124</b>	<b>44</b>	<b>245</b>	<b>4</b>	<b>961</b>
<b>II. Accumulated depreciation</b>								
<b>Balance as at April 1, 2019</b>	<b>61</b>	<b>102</b>	<b>87</b>	<b>33</b>	<b>4</b>	<b>8</b>	<b>-</b>	<b>295</b>
Depreciation for the year	18	27	31	9	2	7	1	95
Disposals	-	-	(2)	-	-	-	-	(2)
Foreign currency translation adjustments	4	10	10	4	2	3	-	33
<b>Balance as at March 31, 2020</b>	<b>83</b>	<b>139</b>	<b>126</b>	<b>46</b>	<b>8</b>	<b>18</b>	<b>1</b>	<b>421</b>
Depreciation for the year	19	31	31	10	4	22	-	117
Disposals	(19)	(1)	(3)	(4)	-	-	-	(27)
Foreign currency translation adjustments	(16)	(3)	(4)	(2)	-	(1)	-	(26)
<b>Balance as at March 31, 2021</b>	<b>67</b>	<b>166</b>	<b>150</b>	<b>50</b>	<b>12</b>	<b>39</b>	<b>1</b>	<b>485</b>
<b>III. Carrying Amounts (I-II)</b>								
<b>Balance as at March 31, 2020</b>	<b>68</b>	<b>63</b>	<b>86</b>	<b>87</b>	<b>34</b>	<b>150</b>	<b>3</b>	<b>491</b>
<b>Balance as at March 31, 2021</b>	<b>49</b>	<b>46</b>	<b>65</b>	<b>74</b>	<b>32</b>	<b>206</b>	<b>3</b>	<b>475</b>

Cyient Inc.

Notes forming part of the consolidated financial statements for the year ended March 31, 2021

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

### 3B. Right of use assets ("ROU" assets)

#### a) Right of use assets:

Particulars	Buildings
<b>Balance as at April 1, 2019</b>	<b>725</b>
Additions	91
Depreciation (refer note 25)	(188)
Foreign currency translation adjustments	54
<b>Balance as at March 31, 2020</b>	<b>682</b>
Additions	80
Deletions	(10)
Depreciation (refer note 25)	(198)
Foreign currency translation adjustments	(15)
<b>Balance as at March 31, 2021</b>	<b>539</b>

#### b) Current and non-current lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	180	183
Non-current lease liabilities	440	588
<b>Total</b>	<b>620</b>	<b>771</b>

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

Particulars	March 31, 2021	March 31, 2020
<b>Balance at the beginning of the year</b>	<b>771</b>	<b>814</b>
Additions	80	91
Deletions	(10)	-
Finance cost accrued during the year	27	31
Payment of lease liabilities	(231)	(226)
Foreign currency translation adjustments	(17)	61
<b>Balance at the end of the year</b>	<b>620</b>	<b>771</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	220	242
One to five years	423	552
More than five years	46	88
<b>Total</b>	<b>689</b>	<b>882</b>

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. (refer note 25).

Rental expense for low value assets and short-term leases was ₹ 66 (2019-20: ₹ 91) included under other expenses in the consolidated statement of profit and loss. (refer note 26).

Cyient Inc.

**Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**4. Goodwill**

Particulars	As at	
	March 31, 2021	March 31, 2020
Balance at beginning of year	903	794
Additions on account of business combinations (refer note 30)	-	-
Foreign currency translation adjustments	(23)	109
<b>Balance at end of the year</b>	<b>880</b>	<b>903</b>

Goodwill of ₹ 343 (March 31, 2020: ₹ 352) has been allocated to the DLM segment (refer note 28). The estimated value-in-use of this CGU is based on the future cash flows using a 3% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 16%. 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 ₹ 537 (March 31, 2020: ₹ 551) has been allocated to the Services segment (refer note 28). The estimated value-in-use of this CGU is based on the future cash flows using a 3% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 12.9 %. 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. Intangible assets**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Carrying amount of:</b>		
Computer software	10	19
Customer contracts	63	119
Process knowhow	15	33
Technology/ Intellectual Property (refer note (i) (b) below)	65	88
Other Intangibles	32	39
<b>Total intangible assets</b>	<b>185</b>	<b>298</b>
<b>Intangible assets under development (refer note (i) below)</b>	<b>29</b>	<b>46</b>

**Note:**

**(i) Intangible assets under development:**

(a) During prior years, the Company has incurred certain expenses towards development of a software towards certification process through simulation which was capitalised as 'intangible assets under development'. During the previous year, based on forecast of the underlying contracts, the Group has impaired the carrying value of the asset of ₹ 73 and recognised under 'impairment of non-current assets' (refer note 33).

(b) Amounts incurred by the Company pursuant to an agreement with a customer towards efficiency improvement in certain equipment on a risk sharing model ₹ Nil (March 31, 2020: ₹ 46). During the previous year, Company capitalized ₹ 35 pursuant to successful completion of an identifiable block which is expected to generate revenue over the next six years. This has been classified under 'Technology/ Intellectual Property'.

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

Particulars	Computer software	Customer contracts	Process Knowhow	Technology/ Intellectual property	Other intangibles	Total
<b>I. Cost or Deemed cost</b>						
<b>Balance as at April 1, 2019</b>	<b>310</b>	<b>237</b>	<b>83</b>	<b>81</b>	<b>57</b>	<b>768</b>
Additions	19	-	-	35	-	54
Foreign currency translation adjustments	28	21	7	11	5	72
<b>Balance as at March 31, 2020</b>	<b>357</b>	<b>258</b>	<b>90</b>	<b>127</b>	<b>62</b>	<b>894</b>
Additions	-	-	-	-	-	-
Foreign currency translation adjustments	(10)	(6)	(2)	(3)	(1)	(22)
<b>Balance as at March 31, 2021</b>	<b>347</b>	<b>252</b>	<b>88</b>	<b>124</b>	<b>61</b>	<b>872</b>
<b>II. Accumulated amortisation</b>						
<b>Balance as at April 1, 2019</b>	<b>304</b>	<b>79</b>	<b>36</b>	<b>17</b>	<b>12</b>	<b>448</b>
Amortisation for the year	7	51	17	19	8	102
Foreign currency translation adjustments	27	9	4	2.9	3	46
<b>Balance as at March 31, 2020</b>	<b>338</b>	<b>139</b>	<b>57</b>	<b>39</b>	<b>23</b>	<b>596</b>
Amortisation for the year	8	56	18	21	9	112
Foreign currency translation adjustments	(9)	(6)	(2)	(1)	(3)	(21)
<b>Balance as at March 31, 2021</b>	<b>337</b>	<b>189</b>	<b>73</b>	<b>59</b>	<b>29</b>	<b>687</b>
<b>III. Carrying Amounts (I-II)</b>						
<b>Balance as at March 31, 2020</b>	<b>19</b>	<b>119</b>	<b>33</b>	<b>88</b>	<b>39</b>	<b>298</b>
<b>Balance as at March 31, 2021</b>	<b>10</b>	<b>63</b>	<b>15</b>	<b>65</b>	<b>32</b>	<b>185</b>

Cyient Inc.

Notes forming part of the consolidated financial statements for the year ended March 31, 2021

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

## 6. Investments

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non-current</b> (refer note (i) below)		
<b>Investment carried at fair value through other comprehensive income</b>		
Equity instruments of other entities (quoted)	-	-
<b>Investments carried at fair value through profit and loss:</b>		
Preferred instruments of other entities (unquoted)	175	155
Debt instruments of other entities (unquoted)	-	114
<b>Total</b>	<b>175</b>	<b>269</b>

### Note (i): Details of investments - Non-current

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Equity instruments of other entities (unquoted)</b>				
Canesta Inc., USA (refer note (d) below)	-	-	-	-
<b>Preferred instruments of other entities (unquoted)</b>				
Jana Care Inc. (refer note (b) below)	3,68,297	78	3,68,297	80
Cylus Cyber Security Ltd (refer note (c) below)	6,68,986	97	6,68,986	75
<b>Debt Instrument of other entities (unquoted)</b>				
Spry Health Inc. (refer note (a) below)	NA	-	NA	114
<b>Total</b>		<b>175</b>		<b>269</b>

### Notes:

(a) During the year 2018-19, Company has invested an amount of ₹ 104 (USD 1,500,000) as a part of 'simple agreement for future equity' ("SAFE") with Spry Health Inc.. The Company has right to certain shares of Spry Health Inc. based on terms and conditions specified in the agreement. During the year, Company has recognised loss of ₹ 114 on fair valuation of its investment in Spry Health Inc. (refer note 21)

(b) During the year 2018-19, Company has invested an amount of ₹ 80 (USD 1,000,000) in Series A Preferred Stock in Jana Care Inc. During the year, Company has recognised gain of ₹ 23 on account of increase in fair value of investment. (refer note 21)

(c) During the previous year, Cyient Inc. has invested an amount of ₹ 75 (USD 1,000,000) in Series B preferred stock in Cylus Cyber Security Ltd of 668,986 shares valued at par value of NIS 0.01 per share.

(d) During the previous year, Cyient inc. has written off its investment in Canesta Inc. (March 31, 2020: ₹ 0.10)

### Note (ii): Carrying values

Particulars	As at	
	March 31, 2021	March 31, 2020
Aggregate amount of investments carried at fair value through other comprehensive income (quoted)	-	-
Aggregate amount of investments carried at fair value through profit and loss (unquoted)	175	269

Cyient Inc.

Notes forming part of the consolidated financial statements for the year ended March 31, 2021

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

## 7. Loans and other financial assets

### 7A. Loans and deposits

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>(at amortised cost)</b>		
<b>Non-current</b>		
Security deposits		
Considered good	14	17
<b>Total non-current loans and deposits</b>	<b>14</b>	<b>17</b>

### 7B. Other financial assets

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Current</b>		
<b>(at amortised cost)</b>		
Unbilled revenue	850	1,958
Advance to employees	2	5
Other receivables	3	6
<b>Total other current financial assets</b>	<b>855</b>	<b>1,969</b>
<b>Total other financial assets</b>	<b>869</b>	<b>1,986</b>

## 8. Other assets

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non-current:</b>		
Capital advances (net of provision)	9	51
Deferred contract costs	24	26
<b>Total other non-current assets</b>	<b>33</b>	<b>77</b>
<b>Current:</b>		
Prepaid expenses	90	88
Deferred contract costs	10	21
Advances to suppliers*	753	-
<b>Total other current assets</b>	<b>853</b>	<b>109</b>
<b>Total other assets</b>	<b>886</b>	<b>186</b>

\* Includes amount receivable from related parties (refer note 29)

## 9. Inventories

Particulars	As at	
	March 31, 2021	March 31, 2020
Inventories		
Work-in-progress	31	41
<b>Total</b>	<b>31</b>	<b>41</b>

Cyient Inc.

**Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**10. Trade receivables**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Trade receivables</b>		
Trade receivables considered good - unsecured*	3,728	4,176
Trade receivables-significant increase in credit risk	-	-
Trade receivables - credit impaired	178	70
Expected credit loss allowance	(178)	(70)
<b>Total</b>	<b>3,728</b>	<b>4,176</b>

\* Includes amount receivable from related parties (refer note 29)

**Note:**

**Expected credit loss (ECL):**

The Group'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 Group 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 Group 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 consolidated statement of profit and loss.

Ageing	As at	
	March 31, 2021	March 31, 2020
Within the credit period	1,912	2,293
1-90 days past due	363	485
91-180 days past due	127	178
181-365 days past due	291	301
More than 365 days past due	1,213	989
<b>Total</b>	<b>3,906</b>	<b>4,246</b>

Movement in the expected credit loss allowance	As at	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	70	92
Provision made during the year	183	50
Reversal of provision on account of collection	(22)	(2)
Bad debts written-off	(51)	(81)
Translation adjustment	(2)	11
<b>Balance at the end of the year</b>	<b>178</b>	<b>70</b>

Cyient Inc.

Notes forming part of the consolidated financial statements for the year ended March 31, 2021

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

# 11: Cash and Bank Balances

## 11A. Cash and cash equivalents

Particulars	As at	
	March 31, 2021	March 31, 2020
Cheques on hand	-	22
Balances with banks in current accounts	1,000	999
Remittances in transit	26	146
<b>Total</b>	<b>1,026</b>	<b>1,167</b>

## 11B. Other bank balances

Particulars	As at	
	March 31, 2021	March 31, 2020
Deposits held as margin money/security for bank guarantees	33	25
<b>Total</b>	<b>33</b>	<b>25</b>

### Reconciliation of liabilities arising from financing activities for the year ended March 31, 2021:

Particulars	As at April 1, 2020	Proceeds	Additions/ (deletions), net	Repayment	Foreign exchange	As at March 31, 2021
Non-current borrowings (including current portion)	221	-	-	(132)	(4)	85
Current borrowings	980	446	-	(966)	(19)	441
Lease liabilities	771	-	97	(231)	(17)	620
<b>Total liabilities from financing activities</b>	<b>1,972</b>	<b>446</b>	<b>97</b>	<b>(1,329)</b>	<b>(40)</b>	<b>1,146</b>

### Reconciliation of liabilities arising from financing activities for the year ended March 31, 2020:

Particulars	As at April 1, 2019	Proceeds	Impact on account of adoption of Ind AS 116	Repayment	Foreign exchange	As at March 31, 2020
Non-current borrowings (including current portion)	337	-	-	(126)	10	221
Current borrowings	671	741	-	(505)	73	980
Lease liabilities	-	-	936	(226)	61	771
<b>Total liabilities from financing activities</b>	<b>1,008</b>	<b>741</b>	<b>936</b>	<b>(857)</b>	<b>144</b>	<b>1,972</b>

Cyient Inc.

**Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**12. Equity share capital**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Authorised share capital:</b>		
20,000,000 shares common stock with Nil par value (March 31, 2020 : 20,000,000)	-	-
<b>Issued and subscribed capital:</b>		
500,500 shares common stock with Nil par value (March 31, 2020 : 500,500)	993	993
<b>Total</b>	<b>993</b>	<b>993</b>

**(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	500,500	993	500,500	993
Changes in equity share capital during the year	-	-	-	-
<b>Balance</b>	<b>500,500</b>	<b>993</b>	<b>500,500</b>	<b>993</b>

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

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>				
Cyient Limited	500,500	100%	500,500	100%

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

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

Cyient Inc.

**Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**13. Other equity**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>(a) General reserve</b>	<b>2</b>	<b>2</b>
<b>(b) Cash flow hedge reserve</b>		
(i) Opening balance	(2)	-
(ii) Effective portion of gain/(loss) on designated portion of hedging instruments (net of tax)	2	(2)
	-	(2)
<b>(c) Foreign currency translation reserve</b>		
(i) Opening balance	622	324
(ii) Additions	(31)	298
	<b>591</b>	<b>622</b>
<b>(d) Retained earnings</b>		
(i) Opening balance	2,456	1,662
(ii) Profit for the year	179	805
(iii) Impact on account of adoption of Ind AS 116, net of tax (refer note 3B)	-	(33)
(iv) Transfer of gain to retained earnings on disposal of equity instruments through OCI	-	22
	<b>2,635</b>	<b>2,456</b>
<b>(e) Equity instrument through Other comprehensive income</b>		
(i) Opening balance	-	17
(ii) Increase in fair value of equity instruments, net of tax	-	5
(iii) Transfer of gain to retained earnings on disposal of equity instruments through OCI	-	(22)
	-	-
<b>Total</b>	<b>3,228</b>	<b>3,078</b>

**Nature of reserves:**

**(a) General reserve**

Represents appropriation of profit by the Group.

**(b) Cash flow hedge reserve**

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

**(c) Foreign currency translation reserve**

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.

**(d) Retained earnings**

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

(ii) Gain or loss on disposal of equity instruments designated at fair value through other comprehensive income is reclassified to retained earnings.

**(e) Equity instrument through Other comprehensive income**

Represents the cumulative gains and losses arising on fair valuation of the equity instruments measured at fair value through OCI, net of amounts reclassified to retained earnings when the investments have been disposed off.

**Cyient Inc.**

**Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**14. Borrowings**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non-current</b>		
<b>Secured - at amortised cost</b>		
Term loans from banks	26	86
	<b>26</b>	<b>86</b>
<b>Current</b>		
<b>Secured - at amortised cost</b>		
Working capital loans from banks	441	980
	<b>441</b>	<b>980</b>
<b>Total Borrowings</b>	<b>467</b>	<b>1,066</b>

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

Particulars	Coupon/ Interest Rate	Gross amount in Foreign currency	Security	Carrying value as at			
				31-Mar-21		31-Mar-20	
				Foreign currency	INR	Foreign currency	INR
<b>Cyient Inc.</b>							
HSBC (USD) (Avalied in February 2017 repayable in quarterly instalments over a period of 4 years)	LIBOR+1% Payable quarterly		i. Lien on cash, deposits, securities, instruments or other property in the possession of the bank ii. Corporate Guarantee from Cyient Limited	Nil	Nil	10,00,000	75
DECD (refer note below) (Avalied in August 2018)	2.5%		None	3,95,718	29	4,21,138	32
<b>Cyient Defense Services Inc.</b>							
HSBC (USD) (Avalied in January 2018 repayable in quarterly instalments over a period of 4 years)	LIBOR+1% Payable quarterly		i. Lien on cash, deposits, securities, instruments or other property in the possession of the bank ii. Corporate Guarantee from Cyient Limited	7,50,000	56	15,00,000	114

**Note:**

i. During the year 2018-19, Cyient Inc. has received financial assistance in the form of loan of ₹ 35 (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 instalments, 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, 2021, the Company is in the process of meeting specified terms and conditions of the assistance agreement.

**Working capital loan:**

During the year, Cyient Inc. has borrowed working capital loan aggregating ₹ 446 (USD 6,000,000) (March 31, 2020: ₹ 980 (USD 13,000,158) and repaid during the year ₹ 966 (USD 13,000,000) (March 31, 2020: ₹ 671 (USD 9,700,000) secured by a stand by letter of credit from HSBC Bank, India. Cyient Limited has provided corporate guarantee for this borrowing. Amount outstanding as at March 31, 2021 was ₹ 441 (USD 6,000,158) (March 31, 2020: ₹ 980 (USD 13,00,158)).

Cyient Inc.

Notes forming part of the consolidated financial statements for the year ended March 31, 2021

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

#### 15. Other financial liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non-current</b>		
<b>(at amortised cost)</b>		
Liability towards acquisition of business (refer note below)	-	95
<b>Total</b>	<b>-</b>	<b>95</b>
<b>Current</b>		
<b>(at amortised cost)</b>		
Current maturities of non-current borrowings	59	135
Liability towards acquisition of business (refer note below)	49	47
Capital creditors	13	-
<b>(at FVTOCI)</b>		
Derivative instruments designated in a hedging relationship	-	2
<b>Total</b>	<b>121</b>	<b>184</b>
<b>Total other financial liabilities</b>	<b>121</b>	<b>279</b>

Note:

i) The Group has certain outstanding liabilities to previous shareholders of acquired entities payable on meeting certain criteria defined within acquisition agreements:

Payable by	Acquisition of	As at	
		March 31, 2021	March 31, 2020
Cyient Defense Services Inc.	B&F Design Inc.		
	Non-current	-	95
	Current	49	47
	(During the year, an amount of ₹ 36 (2019-20: ₹ 66) has been paid as deferred consideration. The remaining consideration is payable through April 30, 2021).		

#### 16. Provisions

Particulars	As at	
	March 31, 2021	March 31, 2020
Compensated absences (refer note below)	217	235
	<b>217</b>	<b>235</b>
Non-current	156	173
Current	61	62
	<b>217</b>	<b>235</b>

Note:

**Employee benefit plans:**

The employee benefit schemes are as under:

**Defined Benefit Plans**

**Compensated absences – Cyient Inc.**

Actuarial assumptions for long-term compensated absences	As at	As at
	March 31, 2021	March 31, 2020
Discount rate	0.95%	0.52%
Expected return on plan assets	NA	NA
Salary escalation	3.00%	2%-3%
Attrition	15.00%	15.00%

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 consolidated 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 bonds as at the Balance Sheet date for the estimated term of the obligation.

Cyient Inc.

Notes forming part of the consolidated financial statements for the year ended March 31, 2021

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

## 17. Income taxes

### 17.1 Tax Expense

#### A. Income tax expense recognised in the consolidated statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current tax</b>		
In respect of the current year	372	260
In respect of earlier years	4	(19)
	<b>376</b>	<b>241</b>
<b>Deferred taxes expense/(benefit):</b>		
In respect of the current year	(333)	90
	<b>(333)</b>	<b>90</b>
<b>Total</b>	<b>43</b>	<b>331</b>

#### B. Income tax expense recognised in other comprehensive income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2020
<b>Income tax expense recognised directly in equity consists of:</b>		
Tax effect on equity instrument through other comprehensive income	-	2
Tax effect on effective portion of change in fair value of cash flow hedge	-	(1)
<b>Total</b>	<b>-</b>	<b>1</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	-	2
Items that may be reclassified to profit or loss	-	(1)

#### C. Reconciliation of effective tax rate

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit before tax</b>	<b>222</b>	<b>1,136</b>
Enacted rate in USA	30.75%	30.75%
<b>Computed expected tax expense</b>	<b>68</b>	<b>349</b>
Effect of income exempt from tax	(18)	(41)
Effect of expenses that are not deductible in determining taxable profit	6	12
Effect of different tax rates of subsidiaries operating in other jurisdictions	(4)	(9)
Reversal of deferred tax asset (net)	(13)	38
Adjustments in respect of current income tax of previous years	4	(18)
<b>Income tax expense</b>	<b>43</b>	<b>331</b>
<b>Effective tax rate</b>	<b>19.4%</b>	<b>29.1%</b>

Cyient Inc.

**Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**17.2. 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, 2021	March 31, 2020
Deferred tax assets	-	173
Deferred tax liabilities	(14)	(524)
<b>Deferred tax liabilities, net</b>	<b>(14)</b>	<b>(351)</b>

**B. Movement in deferred tax assets and liabilities :**

2020-21	Opening balance	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Retained Earnings	Exchange difference	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>						
Cash flow hedges	1	-	(1)	-	-	-
					6	
Property, plant and equipment & Intangible assets	(123)	30	-	-	-	(87)
Unearned revenue	(399)	251	-	-	7	(141)
Provisions	59	4	-	-	(4)	59
Provision for expected credit loss	21	34	-	-	-	55
Capital loss	31	35	-	-	(2)	64
State tax expense	34	(12)	-	-	(1)	21
Financial assets at FVTOCI	-	-	-	-	-	-
Investments carried at fair value through profit and loss	(2)	(8)	-	-	1	(9)
Right of Use assets	27	(1)	-	-	(2)	24
<b>Net deferred tax assets/(liabilities)</b>	<b>(351)</b>	<b>333</b>	<b>(1)</b>	<b>-</b>	<b>5</b>	<b>(14)</b>

2019-20	Opening balance	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Retained Earnings	Exchange difference	Closing balance
<b>Deferred tax (liabilities)/assets in relation to :</b>						
Cash flow hedges	-	-	1	-	-	1
	(5)	(114)	-	-	(4)	(123)
Property, plant and equipment & Intangible assets						
Unearned revenue	(352)	(15)	-	-	(32)	(399)
Provisions	61	(9)	-	-	7	59
Provision for expected credit loss	28	(9)	-	-	2	21
Capital loss	38	(10)	-	-	3	31
State tax expense	24	7	-	-	3	34
Financial assets at FVTOCI	(57)	51	(2)	11	(3)	0
Investments carried at fair value through profit and loss	-	(2)	-	-	-	(2)
Right of Use assets	-	11	-	15	1	27
<b>Net deferred tax assets/(liabilities)</b>	<b>(263)</b>	<b>(90)</b>	<b>(1)</b>	<b>26</b>	<b>(23)</b>	<b>(351)</b>

**17.3. Income tax assets and liabilities**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Income tax liabilities, net</b>		
Income tax payable -current	(56)	(44)

Cyient Inc.

Notes forming part of the consolidated financial statements for the year ended March 31, 2021

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

#### 18. Other liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>(at amortised cost)</b>		
<b>Non-current</b>		
Unearned revenue	-	24
Statutory remittances	166	-
<b>Total</b>	<b>166</b>	<b>24</b>
<b>Current</b>		
Unearned revenue	76	34
Advance from customers	-	4
Statutory remittances	197	29
<b>Total</b>	<b>273</b>	<b>67</b>

#### 19. Trade Payables

Particulars	As at	
	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,701	3,366
<b>Total</b>	<b>2,701</b>	<b>3,366</b>

\* Includes amount payable to its related parties (refer note 29)

#### 20. Revenue from contracts with customers

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Revenue from services	16,231	19,846
Revenue from products	738	657
<b>Total revenue from operations</b>	<b>16,969</b>	<b>20,503</b>

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

#### 1. Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by contract type and geography. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected.

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
<b>Revenues by contract type</b>		
Fixed-price	6,506	7,773
Time and material	9,684	11,997
Maintenance	41	76
License	-	-
Product sale	738	657
<b>Total</b>	<b>16,969</b>	<b>20,503</b>
<b>Revenues by Geography</b>		
North America	16,969	20,503
<b>Total</b>	<b>16,969</b>	<b>20,503</b>
<b>Revenues by Timing of recognition</b>		
<b>Goods and services transferred</b>		
- At a point in time	738	657
- Over a period of time	16,231	19,846
<b>Total</b>	<b>16,969</b>	<b>20,503</b>

**Cyient Inc.****Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**Fixed price:** Fixed price arrangements with customers have defined delivery milestones with agreed scope of work and pricing for each milestone. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration, is recognised as per the 'percentage-of-completion' method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity. In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term.

**Time and material:** Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

**Maintenance**

Revenue from fixed-price maintenance contracts are recognised pro-rata over the term of the maintenance arrangement.

**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. Sales volume discounts are reduced from the contract price to recognise the revenue and does not have material impact on revenue recognised.

**2. Trade receivables and contract balances**

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	3,728	4,176
Unbilled revenue	850	1,958
Unearned revenue	76	58

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenue are classified as contract liabilities (unearned revenues).

**Contract assets:** During the year ended March 31, 2021, ₹ 1,616 Mn of contract assets as at March 31, 2020 has been reclassified to receivables on completion of performance obligation. During the year ended March 31, 2020, ₹ 1,338 Mn of contract assets as at March 31, 2019 has been reclassified to receivables on completion of performance obligation.

**Contract liabilities:** During the year ended March 31, 2021 the Company recognized revenue of ₹ 58 Mn arising from contract liabilities as at March 31, 2020. During the year ended March 31, 2020, the Company recognized revenue of ₹ 18 Mn arising from opening unearned revenue as at April 1, 2019.

**Cyient Inc.**

**Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**21. Other income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Interest income on financial assets carried at amortised cost:</b>		
Other financial assets	1	-
	<b>1</b>	<b>-</b>
<b>Dividend income</b>		
Dividend from equity instruments	-	1
	<b>-</b>	<b>1</b>
<b>Other non-operating income</b>		
Liabilities no longer required, written back (refer note below)	34	168
Miscellaneous income	12	8
	<b>46</b>	<b>176</b>
<b>Other gain and loss</b>		
Foreign exchange gain/(loss) (net)	(75)	36
(Loss) /gain on fair valuation of investments carried at FVTPL (refer note 6)	(91)	6
Loss on disposal of property, plant and equipment	(9)	-
	<b>(175)</b>	<b>42</b>
<b>Total</b>	<b>(128)</b>	<b>219</b>

**Note:**

(i) Liabilities no longer required, written back includes gain of ₹ 57 (2019-20: ₹ 134) on reversal of contingent consideration payable on past acquisitions which are not contractually payable (refer note 15).

**22. Changes in inventories of work-in-progress**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening Stock:</b>		
Work-in-progress	41	44
	<b>41</b>	<b>44</b>
<b>Closing Stock:</b>		
Work-in-progress	31	41
	<b>31</b>	<b>41</b>
<b>Net decrease</b>	<b>10</b>	<b>3</b>

**23. Employee benefits expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages, including bonus	9,113	10,820
Social security and other benefits to employees (refer note (ii))	86	121
Share based payment expense (refer note (i))	10	11
Staff welfare expenses (refer note (iii))	642	825
Less: Capitalised	-	(36)
<b>Total</b>	<b>9,851</b>	<b>11,741</b>

**Notes:**

(i) The costs incurred by Cyient Limited are recharged to the Company in relation with the stock options granted to the associates of the Group are recharged to the Company.

**(ii) 401 (K) benefit plan - Cyient Inc:**

Cyient Inc., provides a defined contribution plan benefit through 401(K) benefit Plan to all of its eligible employees. The plan is administered by the Cyient Inc., while the trustee for the plan is an external agency. The contribution from the Cyient Inc., is at the discretion of the Board of Directors. The Cyient Inc., monthly contributions are charged to the consolidated statement of profit and loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 86 (2019-20: ₹ 121). The amount payable towards 401(K) benefit plan as at March 31, 2020 is ₹ Nil (March 31, 2020: ₹ Nil).

**(iii) Medical Insurance plan - Cyient Inc:**

Cyient Inc., offers a medical insurance plan to its associates on self-insured basis which consists of fixed costs of administration charges and stop loss insurance that are charged on a per associate and monthly claims being settled from consolidated fund maintained by third party insurance fund. At the end of every calendar year, the insurance agency provides an estimate of "Claims Not Yet Received" computed on actuarial valuation based on number of associates and claims received over the last 12 months. This estimate is extrapolated on the basis of the closing enrolments as of March 31 and a liability is recognised for medical expenses. Total expense recognised during the year aggregated to ₹ 484 ( 2019-20: ₹ 794).

Cyient Inc.

Notes forming part of the consolidated financial statements for the year ended March 31, 2021

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

#### 24. Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Interest expense</b>		
Interest on borrowings	15	31
Interest on lease liabilities (refer note 3B)	27	31
Other interest expense	47	81
Discounting on deferred consideration	3	8
<b>Total</b>	<b>92</b>	<b>151</b>

#### 25. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment	117	95
Depreciation of right of use assets (refer note 3B)	198	188
Amortisation of intangible assets	112	102
<b>Total</b>	<b>427</b>	<b>385</b>

#### 26. Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent including lease rentals (refer note 3B)	66	91
Rates and taxes	21	18
Insurance	53	48
Travelling and conveyance	160	376
Sub-contracting charges	4,865	5,756
Communication	59	64
Printing and stationery	8	14
Power and fuel	17	20
Marketing and advertising expenses	40	83
Repairs and maintenance		
- Buildings	4	4
- Machinery	39	40
- Others	2	1
Legal & professional charges	206	176
Expected credit loss for trade receivables (refer note 10)	183	50
Auditors' remuneration (refer note (i) below)	2	7
Recruitment expenses	8	16
Training and development	24	30
Software charges	165	124
Miscellaneous expenses	64	79
<b>Total</b>	<b>5,986</b>	<b>6,997</b>

Notes:

(i) Auditors' remuneration (net of applicable tax) comprises of:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Payment to the auditors of the Company</b>		
(a) For audit and related services of Company	2	7
<b>Total</b>	<b>2</b>	<b>7</b>

#### 27. Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year attributable to shareholders of the Company	179	805
<b>Basic and Diluted:</b>		
Number of shares outstanding at the year end	500,500	500,500
Weighted average number of equity shares	500,500	500,500
<b>Earnings per share - Basic and Diluted (₹)</b>	<b>357.91</b>	<b>1,608.39</b>

There are no dilutive potential equity shares outstanding during the year.

**Cyient Inc.****Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**28. Segment Information****A. Products and services from which reportable segments derive their revenue**

The Cyient Inc. Group's Chief Operating Decision maker, is the Managing Director and Chief Executive Officer of the ultimate holding company who evaluates Cyient Group's performance and allocates resources based on an analysis of various performance indicators by business verticals and geographical segmentation of customers.

The Cyient Group has identified business segments as its primary segment and geographic segments as its secondary segment.

Geographic segments of the Cyient Group are North America, Europe and Asia Pacific.

Until March 31, 2019, the Cyient Group classified its operations into three vertically oriented business segments, i.e. Utilities, Geospatial and Communications (UGC), Manufacturing and Industrial Products (MI) and Design Led Manufacturing (DLM). The business cater to the specific requirements of customers in their respective user segments.

Effective April 1, 2019, in furtherance of the Group S3 strategy, the Group has re-organized certain business units and its operating structure to enable a strong solution focus across all the business units. In view of the structural changes, the Chief Operating Decision Maker (CODM) reviews the business as two operating segments - 'Services' and 'Design led Manufacturing' (DLM), and in accordance with the core principles of Ind AS 108 - 'Operating Segments', these have been considered as the reportable segments of the Group.

The 'Services' segment comprises the Group service and solutions offerings across the of Aerospace & Defence, Transportation, Semiconductor, Medical & Healthcare, Communications, Energy & Utilities and Portfolio business units. The 'DLM' segment is engaged in providing electronic manufacturing solutions in the fields of medical, industrial, automotive, telecommunications, defence and aerospace applications including manufacture and machining of components for aerospace, automotive and defence industries.

The Group has re-presented the information relating to all comparative periods in line with this revised segmental classification.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, expenses, assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocable revenue /expenses /assets /liabilities".

**B. Segment revenue and results**

Particulars	Segment Revenue		Segment Profit	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Services	16,158	19,761	304	1,123
Design Led Manufacturing	811	742	153	18
<b>Total</b>	<b>16,969</b>	<b>20,503</b>	<b>457</b>	<b>1,141</b>
Finance costs			92	151
Unallocable income/(expense), net			(143)	146
<b>Profit before tax</b>			<b>222</b>	<b>1,136</b>

**C. Segment assets and liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Segment assets</b>		
Design Led Manufacturing	720	783
Services	6,902	8,030
<b>Total</b>	<b>7,622</b>	<b>8,813</b>
<b>Unallocated assets</b>	<b>1,234</b>	<b>1,461</b>
<b>Consolidated total assets</b>	<b>8,856</b>	<b>10,274</b>
<b>Segment liabilities</b>		
Design Led Manufacturing	146	260
Services	3,271	3,574
<b>Total</b>	<b>3,417</b>	<b>3,834</b>
<b>Unallocated liabilities</b>	<b>1,218</b>	<b>2,369</b>
<b>Consolidated total liabilities</b>	<b>4,635</b>	<b>6,203</b>

**Geographic segments**

The Group is operating under one geography i.e., North America.

Cyient Inc.

Notes forming part of the consolidated financial statements for the year ended March 31, 2021

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

## 29. Related party transactions

Ultimate Holding Company: Cyient Limited, India

### Subsidiaries considered for consolidation:

Name of the Company	Country of Incorporation	Extent of holding (%) as on	
		March 31, 2021	March 31, 2020
Cyient Canada Inc.	Canada	100%	100%
Cyient Defense Services Inc.	USA	100%	100%
B&F Design, Inc.*	USA	NA	100%

\* Effective April 01, 2020, B&F Design Inc. has been merged with its holding company, Cyient Defense Services Inc.

### Fellow Subsidiaries:

Name of the Subsidiary	Country of incorporation
Cyient Europe Limited	UK
Cyient GmbH	Germany
Cyient KK	Japan
Cyient Insights Private Limited	India
Cyient Australia Pty Limited	Australia
Cyient DLM Private Limited	India
Cyient Singapore Private Limited	Singapore
Cyient Israel India Limited	Israel
Cyient Engineering (Beijing) Limited	China
Cyient Solutions and Systems Private Limited	India
Cyient Urban Micro Skill Centre Foundation	India

Joint Venture of Ultimate Holding Company	Country of incorporation
Infotech HAL Limited	India

### Subsidiaries of Cyient Europe Limited:

Name of the Subsidiary	Country of incorporation
Cyient Benelux BV	Netherlands
Cyient Schweiz GmbH	Switzerland
Cyient SRO	Czech Republic
AnSem NV	Belgium
AnSem BV	Netherlands

### Subsidiaries of Cyient GmbH:

Name of the Subsidiary	Country of incorporation
Cyient AB	Sweden

### Subsidiaries of Cyient Australia Pty Limited:

Name of the Subsidiary	Country of incorporation
Integrated Global Partners Pty Limited	Australia
Integrated Global Partners Pte. Limited	Singapore
Integrated Global Partners SpA	Chile
IG Partners South Africa (Pty) Ltd	South Africa

Cyient Australia Pty Limited, Australia, acquired 100% of equity shares of Integrated Global Partners Pty Limited, Australia (and its wholly owned subsidiaries Integrated Global Partners Pte. Limited, Singapore; Integrated Global Partners SpA, Chile and IG Partners South Africa (Pty) Ltd, South Africa) on November 06, 2020.

**Cyient Inc.****Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**Key Managerial Personnel (KMP):**

Name	Designation
Krishna Bodanapu	Managing Director & CEO, Cyient Limited
Ajay Aggarwal	Executive Director & Chief Financial Officer, Cyient Limited
B. Ashok Reddy	Director, Cyient Inc. (until March 31, 2021)
Thomas Edwards	President, Cyient Inc.
Kumar Podila	Secretary, Cyient Inc.
Katie Cook	Director, Cyient Inc.
Peter Longo	Chairman of the Board, Cyient Inc.

**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	Year ended	
		March 31, 2021	March 31, 2020
Revenue	Cyient Limited	61	146
	Cyient KK	41	37
	Cyient GmbH	-	6
Subcontracting expenses	Cyient Limited	4,117	4,456
	Cyient SRO	63	-
	Cyient Insights LLC	-	-
	Cyient KK	(24)	(16)
	Cyient DLM Private Limited	(11)	13
	Cyient GmbH	4	-
	Cyient Insights Private Limited.	25	35
Reimbursement of expenses (net)	Cyient Limited	92	59
	Cyient Australia Pty Limited	2	4
	Cyient Singapore Private Limited	-	1
	Cyient Europe Limited	2	3
	Cyient Insights Private Limited.	-	1
	Cyient SRO	(2)	1
	Cyient DLM Private Limited	4	2
	Cyient BV	-	1
	Integrated Global Partners Pty Limited	1	-
	Cyient GmbH	1	2
Short term benefits	Executive Officers <sup>#1</sup>	73	92
Corporate guarantee given to bankers	Cyient Limited	1,065	-
Corporate guarantee fee	Cyient Limited	13	9
Corporate guarantee given to bankers liquidated	Cyient Limited	485	-

# 1. Executive officers include Thomas Edwards (President), Katie Cook (Director), Peter Longo (Chairman of the Board) and Kumar Podila (Secretary)

Cyient Inc.

Notes forming part of the consolidated financial statements for the year ended March 31, 2021

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

**(b) Balances at the year end:**

Nature of the balance	Party name	As at	
		March 31, 2021	March 31, 2020
Trade receivables	Cyient Limited	1,304	1,151
	Cyient DLM Private Limited	26	6
	Cyient Japan KK	10	97
	Cyient Insights Private Limited	9	9
	Cyient Australia Pty Limited	28	27
	Cyient Singapore Private Limited	4	4
	Cyient Europe Limited	29	28
	Cyient BV	4	4
	Cyient AB	1	1
	Cyient SRO	4	4
	Cyient GmbH	34	34
	Integrated Global Partners Pty Limited	1	-
Trade Payable	Cyient Limited	1,510	2,001
	Cyient GmbH	11	8
	Cyient Europe Limited	34	31
	Cyient AB	46	47
	Cyient Singapore Private Limited	1	1
	Cyient Japan KK	2	2
	Cyient DLM Private Limited	12	11
	Cyient SRO	24	-
	Cyient Insights Private Limited	29	31
Advance to suppliers	Cyient Limited	743	9
	Cyient DLM Private Limited	3	3
Other advances	Cyient Limited	-	12
Corporate guarantee given to bankers	Cyient Limited	2,357	1,825

**Cyient Inc.**

**Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

### **30. Business combinations**

#### **A. Business combinations during the year 2020-21:**

##### **Merger of B&F Design, Inc.**

B&F Design, Inc. a wholly owned subsidiary of Cyient Defense Services Inc. ("CDSI") was merged with CDSI, with effect from April 01, 2020. Pursuant to the amalgamation, all the assets, liabilities and reserves stand transferred and vested in CDSI. The amalgamation had been accounted for under "Pooling of Interests" method. Accordingly, the assets, liabilities and reserves have been taken over at their books values. As B&F Design, Inc. was a wholly owned subsidiary of CDSI, no consideration was paid to effect the amalgamation.

#### **A. Business combinations during the year 2019-20:**

##### **Merger of New Tech Precision Machining Co., Inc.**

New Tech Precision Machining Co., Inc. a wholly owned subsidiary of Cyient Defense Services Inc. ("CDSI") was merged with CDSI, with effect from July 01, 2019. Pursuant to the amalgamation, all the assets, liabilities and reserves stand transferred and vested in CDSI. The amalgamation had been accounted for under "Pooling of Interests" method. Accordingly, the assets, liabilities and reserves have been taken over at their books values. As New Tech Precision Machining Co., Inc. was a wholly owned subsidiary of CDSI, no consideration was paid to effect the amalgamation.

Cyient Inc.

**Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**31. Financial Instruments**

**31.1 Capital management**

The Company manages its capital to ensure that it maximises the return to stakeholders through the optimisation of the debt and equity balance. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group is predominantly equity financed which is evident from the capital structure. Further, the Group has always been positive on its net cash position.

**Gearing ratio:**

Particulars	As at	
	March 31, 2021	March 31, 2020
Borrowings*	526	1,201
Cash and bank balances	(1,059)	(1,192)
<b>Net debt</b>	<b>-</b>	<b>9</b>
Total equity	<b>4,221</b>	<b>4,071</b>
<b>Net debt to equity ratio</b>	<b>0.00%</b>	<b>0.22%</b>

\*Borrowings consist of non-current, current maturities of long term and current borrowings (refer note 14 & 15)

**31.2 Financial instruments by category**

Particulars	Carrying value as at	
	March 31, 2021	March 31, 2020
<b>Financial assets:</b>		
<b>Amortised cost</b>		
Trade receivables	3,728	4,176
Cash and cash equivalents	1,026	1,167
Other bank balances	33	25
Loans and deposits	14	17
Other financial assets	855	1,969
<b>Fair value through profit and loss</b>		
Investments in preferred & debt instruments of other entities (unquoted)	175	269
<b>Total financial assets</b>	<b>5,831</b>	<b>7,623</b>
<b>Financial liabilities:</b>		
<b>Amortised cost</b>		
Borrowings*	526	1,201
Trade payables	2,701	3,366
Lease liabilities	620	771
<b>Fair value through other comprehensive income</b>		
Derivative instruments designated in a hedging relationship	-	2
<b>Fair value through profit and loss</b>		
Liability towards acquisition of business **	49	142
<b>Total financial liabilities</b>	<b>3,896</b>	<b>5,482</b>

\*Borrowings consist of non-current, current maturities of long term and current borrowings (refer note 14 & 15)

\*\*Liability towards acquisition of business consists of current and non current portion (refer note 15)

The management assessed that fair value of cash and cash equivalents and other bank balances, trade receivables, other financial assets, trade payables, borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Cyient Inc.****Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

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 a forced or a liquidation sale.

Investments in preferred/debt instruments (quoted and unquoted) are measured at fair value through initial designation in accordance with Ind-AS 109.

Derivative financial instruments are mandatorily measured at fair value.

Liability towards acquisition of business are measured mandatorily at fair value through profit and loss.

**31.3 Fair value hierarchy****Valuation technique and key inputs**

Level 1 - Quoted prices (unadjusted) in an active markets for identical assets

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021.					
Particulars	Date of valuation	As at March 31, 2021	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
<b>Assets</b>					
Investment in unquoted preferred instruments (refer note 6)**	March 31, 2021	175	-	-	175
<b>Liabilities</b>					
Liability towards acquisition of business (refer note 15) **	March 31, 2021	49	-	-	49
Derivative instruments designated in a hedging relationship***	March 31, 2021	-	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

Particulars	Date of valuation	As at March 31, 2020	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
<b>Assets</b>					
Investment in unquoted preferred instruments (refer note 6)**	March 31, 2020	155	-	-	155
Investment in unquoted debt instruments (refer note 6)**	March 31, 2020	114	-	-	114
<b>Liabilities</b>					
Liability towards acquisition of business (refer note 15) **	March 31, 2020	142	-	-	142
Derivative instruments designated in a hedging relationship***	March 31, 2020	2	-	2	-

There have been no transfers among Level 1, Level 2 and Level 3 during the previous year.

The following methods and assumptions were used to estimate the fair values:

\* The fair value of the quoted instruments are based on the price quotation on a recognized stock exchange at reporting date.

\*\* The fair values of the unquoted , preferred and debt instruments and liability towards acquisition of business have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, and probabilities of the various estimates within the range used in management's estimate of fair value for these unquoted instruments.

\*\*\*The Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amount. Such contract enables group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest is based on the outstanding balances at the end of the reporting period.

## Notes forming part of the consolidated financial statements for the year ended March 31, 2021

**Fair value measurements using significant unobservable inputs (level 3)**

Particulars	Investments in other equity, preferred and debt instruments (unquoted)	Liability towards acquisition of business	Total
<b>As at April 1, 2019</b>	<b>173</b>	<b>316</b>	<b>489</b>
Acquisitions	70	-	70
Net loss/(gain) recognised in consolidated statement of profit and loss account	6	(129)	(123)
Payments during the year	-	(67)	(67)
Add : Translation loss	20	22	42
<b>As at March 31, 2020</b>	<b>269</b>	<b>142</b>	<b>411</b>
Net loss/(gain) recognised in consolidated statement of profit and loss account	-	(57)	(57)
(Loss) /gain on fair valuation of investments	(91)	-	(91)
Payments during the year	-	(36)	(36)
Add : Translation gain / (loss)	(8)	-	(8)
<b>As at March 31, 2021</b>	<b>175</b>	<b>49</b>	<b>224</b>

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value as at		Significant unobservable inputs	Valuation process	Sensitivity of the inputs to fair value
	March 31, 2021	March 31, 2020			
Investments in other preferred and debt instruments (unquoted)	175	269	<p>Earnings growth rate</p> <p>Discount rate</p>	<p>Earnings growth factor for unquoted equity shares are estimated based on the market information of similar type of companies and also considering the economic environment impact.</p> <p>Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and risk specific to that asset.</p>	<p>Any increase in earnings growth rate would increase the fair value.</p> <p>Any increase in the discount rate would result in decrease in fair value.</p>
Liability towards acquisition of business and contingent consideration	49	142	<p>Expected cash outflows</p> <p>Discount rate</p>	<p>Estimate of cash outflows are based on forecasted sales and entity's knowledge of the business and how the current economic environment is likely to impact.</p> <p>Discount rate is the current average borrowing cost that a market participant would expect to pay to obtain its debt financing based on the assumed capital structure.</p>	<p>Any increase in expected cash flows would increase the fair value.</p> <p>Any increase in the discount rate would result in decrease in fair value.</p>

## Cyient Inc.

### Notes forming part of the consolidated financial statements for the year ended March 31, 2021

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

#### 31.4 Financial risk management

##### Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and other price risks. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk and interest rate risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The liquidity risk is measured by the Group's inability to meet its financial obligations as they become due.

##### Foreign exchange risk

The Group 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 Company holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the US Dollar 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 affected as the US Dollar appreciates/ depreciates against foreign currencies.

As at March 31, 2021, the Company has no outstanding forward exchange contracts.

##### Foreign currency exposure unhedged

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

Particulars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	-	-	113	113
Trade receivables	-	-	110	110
Other financial assets	-	-	16	16
Trade payables	(7)	(29)	(161)	(197)
<b>Net assets/(liabilities)</b>	<b>(7)</b>	<b>(29)</b>	<b>78</b>	<b>42</b>

\* Others include currencies such as Indian rupee, Australian \$, Malaysian Ringgit, Swiss Frank, Taiwan \$ and Canadian \$ etc.

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

Particulars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	-	-	56	56
Trade receivables	-	-	114	114
Other financial assets	-	-	6	6
Trade payables	(2)	(27)	(160)	(189)
<b>Net assets/(liabilities)</b>	<b>(2)</b>	<b>(27)</b>	<b>16</b>	<b>(13)</b>

\* Others include currencies such as Indian rupee, Australian \$, Malaysian Ringgit, Swiss Frank, Taiwan \$ etc.

##### Interest rate risk

The Group is exposed to interest rate risk as it has borrowing at floating interest rate. The risk is managed by maintaining use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and define risk appetite, ensuring the most cost effective hedging strategies are applied.

##### Interest rate swap contracts

Under Interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amount. Such contract enables group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest is based on the outstanding balances at the end of the reporting period.

Details of the Interest rate swap contracts:

Particulars	Loan Amount		Fair Value of Interest Rate Swap		Coupon/ Interest Rate	Fixed Interest Rate
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020		
Term loan from HSBC	55	188	-	(2)	Libor + 1% to 1.5%	2.175% - 3.3190%

In respect of the Group's interest rate swap contracts, a 5% increase/decrease in its fair value has an insignificant impact on the profit of the Group.

**Cyient Inc.****Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

**Trade and other receivables:**

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

**Liquidity risk**

The Group principal sources of liquidity are cash & bank balances and cash generated from operations. The Group believes that working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The Group has unutilised credit limits from the banks of ₹ 1,328 and ₹ 110 as of March 31, 2021 and March 31, 2020 respectively.

As of March 31, 2021, the Company had working capital of ₹ 2,693, including cash and bank balances of ₹ 1,059

As of March 31, 2020, the Company had working capital of ₹ 2,601, including cash and bank balances of ₹ 1,192

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

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	2,701	-	-
Other current financial liabilities (refer note 15)	49	-	-
<b>Total</b>	<b>2,750</b>	<b>-</b>	<b>-</b>

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

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	3,366	-	-
Other current financial liabilities (refer note 15)	49	-	-
Other non-current financial liabilities (refer note 15)	-	95	-
<b>Total</b>	<b>3,415</b>	<b>95</b>	<b>-</b>

**Other price risks**

The Group is exposed to equity price risks arising from equity investments. Company's equity investments are held for strategic rather than trading purposes.

**Cyient Inc.**

**Notes forming part of the consolidated financial statements for the year ended March 31, 2021**

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

**32. Contingent liabilities and Commitments**

**(A) Contingent liabilities**

(i) Cyient Inc. has certain obligations towards revenue authorities for its step down subsidiary Wellsco Inc. (amalgamated with Cyient Inc. w.e.f April 1, 2012). As at March 31, 2019, ₹ 51 had been provided towards adjustment of any liabilities pertaining towards such obligation. During the previous year, Company has evaluated its obligation by obtaining a legal opinion and noted that Cyient Inc. is not required to carry provision and hence reversed ₹ 51 in the consolidated financial statements.

(ii) The Company has certain legal disputes with former employees of the Company which are at various stages of appeals. The Company is confident, that the disputes would be settled in its favour. Pending legal resolution of the dispute, no provision has been recognised in the consolidated financials statements.

(iii) One of the former employee of the Company filed a legal suit to recover amount from a party in his personal capacity on behalf of Certon Software Inc., (merged with Cyient Inc. on November 1, 2018). The Company has taken proactive steps to mitigate any potential risks that may arise out of this action. Pending legal resolution of the dispute, no provision has been recognised in the consolidated financial statements.

**(B) Commitments**

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for is (net of capital advances) ₹ 24 (March 31, 2020: 42)

(ii) The Company has certain commitments to bankers relating to receivable factoring arrangements entered with them in respect of receivables from few customers. These factoring arrangements are without recourse to the Company and in the normal course of business. The Company is confident of meeting these commitments arising from such arrangements.

**33. Impairment of non-current assets**

In the prior years, the Group incurred certain expenses towards development of a software towards certification process through simulation which was capitalised as 'intangible assets under development'. During the previous year, based on forecast of the underlying contracts, the Group has impaired the carrying value of the asset of ₹73 and recognised under 'impairment of non-current assets'. (refer note 5)

**34.** Previous year figures have been regrouped / reclassified, where necessary, to conform to current 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 of Cyient Limited**

**Shankar Srinivasan**

Partner

Membership number: 213271

Place: Hyderabad

Date: 24 May 2021

**Krishna Bodanapu**

Managing Director and CEO

(DIN-00605187)

Place: Hyderabad

Date: 24 May 2021

**Ajay Aggarwal**

Executive Director & Chief  
Financial Officer

(DIN-02565242)