

Cyient Japan KK
Special purpose Balance Sheet as at March 31, 2021
(All amounts in JPY, unless otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	10,69,899	14,21,899
Financial assets			
(a) Loans and deposits	4A	35,93,000	35,93,000
Deferred tax assets (net)	11B	67,09,055	1,47,46,268
Total non-current assets		1,13,71,954	1,97,61,167
Current assets			
Financial assets			
(a) Trade receivables	6	21,10,73,392	27,52,76,672
(b) Cash and cash equivalents	7	24,87,12,776	36,08,41,909
(c) Other financial assets	4B	38,43,070	62,69,478
Other current assets	5	11,73,06,687	3,35,53,886
Total current assets		58,09,35,925	67,59,41,945
Total assets		59,23,07,879	69,57,03,112
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	6,45,00,000	6,45,00,000
Other equity	9	44,39,75,742	30,30,68,312
Equity attributable to Shareholders of the Company		50,84,75,742	36,75,68,312
Total equity		50,84,75,742	36,75,68,312
LIABILITIES			
Non-current liabilities			
Provisions	10	1,26,38,748	1,21,01,395
Total non-current liabilities		1,26,38,748	1,21,01,395
Current liabilities			
Financial liabilities			
Trade payables	12	4,95,85,834	16,98,03,808
Income tax liabilities (net)	11C	1,61,31,400	9,87,82,500
Provisions	10	6,81,785	5,60,780
Other current liabilities	13	47,94,370	4,68,86,317
Total current liabilities		7,11,93,389	31,60,33,405
Total liabilities		8,38,32,137	32,81,34,800
Total equity and liabilities		59,23,07,879	69,57,03,112
Corporate information and significant accounting policies	1 & 2		
Accompanying notes form an integral part of the financial statements			
As per our report of even date			
<div> <div> For S.R. Batliboi & Associates LLP Chartered Accountants ICAI Firm registration number: 101049W/E300004 </div> <div> For and on behalf of the Board of Directors of Cyient Limited <div> Shankar Srinivasan Partner Membership No.: 213271 Place: Hyderabad Date: 24 May 2021 </div> <div> Krishna Bodanapu Managing Director and CEO DIN-00605187 Place: Hyderabad Date: 24 May 2021 </div> <div> Ajay Aggarwal Executive Director and CFO DIN -02565242 </div> </div> </div>			

Cyient Japan KK
Special purpose Statement of Profit and Loss for the Year ended March 31, 2021
 (All amounts in JPY, unless otherwise stated)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from operations	14	1,11,80,94,032	1,33,88,45,150
Other income	15	13,48,049	1,93,24,179
Total income		1,11,94,42,081	1,35,81,69,329
EXPENSES			
Employee benefits expense	16	21,23,41,183	26,46,52,780
Depreciation expense	17	5,10,000	6,10,544
Other expenses	18	68,69,32,755	78,47,22,584
Total expenses		89,97,83,938	1,04,99,85,908
Profit before tax		21,96,58,143	30,81,83,421
Tax expense			
Current tax	11A	7,07,13,500	11,98,11,100
Deferred tax	11A	80,37,213	(78,28,688)
Total tax expense		7,87,50,713	11,19,82,412
Profit for the year		14,09,07,430	19,62,01,009
Other comprehensive income (OCI)		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		14,09,07,430	19,62,01,009
Earnings per equity share (par value of JPY 10,000 each)			
Basic	24	21,846	30,419
Diluted		21,846	30,419
Corporate information and significant accounting policies	1 & 2		
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 of Cyient Limited		
Chartered Accountants			
ICAI Firm registration number: 101049W/E300004			
Shankar Srinivasan	Krishna Bodanapu	Ajay Aggarwal	
Partner	Managing Director and CEO	Executive Director and CFO	
Membership No.: 213271	DIN-00605187	DIN -02565242	
Place: Hyderabad	Place: Hyderabad		
Date: 24 May 2021	Date: 24 May 2021		

Cyient Japan KK

Special purpose Cash flow statement for the year ended March 31, 2021

(All amounts in JPY, unless otherwise stated)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the year	14,09,07,430		19,62,01,009	
<u>Adjustments for :</u>				
Tax expense	7,87,50,713		11,19,82,412	
Depreciation expense	5,10,000		6,10,544	
Interest income	(21,388)		(51,656)	
Liabilities no longer required written back	-		(41,749)	
Unrealised forex gain, net	(6,91,634)		(11,95,647)	
Operating profit before working capital changes		21,94,55,121		30,75,04,913
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	6,78,16,967		(5,55,63,574)	
Other financial assets	24,26,408		1,48,26,767	
Other assets	(8,37,52,801)		(3,14,76,186)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(12,44,00,812)		(13,10,72,377)	
Other liabilities	(4,20,91,947)		1,31,38,343	
Provisions	6,58,358		20,12,470	
Cash generated from operations		4,01,11,294		11,93,70,356
Net income taxes paid (net)		(15,33,64,600)		(4,48,77,353)
Net cash flow (used in)/from operating activities (A)		(11,32,53,306)		7,44,93,003
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment towards purchase of property, plant and equipment	(1,58,000)		(8,38,000)	
Interest received	21,388		51,656	
Net cash flow used in investing activities (B)		(1,36,612)		(7,86,344)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares	-			
Net cash flow from/(used in) financing activities (C)		-		-
Net increase in cash and cash equivalents (A+B+C)		(11,33,89,918)		7,37,06,659
Cash and cash equivalents at the beginning of the year		36,08,41,909		28,74,20,591
Effect of exchange differences on translation of foreign currency cash and cash equivalents		12,60,785		(2,85,341)
Cash and cash equivalents at the end of the year		24,87,12,776		36,08,41,909
Balances with banks				
in current accounts (refer note 7)		24,87,12,776		36,08,41,909
		24,87,12,776		36,08,41,909
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 of Cyient Limited		
Chartered Accountants				
ICAI Firm registration number: 101049W/E300004				
Shankar Srinivasan		Krishna Bodanapu		Ajay Aggarwal
Partner		Managing Director and CEO		Executive Director and CFO
Membership No.: 213271		DIN-00605187		DIN -02565242
Place: Hyderabad		Place: Hyderabad		
Date: 24 May 2021		Date: 24 May 2021		

Cyient Japan KK**Special purpose Statement of changes in equity for the year ended March 31, 2021**

(All amounts in JPY, unless otherwise stated)

A. Equity share capital

Particulars	Note	Amount
Balance as at March 31, 2019	8	6,45,00,000
Balance as at March 31, 2020	8	6,45,00,000
Balance as at March 31, 2021	8	6,45,00,000

B. Other equity

	Note	Reserves and surplus	Total other equity
		Retained earnings	
Balance as at March 31, 2019		10,68,67,303	10,68,67,303
Profit for the year	9	19,62,01,009	19,62,01,009
Balance as at March 31, 2020		30,30,68,312	30,30,68,312
Profit for the year	9	14,09,07,430	14,09,07,430
Balance as at March 31, 2021		44,39,75,742	44,39,75,742

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 of Cyient Limited**Shankar Srinivasan**

Partner

Membership No.: 213271

Krishna Bodanapu

Managing Director and CEO

DIN-00605187

Ajay Aggarwal

Executive Director and CFO

DIN-02565242

Place: Hyderabad

Date: 24 May 2021

Place: Hyderabad

Date: 24 May 2021

3. Property, plant and equipment

Particulars	As at	
	March 31, 2021	March 31, 2020
Carrying amount of:		
Computers	5,50,823	6,92,843
Electrical installations	74,694	99,300
Office equipment	1,27,509	2,33,055
Furniture and fixtures	3,16,873	3,96,701
Total	10,69,899	14,21,899

Notes:

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

Particulars	Computers	Electrical Installations	Office Equipment	Furniture & Fixture	Total
I. Cost or deemed cost					
Balance as at March 31, 2019	5,20,280	2,59,010	23,36,808	24,28,736	55,44,834
Additions	8,38,000	-	-	-	8,38,000
Disposals	-	-	-	-	-
Balance as at March 31, 2020	13,58,280	2,59,010	23,36,808	24,28,736	63,82,834
Additions	1,58,000	-	-	-	1,58,000
Disposals	-	-	-	-	-
Balance as at March 31, 2021	15,16,280	2,59,010	23,36,808	24,28,736	65,40,834
II. Accumulated depreciation					
Balance as at March 31, 2019	4,37,686	1,35,104	18,60,665	19,16,936	43,50,391
Depreciation for the year	2,27,751	24,606	2,43,088	1,15,099	6,10,544
Disposals	-	-	-	-	-
Balance as at March 31, 2020	6,65,437	1,59,710	21,03,753	20,32,035	49,60,935
Depreciation for the year	3,00,020	24,606	1,05,546	79,828	5,10,000
Disposals	-	-	-	-	-
Balance as at March 31, 2021	9,65,457	1,84,316	22,09,299	21,11,863	54,70,935
III. Carrying Amounts (I - II)					
Balance as at March 31, 2019	82,594	1,23,906	4,76,143	5,11,800	11,94,443
Balance as at March 31, 2020	6,92,843	99,300	2,33,055	3,96,701	14,21,899
Balance as at March 31, 2021	5,50,823	74,694	1,27,509	3,16,873	10,69,899

Cyient Japan KK
Notes forming part of the Special purpose financial statements
 (All amounts in JPY, unless otherwise stated)

4A. Loans and Deposits

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-current: (at amortised cost)		
Security deposits		
Unsecured, considered good	35,93,000	35,93,000
Total non-current loans & deposits	35,93,000	35,93,000

4B. Other financial assets

Particulars	As at	
	March 31, 2021	March 31, 2020
Current:		
Unbilled revenue	38,43,070	60,59,478
Advance to employees	-	2,10,000
Total other current financial assets	38,43,070	62,69,478

5. Other current assets

Particulars	As at	
	March 31, 2021	March 31, 2020
Current:		
Prepaid expenses	18,78,296	21,25,748
Advances to suppliers (refer note 20)	11,54,28,391	3,14,28,138
Total other current assets	11,73,06,687	3,35,53,886

6. Trade receivables

Particulars	As at	
	March 31, 2021	March 31, 2020
Trade receivables		
Trade receivables - Unsecured, considered good *	21,10,73,392	27,52,76,672
Total	21,10,73,392	27,52,76,672

* Includes amount receivable from related parties (refer note 20).

Note:

Expected credit loss (ECL):

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the 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.

7. Cash and cash equivalents

Particulars	As at	
	March 31, 2021	March 31, 2020
Balances with banks		
in current accounts	24,87,12,776	36,08,41,909
Total	24,87,12,776	36,08,41,909

Cyient Japan KK

Notes forming part of the Special purpose financial statements

(All amounts in JPY, unless otherwise stated)

8. Equity share capital

Particulars	As at	
	March 31, 2021	March 31, 2020
Authorised share capital:		
10,000 (March 31, 2020: 10,000) equity shares of 10,000 JPY each	10,00,00,000	10,00,00,000
Issued and subscribed capital:		
6,450 (March 31, 2020: 6,450) fully paid up equity shares of 10,000 JPY each	6,45,00,000	6,45,00,000
Total	6,45,00,000	6,45,00,000

(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	6,450	6,45,00,000	6,450	6,45,00,000
Closing balance	6,450	6,45,00,000	6,450	6,45,00,000

(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
Cyient Limited, Holding Company	900	14%	900	14%
Cyient Australia Pty Limited	5,550	86%	5,550	86%

As per records of the Company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares. During FY 19, Cyient Australia Pty Limited had acquired 86% shareholding of the Company, however key business decisions of the Company are made by Cyient Limited.

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

The Company has only one class of equity shares having a par value of 10,000 JPY 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.

9. Other equity

Particulars	As at	
	March 31, 2021	March 31, 2020
(a) Retained earnings		
Opening balance	30,30,68,312	10,68,67,303
Profit for the year	14,09,07,430	19,62,01,009
Closing balance	44,39,75,742	30,30,68,312

10. Provisions

Particulars	As at	
	March 31, 2021	March 31, 2020
Compensated absences (refer note (i) below)	1,33,20,533	1,26,62,175
Total	1,33,20,533	1,26,62,175
Non-current:		
Compensated absences	1,26,38,748	1,21,01,395
Total non-current provisions	1,26,38,748	1,21,01,395
Current:		
Compensated absences	6,81,785	5,60,780
Total current provisions	6,81,785	5,60,780

Note:

Employee benefit plans:

(i) Assumptions for compensated absences

a) Compensated absences :

Actuarial assumptions for long-term compensated absences	As at	As at
	March 31, 2021	March 31, 2020
Discount rate	0.20%	0.20%
Salary escalation rate	2.00%	2.00%
Attrition rate	5.00%	5.00%

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 statement of profit and loss in the period determined.

The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases. The discount rate is based on the prevailing market yields as at the Balance Sheet date for the estimated term of the obligation.

Cyient Japan KK

Notes forming part of the Special purpose financial statements

(All amounts in JPY, unless otherwise stated)

11. Income taxes

11A. Tax Expense

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax:		
In respect of the current year	7,12,51,400	11,84,71,200
In respect of prior years	(5,37,900)	13,39,900
	7,07,13,500	11,98,11,100
Deferred taxes expense/(credit):		
In respect of the current year	80,37,213	(78,28,688)
	80,37,213	(78,28,688)
Total	7,87,50,713	11,19,82,412

B. Reconciliation of effective tax rate

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	21,96,58,143	30,81,83,421
Enacted Tax Rate	34.59%	34.59%
Computed expected tax expense	7,59,79,752	10,66,00,645
Effect of expenses that are not deductible in determining taxable profit	33,08,861	40,41,867
Adjustments in respect of current tax of previous years	(5,37,900)	13,39,900
Income tax expense	7,87,50,713	11,19,82,412
Effective tax rate	35.85%	36.34%

11B. Deferred tax assets (net)

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

Particulars	As at	
	March 31, 2021	March 31, 2020
Deferred tax assets	67,09,055	1,47,46,268

2020-21	Opening Balance	Recognised in the statement of profit and loss	Closing balance
Deferred tax assets in relation to :			
Property, plant and equipment	6,65,159	(84,627)	5,80,532
Provision for employee benefits	43,79,753	1,57,043	45,36,796
Business tax payable	97,01,356	(81,09,629)	15,91,727
Net deferred tax assets	1,47,46,268	(80,37,213)	67,09,055

2019-20	Opening Balance	Recognised in the statement of profit and loss	Closing balance
Deferred tax assets in relation to:			
Property, plant and equipment	6,70,769	(5,610)	6,65,159
Provision for employee benefits	36,83,933	6,95,820	43,79,753
Business tax payable	25,62,878	71,38,478	97,01,356
Net deferred tax assets	69,17,580	78,28,688	1,47,46,268

11C. Income tax liabilities (net)

The following is the analysis of income tax liabilities presented in the balance sheet:

Particulars	As at	
	March 31, 2021	March 31, 2020
Income tax payable (net of advance tax)	1,61,31,400	9,87,82,500

12. Trade Payables

Particulars	As at	
	March 31, 2021	March 31, 2020
Total outstanding dues*	4,95,85,834	16,98,03,808
Total	4,95,85,834	16,98,03,808

*Trade payables are non-interest bearing and are normally settled on 0-30 days and includes amount payable to its related parties (refer note 20).

13. Other liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
Current		
Unearned revenue	-	20,46,182
Statutory remittances	47,94,370	4,48,40,135
Total	47,94,370	4,68,86,317

14. Revenue from operations

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Revenue from services	1,11,80,94,032	1,33,88,45,150
Total revenue from operations	1,11,80,94,032	1,33,88,45,150

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

14.1. 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	Year ended	
	March 31, 2021	March 31, 2020
Revenues by contract type		
Fixed-price	11,68,02,128	17,41,17,989
Time and material	1,00,12,91,904	1,16,47,27,161
Total	1,11,80,94,032	1,33,88,45,150
Revenues by Geography		
APAC (including India)	1,11,80,94,032	1,33,88,45,150
Total	1,11,80,94,032	1,33,88,45,150
Revenues by Timing of recognition		
Goods and services transferred		
- Over period of time	1,11,80,94,032	1,33,88,45,150
Total	1,11,80,94,032	1,33,88,45,150

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.

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.

14.2. Trade receivables and contract balances

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	21,10,73,392	27,52,76,672
Unbilled revenue	38,43,070	60,59,478
Unearned revenue	-	20,46,182

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 revenue).

Unbilled revenue:

During the year ended March 31, 2021, contract assets amounting to JPY 6,059,478 (March 31, 2020: JPY 18,588,959) as at March 31, 2020 (and as at March 31, 2019) has been reclassified to receivables on completion of performance obligation.

Unearned revenue:

During the year, the Company has invoiced JPY Nil (March 31, 2020: JPY 2,046,182) but is not recognized as revenue.

Transaction price allocated to the remaining performance obligations:

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods. Applying the practical expedient, the Company has not disclosed information about remaining performance obligations in contracts, where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

15. Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on bank deposits	21,388	51,656
Foreign exchange gain (net)	13,26,661	93,87,066
Liabilities no longer required, written back	-	41,749
Miscellaneous income	-	98,43,708
Total	13,48,049	1,93,24,179

Cyient Japan KK**Notes forming part of the Special purpose financial statements**

(All amounts in JPY, unless otherwise stated)

16. Employee benefits expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	18,99,35,612	22,76,06,835
Social security and other benefits to overseas employees (Refer note (i) below)	99,51,720	1,67,19,622
Stock option expense	27,617	1,88,796
Staff welfare expenses	1,24,26,234	2,01,37,527
Total	21,23,41,183	26,46,52,780

(i) Social security and other benefits to overseas employees

The employees of the Company are covered under Social Security scheme. The Company contributes 9.5% of the basic salary of the employee which varies depending on the region. Social insurance in Japan is comprised of Pension, Health, Unemployment and Worker's Accident Compensation. Social insurance premiums are deducted from a salaried worker's monthly salary. Pension and health premiums are calculated as a percentage of the 'standard salary'.

17. Depreciation expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 3)	5,10,000	6,10,544
Total	5,10,000	6,10,544

18. Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent including lease rentals (Refer Note (i) below)	61,71,576	60,63,840
Sub-contracting charges	65,35,02,160	73,23,49,420
Travelling and conveyance	66,41,762	1,56,65,874
Rates and taxes	24,140	38,450
Insurance	23,07,057	14,08,422
Communication	11,42,981	15,80,226
Printing and stationery	2,39,581	12,00,757
Power and fuel	4,56,101	4,37,114
Marketing and advertising expenses	12,469	42,52,049
Repairs and maintenance		
- Machinery	94,521	8,07,657
- Others	-	40,000
Legal and professional charges	1,26,64,764	1,22,05,805
Auditors' remuneration	18,39,062	20,43,406
Recruitment expenses	-	-
Training and development	-	3,98,525
Software charges	4,17,751	10,55,390
Miscellaneous expenses	14,18,830	51,75,649
Total	68,69,32,755	78,47,22,584

Notes:**(i) Operating leases:**

Ind AS 116 does not apply to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Company has lease agreement with Muroya real estate in which lease period is not defined and agreed between the parties considering future uncertainties. Hence, the Company applied the short-term lease recognition exemption and classified the same as operating lease.

Cyient Japan KK

Notes forming part of the Special purpose financial statements

(All amounts in JPY, unless otherwise stated)

19. Financial Instruments

19.1 Capital management

The Company manages its capital to ensure that it maximises the return to stakeholders through the optimisation of the capital structure. The Company monitors the return on capital as well as the expected dividend on its equity shares. The Company is equity financed which is evident from the capital structure. Further the Company has always been positive on its net cash position with cash and bank balances.

19.2 Financial instruments by category

Particulars	Carrying value as at	
	March 31, 2021	March 31, 2020
Financial assets:		
Amortised cost		
Trade receivables	21,10,73,392	27,52,76,672
Cash and cash equivalents	24,87,12,776	36,08,41,909
Other financial assets	74,36,070	98,62,478
Total financial assets	46,72,22,238	64,59,81,059
Financial liabilities:		
Trade payables	4,95,85,834	16,98,03,808
Total financial liabilities	4,95,85,834	16,98,03,808

The management assessed that fair value of cash and cash equivalents and other bank balances, trade receivables, other financial assets 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 a forced or a liquidation sale.

19.3 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and other price risks. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The liquidity risk is measured by the company's inability to meet its financial obligations as they become due.

Foreign exchange risk

The Company's major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its services and purchases from overseas suppliers in various foreign currencies. The exchange rate between the JPY and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the JPY appreciates/ depreciates against these currencies. The Company monitors and manages its financial risks by analysing its foreign exchange exposures.

Foreign currency exposure unhedged:

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

Particulars	US Dollars	Other currencies*	Total
Cash and cash equivalents	3,20,47,774	-	3,20,47,774
Trade receivables	12,56,86,325	5,87,062	12,62,73,388
Other financial assets	-	-	-
Trade payables	-	87,29,557	87,29,557
Net assets/(liabilities)	15,77,34,099	93,16,619	16,70,50,718

* Others include currencies such as Singapore \$, Australian \$, etc.

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

Particulars	US Dollars	Other currencies*	Total
Cash and cash equivalents	2,42,63,975	-	2,42,63,975
Trade receivables	17,70,53,038	5,58,999	17,76,12,037
Other financial assets	18,68,054	-	18,68,054
Trade payables	13,71,41,433	64,74,268	14,36,15,701
Net assets/(liabilities)	34,03,26,501	70,33,267	34,73,59,768

* Others include currencies such as Singapore \$, Australian etc.

Liquidity risk

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

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts that represents its estimate of expected losses in respect of trade and other receivables.

20. Related Party Transactions

(a) List of related parties:

Name of the Entity	Nature of Relation
Cyient Limited	Holding Company
Cyient Australia Pty Limited	Fellow subsidiary
Cyient Inc.	Fellow subsidiary
Cyient Insights Private Limited	Fellow subsidiary

Key Managerial Personnel (KMP):

Name	Designation
Mallikarjunarao Gummadi	Director, Cyient Japan KK
Katsuhiko Takada	Director, Cyient Japan KK
Krishna Bodanapu	Managing Director and CEO, Cyient Limited
Ajay Aggarwal	President and CFO, Cyient Limited

(b) Transactions during the year:

Nature of the transaction	Party name	Year ended	
		March 31, 2021	March 31, 2020
Sub-contracting charges	Cyient Inc.	9,14,81,212	8,14,91,801
	Cyient Limited	55,96,47,391	65,08,57,619
	Cyient Insight Private Limited	23,73,557	-
Reimbursement of expenses (net)	Cyient Inc.	2,51,291	36,33,841
	Cyient Limited	21,62,131	2,49,803
	Cyient Australia Pty Limited	-	13,25,410
Managerial Remuneration	Katsuhiko Takada	2,70,80,420	2,60,45,292

(c) Balances at the year-end:

Nature of the balance	Party name	As at	
		March 31, 2021	March 31, 2020
Trade receivables	Cyient Inc.	3,685	3,602
	Cyient Limited	4,81,46,054	5,35,51,970
Advances to suppliers	Cyient Limited	11,54,28,391	3,14,28,138
Trade payables	Cyient Inc.	1,52,91,422	13,91,58,581
	Cyient Limited	2,30,94,282	2,14,77,766
	Cyient Insight Private Limited	23,73,557	-
	Cyient Australia Pty Limited	17,70,685	16,37,713

21. Contingent liabilities

There are no contingent liabilities as at March 31, 2021 and March 31, 2020.

22. Capital and other commitments

There are no capital and other commitments as at March 31, 2021 and March 31, 2020.

23. Segment information

The Company's operations are managed as a single operating segment "Engineering services and solutions " which is considered as the primary reportable business segment.

24. Earnings per share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit after tax	14,09,07,430	19,62,01,009
Basic and Diluted*:		
Number of shares outstanding at the year end	6,450	6,450
Weighted average number of equity shares	6,450	6,450
Earnings per share (JPY)	21,846	30,419

* There were no dilutive instruments outstanding during the year.

25. As per the transfer pricing rules prescribed under the Income Tax Act, 1961, the Company is examining the transactions and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustment with regard to the transactions involved.

26. Previous year figures have been regrouped /reclassified, where necessary, to confirm 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 of Cyient Limited

Shankar Srinivasan
 Partner
 Membership No.: 213271

Krishna Bodanapu
 Managing Director and CEO
 DIN-00605187

Ajay Aggarwal
 Executive Director and CFO
 DIN-02565242

Place: Hyderabad
 Date: May 24, 2021

Place: Hyderabad
 Date: May 24, 2021