Cyient Inc.
Consolidated Balance Sheet as at March 31, 2022
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3A	403	475
Right of use assets	3B	466	539
Capital work-in-progress		-	-
Goodwill	4	909	880
Intangible assets	5	89	185
Intangible assets under development	5	-	29
Financial assets			
(a) Investments	6	376	175
(b) Loans	7	-	-
(b) Loans and deposits	7A	15	14
Deferred tax assets (net)	17	-	-
Other non-current assets	8	26	33
Income tax assets (net)	17.3	51	-
Total non-current assets		**2,335**	**2,330**
Current assets			
Inventories	9	94	31
Financial assets			
(a) Trade receivables	10	2,504	3,728
(b) Cash and cash equivalents	11A	838	1,026
(c) Other bank balances	11B	46	33
(d) Other financial assets	7B	1,396	855
Other current assets	8	99	107
Total current assets		**4,977**	**5,780**
Total assets		**7,312**	**8,110**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	993	993
Other equity	13	2,258	3,228
Total equity		**3,251**	**4,221**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(a) Borrowings	14	23	26
(b) Other financial liabilities	15	-	-
(c) Lease liabilities	3B	321	440
Provisions	16	117	156
Deferred tax liabilities (net)	17.2	121	14
Other non-current liabilities	18	-	166
Total non-current liabilities		**582**	**802**
Current liabilities			
Financial liabilities			
(a) Borrowings	14	4	500
(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	2,941	1,953
(c) Other financial liabilities	15	-	64
(d) Lease liabilities	3B	208	180
Provisions	16	58	61
Income tax liabilities (net)	17.3	-	56
Other current liabilities	18	268	273
Total current liabilities		**3,479**	**3,087**
Total liabilities		**4,061**	**3,889**
Total equity and liabilities		**7,312**	**8,110**
Corporate information and significant accounting policies	1 & 2		
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 & CEO
(DIN-00605187)

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

Place: Hyderabad
Date:

Place: Hyderabad
Date:

Cyient Inc.

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

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

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	20	17,833	16,969
Other income	21	34	47
Total income		**17,867**	**17,016**
EXPENSES			
Cost of materials consumed		278	238
Changes in inventory of work-in-progress	22	(63)	10
Employee benefits expense	23	9,198	9,851
Finance costs	24	69	92
Depreciation and amortisation expense	25	434	427
Impairment of non-current assets	5	29	15
Other expenses	26	7,133	6,161
Total expenses		**17,078**	**16,794**
Profit before tax		**789**	**222**
Tax expense			
Current tax	17.1 (A)	135	376
Deferred tax (credit) /charge		107	(333)
Total tax expense		**242**	**43**
Profit for the year		**547**	**179**
Other comprehensive income (OCI)			
(a) Items that will not be reclassified subsequently to profit or loss:			
(i) Equity instruments through other comprehensive income		-	-
(ii) Income tax relating to items that may not be reclassified to profit or loss	17.1(B)	-	-
(b) Items that will be reclassified subsequently to profit or loss:			
(i) Exchange differences in translating the financial statements of foreign operations		189	(30)
(ii) Effective portion of gain on designated portion of hedging instruments in a cash flow hedge		1	1
(iii) Income tax relating to items that may be reclassified to profit or loss	17.1(B)	-	-
Total other comprehensive income		**190**	**(29)**
Total comprehensive income for the year		**737**	**150**
Earnings per equity share (par value of ₹ Nil each)	27		
Basic and Diluted (₹)		1,092.91	357.91
Corporate information and significant accounting policies	1 & 2		
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

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(DIN-00605187)

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

Place: Hyderabad
Date:

Place: Hyderabad
Date:

Cyient Inc.
Consolidated statement of changes in equity for the year ended March 31, 2022
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

A. Equity share capital

Particulars	Note	Amount
Balance as at April 1, 2020		**993**
Changes in equity share capital during the year		-
Balance as at March 31, 2021	12	993
Changes in equity share capital during the year		-
Balance as at March 31, 2022		**993**

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	
Balance as at April 1, 2020		2	2,456	(2)	622	-	**3,078**
Other comprehensive income	13	-	-	1	(30)	-	(29)
Profit for the year		-	179	-	-	-	179
Total comprehensive income for the year		**-**	**179**	**1**	**(30)**	**-**	**150**
Balance as at March 31, 2021		**2**	**2,635**	**(1)**	**592**	**-**	**3,228**
Other comprehensive income	13	-	-	1	189	-	190
Dividend paid		-	(1,706)	-	-	-	(1,706)
Profit for the year		-	547	-	-	-	547
Total comprehensive income for the year		**-**	**(1,159)**	**1**	**189**	**-**	**(969)**
Balance as at March 31, 2022		**2**	**1,475**	**-**	**781**	**-**	**2,258**

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:

Place: Hyderabad
Date:

Cyient Inc.
Consolidated Cash Flow Statement for the year ended March 31, 2022
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the year	**547**		**179**	
Adjustments for :				
Tax expense	242		43	
Depreciation and amortisation expense	434		427	
Impairment of non-current assets	29		15	
Loss on sale of property, plant and equipment (net)	3		9	
Finance costs	69		92	
Interest income	(1)		(1)	
Liabilities no longer required written back	-		(34)	
Share based payments expense	9		10	
Provision for expected credit loss, (net)	(21)		183	
(Gain)/loss on fair valuation of investments carried at FVTPL, net	(21)		91	
Unrealised forex loss, net	135		30	
Operating profit before working capital changes		**1,425**		**1,044**
Changes in operating assets and liabilities:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	1,244		261	
Other financial assets	(542)		1,117	
Other assets	13		4	
Inventories	(63)		10	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	966		(1,431)	
Other financial liabilities	-		-	
Other liabilities	(171)		348	
Provisions	(47)		(23)	
Cash generated from operations		**2,825**		**1,330**
Income taxes paid		(242)		(364)
Net cash flow from operating activities (A)		**2,583**		**966**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment towards purchase of property plant and equipment and intangible assets	(33)		(66)	
Payment of liability towards acquisition of business	(50)		(36)	
Investment in equity instrument of other entitiy	(173)			
Movement in other bank balances	(13)		(8)	
Net cash flow used in investing activities (B)		**(269)**		**(110)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	(69)		(89)	
Interest received	1		1	
Dividend paid	(1,706)			
Proceeds from current borrowings	-		446	
Repayment of current borrowings	(447)		(966)	
Payment of lease liabilities	(237)		(231)	
Repayment of non-current borrowings	(59)		(132)	
Net cash flow used in financing activities (C)		**(2,517)**		**(971)**
Net (decrease) /increase in cash and cash equivalents (A+B+C)		**(204)**		**(115)**
Cash and cash equivalents at the beginning of the year		1,026		1,167
Effect of exchange differences on translation of foreign currency cash and cash equivalents		16		(26)
Cash and cash equivalents at the end of the year (refer note (i) below)		**838**		**1,026**
Notes:				
(i) Cash and cash equivalents comprises of (refer note 11A):				
Cheques on hand		-		-
Balances with banks in current accounts		799		1,000
Remittances in transit		39		26
		838		**1,026**

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

Place: Hyderabad
Date:

Krishna Bodanapu
Managing Director and CEO
(DIN-00605187)

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

Place: Hyderabad
Date:

1. Corporate information

Cyient Inc. ('Cyient' or 'the Company') was incorporated on July 19, 1999 in the United States of America and is a wholly owned subsidiary of Cyient Limited (Ultimate Holding Company), a public limited Company incorporated in India. The Company and its wholly owned subsidiaries (Cyient Canada Inc., Cyient Defense Services Inc., all together referred as the 'Group') is engaged in providing global technology services and solutions specialising in geospatial, engineering design, IT solutions and data analytics in the United States.

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on XXX

2. Significant accounting policies

2.1 Basis of preparation

These Special purpose consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), for the purpose of submission of Annual Performance Report to Reserve Bank of India under Notification No. FEMA 120/RB-2004 dated July 07, 2004 Regulation 15 (iii) as amended from time to time, for the purpose of submission to the bankers and for internal use by the Management.

These Special purpose consolidated financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value a) Derivative financial instruments and b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and consistent with previous year subject to changes in accounting policies. The consolidated financial statements are presented in INR and all values are rounded to the nearest millions, except when otherwise indicated.

Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; and
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company.

Consolidation procedures

- Combining like items of assets, liabilities, equity, income, expenses and cash flows of the Company with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary.
- All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expenditure for the periods presented. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

Future results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The effects of changes in accounting estimates are reflected in the consolidated financial statements in the period in which results are known and, if material, are disclosed in the consolidated financial statements.

Significant areas of estimation of uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements such as:

- Impairment assessment of Goodwill and Intangible assets under development
- Revenue recognition
- Provision for income tax and recoverability of deferred tax assets
- Fair Value measurement of financial instruments
- Allowance for credit losses on receivables and unbilled revenue

Estimation of uncertainties relating to the global health pandemic from COVID-19
The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and, based on the current estimates, expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company’s financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

2.4 Business combination and goodwill

The Company accounts for its business combinations under acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair value of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in consolidated statement of profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquire, if any over the net of the acquisition–date amounts of the identifiable assets acquired and the liabilities assumed.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from the additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed as on the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments and are classified as an asset or liability and are remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit and loss.
Acquisition of some or all of the non-controlling interest ("NCI") is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the Company. No goodwill is recognised as a result of such transactions.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Business combinations arising from entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the entity are recorded in other equity.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. Any impairment loss for goodwill is recognised directly in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in the subsequent periods.

2.5 Foreign currency translation

i) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, while the functional currency of the Company and its subsidiaries is USD, which is determined based on the primary economic environment in which the entity operates. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

ii) Transactions and balances

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the consolidated statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency is translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of balance sheet;
- Income and expenses are translated at average exchange rates;
- All resulting exchange differences are recognised in other comprehensive income; and
- When a foreign operation is sold, the associated exchange differences are reclassified to consolidated statement of profit and loss, as part of gain or loss on sale.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to the acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. Freehold land is not depreciated.

Type of asset	Useful life
Leasehold improvements	Shorter of lease period or estimated useful lives
Tools and equipment	10 years

Depreciation methods, useful lives and residual values are reviewed periodically including at each financial year-end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in ‘other income” of the consolidated statement of profit and loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.7 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over their estimated useful life on a straight-line basis as follows:

Type of asset	**Useful life**
Computer software	3 years/ Over the period of the respective project
Customer rights	4-5 years
Process know how and patents	5 years
Intellectual Property	Over the period of the respective project
Other Intangibles	Over the period of the respective project

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in 'other income' of consolidated statement of profit and loss when the asset is de-recognised.

Expenditure incurred towards development is eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

Amortisation methods and useful lives are reviewed periodically at each financial year end.

Research and development costs
Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, availability of resources to complete the asset is established, the Group has intention and ability to complete and use the asset and the costs are reliably measured, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use.

Amortization and impairment of development cost:
Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

2.8 Leases

Group as a lessee
The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i) Right-of-use assets

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The right-of-use assets are also subject to impairment.

ROU asset	Useful lives
Buildings	2-8 years

ii) Lease liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made or a change in the assessment of extension or termination options. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

2.9 Income taxes

The income tax expense or credit for the period is the tax payable on the taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in consolidated statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax and deferred taxes calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income.

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit/loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Inventories are valued in accordance with the below method of valuation.

i) Raw materials & consumables: Valued at cost or net realisable value whichever is less. Cost includes purchase costs and other costs incurred in bringing the inventories to their present location and condition.

ii) Stores and spares: Valued at cost. Cost includes purchase costs and other costs incurred in bringing the inventories to their present location and condition.

iii) Work in progess & finished Goods: Valued at cost or net realisable value whichever is less. Costs includes direct material costs, wages and applicable overheads.

2.11 Cash and cash equivalents:

Cash comprises cash on hand, in bank, demand deposits with banks and with financial institutions. The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents. Such cash equivalents are subject to insignificant risk of changes in value.

Cash flows are reported using indirect method, whereby profit / (loss) after tax is adjusted for the effects of transaction of non- cash nature and any deferrals or accruals of past or future cash receipts or payments for the year. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.12 Equity Share Capital:

Ordinary shares are classified as equity. Shares bought back are shown as a deduction from equity. No gain or loss is recognised in the statement of profit or loss on purchase, sale, issue or cancellation of equity instruments. Incremental costs directly attributable to the issuance of equity shares or buyback of equity shares are recognised as a deduction from equity, net of taxes.

2.13 Provisions and contingent liabilities

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense. Provisions are not recognised for future operating losses.

Provisions for onerous contracts are recognised when the expected benefits to be desired by the Group from a contract are lower than unavoidable costs of meeting to future obligations under the contract and are measured at the present value of lower than expected net cost of fulfilling the contract and expected cost of terminating the contract.

Contingencies
Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

2.14 Revenue

The Group derives revenue primarily from services and solutions specialising in geospatial, engineering design, analytics, network and operations solutions. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or a service to a customer. The method for recognizing revenues and costs depends on the nature of services rendered as mentioned below:

a) **Time and material:** Revenue from time and material contracts are recognized as the related services are performed, which is pursued based on the efforts spent and agreed rate with the customer. Revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

b) **Fixed price contracts:** Revenue from fixed-price contracts is recognized as per the 'percentage-of-completion' method, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration. 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.

c) **Maintenance contracts:** Revenue from fixed-price maintenance contracts are recognised pro-rata over the term of the maintenance arrangement.

d) **Sale of products:** 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.

Revenue from contract with customers is recognised by applying revenue recognition criteria specified in Ind AS 115 for each distinct performance obligation. The arrangement with customer specify services to be rendered which meet criteria of performance obligations. For allocation, transaction price, the Group measures the revenue in respect of each performance obligation of a contract at its relative standalone selling price.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services that are not distinct are accounted for on a cumulative catchup basis, while those that are distinct are accounted for prospective, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

The Group 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).

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of discounts/incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/incentive.

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

2.15 Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.

Dividend income is recognised when the Group's right to receive dividend is established.

Foreign currency gains and losses are reported on net basis. This includes the changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through consolidated statement of profit and loss.

2.16 Government grants/incentives

Government grants are recognised when there is a reasonable assurance that:

a) The Group will comply with the conditions attached to them; and
b) The grant will be received.

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Grants are recognised net of attributable expenses.

2.17 Employee benefit plans

Defined contribution plans

The Group provides a defined contribution plan benefit through the Cyient Inc. 401(K) Benefit Plan to all of its eligible employees. The plan is administered by the Group while the trustee for the plan is an external agency. The contribution from the Group is at the discretion of the Board of Directors of Cyient Inc.

Defined benefit plans

Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Group measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

Medical benefits

In Cyient Inc, medical insurance plan is offered to the 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 the management creates a liability for medical expenses.

Other short-term employee benefits

Other short-term employee benefits, including overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders service.

2.18 Share based payments

Stock options are granted to the associates of the Group under various stock option schemes established after June 19, 1999 by the ultimate holding company, Cyient Limited.
The cost of equity-settled employee share-based payments is recognised based on the fair value of the options and restricted stock units as on the grant date. These expenses are pushed down by the ultimate holding company, Cyient Limited and is recognised under employee benefits expense.

2.19 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the consolidated statement of profit and loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the consolidated statement of profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees and RSU's outstanding.

2.20 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Group's Chief Operating Decision maker is the Managing Director and Chief Executive Officer 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 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.

2.21 Financial instruments

(A) Initial recognition:

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value and subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated statement of profit and loss.

(B) Subsequent measurement:

a. Non-derivative financial instruments

i) Financial assets carried at amortised cost: A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income: A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

iii) Financial assets at fair value through profit or loss: Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Financial liabilities: Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through consolidated statement of profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments:

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in consolidated statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in consolidated statement of profit and loss and is included in "Other income".

c.Hedge accounting

The Group designates derivative contracts in a cash flow hedging relationship by applying the hedge accounting principles designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions.
At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

These derivative contracts are stated at the fair value at each reporting date.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in consolidated statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to consolidated statement of profit and loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in consolidated statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in consolidated statement of profit and loss.

d. De-recognition of financial assets and liabilities

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in consolidated statement of profit and loss on disposal of that financial asset.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statement of profit and loss.

e. Foreign exchange gains and losses

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in consolidated statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.
- For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the consolidated statement of profit and loss.
- The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in consolidated statement of profit and loss.

2.22 Determination of fair values

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of asset or liability of market participants when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.23 Impairment of assets

a. Financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through consolidated statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in consolidated statement of profit and loss.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. 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 loss allowance (or reversal) during the year is recognised in the consolidated statement of profit and loss.

b. **Non-financial assets**

Intangible assets, Intangible assets under development, property, plant and equipment and ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. Intangible assets under development are tested for impairment annually. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.24 Exceptional item

Significant gains/losses or expenses incurred arising from external events or based on corporate action which are not expected to recur are disclosed as 'Exceptional item'.

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Notes forming part of the consolidated financial statements for the year ended March 31, 2022
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

3A. Property, plant and equipment

Particulars	As at	
	March 31, 2022	March 31, 2021
Carrying amount of:		
Leasehold improvements	34	49
Computers	38	46
Office equipment	43	65
Furniture and fixtures	66	74
Electrical installations	30	32
Plant and equipment	190	206
Vehicles	2	3
Total	**403**	**475**

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
I. Cost or deemed cost								
Balance as at April 1, 2020	**150**	**202**	**212**	**133**	**42**	**168**	**4**	**911**
Additions	4	16	14	4	3	82	-	123
Disposals	(34)	(1)	(4)	(10)	-	-	-	(49)
Foreign currency translation adjustments	(3)	(5)	(7)	(3)	(1)	(5)	-	(24)
Balance as at March 31, 2021	**117**	**212**	**215**	**124**	**44**	**245**	**4**	**961**
Additions	2	15	2	1	-	2	-	22
Disposals	(2)	(3)	(1)	(2)	-	(1)	-	(9)
Foreign currency translation adjustments	5	6	145	3	2	8	-	169
Balance as at March 31, 2022	**122**	**230**	**361**	**126**	**46**	**254**	**4**	**1,143**
II. Accumulated depreciation								
Balance as at April 1, 2020	**83**	**139**	**126**	**46**	**8**	**18**	1	**421**
Depreciation for the year	19	31	31	10	4	22	-	117
Disposals	(32)	(1)	(3)	(4)	-	-	-	(40)
Foreign currency translation adjustments	(2)	(3)	(4)	(2)	-	(1)	-	(12)
Balance as at March 31, 2021	**68**	**166**	**150**	**50**	**12**	**39**	**1**	**486**
Depreciation for the year	18	25	25	10	4	24	1	107
Disposals	(1)	(3)	(1)	(1)	-	-	-	(6)
Foreign currency translation adjustments	3	4	144	1	-	1	-	153
Balance as at March 31, 2022	**88**	**192**	**318**	**60**	**16**	**64**	**2**	**740**
III. Carrying Amounts (I-II)								
Balance as at March 31, 2021	**50**	**46**	**65**	**74**	**32**	**206**	**3**	**476**
Balance as at March 31, 2022	**34**	**38**	**43**	**66**	**30**	**190**	**2**	**403**

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

a) Right of use assets:

Particulars	Buildings
Balance as at April 1, 2020	**682**
Additions	80
Deletions	(10)
Depreciation (refer note 25)	(198)
Foreign currency translation adjustments	(15)
Balance as at March 31, 2021	**539**
Additions	106
Deletions	-
Depreciation (refer note 25)	(195)
Foreign currency translation adjustments	16
Balance as at March 31, 2022	**466**

b) Current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	208	180
Non-current lease liabilities	321	440
Total	**529**	**620**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	**620**	**771**
Additions	106	80
Deletions	-	(10)
Finance cost accrued during the year	22	27
Payment of lease liabilities	(237)	(231)
Foreign currency translation adjustments	18	(17)
Balance at the end of the year	**529**	**620**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	223	220
One to five years	326	423
More than five years	21	46
Total	**570**	**689**

The Group does not face a significant liquidity risk with regard to its lease liabilities, as the current assets are sufficient to meet the
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 ₹ 52 (2020-21: ₹ 66) included under other expenses in the

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4. Goodwill

Particulars	As at	
	March 31, 2022	March 31, 2021
Balance at beginning of year	880	903
Foreign currency translation adjustments	29	(23)
Balance at end of the year (refer note 30)	**909**	**880**

Goodwill of ₹ 354 (March 31, 2021: ₹ 343) 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 ₹ 555 (March 31, 2021: ₹ 537) 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, 2022	March 31, 2021
Carrying amount of:		
Computer software	4	10
Customer contracts	13	63
Process knowhow	-	15
Technology/ Intellectual Property (refer note (i) (b) below)	46	65
Other Intangibles	26	32
Total intangible assets	**89**	**185**
Intangible assets under development (refer note (i) below)	**-**	**29**

Note:

(i) Intangible assets under development:

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, 2021: ₹ 29). During the year, based on forecast of the underlying contracts, the Group has impaired the carrying value of the asset of ₹ 29 (2020-21: ₹ 15) and recognised under 'impairment of non-current assets'.

(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
I. Cost or Deemed cost						
Balance as at April 1, 2020	**357**	**258**	**90**	**127**	**62**	**894**
Additions	-	-	-	-	-	-
Foreign currency translation adjustments	(10)	(6)	(2)	(3)	(1)	(22)
Balance as at March 31, 2021	**347**	**252**	**88**	**124**	**61**	**872**
Additions	-	-	-	-	-	-
Foreign currency translation adjustments	12	8	3	4	2	29
Balance as at March 31, 2022	**359**	**260**	**91**	**128**	**63**	**901**
II. Accumulated amortisation						
Balance as at April 1, 2020	**338**	**139**	**57**	**39**	**23**	**596**
Amortisation for the year	8	56	18	21	9	112
Foreign currency translation adjustments	(9)	(6)	(2)	(1)	(3)	(21)
Balance as at March 31, 2021	**337**	**189**	**73**	**59**	**29**	**687**
Amortisation for the year	7	81	15	21	8	132
Foreign currency translation adjustments	11	(23)	3	2	(0)	(8)
Balance as at March 31, 2022	**355**	**247**	**91**	**82**	**37**	**812**
III. Carrying Amounts (I-II)						
Balance as at March 31, 2021	**10**	**63**	**15**	**65**	**32**	**185**
Balance as at March 31, 2022	**4**	**13**	**-**	**46**	**26**	**89**

iii: Ageing of IAUD

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Balance as at March 31, 2022					
War on cost	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2021					
War on cost	-	3	21	5	**29**
Total	**-**	**3**	**21**	**5**	**29**

Cyient Inc.
Notes forming part of the consolidated financial statements for the year ended March 31, 2022
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

6. Investments

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-current		
Investments carried at fair value through profit and loss:		
Preferred instruments of other entities (unquoted)	376	175
Total	**376**	**175**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Preferred instruments of other entities (unquoted)				
Jana Care Inc. (refer note (a) below)	368,297	76	368,297	78
Cylus Cyber Security Ltd (refer note (b) below)	668,986	126	668,986	97
DuskRise, Inc	42,171	136	-	-
Capital contribution to Partnership fund (unquoted)				
STARBURST VENTURES FUND I, L.P	NA	38	-	-
Total		**376**		**175**

Notes:
(a) The Group had invested an amount of ₹ 80 (USD 1,000,000) in Series A Preferred Stock in Jana Care Inc.

(b) The Group had 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.
During the previous year, Company has recognised gain of ₹ 23 (March 31, 2021: ₹ 23) on account of increase in fair value of investment.

(c) The Group had invested an amount of ₹ 135 (USD 1,799,985) in Series A Preferred Stock in DuskRise, Inc.
(d) The Group had subscribed an amount of ₹ 38 (USD 500,000) in STARBURST VENTURES FUND I, L.P.

Note (ii): Carrying values

Particulars	As at	
	March 31, 2022	March 31, 2021
Aggregate amount of investments carried at fair value through profit and loss (unquoted)	376	175

Cyient Inc.
Notes forming part of the consolidated financial statements for the year ended March 31, 2022
(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, 2022	March 31, 2021
(at amortised cost)		
Non-current		
Security deposits		
Considered good	15	14
Total non-current loans and deposits	**15**	**14**

7B. Other financial assets

Particulars	As at	
	March 31, 2022	March 31, 2021
Current		
(at amortised cost)		
Unbilled revenue	1,378	850
Advance to employees	2	2
Other receivables	16	3
Total other current financial assets	**1,396**	**855**
Total Loans and other financial assets	**1,411**	**869**

Ageing of unbilled revenue	As at	
	March 31, 2022	March 31, 2021
Less than 6 months		792
6 months to 1 year		34
1 - 2 years		17
2 - 3 years		3
More than 3 year		4
Total	-	**850**

Note: The Group is continuously monetoring the aged items to lower the risk of collectiblity.

8. Other assets

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-current:		
Capital advances (net of provision)	7	9
Deferred contract costs	19	24
Total other non-current assets	**26**	**33**
Current:		
Prepaid expenses	72	90
Deferred contract costs	18	10
Advances to suppliers*	9	7
Total other current assets	**99**	**107**
Total other assets	**125**	**140**

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

9. Inventories

Particulars	As at	
	March 31, 2022	March 31, 2021
Inventories		
Work-in-progress	94	31
Total	**94**	**31**

10. Trade receivables

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade receivables		
Trade receivables considered good - unsecured*	2,504	3,728
Trade receivables-significant increase in credit risk	-	-
Trade receivables - credit impaired	68	178
Expected credit loss allowance	(68)	(178)
Total	**2,504**	**3,728**

* 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 for receivables	As at March 31, 2022						
	Not due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 year	Total
Undisputed Trade Receivables							
Considered good	1,939	393	22	25	17	108	2,504
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	48	19	-	1	68
Disputed Trade Receivables	-	-	-	-	-	-	-
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	**1,939**	**393**	**70**	**44**	**17**	**109**	**2,572**

Ageing for receivables	As at March 31, 2021						
	Not due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 year	Total
Undisputed Trade Receivables							
Considered good	1,995	401	181	1,081	3	66	3,728
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	5	111	20	23	19	178
Disputed Trade Receivables							-
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	**1,995**	**407**	**291**	**1,101**	**26**	**85**	**3,906**

Movement in the expected credit loss allowance	As at	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	178	70
(Reversal)/ provision made during the year	(21)	183
Reversal of provision on account of collection	-	(22)
Bad debts written-off	(92)	(51)
Translation adjustment	3	(2)
Balance at the end of the year	**68**	**178**

Cyient Inc.

Notes forming part of the consolidated financial statements for the year ended March 31, 2022

(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, 2022	March 31, 2021
Balances with banks in current accounts	799	1,000
Remittances in transit	39	26
Total	**838**	**1,026**

11B. Other bank balances

Particulars	As at	
	March 31, 2022	March 31, 2021
Deposits held as margin money/security for bank guarantees	46	33
Total	**46**	**33**

Reconciliation of liabilities arising from financing activities for the year end March 31, 2022:

Particulars	As at April 1, 2021	Proceeds	Additions/ (deletions), net	Repayment	Foreign exchange	As at March 31, 2022
Non-current borrowings (including current portion)	85	-		(59)	(3)	23
Current borrowings	441	-	-	(447)	10	4
Lease liabilities	620	-	128	(237)	18	529
Total liabilities from financing activities	**1,146**	**-**	**128**	**(743)**	**25**	**556**

Reconciliation of liabilities arising from financing activities for the year end 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
Total liabilities from financing activities	**1,972**	**446**	**97**	**(1,329)**	**(40)**	**1,146**

Cyient Inc.
Notes forming part of the consolidated financial statements for the year ended March 31, 2022
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12. Equity share capital

Particulars	As at	
	March 31, 2022	March 31, 2021
Authorised share capital:		
20,000,000 shares common stock with Nil par value (March 31, 2021 : 20,000,000)	-	-
Issued and subscribed capital:		
500,500 shares common stock with Nil par value (March 31, 2021 : 500,500)	993	993
Total	**993**	**993**

(A) Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Opening balance	500,500	993	500,500	993
Closing Balance	**500,500**	**993**	**500,500**	**993**

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares				
Cyient Limited	500,500	100%	500,500	100%

(C) Details of Shares held by promoters at the end of the year

Name of the promoter	As at March 31, 2022		
	Number of shares held	% holding of equity shares	% Change during the Year
Cyient Limited	500,500	100	Nil

Name of the promoter	As at March 31, 2021		
	Number of shares held	% holding of equity shares	% Change during the Year
Cyient Limited	500,500	100	Nil

(D) 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, 2022

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

13. Other equity

Particulars	As at	
	March 31, 2022	March 31, 2021
(a) General reserve	**2**	**2**
(b) Cash flow hedge reserve		
(i) Opening balance	(1)	(2)
(ii) Effective portion of gain/(loss) on designated portion of hedging instruments (net of tax)	1	1
	-	**(1)**
(c) Foreign currency translation reserve		
(i) Opening balance	592	622
(ii) Additions	189	(30)
	781	**592**
(d) Retained earnings		
(i) Opening balance	2,635	2,456
(ii) Profit for the year	547	179
(iii) Dividend paid	(1,706)	
(iii) Impact on account of adoption of Ind AS 116, net of tax (refer note 3B)	-	-
(iv) Transfer of gain to retained earnings on disposal of equity instruments through OCI	-	-
	1,475	**2,635**
(e) Equity instrument through Other comprehensive income		
(i) Opening balance	-	-
(ii) Increase in fair value of equity instruments, net of tax	-	-
(iii) Transfer of gain to retained earnings on disposal of equity instruments through OCI	-	-
	-	**-**
Total	**2,258**	**3,228**

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.

14. Borrowings

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-current		
Secured - at amortised cost		
Term loans from banks	23	26
	23	**26**
Current		
Secured - at amortised cost		
Working capital loans from banks	-	441
Current maturities of long-term borrowings	4	59
	4	**500**
Total Borrowings	**27**	**526**

Particulars	Coupon/ Interest Rate	Gross amount in Foreign currency	Security	Carrying value as at			
				31-Mar-22		31-Mar-21	
				Foreign currency	INR	Foreign currency	INR
Cyient Inc. DECD (refer note below) (Availed in August 2018)	2.5%	500,000	None	350,135	27	395,718	30
Cyient Defense Services Inc. HSBC (USD) (Availed in January 2018 repayable in quarterly instalments over a period of 4 years)	LIBOR+1% Payable quarterly	3,000,000	i. Lien on cash, deposits, securities, instruments or other property in the possession of the bank ii. Corporate Guarantee from Cyient Limited	-	-	750,000	56

Note:

i. In the earlier years, 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, 2022, the Company has filed for an extension of timeline to meet specified terms and conditions of the assistance agreement.

Working capital loan (Interest ranging from 1.1%- 1.7% per annum) :

Loan outstanding as at March 31, 2022 was ₹ Nil (USD Nil) (March 31, 2021: ₹ 441 (USD 6,000,158), secured by a stand by letter of credit from HSBC Bank, India. This loan is secured by a corporate guarantee from Cyient Limited.

15. Other financial liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021
Current		
(at amortised cost)		
Capital creditors	-	13
(at FVTPL)		
Liability towards acquisition of business (refer note below)	-	50
(at FVTOCI)		
Derivative instruments designated in a hedging relationship	-	1
Total	**-**	**64**
Total other financial liabilities	**-**	**64**

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, 2022	March 31, 2021
Cyient Defense Services Inc.	B&F Design Inc.		
	Current	-	50
	(During the year, an amount of ₹ 50 (March 31, 2021: ₹ 36) has been paid as deferred consideration and ₹ nil (March 31, 2021: ₹ 56) has been written back to other income (refer note 21(i)).		

16. Provisions

Particulars	As at	
	March 31, 2022	March 31, 2021
Compensated absences (refer note below)	175	217
	175	**217**
Non-current	117	156
Current	58	61
	175	**217**

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 March 31, 2022	As at March 31, 2021
Discount rate	2.50%	0.95%
Expected return on plan assets	NA	NA
Salary escalation	2.00%	3.00%
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.

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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, 2022	For the year ended March 31, 2021
Current tax		
In respect of the current year	110	372
In respect of earlier years	25	4
	135	**376**
Deferred taxes expense/(benefit):		
In respect of the current year	107	(320)
In respect of earlier years	-	(13)
	107	**(333)**
Total	**242**	**43**

B. Income tax expense/(benefit) recognised in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax expense recognised directly in equity consists of:		
Tax effect on equity instrument through other comprehensive income	-	-
Tax effect on effective portion of change in fair value of cash flow hedge	-	-
Total	**-**	**-**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified to profit or loss	-	-

C. Reconciliation of effective tax rate
The following is the reconciliation of the Group's effective tax rate for the year ended March 31, 2022 and year ended March 31, 2021:

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	**(A)**	**789**	**222**
Enacted rate in USA		30.75%	30.75%
Computed expected tax expense		**243**	**68**
Effect of income exempt from tax		(18)	(18)
Effect of expenses that are not deductible in determining taxable profit		6	6
Effect of different tax rates of subsidiaries operating in other jurisdictions		(4)	(4)
	(B)	**227**	**52**
Effective tax rate - (B)/(A)		**28.77%**	**23.42%**
Adjustments in respect of current tax and deferred tax of earlier years	**(C)**	25	(9)
Income tax expense - (B) + (C)		**252**	**43**

Cyient Inc.
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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, 2022	March 31, 2021
Deferred tax assets	-	-
Deferred tax liabilities	(121)	(14)
Deferred tax liabilities, net	**(121)**	**(14)**

B. Movement in deferred tax assets and liabilities :

2021-22	Opening balance	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Retained Earnings	Exchange difference	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Cash flow hedges	1					1
Property, plant and equipment & Intangible assets	(87)					(87)
Unearned revenue	(142)					(142)
Provisions	59					59
Provision for expected credit loss	55					55
Capital loss	64					64
State tax expense	21					21
Investments carried at fair value through profit and loss	(9)					-
Right of Use assets	24					24
Net deferred tax assets/(liabilities)	**(14)**	**-**	**-**	**-**	**-**	**(5)**

2020-21	Opening balance	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Retained Earnings	Exchange difference	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Cash flow hedges	1	-	-	-	-	1
Property, plant and equipment & Intangible assets	(123)	30	-	-	6	(87)
Unearned revenue	(399)	251	-	-	6	(142)
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
Investments carried at fair value through profit and loss	(2)	(8)	-	-	1	-9
Right of Use assets	27	(1)	-	-	(2)	24
Net deferred tax assets/(liabilities)	**(351)**	**333**	**-**	**-**	**4**	**(14)**

17.3. Income tax assets and liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021
Income tax liabilities, net		
Income tax payable -current	51	(56)

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Notes forming part of the consolidated financial statements for the year ended March 31, 2022
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18. Other liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021
(at amortised cost)		
Non-current		
Unearned revenue	-	-
Statutory remittances	-	166
Total	**-**	**166**
Current		
Unearned revenue	56	76
Statutory remittances	212	197
Total	**268**	**273**

19. Trade Payables

Particulars	As at	
	March 31, 2022	March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,941	1,953
Total	**2,941**	**1,953**

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

Ageing for trade payable	As at March 31, 2022						
	Unbilled	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	1,616	978	234	43	4	66	2,941
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Balance at the end of the year	**1,616**	**978**	**234**	**43**	**4**	**66**	**2,941**

Ageing for trade payable	As at March 31, 2021						
	Unbilled	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	1,207	-	398	152	-	196	1,953
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Balance at the end of the year	**1,207**	**-**	**398**	**152**	**-**	**196**	**1,953**

20. Revenue from contracts with customers

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Revenue from services	17,269	16,231
Revenue from products	564	738
Total revenue from operations	**17,833**	**16,969**

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, 2022	March 31, 2021
Revenues by contract type		
Fixed-price	7,780	6,506
Time and material	9,450	9,684
Maintenance	40	41
Product sale	563	738
Total	**17,833**	**16,969**
Revenues by Geography		
North America	17,833	16,969
Total	**17,833**	**16,969**
Revenues by Timing of recognition		
Goods and services transferred		
- At a point in time	563	738
- Over time	17,270	16,231
Total	**17,833**	**16,969**

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, 2022	As at March 31, 2021
Trade receivables	2,504	3,728
Unbilled revenue	1,378	850
Unearned revenue	56	76

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, 2022, ₹ 850 of contract assets as at March 31, 2021 has been reclassified to receivables on completion of performance obligation. During the year ended March 31, 2021, ₹ 1,338 of contract assets as at March 31, 2020 has been reclassified to receivables on completion of performance obligation.

Contract liabilities: During the year ended March 31, 2022 the Company recognized revenue of ₹ 76 arising from contract liabilities as at March 31, 2021. During the year ended March 31, 2021, the Company recognized revenue of ₹ 58 arising from opening unearned revenue as at April 1, 2020.

21. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on financial assets carried at amortised cost:		
Other financial assets	1	1
	1	**1**
Other non-operating income		
Liabilities no longer required, written back, net (refer note below)	-	34
Miscellaneous income	6	12
	6	**46**
Other gain and loss		
Foreign exchange gain/(loss) (net)	6	-
Gain on fair valuation of investments carried at FVTPL (refer note 6)	21	-
Loss on disposal of property, plant and equipment		-
	27	**-**
Total	**34**	**47**

Note:
(i) Liabilities no longer required, written back includes gain of ₹ Nil (2020-21: ₹ 56) 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, 2022	For the year ended March 31, 2021
Opening Stock:		
Work-in-progress	31	41
	31	**41**
Closing Stock:		
Work-in-progress	94	31
	94	**31**
Net decrease	**(63)**	**10**

23. Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages, including bonus	8,644	9,113
Social security and other benefits to employees (refer note (ii))	99	86
Share based payments expense (refer note (i))	9	10
Staff welfare expenses (refer note (iii))	446	642
Total	**9,198**	**9,851**

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 ₹ 107 (2020-21: ₹ 86). The amount payable towards 401(K) benefit plan as at March 31, 2022 is ₹ Nil (March 31, 2021: ₹ 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 ₹ 572 (2020-21: ₹ 663).

24. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		
Interest on borrowings	5	15
Interest on lease liabilities (refer note 3B)	22	27
Other interest expense	42	47
Discounting on deferred consideration	-	3
Total	**69**	**92**

25. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment	107	117
Depreciation of right of use assets (refer note 3B)	195	198
Amortisation of intangible assets	132	112
Total	**434**	**427**

26. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent including lease rentals (refer note 3B)	52	66
Rates and taxes	13	21
Insurance	65	53
Travelling and conveyance	211	160
Sub-contracting charges	5,973	4,865
Communication	35	59
Printing and stationery	7	8
Power and fuel	15	17
Marketing and advertising expenses	30	40
Repairs and maintenance		
- Buildings	1	4
- Machinery	36	39
- Others	2	2
Legal & professional charges	370	206
Expected credit loss for trade receivables (refer note 10)	(21)	183
Auditors' remuneration (refer note (i) below)	3	2
Recruitment expenses	63	8
Training and development	15	24
Software charges	150	165
Foreign exchange loss (net)	-	75
Loss on fair valuation of investments carried at FVTPL (refer note 6)	-	91
Loss on disposal of property, plant and equipment	3	9
Miscellaneous expenses	110	64
Total	**7,133**	**6,161**

Notes:

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Payment to the auditors of the Company		
For audit and related services of Company	3	2
Total	**3**	**2**

27. Earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year attributable to shareholders of the Company	547	179
Basic and Diluted:		
Number of shares outstanding at the year end	500,500	500,500
Weighted average number of equity shares	500,500	500,500
Earnings per share - Basic and Diluted (₹)	**1,092.91**	**357.91**

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

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.

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 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, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Services	17,223	16,158	886	280
Design Led Manufacturing	610	811	(62)	153
Total	**17,833**	**16,969**	**824**	**433**
Finance costs			69	92
Unallocable income/(expense), net			31	(119)
Profit before tax			**786**	**222**

C. Segment assets and liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Segment assets		
Design Led Manufacturing	715	720
Services	5,286	6,156
Total	**6,001**	**6,876**
Unallocated assets	**1,311**	**1,234**
Consolidated total assets	**7,312**	**8,110**
Segment liabilities		
Design Led Manufacturing	125	146
Services	3,257	2,525
Total	**3,382**	**2,671**
Unallocated liabilities	**679**	**1,218**
Consolidated total liabilities	**4,061**	**3,889**

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, 2022
(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, 2022	March 31, 2021
Cyient Canada Inc.	Canada	100%	100%
Cyient Defense Services Inc.	USA	100%	100%

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
Workforce Delta Pty Limited	Australia

(i) 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.
(ii) Cyient Australia Pty Limited, Australia, acquired 100% of equity shares of Workforce Delta Pty Limited (‘WFD’), Australia August 05, 2021.

Cyient Inc.
Notes forming part of the consolidated financial statements for the year ended March 31, 2022
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Key Managerial Personnel (KMP):

Name	Designation
B V R Mohan Reddy	Executive Chairman, Cyient Limited
Krishna Bodanapu	Managing Director & CEO, Cyient Limited
Ajay Aggarwal	Executive Director & Chief Financial Officer, Cyient Limited
Thomas Edwards	President & Director (till 25 February 22), Cyient Inc.
Kumar Podila	Finance Controller & Secretary, Cyient Inc.
Katie Cook	President & Director (effective 26th February 22), Cyient Inc.
Som Mittal (until 06 April, 2021)	Independent Director, Cyient Limited
Vinai Kumar Thummalapally	Director, Cyient Inc
Vikas Sehgal	Independent Director, Cyient Limited
Vivek Gour	Independent Director, Cyient Limited
Matangi Gowrishankar	Independent Director, Cyient Limited
Ramesh Abhishek	Independent Director (additional director), Cyient Limited
M.M. Murugappan	Non-Executive and Non-independent Chairman
Alain De Taeye	Non-Executive & Non-independent Director ,Cyient Limited
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, 2022	Year ended March 31, 2021
Revenue	Cyient Limited	35	61
	Cyient KK	58	41
Subcontracting expenses	Cyient Limited	5,155	4,117
	Cyient SRO	36	63
	Cyient Ansem B.V	4	
	Cyient Ansem N.V	16	
	Cyient DLM Private Limited	-	6
	Cyient GmbH	21	4
	Cyient Insights Private Limited.	7	25
Reimbursement of expenses (net)	Cyient Limited	(168)	92
	Cyient Australia Pty Limited	1	2
	Cyient Singapore Private Limited	-	-
	Cyient Europe Limited	(3)	2
	Cyient Insights Private Limited.	-	-
	Cyient SRO	(3)	(2)
	Cyient DLM Private Limited	6	21
	Cyient BV	-	-
	Integrated Global Partners Pty Limited	1	1
	Cyient KK	2	24
	Cyient Ansem NV	(6)	-
	Cyient GmbH	9	1
Short term benefits	Executive Officers [#1]		73
Corporate guarantee given to bankers	Cyient Limited		1,065
Corporate guarantee fee	Cyient Limited	9	13
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)

(b) Balances at the year end:

Nature of the balance	Party name	As at	
		March 31, 2022	March 31, 2021
Trade receivables	Cyient Limited	81	1,304
	Cyient DLM Private Limited	75	26
	Cyient Japan KK	15	10
	Cyient Insights Private Limited	9	9
	Cyient Australia Pty Limited	29	28
	Cyient Singapore Private Limited	5	4
	Cyient Europe Limited	3	29
	Cyient BV	1	4
	Cyient AB	-	1
	Cyient SRO	4	4
	Cyient GmbH	17	34
	Integrated Global Partners Pty Limited	2	1
	Cyient Ansem N.V	1	-
Trade Payable	Cyient Limited	1,641	767
	Cyient GmbH	27	11
	Cyient Europe Limited	4	34
	Cyient AB	-	46
	Cyient Singapore Private Limited	1	1
	Cyient Japan KK	2	2
	Cyient Ansem B.V	4	-
	Cyient Ansem N.V	23	-
	Cyient DLM Private Limited	9	9
	Cyient SRO	8	24
	Cyient Insights Private Limited	11	29
Corporate guarantee given to bankers (including unavailed facility)	Cyient Limited		2,357

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.

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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, 2022	March 31, 2021
Borrowings*	23	526
Cash and bank balances	(884)	(1,059)
Net debt	-	-
Total equity	**3,251**	**4,221**
Net debt to equity ratio	**0.00%**	**0.00%**

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

31.2 Financial instruments by category

Particulars	Carrying value as at	
	March 31, 2022	March 31, 2021
Financial assets:		
Amortised cost		
Trade receivables	2,504	3,728
Cash and cash equivalents	838	1,026
Other bank balances	46	33
Loans and deposits	15	14
Other financial assets	1,396	855
Fair value through profit and loss		
Investments in preferred & debt instruments of other entities (unquoted)	376	175
Total financial assets	**5,175**	**5,831**
Financial liabilities:		
Amortised cost		
Borrowings*	23	526
Trade payables	2,941	1,953
Lease liabilities	529	620
Capital creditors	-	13
Fair value through other comprehensive income		
Derivative instruments designated in a hedging relationship	-	1
Fair value through profit and loss		
Liability towards acquisition of business **	-	50
Total financial liabilities	**3,493**	**3,163**

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

**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.

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 (i.e.
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, 2022:

Particulars	Date of valuation	As at March 31, 2022	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
Assets					
Investment in unquoted preferred instruments (refer note 6)**	March 31, 2022	338	-	-	338
Capital contribution to Partnership fund (refer note 6)**	March 31, 2022	38	-	-	38

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, 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
Assets					
Investment in unquoted preferred instruments (refer note 6)**	March 31, 2021	175	-	-	175
Liabilities					
Liability towards acquisition of business (refer note 15) **	March 31, 2021	50	-	-	50
Derivative instruments designated in a hedging relationship***	March 31, 2021	1	-	1	-

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.

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Fair value measurements using significant unobservable inputs (level 3)

The following table presents changes in level 3 items for the year ended March 31, 2022 and March 31, 2021:

Particulars	Investments in other equity, preferred and debt instruments (unquoted)	Liability towards acquisition of business
As at April 1, 2020	**269**	**142**
Net loss/(gain) recognised in consolidated statement of profit and loss account	-	(56)
(Loss) /gain on fair valuation of investments	(91)	-
Payments during the year	-	(36)
Add : Translation loss	(3)	-
As at March 31, 2021	**175**	**50**
Net loss/(gain) recognised in consolidated statement of profit and loss account	-	-
Gain on fair valuation of investments	21	-
Payments during the year	173	(50)
Add : Translation gain / (loss)	7	-
As at March 31, 2022	**376**	**-**

Valuation inputs and relationships to fair value

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, 2022	March 31, 2021			
Investments in other preferred and debt instruments (unquoted)	376	175	Earnings growth rate	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.	Any increase in earnings growth rate would increase the fair value.
			Discount rate	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.	Any increase in the discount rate would result in decrease in fair value.
Liability towards acquisition of business and contingent consideration	-	50	Expected cash outflows	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.	Any increase in expected cash flows would increase the fair value.
			Discount rate	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.	Any increase in the discount rate would result in decrease in fair value.

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, 2022, the Company has no outstanding forward exchange contracts.

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021		
Term loan from HSBC	-	56	-	(1)	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.

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.

The following table gives details in respect of percentage of total receivables and unbilled receivables from top direct customer and top five direct customers:

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Receivable from top customer		13%
Receivable from top 5 customers		39%

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 ₹ 1,826 and ₹ 1,328 as of March 31, 2022 and March 31, 2021 respectively.

As of March 31, 2022, the Company had working capital of ₹ 1,498, including cash and bank balances of ₹ 884
As of March 31, 2021, the Company had working capital of ₹ 2,693, including cash and bank balances of ₹ 1,059

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding current and non-current borrowings) as at March 31, 2022:

Particulars	Less than 1 year	1-2 years	2 years and above	Total
Trade payables	2,941	-	-	2,941
Total	**2,941**	**-**	**-**	**2,941**

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	Total
Trade payables	1,953	-	-	1,953
Other current financial liabilities (refer note 15)	64	-	-	64
Total	**2,017**	**-**	**-**	**2,017**

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.

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32. Contingent liabilities and Commitments

(A) Contingent liabilities
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) ₹ 38 (March 31, 2021: ₹ 24)

(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. Ratios

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance
(a) Current Ratio	Current Asset	Current Liabilities	1.43	1.87	-24%
(b) Debt-Equity Ratio	Total Liability	Total Equity	1.25	0.92	36%
(c) Debt Service Coverage Ratio	Operating Profit	Repayment of Principal and Finance cost	321.75	12.02	2577%
(d) Return on Equity Ratio	Net Profit	Total Equity	0.17	0.04	296%
(e) Inventory turnover ratio	Cost of goods sold	Inventory	3	2	100%
(f) Trade Receivables turnover ratio	Turnover	Average Trade Receivable	5.72	4.29	33%
(g) Trade payables turnover ratio	Turnover	Average Trade Payable	7.29	6.38	14%
(h) Net capital turnover ratio	Turnover	Average of (Current Assets-Current Liability)	8.51	4.25	100%
(i) Net profit ratio	Net Profit	Turnover	0.03	0.01	191%
(j) Return on Capital employed	EBIT	Total Assets - Current Liability	0.21	0.05	304%
(k) Return on investment					

33. 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

Krishna Bodanapu
Managing Director & CEO
(DIN-00605187)

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

Place: Hyderabad
Date:

Place: Hyderabad
Date: