

**Cyient Solutions and Systems Private Limited**  
(CIN: U72501TG2017PTC116600)

**Balance Sheet as at March 31, 2024**

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

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	65	77
Other non-current assets	3	29,336	29,292
<b>Total non-current assets</b>		<b>29,401</b>	<b>29,369</b>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	4	4,669	4,670
<b>Total current assets</b>		<b>4,669</b>	<b>4,670</b>
<b>Total assets</b>		<b>34,070</b>	<b>34,039</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	5	200	200
Other equity	6	(293,876)	(292,638)
<b>Total equity</b>		<b>(293,676)</b>	<b>(292,438)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	7	310,652	310,652
<b>Total non-current liabilities</b>		<b>310,652</b>	<b>310,652</b>
<b>Current liabilities</b>			
Financial Liabilities			
Trade payables	8		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		17,065	15,797
Other current liabilities	9	29	28
<b>Total current liabilities</b>		<b>17,094</b>	<b>15,825</b>
<b>Total liabilities</b>		<b>327,746</b>	<b>326,477</b>
<b>Total equity and liabilities</b>		<b>34,070</b>	<b>34,039</b>
Corporate information and material accounting policies	1		
Accompanying notes form an integral part of the financial statements			

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**For and on behalf of the Board of Directors**

**Cyient Solutions and Systems Private Limited**

**Shankar Srinivasan**

Partner

Membership number: 213271

**Naga Surya Venkata Narasimham**

Director

(DIN -10173283)

**Joseph NJ**

Managing Director and CEO

(DIN - 07033585)

Place: Hyderabad

Date: April 25, 2024

Place: Hyderabad

Date: April 25, 2024

**Cyient Solutions and Systems Private Limited**  
**(CIN: U72501TG2017PTC116600)**  
**Statement of Profit and Loss for the year ended March 31, 2024**  
 (All amounts in ₹ thousands, except share and per share data and where otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>INCOME</b>			
Revenue from contracts with customers	10	-	-
<b>Total income</b>		-	-
<b>EXPENSES</b>			
Depreciation expense	11A	12	12
Other expenses	11	1,226	1,145
<b>Total expenses</b>		<b>1,238</b>	<b>1,157</b>
<b>Loss before tax</b>		(1,238)	(1,157)
Tax expense	17	-	-
<b>Loss for the year</b>		<b>(1,238)</b>	<b>(1,157)</b>
		-	-
<b>Total other comprehensive Income for the year</b>		-	-
<b>Total comprehensive loss for the year</b>		<b>(1,238)</b>	<b>(1,157)</b>
<b>Earnings per equity share (par value of ₹ 10 each)</b>			
Basic and Diluted (₹)	12	(61.90)	(57.83)
Corporate information and material accounting policies	1		
Accompanying notes form an integral part of the financial statements			
As per our report of even date			
<b>For S.R. Batliboi &amp; Associates LLP</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants		<b>Cyient Solutions and Systems Private Limited</b>	
ICAI Firm registration number: 101049W/E300004			
<b>Shankar Srinivasan</b>		<b>Naga Surya Venkata Narasimham</b>	<b>Joseph NJ</b>
Partner		Director	Managing Director and CEO
Membership number: 213271		(DIN -10173283)	(DIN - 07033585)
Place: Hyderabad		Place: Hyderabad	
Date: April 25, 2024		Date: April 25, 2024	

Cyient Solutions and Systems Private Limited  
(CIN: U72501TG2017PTC116600)  
Statement of changes in equity for the year ended March 31, 2024  
(All amounts in ₹ thousands, except share and per share data and where otherwise stated)

a. Equity share capital

Particulars	Note	Amount
Balance as at April 01, 2022		200
Balance as at March 31, 2023	5	200
Balance as at March 31, 2024		200

b. Other equity

Particulars	Note	Reserves and surplus	Items of other comprehensive income	Total other equity
		Retained earnings		
Balance as at April 01, 2022		(291,481)	-	(291,481)
Loss for the year	6	(1,157)	-	(1,157)
Balance as at March 31, 2023		(292,638)	-	(292,638)
Loss for the year	6	(1,238)	-	(1,238)
Balance as at March 31, 2024		(293,876)	-	(293,876)

Accompanying notes form an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

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

Shankar Srinivasan

Partner  
Membership number: 213271

Naga Surya Venkata Narasimham

Director  
(DIN -10173283)

Joseph NJ

Managing Director and CEO  
(DIN - 07033585)

Place: Hyderabad  
Date: April 25, 2024

Place: Hyderabad  
Date: April 25, 2024

**Cyient Solutions and Systems Private Limited**

(CIN: U72501TG2017PTC116600)

**Cash Flow Statement for the year ended March 31, 2024**

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

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Loss for the year	(1,238)		(1,157)	
Adjustments for :				
Depreciation and amortisation expense	12		12	
Unrealised exchange loss	8		-	
Operating loss before working capital changes		(1,219)		(1,145)
<b>Changes in working capital:</b>				
Adjustments for (increase) / decrease in operating assets:				
Other assets	(44)		(3,307)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	1,261		5,735	
Other liabilities	1		28	
Cash (used in) / generated from operations		(1)		1,311
Income tax paid		-		-
<b>Net cash flow (used in)/ from operating activities (A)</b>		(1)		1,311
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Net cash flow from investing activities (B)		-		-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net cash flow from financing activities (C)		-		-
<b>Net (decrease) / increase in Cash and cash equivalents (A+B+C)</b>		(1)		1,311
<b>Cash and cash equivalents at the beginning of the year</b>		4,670		3,359
<b>Cash and cash equivalents at the end of the year (refer note 4)</b>		4,669		4,670
Refer note 4 for changes in liabilities arising from financing activities and for non-cash financing activities.				
Accompanying notes form an integral part of the financial statements				
As per our report of even date				
For <b>S.R. BATLIBOI &amp; ASSOCIATES LLP</b>		For and on behalf of the Board of Directors		
Chartered Accountants		<b>Cyient Solutions and Systems Private Limited</b>		
ICAI Firm registration number: 101049W/E300004				
<b>Shankar Srinivasan</b>		<b>Naga Surya Venkata Narasimham</b>		<b>Joseph NJ</b>
Partner		Director		Managing Director and CEO
Membership number: 213271		(DIN -10173283)		(DIN - 07033585)
Place: Hyderabad		Place: Hyderabad		
Date: April 25, 2024		Date: April 25, 2024		

**1. Corporate information and material accounting policies**

**a. Corporate information**

Cyient Solutions and Systems Private Limited ('CSSPL' or 'the Company') is engaged in the business of manufacturing, assembling, integrating, testing and sale of unmanned aerial systems. CSSPL is incorporated as a private limited Company in India on April 19, 2017 as a wholly owned subsidiary of Cyient Limited ("Holding Company").

On April 11, 2018, Cyient Limited entered into a share purchase agreement with Bluebird Aero Systems Limited ("Bluebird"), wherein Bluebird acquired 49% shareholding in CSSPL.

The Holding Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is located at Plot No. 2, IT Park Nanakramguda, Gachibowli Hyderabad, Telangana, India – 500032.

The financial statements were authorised for issue in accordance with a resolution of the directors on April 25, 2024.

**b. Material accounting policies**

**i. Statement of compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

**ii. Basis of preparation and presentation**

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period and consistent with previous year. The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest thousands, except when otherwise indicated.

The Company has accumulated losses as at March 31, 2024 and Cyient Limited, the holding company, continues to provide operational and financial support to the Company to enable it to carry on its business and meet the liabilities as they fall due.

Considering the above, the management believes that the Company will continue as a going concern and thereby realize its assets and discharge its liabilities in the normal course of its business.

**iii. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

**Cyient Solutions and Systems Private Limited**

**CIN: U72501TG2017PTC116600**

**Notes forming part of the financial statements for the year ended March 31, 2024**

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- 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 Company classifies all other liabilities as non-current.

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

**iv. Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the 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 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 financial statements in the period in which results are known and, if material, are disclosed in the financial statements.

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

- Useful lives of property, plant and equipment (refer note vi)
- Impairment assessment of assets (refer note xvi)

**v. Foreign currency translation**

**Functional and presentation currency**

The financial statements are presented in Indian rupees, which is the functional and presentation currency of the Company.

**Transactions and translations**

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 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 items that are measured in terms of historical cost in a foreign currency are not retranslated.

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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.

**vi. 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.

The Company 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.

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 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.

**vii. Income taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate 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 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 equity, respectively.

The current income tax and deferred income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where the Company operates and generate taxable income.

Deferred income 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 financial statements.

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.

**viii. Cash and cash equivalents**

Cash comprises cash on hand, in bank and demand deposits with banks. The Company 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. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**ix. Equity share capital:**

Ordinary shares are classified as equity.No gain or loss is recognised in the statement of profit and loss on purchase, sale, issue or cancellation of equity instruments, except in case of employee stock options. 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.

**x. Provisions and contingent liabilities**

**Provisions**

Provisions are recognised when the Company 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 consideration 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 interest expense. Provisions are not recognised for future operating losses.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events, the occurrence or non-occurrence of which is dependent on the happening of one or more uncertain future events not wholly within the control of the entity; or a present obligation arising from past events with no probability of future outflow of economic benefits or the outflow cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent liabilities are not recognised in the consolidated financial statements. A contingent asset is neither recognised nor disclosed in the consolidated financial statements.

Provisions, Contingent liabilities and Contingent assets are reviewed at each reporting date.

**xi. Revenue**

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

**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 operations is recognised by applying revenue recognition criteria specified in Ind AS 115 for each distinct performance obligation. The arrangement with customer specifies services to be rendered which meet criteria of performance obligations. For allocation, transaction price, the Company 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 prospectively, 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 Company presents revenues net of indirect taxes in the consolidated statement of profit and loss.

**xii. Earnings per share**

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**xiii. Operating Segments**

The Company's Chief Operating Decision maker is the Managing Director and Chief Executive Officer who evaluates Company's performance and allocates resources based on an analysis of various performance indicators by business verticals and geographical segmentation of customers. The Company has only one reportable business segment, which is rendering of Services. Segment information has been presented in the Consolidated Financial Statements in accordance with Ind AS 108 notified under the Companies (Indian Accounting Standards) Rules, 2015.

**xiv. Financial instruments**

**(A) Initial recognition**

Financial assets and financial liabilities are recognised when a Company 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 liabilities at fair value through profit or loss are recognised immediately in 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 liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through 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.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income 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 statement profit or loss and is included in the "Other income".

**(C) De-recognition of financial assets and liabilities**

**Financial assets**

The Company 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 Company retains substantially all the risks and rewards of ownership of a

transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized 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 statement of profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

#### **Financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company'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 statement of profit or loss.

#### **(D) Foreign exchange gains and losses**

- For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognised in statement of profit or loss.
- 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 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.

#### **xv. Determination of fair values**

In determining the fair value of its financial instruments, the Company 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 realized.

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 Company takes into account the characteristics of asset or liability of market participants when pricing the asset or liability at the measurement date.

#### **xvi. Impairment of assets**

##### **a. Financial assets**

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through 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 statement of profit and loss.

For trade receivables, the Company 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 Company 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 statement of profit and loss.

**b. Non-financial assets**

Property, plant and equipment and other 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. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the 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 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.

**xvii. New and amended standards**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

**(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's standalone financial statements.

**(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

**xviii. Standards notified but not yet effective**

There are no standards that are notified and not yet effective as on the date.

**Cyient Solutions and Systems Private Limited****Notes forming part of the financial statements for the year ended March 31, 2024**

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

**2. Property, plant and equipment**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Carrying amounts of:</b>		
Furniture and fixtures	28	33
Electrical installations	37	44
<b>Total</b>	<b>65</b>	<b>77</b>

**Notes:**

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

Particulars	Furniture and fixtures	Electrical installations	Total
<b>I. Cost</b>			
Balance as at April 01, 2022	71	72	143
Additions	-	-	-
Balance as at March 31, 2023	71	72	143
Additions	-	-	-
Balance as at March 31, 2024	71	72	143
<b>II. Accumulated depreciation</b>			
Balance as at April 01, 2022	33	21	54
Depreciation for the year	5	7	12
Balance as at March 31, 2023	38	28	66
Depreciation for the year	5	7	12
Balance as at March 31, 2024	43	35	78
<b>III. Carrying Amounts (I - II)</b>			
Balance as at March 31, 2023	33	44	77
Balance as at March 31, 2024	28	37	65

**Cyient Solutions and Systems Private Limited****Notes forming part of the financial statements for the year ended March 31, 2024**

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

**3. Other assets**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non-current:</b>		
Capital advances	4,830	4,830
Other receivables, considered doubtful	19,267	19,267
Less: impairment (refer note A)	(24,097)	(24,097)
Balance with government authorities	29,336	29,292
<b>Total other non current assets</b>	<b>29,336</b>	<b>29,292</b>
<b>Total other assets</b>	<b>29,336</b>	<b>29,292</b>

**Note A: Impairment of non-current assets**

In the earlier years, the Company entered into a collaboration agreement with a third party for the development of payload and customization of UAV systems. As at March 31, 2019, ₹ 163,067 spent has been classified as 'intangible asset under development' and ₹ 59,427 under capital and other advances. In the year ended March 31, 2020, the Company has recognised one-time impairment charge of ₹ 222,495 relating to above costs incurred on development of UAV systems in view of the potential delays in materialization of orders and classified under 'impairment of non-current assets'. Reversal of impairment of ₹ 35,331 was recognised in the year ended March 31, 2021 due to recoveries against the aforesaid impairment of non-current assets.

**4. Cash and cash equivalents**

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in current accounts	4,669	4,670
<b>Total</b>	<b>4,669</b>	<b>4,670</b>

**Reconciliation of liabilities arising from financing activities:****(a) For the year ended March 31, 2024**

Particulars	As at March 31, 2023	Proceeds	Interest accrued	As at March 31, 2024
Non-current borrowings	310,652	-	-	310,652
<b>Total liabilities from financing activities</b>	<b>310,652</b>	-	-	<b>310,652</b>

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

**(b) for the year end March 31, 2023:**

Particulars	As at March 31, 2022	Proceeds	Interest accrued	As at March 31, 2023
Non-current borrowings	310,652	-	-	310,652
<b>Total liabilities from financing activities</b>	<b>310,652</b>	-	-	<b>310,652</b>

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

**Cyient Solutions and Systems Private Limited****Notes forming part of the financial statements for the year ended March 31, 2024**

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

**5. Equity share capital**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised share capital:</b> 100,000 equity shares of ₹ 10 each (March 31, 2023: 100,000 equity shares)	1,000	1,000
<b>Issued and subscribed capital:</b> 20,000 fully paid up equity shares of ₹ 10 each (March 31, 2023: 20,000 equity shares)	200	200
<b>Total</b>	<b>200</b>	<b>200</b>

**a. Issued subscribed and fully paid up capital:**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Opening balance	20,000	200	20,000	200
Closing balance	<b>20,000</b>	<b>200</b>	<b>20,000</b>	<b>200</b>

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

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>				
Cyient Limited	10,200	51.00%	10,200	51.00%
Bluebird Aero systems Limited	9,800	49.00%	9,800	49.00%

**c. Details of Shares held by promoters at the end of the year**

Name of the Promoter	As at March 31, 2024		
	Number of shares held	% holding of equity shares	% change during the year
Cyient Limited	10,200	51.00%	-
Bluebird Aero systems Limited	9,800	49.00%	-

Name of the Promoter	As at March 31, 2023		
	Number of shares held	% holding of equity shares	% change during the year
Cyient Limited	10,200	51.00%	-
Bluebird Aero systems Limited	9,800	49.00%	-

**d. Rights, preferences and restrictions attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

**6. Other equity**

Particulars	As at As at March 31, 2024	As at As at March 31, 2023
Retained earnings		
Opening balance	(292,638)	(291,481)
Loss for the year	(1,238)	(1,157)
<b>Total</b>	<b>(293,876)</b>	<b>(292,638)</b>

**Nature of reserves:**

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

**Cyient Solutions and Systems Private Limited**
**Notes forming part of the financial statements for the year ended March 31, 2024**

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

**7. Borrowings**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non current:</b>		
<b>At amortised cost</b>		
Loan from Cyient Limited (refer note below)	310,652	310,652
<b>Total non-current</b>	<b>310,652</b>	<b>310,652</b>
<b>Total</b>	<b>310,652</b>	<b>310,652</b>

**Note :**

Unsecured loan availed from the holding company, Cyient Limited and repayable not later than 31 March, 2026. The loan was availed @10% interest per annum for capital expenditure and working capital requirements.

**8. Trade payables**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At amortised cost</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 13)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	17,065	15,797
<b>Total</b>	<b>17,065</b>	<b>15,797</b>

**Notes:**

(i) Includes amount payable to its related parties (refer note 14)

(ii) Trade payables are non-interest bearing and are normally settled in 30-60 days.

Ageing of trade payable	As at March 31, 2024					Total
	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	1,637	656	5,269	11	9,492	17,065
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>1,637</b>	<b>656</b>	<b>5,269</b>	<b>11</b>	<b>9,492</b>	<b>17,065</b>

Ageing of trade payable	As at March 31, 2023					Total
	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	1,024	5,269	11	475	9,018	15,797
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>1,024</b>	<b>5,269</b>	<b>11</b>	<b>475</b>	<b>9,018</b>	<b>15,797</b>

**9. Other current liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Other liabilities	29	28
<b>Total</b>	<b>29</b>	<b>28</b>

**Cyient Solutions and Systems Private Limited****Notes forming part of the financial statements for the year ended March 31, 2024**

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

**10. Revenue from contracts with customers**

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

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

**11. Other expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Repairs and maintenance		
- Machinery	63	41
Legal and professional charges	584	600
Auditor's remuneration (refer note below)	570	500
Unrealised exchange loss	8	-
Miscellaneous expense	1	4
<b>Total</b>	<b>1,226</b>	<b>1,145</b>

**Note:****Auditor's remuneration**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) For audit services of the Company	556	500
(b) Reimbursement of expenses	14	-
	<b>570</b>	<b>500</b>

**11A. Depreciation expense**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Note 2)	12	12
<b>Total</b>	<b>12</b>	<b>12</b>

**12. Earnings per share**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss after tax	(1,238)	(1,157)
Basic and Diluted*:		
Number of shares outstanding at the year end	20,000	20,000
Weighted average number of equity shares	20,000	20,000
<b>Earnings per share (₹)</b>	<b>(61.90)</b>	<b>(57.83)</b>

\* There were no dilutive instruments outstanding during the year.

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

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. Based on the information available with the management, there are no vendors registered as Micro, Small and Medium suppliers as defined under Micro, Small and Medium Enterprises Development Act, 2006.

**Cyient Solutions and Systems Private Limited****Notes forming part of the financial statements for the year ended March 31, 2024**

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

**14. Related Party Transactions**

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

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

**Key Managerial Personnel (KMP):**

Name	Designation
Joseph NJ	Managing Director & CEO
Ronen Nadir	Non-Executive director
Mordechay Shechter	Non-Executive director
Naga Surya Venkata Narasimham	Non-Executive director (effective from June 30, 2023)
Ajay Aggarwal	Non-Executive director (until June 30, 2023)

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

**(a) Transactions during the year:**

Nature of the transaction	Party Name	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense*	Cyient Limited	-	-
Corporate guarantees liquidated	Cyient Limited	-	10,560
Reimbursement for expenses	Cyient Limited	620	501

\* Interest on loan from related party has been waived off for the current & previous year

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

Nature of the balance	Party Name	As at March 31, 2024	As at March 31, 2023
Trade payables	Cyient Limited	14,296	13,676
	Cyient Inc.	498	490
Borrowings	Cyient Limited	310,652	310,652

**Cyient Solutions and Systems Private Limited****Notes forming part of the financial statements for the year ended March 31, 2024**

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

**15. Financial Instruments****15.1 Financial instruments by category:**

Particulars	Carrying value as at	
	March 31, 2024	March 31, 2023
<b>Financial assets:</b>		
<b>Amortised cost</b>		
Cash and cash equivalents	4,669	4,670
<b>Total financial assets</b>	<b>4,669</b>	<b>4,670</b>
<b>Financial liabilities:</b>		
<b>Amortised cost</b>		
Borrowings	310,652	310,652
Trade payables	17,065	15,797
<b>Total financial liabilities</b>	<b>327,717</b>	<b>326,449</b>

The management assessed that fair value of cash & cash equivalents, borrowings and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments, and hence these are carried at amortised cost.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**15.2 Financial risk management****Financial risk factors**

The Company's activities expose it to foreign exchange risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**Foreign exchange risk**

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

**Foreign currency exposure unhedged**

The following table analyses foreign currency risk from financial instruments as of March 31, 2024:

Particulars	US Dollars	INR Equivalent
Trade Payables	5,974	498

The following table analyses foreign currency risk from financial instruments as of March 31, 2023:

Particulars	US Dollars	INR Equivalent
Trade Payables	5,974	490

**Liquidity risk**

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2024:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	17,065	-	-
<b>Total</b>	<b>17,065</b>	<b>-</b>	<b>-</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	15,797	-	-
<b>Total</b>	<b>15,797</b>	<b>-</b>	<b>-</b>

**Cyient Solutions and Systems Private Limited****Notes forming part of the financial statements for the year ended March 31, 2024**

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

**16. Commitments and Contingent Liabilities****a. Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2024 - Rs Nil ( March 31, 2023 - Rs. Nil).

**b. Contingent liabilities**

Claims against the Company not acknowledged as debts as at Mar 31, 2024 - Rs Nil ( March 31, 2023 - Rs. Nil).

**17. Tax expense**

During the current year, the Company incurred losses, hence no tax expense recognised. Further, the Company has not recognised deferred tax on unused tax losses as there is no convincing evidence that sufficient future taxable profits will be available against which the unused tax losses can be utilised.

**18. Segment information**

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

**19. Ratios**

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance
(a) Current Ratio	Current Asset	Current liabilities	0.27	0.30	-7%
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	(1.06)	(1.06)	0%
(c) Return on Equity Ratio	Net loss after tax	Average Shareholder's Equity	(0.00)	(0.00)	7%
(d) Trade payables turnover ratio	Other expenses + Employee benefit expenses	Average Trade Payable	0.07	0.09	-22%
(e) Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	(0.07)	(0.06)	15%

**Cyient Solutions and Systems Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2024**

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

**20. Other statutory information**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vi) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (viii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**21.** The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

**22.** The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that in respect of one accounting software audit trail feature is not enabled for direct changes to database when using certain access rights and in respect of other software for maintenance of time sheet records, audit trail feature does not exist. Further, no instance of audit trail feature being tampered with was noted in respect of the accounting software.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**For and on behalf of the Board of Directors**

**Cyient Solutions and Systems Private Limited**

**Shankar Srinivasan**

Partner

Membership number: 213271

**Naga Surya Venkata Narasimham**

Director

(DIN -10173283)

**Joseph NJ**

Managing Director and CEO

(DIN - 07033585)

Place: Hyderabad

Date: April 25, 2024

Place: Hyderabad

Date: April 25, 2024