

Cyient Japan KK

Special Purpose Balance Sheet as at March 31, 2025

(All amounts in JPY 000's, except share and per share data and where otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,627	2,220
Other financial assets	4	3,593	3,593
Deferred tax assets (net)	11B	16,429	10,480
Total non-current assets		22,649	16,293
Current assets			
Contract assets	6A	4,422	108,656
Financial assets			
(a) Trade receivables	6	489,911	437,333
(b) Cash and cash equivalents	7	296,366	197,338
(c) Other financial assets	4	5,875	2,566
Other current assets	5	6,880	9,483
Total current assets		803,454	755,376
Total assets		826,103	771,669
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	64,500	64,500
Other equity	9	296,410	244,432
Total equity		360,910	308,932
LIABILITIES			
Non-current liabilities			
Provisions	10	11,563	19,312
Total non-current liabilities		11,563	19,312
Current liabilities			
Financial liabilities			
Trade payables	12	-	-
(i) Total outstanding dues of micro enterprises and small		-	-
(ii) Total outstanding dues of creditors other than micro		305,816	309,227
Income tax liabilities (net)	11C	4,468	19,042
Provisions	10	4,222	4,211
Other current liabilities	13	87,925	83,095
Other financial liabilities	13b	51,199	27,850
Total current liabilities		453,630	443,425
Total liabilities		465,193	462,737
Total equity and liabilities		826,103	771,669
Corporate information and Material accounting policies	1 & 2		
Accompanying notes form an integral part of the financial			

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of

Cyient Limited

Shankar Srinivasan

Partner

Membership No.: 213271

Krishna Bodanapati Prabhakar Atla

Executive Vice Chairman President & Chief financial officer

DIN-00605187

Place: Hyderabad

Date: July 24, 2025

Place: Hyderabad

Date: July 24, 2025

Cyient Japan KK
Special Purpose Statement of Profit and Loss for the year ended March 31, 2025

(All amounts in JPY 000's, except share and per share data and where otherwise stated)

Particulars	Notes	For the Year ended March 31, 2025	For the Year ended March 31, 2024
INCOME			
Revenue from operations	14	2,469,873	2,272,507
Other income	15	(40,479)	(1,195)
Total income		2,429,394	2,271,312
EXPENSES			
Employee benefits expense	16	626,948	451,069
Depreciation expense	17	438	155
Other expenses	18	1,724,069	1,748,378
Total expenses		2,351,455	2,199,602
Profit before tax		77,939	71,710
Tax expense/(credit)			
Current tax	11A	31,646	28,137
Deferred tax	11A	(5,685)	(2,559)
Total tax expense		25,961	25,578
Profit for the year		51,978	46,132
Other comprehensive income (OCI)			
(a) Items that will not be reclassified subsequently to statement of profit and loss:		-	-
(b) Items that will be reclassified subsequently to statement of profit and loss:		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		51,978	46,132
Earnings per equity share (par value of JPY 10,000 each)			
Basic & Diluted (JPY)	24	8,059	7,152
Corporate information and material accounting policies	1 & 2		
Accompanying notes form an integral part of the financial statements			
As per our report of even date			
For S.R. Batliboi & Associates LLP Chartered Accountants ICAI Firm registration number: 101049W/E300004		For and on behalf of the Board of Directors of Cyient Limited	
Shankar Srinivasan Partner Membership No.: 213271		Krishna Bodanapu Executive Vice Chairman and Managing Director DIN-00605187	
Prabhakar Atla President & Chief financial officer			
Place: Hyderabad Date: July 24, 2025		Place: Hyderabad Date: July 24, 2025	

Cyient Japan KK

Special Purpose Statement of Cash Flow for the year ended March 31, 2025

(All amounts in JPY 000's, except share and per share data and where otherwise stated)

Particulars	For the Year ended March 31, 2025		For the Year ended March 31, 2024	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the year	51,978		46,132	
<u>Adjustments for :</u>				
Tax expense	25,697		25,578	
Depreciation expense	438		155	
Interest income	(77)		(7)	
Unrealised forex gain (net)			955	
Operating profit before working capital changes		78,036		72,813
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(52,578)		(68,819)	
Other financial assets	(3,309)		(104,695)	
Other assets	2,603		(4,813)	
Contract assets	104,234			
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(3,411)		25,792	
Other liabilities	4,830		27,200	
Other financial liabilities	23,349			
Provisions	(7,738)		6,036	
Cash used in operations		146,016		(46,486)
Net income taxes (paid) /refund received		(46,220)		(26,586)
Net cash flow used from operating activities (A)		99,796		(73,072)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment towards purchase of property, plant and equipment	(845)		(1,815)	
Interest received	77		7	
Net cash flow used in investing activities (B)		(768)		(1,808)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	-		(299,261)	
Net cash flow used in financing activities (C)		-		(299,261)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		99,028		(374,141)
Cash and cash equivalents at the beginning of the year		197,338		571,264
Effect of exchange differences on translation of foreign currency cash and cash equivalents		-		215
Cash and cash equivalents at the end of the year		296,366		197,338
Balances with banks				
in current accounts (refer note 7)		296,366		197,338
		296,366		197,338

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 Limited

Shankar Srinivasan

Partner

Membership No.: 213271

Krishna Bodanapu

Executive Vice Chairman and Managing Director

DIN-00605187

Prabhakar Atla

President & Chief financial officer

Place: Hyderabad

Date: July 24, 2025

Place: Hyderabad

Date: July 24, 2025

Cyient Japan KK

Special Purpose Statement of changes in equity for the year ended March 31, 2025

(All amounts in JPY 000's, except share and per share data and where otherwise stated)

A. Equity share capital

Particulars	Note	Amount
Balance as at April 01, 2023	8	64,500
Issue of shares during the year		-
Balance as at March 31, 2024	8	64,500
Issue of shares during the year		-
Balance at 31 March, 2025	8	64,500

B. Other equity

	Note	Reserves and surplus	Total other equity
		Retained earnings	
Balance as at April 1, 2023		497,561	497,561
Profit for the year	9	46,132	46,132
Dividend on Equity shares		(299,261)	(299,261)
Balance as at March 31, 2024		244,432	244,432
Profit for the year	9	51,978	51,978
Balance at 31 March, 2025		296,410	296,410

Accompanying notes form an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of

Cyient Limited

Shankar Srinivasan

Partner

Membership No.: 213271

Krishna Bodanapu

Executive Vice Chairman and Managing Director

DIN-00605187

Prabhakar Atla

President & Chief financial officer

Place: Hyderabad

Date: July 24, 2025

Place: Hyderabad

Date: July 24, 2025

Cyient Japan KK

Notes forming part of the Special Purpose Financial Statements

(All amounts in JPY 000's, except share and per share data and where otherwise stated)

3. Property, plant and equipment

Particulars	As at	
	March 31, 2025	March 31, 2024
Carrying amount of:		
Computers	1,564	1,973
Electrical installations	13	13
Office equipment	933	117
Furniture and fixtures	117	117
Total	2,627	2,220

Notes:

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

Particulars	Computers	Electrical Installations	Office Equipment	Furniture & Fixture	Total
I. Cost or deemed cost #					
Balance at 1 April, 2023	1,695	259	2,337	2,429	6,720
Additions	1,815	-	-	-	1,815
Balance at 31 March, 2024	3,510	259	2,337	2,429	8,535
Additions	-	-	845	-	845
Balance at 31 March, 2025	3,510	259	3,182	2,429	9,380
II. Accumulated depreciation					
Balance at 1 April, 2023	1,435	234	2,220	2,272	6,160
Depreciation for the year	102	13	-	41	155
Balance at 31 March, 2024	1,536	246	2,220	2,312	6,315
Depreciation for the year	410	-	27	-	438
Balance at 31 March, 2025	1,946	246	2,247	2,312	6,752
III. Carrying Amounts (I - II)					
Balance as at March 31, 2024	1,973	13	117	117	2,220
Balance as at March 31, 2025	1,564	13	933	117	2,627

#1. On April 01, 2016 i.e. the date of transition to IND AS, the Company has opted to continue with carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

4. Other financial assets

Particulars	As at	
	March 31, 2025	March 31, 2024
Non-current:		
(at amortised cost)		
Unsecured, considered good		
Security deposits	3,593	3,593
Other advances	-	-
Total non-current loans & deposits	3,593	3,593
Current:		
Advance to employees	5,875	2,566
Total other current financial assets	5,875	2,566
Total other financial assets	9,468	6,159

5. Other assets

Particulars	As at	
	March 31, 2025	March 31, 2024
Current:		
Prepaid expenses	6,164	4,505
Advances to suppliers	716	-
Advance to employees	-	4,978
Total other current assets	6,880	9,483

6A. Contract assets

Particulars	As at	
	March 31, 2025	March 31, 2024
Contract assets	4,422	108,656
Total	4,422	108,656

Reclassifications:

Unbilled revenue has been classified as "Contract Assets" as a separate line on the face of Balance sheet which was hitherto included in other current financial assets amounting to JPY 4,422 as at March 31, 2025 (JPY 108,656 as at March 31, 2024).

The above changes do not impact recognition and measurement of items in the financial statements and consequentially, there is no impact on total equity and/

or profit (loss) for the current or any of the earlier periods. Considering the nature of changes, the management believes that they do not have any material

impact on the balance sheet at the beginning of the comparative period and, therefore, this does not require presentation of a third balance sheet.

6. Trade receivables

Particulars	As at	
	March 31, 2025	March 31, 2024
(at amortised cost)		
Trade receivables - Unsecured, considered good *	483,884	441,316
Expected credit loss allowance	6,027	(3,983)
Trade receivables - credit impaired	-	-
Expected credit loss allowance	-	-
Total	489,911	437,333

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

Note:

Expected credit loss (ECL):

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

Ageing for receivables	As at March 31, 2025					Total
	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 year	
Undisputed Trade Receivables	413	416,282	-	67,189	-	483,884
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	413	416,282	-	67,189	-	483,884
Less : Allowance for ECL						6,027
Balance at the end of the year						489,911

Ageing for receivables	As at March 31, 2024					Total
	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 year	
Undisputed Trade Receivables	351,219	34,522	55,574	-	-	441,316
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	351,219	34,522	55,574	-	-	441,316
Less : Allowance for ECL						(3,983)
Balance at the end of the year						437,333

7. Cash and cash equivalents

Particulars	As at	
	March 31, 2025	March 31, 2024
Balances with banks		
in current accounts	296,366	197,338
Total	296,366	197,338

Cyient Japan KK
Notes forming part of the Special Purpose Financial Statements

(All amounts in JPY 000's, except share and per share data and where otherwise stated)

8. Equity share capital

Particulars	As at	
	March 31, 2025	March 31, 2024
Authorised share capital: 10,000 (March 31, 2024: 10,000) equity shares of 10,000 JPY each	100,000	100,000
Issued and subscribed capital: 6,450 (March 31, 2024: 6,450) fully paid up equity shares of 10,000 JPY each	64,500	64,500
Total	64,500	64,500

(A) Reconciliation of the number of shares outstanding:

Particulars	As at		As at	
	March 31, 2025		March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Opening balance	6,450	64,500,000	6,450	64,500,000
Closing balance	6,450	64,500,000	6,450	64,500,000

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

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Cyient Limited, Holding Company	900	14%	900	14%
Cyient Australia Pty Limited	5,550	86%	5,550	86%

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

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

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Cyient Limited, Holding Company	900	14%	900	14%
Cyient Australia Pty Limited	5,550	86%	5,550	86%

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

The Company has only one class of equity shares having a par value of 10,000 JPY per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

9. Other equity

Particulars	As at	
	March 31, 2025	March 31, 2024
(a) Retained earnings		
Opening balance	244,432	497,561
Profit for the year	51,978	46,132
Dividend on Equity shares (refer note 27)	-	(299,261)
Closing balance	296,410	244,432

Nature of reserves:
(a) Retained earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any dividends or other distributions paid to shareholders.

Note: Dividend paid to equity shareholders of the Company as approved by board.

Cyient Japan KK

Notes forming part of the Special Purpose Financial Statements

(All amounts in JPY 000's, except share and per share data and where otherwise stated)

10. Provisions

Particulars	As at	
	March 31, 2025	March 31, 2024
Compensated absences (refer note (i) below)	15,785	23,523
Total	15,785	23,523
Non-current:		
Compensated absences	11,563	19,312
Total non-current provisions	11,563	19,312
Current:		
Compensated absences	4,222	4,211
Total current provisions	4,222	4,211
Total	15,785	23,523

Note:

Employee benefit plans:

(i) Assumptions for compensated absences

a) Compensated absences :

Actuarial assumptions for long-term compensated absences	As at	
	March 31, 2025	March 31, 2024
Discount rate	1.16%	0.41%
Salary escalation rate	2.90%	2.80%
Attrition rate	17.10%	13.60%

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at year-end as per Company's policy. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to statement of profit and loss in the period determined.

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

Cyient Japan KK
Notes forming part of the Special Purpose Financial Statements
(All amounts in JPY 000's, except share and per share data and where otherwise stated)

11. Income taxes

11A. Tax Expense

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

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Current tax:		
In respect of the current year	31,646	28,137
	31,646	28,137
Deferred taxes expense/(credit):		
In respect of the current year	(5,685)	(2,559)
	(5,685)	(2,559)
Total	25,961	25,578

B. Reconciliation of effective tax rate

The following is the reconciliation of the Company's effective tax rate for the year ended March 31, 2025 and 2024:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Profit before tax	77,939	71,710
Enacted Tax Rate in Japan	34.59%	34.59%
Computed expected tax expense	26,959	24,804
Deductions for tax purposes	(998)	774
Total tax expense	25,961	25,578
Effective tax rate	33.31%	35.67%

11B. Deferred tax assets (net)

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

Particulars	As at	
	March 31, 2025	March 31, 2024
Deferred tax assets (Net)	16,429	10,480
Deferred tax liabilities	-	-

2024-25	Opening Balance	Recognised in the statement of profit and loss	Closing balance
Deferred tax assets in relation to :			
Property, plant and equipment	475	(187)	288
Provision for employee benefits	8,532	6,140	14,672
Business tax payable	1,473	(5)	1,469
Net deferred tax assets	10,480	5,948	16,429

2023-24	Opening Balance	Recognised in the statement of profit and loss	Closing balance
Deferred tax assets in relation to :			
Property, plant and equipment	470	5	475
Provision for employee benefits	5,864	2,668	8,532
Business tax payable	1,587	(114)	1,473
Net deferred tax assets	7,921	2,559	10,480

11C. Income tax liabilities (net)

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

Particulars	As at	
	March 31, 2025	March 31, 2024
Income tax liabilities, net		
Income tax payable (net of advance tax)	4,468	19,042

12. Trade Payables carried at amortised cost

Particulars	As at	
	March 31, 2025	March 31, 2024
Total outstanding dues*		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	305,816	309,227
Total	305,816	309,227

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

Ageing for trade payable	As at March 31, 2025						Total
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	-	1,823	303,993	-	-	-	305,816
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Balance at the end of the year	-	1,823	303,993	-	-	-	305,816

Ageing for trade payable	As at March 31, 2024						Total
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	26,186	223,551	85,857	1,483	-	-	337,077
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Balance at the end of the year	26,186	223,551	85,857	1,483	-	-	337,077

13. Other liabilities

Particulars	As at	
	March 31, 2025	March 31, 2024
Current		
Unearned revenue	-	1,170
Statutory remittances	87,925	81,925
Total	87,925	83,095

13b. Other financial liabilities

Particulars	As at	
	March 31, 2025	March 31, 2024
Current		
Payable to employees	51,199	27,850
Total	51,199	27,850

Cyient Japan KK

Notes forming part of the Special Purpose Financial Statements

(All amounts in JPY 000's, except share and per share data and where otherwise stated)

14. Revenue from contracts with customers

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Revenue from services	2,469,873	2,272,507
Total revenue from operations	2,469,873	2,272,507

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

14.1. Disaggregated revenue information

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

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Revenues by contract type		
Fixed-price	28,418	58,139
Time and material	2,441,455	2,214,368
Total	2,469,873	2,272,507
Revenues by Geography		
APAC	2,469,873	2,272,507
Total	2,469,873	2,272,507
Revenues by Timing of recognition		
Goods and services transferred		
- Over period of time	2,469,873	2,272,507
Total	2,469,873	2,272,507

Fixed price:

Fixed price arrangements with customers have defined delivery milestones with agreed scope of work and pricing for each milestone. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration, is recognised as per the 'percentage-of-completion' method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity.

Time and material:

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

14.2. Trade receivables and contract balances

Particulars	As at March 31 2025	As at March 31, 2024
Trade receivables	489,911	437,333
Unbilled revenue	-	108,656

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

Contract assets:

During the year ended March 31, 2025, contract assets amounting to JPY nil (March 31, 2024: JPY 3,169) has been reclassified to receivables on completion of performance obligation

Transaction price allocated to the remaining performance obligations:

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

15. Other income

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest income on bank balances	77	7
Foreign exchange gain (net)	(40,557)	(8,844)
Miscellaneous income	1	7,642
Total	(40,479)	(1,195)

Cyient Japan KK**Notes forming part of the Special Purpose Financial Statements**

(All amounts in JPY 000's, except share and per share data and where otherwise stated)

16. Employee benefits expense

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Salaries and wages	544,964	405,881
Social security and other benefits to employees (Refer note (i) below)	55,977	31,880
Staff welfare expenses	26,007	13,308
Total	626,948	451,069

(i) Social security and other benefits to employees

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

17. Depreciation expenses

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Depreciation of property, plant and equipment (refer note 3)	438	155
Total	438	155

18. Other expenses

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Rent including lease rentals (Refer Note (i) below)	7,451	5,639
Sub-contracting charges	1,630,763	1,657,065
Travelling and conveyance	21,422	16,681
Rates and taxes	41	39
Insurance	4,172	11,376
Communication	507	931
Printing and stationery	648	357
Power and fuel	559	385
Marketing and advertising expenses	1,698	5,399
Repairs and maintenance		
- Machinery	9,679	6,024
Legal and professional charges	26,284	19,028
Provision for doubtful debts (net)	5,742	-
Auditors' remuneration (excludes applicable taxes)	1,293	1,144
Recruitment expenses	8,970	22,464
Software charges	694	144
Miscellaneous expenses	4,146	1,702
Total	1,724,069	1,748,378

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

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

Cyient Japan KK
Notes forming part of the Special Purpose Financial Statements
(All amounts in JPY 000's, except share and per share data and where otherwise stated)

19. Financial Instruments

19.1 Capital management

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

19.2 Financial instruments by category

Particulars	Carrying value as at	
	March 31, 2025	March 31, 2024
Financial assets:		
Amortised cost		
Trade receivables	489,911	437,333
Cash and cash equivalents	296,366	197,338
Other financial assets	9,468	6,159
Total financial assets	795,745	640,830
Financial liabilities:		
Trade payables	305,816	309,227
Total financial liabilities	305,816	309,227

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

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

19.3 Financial risk management

Financial risk factors

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

Foreign exchange risk

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

Foreign currency exposure unhedged

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the volatility of the Company's net financial assets (viz. which includes cash and cash equivalents, trade receivables, trade payables), which are denominated in various foreign currencies (USD, Aus \$, SGD, etc.)

Sensitivity Analysis :

For the year ended March 31, 2025 and March 31, 2024 , every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by JPY 63,723 /JPY (63,723) and JPY 17,328 / (JPY 17,328) respectively.

Cyient Japan KK**Notes forming part of the Special Purpose Financial Statements****(All amounts in JPY 000's, except share and per share data and where otherwise stated)****Liquidity risk**

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2025:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	305,816	-	-

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	337,077	-	-

Credit risk

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

The following table gives details in respect of percentage of total receivables and unbilled receivables from top customer and top five customers (excluding inter company):

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Receivable from top customer	79%	80%
Receivable from top five customer	91%	93%

Cyient Japan KK**Notes forming part of the Special Purpose Financial Statements**

(All amounts in JPY 000's, except share and per share data and where otherwise stated)

20. Related Party Transactions**(a) List of related parties:**

Name of the Entity	Nature of Relation
Cyient Limited	Holding Company
Cyient Inc.	Fellow subsidiary
Cyient Singapore Private Limited	Fellow subsidiary
Cyient Insights Private Limited	Fellow subsidiary
Citec Engineering India Pvt. Ltd.	Fellow subsidiary

Key Managerial Personnel (KMP):

Name	Designation
Yoshiko Anzai	Director, Cyient Japan KK
Krishna Bodanapu	Vice Chairman & Managing Director, Cyient Limited
Prabhakar Atla	President and Chief Financial Officer, Cyient Limited

(b) Transactions during the year:

Nature of the transaction	Party name	Year ended	
		March 31, 2025	March 31, 2024
Sub-contracting charges	Cyient Inc.	256,681	198,879
	Cyient Limited	1,353,873	1,452,385
	Cyient Insight Private Limited	-	138
Reimbursement of expenses (net)	Cyient Inc.	1,143	1,815
	Cyient Singapore Private Limited	2,263	2,821
	Cyient Limited	1,854	(15,252)
Dividend (Refer Note.27)	Cyient Limited	-	39,532
	Cyient Australia Pty Limited	-	259,729

(c) Balances at the year-end:

Nature of the balance	Party name	As at	
		March 31, 2025	March 31, 2024
Trade receivables	Cyient Inc.	-	5
	Cyient Limited	48,650	73,100
	Cyient Australia Pty Limited	1,636	1,636
	Cyient Insight Private Limited	1,261	-
	Citec Engineering India Private Limited	19,038	-
Trade payables	Cyient Inc.	43,546	18,211
	Cyient Limited	259,901	276,295
	Cyient Insight Private Limited	(2,419)	(2,451)
	Citec Engineering India Private Limited	8,596	8,826
	Cyient Singapore Private Limited	1,545	307

Foreign exchange restatement have not been disclosed as transactions during the year

21. Contingent liabilities

There are no contingent liabilities as at March 31, 2025 and March 31, 2024.

22. Capital and other commitments

There are no capital and other commitments as at March 31, 2025 and March 31, 2024.

Cyient Japan KK**Notes forming part of the Special Purpose Financial Statements****(All amounts in JPY 000's, except share and per share data and where otherwise stated)****23. Segment information**

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

The reporting of geographical segment is based on location of customer i.e Domestic (Within Japan) and Overseas (Outside Japan).

Geographical segment information

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within Japan	Outside Japan	Total	Within Japan	Outside Japan	Total
Revenue from contracts with customers	2,469,873	-	2,469,873	2,272,507	-	2,272,507
Non-current assets	2,627	-	2,627	2,220	-	2,220

*Geographical non-current assets (property , plant and equipment, right of use assets, capital work-in-progress, intangible assets and other non-current assets) are allocated based on location of assets.

24. Earnings per share

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Profit after tax	51,978	46,132
Basic and Diluted*:		
Number of shares outstanding at the year end	6,450	6,450
Weighted average number of equity shares	6,450	6,450
Earnings per share	8,059	7,152

* There were no dilutive instruments outstanding during the year.

Cyient Japan KK**Notes forming part of the Special Purpose Financial Statements**

(All amounts in JPY, unless otherwise stated)

25. Ratios

Particulars	Numerator	Denominator	31-Mar-25	31-Mar-24	% Variance	Remarks
(a) Current Ratio	Current Asset	Current Liabilities	1.77	1.70	4%	Note (a)
(b) Return on Equity Ratio	Net Profit after taxes	Average Shareholder's Equity	0.16	0.11	47%	Note (a)
(c) Trade Receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.33	5.64	-6%	Note (a)
(d) Trade payables turnover ratio	Other expenses + Employee benefit expenses	Average Trade Payable	6.78	6.78	0%	Note (a)
(e) Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current asset - current liabilities	7.30	7.30	0%	Note (a)
(f) Net profit ratio	Net Profit	Turnover	0.02	0.02	4%	Note (a)
(g) Return on Capital employed	Earnings before interest and taxes	Capital employed - Tangible Net worth + Total Debt	0.23	0.23	0%	Note (a)

Explanations given where change in the ratio is more than 25% as compared to preceding year.

Reasons for variance -

(a) Variance on account of increase in operations

26. Other statutory information

- (i) Benami property transactions act, 1988, Income Tax Act, 1961 and Companies Act, 2013 are not applicable to the Company.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the
- (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
- (v) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether
- (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,
- (vi) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

27. Dividend distribution made

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash dividends on equity shares declared and paid:		
Dividend for the year ended March 31, 2025 : Nil per share (March 31, 2024 : JPY 46.40 per share)	-	299,261

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of

Cyient Limited**Shankar Srinivasan**

Partner

Membership No.: 213271

Krishna Bodanapu

Executive Vice Chairman and Managing Director

DIN-00605187

Prabhakar Atla

President & Chief financial officer

Place: Hyderabad

Date: July 24, 2025

Place: Hyderabad

Date: July 24, 2025

Cyient Japan KK**Notes forming part of the Special Purpose Financial Statements**

(All amounts in JPY, unless otherwise stated)

28. Audit Trail

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 for direct changes to data made using certain access rights in one accounting software, where the audit trail feature is enabled from January 07, 2025 to March 31, 2025 and in respect of other software for maintenance of timesheet records, audit trail feature is enabled from June 18, 2024 to March 31, 2025. Further, no instance of audit trail feature being tampered with was noted in respect of softwares where the audit trail has been enabled. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the prior year.

29. Reclassifications:

During the year, in view of improved presentation, the Company has reassessed presentation of following:

(i) Accrued salaries and wages to employees have been reclassified under "Other financial liabilities" which were hitherto included in trade payables amounting to JPY 51,199 as at March 31, 2025 (JPY 27,850 as at March 31, 2024)

(ii) Unbilled revenue has been classified as "Contract Assets" as a separate line on the face of Balance sheet which was hitherto included in other current financial assets amounting to JPY 4,422 as at March 31, 2025 (JPY 108,656 as at March 31, 2024).

The above changes do not impact recognition and measurement of items in the financial statements and consequentially, there is no impact on total equity and/ or profit (loss) for the current or any of the earlier periods. Considering the nature of changes, the management believes that they do not have any material impact on the balance sheet at the beginning of the comparative period and, therefore, this does not require presentation of a third balance sheet.