

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Cyient Limited

Report on Special Purpose Financial Statements of Cyient Israel India Limited**Opinion**

We have audited the accompanying Special Purpose Financial Statements of Cyient Israel India Limited (hereinafter referred to as the "Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'Special Purpose Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statements.

Emphasis of matter

We draw attention to note 2.1 to the accompanying Special Purpose Financial Statements, which describes that the Board of Directors of the Company in their meeting held on October 06, 2021 has granted approval for the closure and winding up of the Company. Accordingly, these Special Purpose Financial Statements have been prepared on liquidation basis of accounting, considering that the Company will not be able to continue as a going concern. Hence, all the assets and liabilities have been stated at their estimated/realizable values as at March 31, 2021 and provisions has been made in the books of accounts for the losses arising or likely to arise on account of such planned closure to the extent ascertained by the management at the time of preparing the Special Purpose Financial Statements. Our opinion is not qualified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

The Board of Directors of Cyient Limited is responsible for the preparation of these Special Purpose Financial Statements in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, Cyient Limited's (the parent of the Company hereinafter referred to as the 'Holding Company') Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Holding Company's Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.



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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on distribution and use

The Special Purpose Financial Statements are prepared, and this report thereon issued solely to enable, Cyient Limited, for the purpose of submission of Annual Performance Report to Reserve Bank of India under Notification No. FEMA 120/RB-2004 dated July 7, 2004, Regulation 15(iii) as amended from time to time and should be read in that context. Our report is intended solely for this purpose and should not be used for any other purpose or provided to other parties. Our opinion is not modified in respect of this matter.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Shankar Srinivasan**

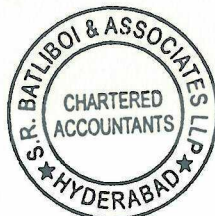
Partner

Membership Number: 213271

UDIN: 22213271AGBZLA7887

Place of Signature: Hyderabad

Date: March 30, 2022



Cyient Israel India Limited
Special purpose Balance Sheet as at March 31, 2021
(All amounts in ILS, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Financial assets			
(a) Loans and deposits	3	-	15,000
Income tax assets	10	-	38,530
Total non-current assets		-	53,530
Current assets			
Financial assets			
(a) Trade receivables	4	1,664,878	2,553,742
(b) Cash and cash equivalents	5	443,951	371,905
(c) Loans and deposits	3	15,000	-
Income tax assets	10	202,748	-
Other current assets	6	290,825	-
Total current assets		2,617,402	2,925,647
Total assets		2,617,402	2,979,177
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	7	1,817,100	1,817,100
Other equity	8	148,336	106,218
Total equity		1,965,436	1,923,318
LIABILITIES			
Current liabilities			
Financial liabilities			
Trade payables	9	638,445	723,823
Other current liabilities	11	13,521	332,036
Total current liabilities		651,966	1,055,859
Total liabilities		651,966	1,055,859
Total equity and liabilities		2,617,402	2,979,177
Corporate information and significant accounting policies	1 & 2		
Accompanying notes form an integral part of the financial statements			

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

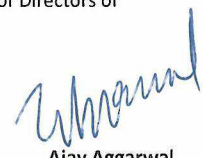

Shankar Srinivasan
Partner
Membership No.: 213271



Place: Hyderabad
Date: March 30, 2022

For and on behalf of the Board of Directors of
Cyient Limited


Krishna Bodanapu
Managing Director and CEO
(DIN-00605187)


Ajay Aggarwal
Executive Director and CFO
(DIN-02565242)

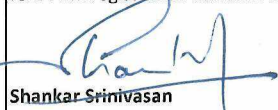
Place: Hyderabad
Date: March 30, 2022



Cyient Israel India Limited
Special purpose Statement of Profit and Loss for the Year ended March 31, 2021
(All amounts in ILS, unless otherwise stated)

Particulars	Note	For the Year ended March 31, 2021	For the Year ended March 31, 2020
INCOME			
Revenue from operations	12	919,879	1,667,594
Other income	13	38,585	227,377
Total income		958,464	1,894,971
EXPENSES			
Purchase of traded goods		115,732	752,800
Employee benefits expense	14	620,263	691,889
Other expenses	15	180,351	354,213
Total expenses		916,346	1,798,902
Profit before tax		42,118	96,069
Tax expense			
Current tax	10	-	10,976
Total tax expense		-	10,976
Profit for the year		42,118	85,093
Other comprehensive income (OCI)			
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		42,118	85,093
Earnings per equity share (par value of ILS 1 each)			
Basic and diluted	21	0.02	0.05
Corporate information and significant accounting policies	1 & 2		
Accompanying notes form an integral part of the financial statements			
As per our report of even date			

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004


Shankar Srinivasan
Partner
Membership No.: 213271



Place: Hyderabad
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For and on behalf of the Board of Directors of
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Krishna Bodanapu
Managing Director and CEO
(DIN-00605187)


Ajay Aggarwal
Executive Director and CFO
(DIN-02565242)

Place: Hyderabad
Date: March 30, 2022



Cyient Israel India Limited
Special purpose Cash flow statement for the year ended March 31,2021

(All amounts in ILS, unless otherwise stated)

Particulars	Year ended	
	March 31, 2021	March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	42,118	85,093
Adjustments for:		
Net unrealised exchange (gain)/loss	27,181	(15,079)
Tax expense	-	10,976
Expected credit loss allowance	-	221,784
Operating profit before working capital changes	69,299	302,774
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	861,683	(820,184)
Other assets	(290,825)	7,636
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(85,378)	(396,431)
Other current liabilities	(318,515)	332,036
Cash generated from operations	236,264	(574,169)
Net income taxes paid (net)	(164,218)	(49,506)
Net cash flow from operating activities	72,046	(623,675)
Net increase in cash and cash equivalents	72,046	(623,675)
Cash and cash equivalents at the beginning of the year	371,905	995,580
Cash and cash equivalents at the end of the year (refer note (i) below)	443,951	371,905
Notes :		
(i) Cash and cash equivalents comprises of:		
in current accounts (refer note 5)	443,951	371,905
	443,951	371,905

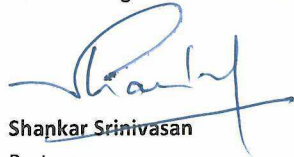
Accompanying notes form an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004


Shankar Srinivasan

Partner

Membership No.: 213271



Place: Hyderabad

Date: March 30, 2022

For and on behalf of the Board of Directors of

Cyient Limited

Krishna Bodanapu

Managing Director and CEO

(DIN-00605187)

Place: Hyderabad

Date: March 30, 2022


Ajay Aggarwal

Executive Director and CFO

(DIN-02565242)



Cyient Israel India Limited**Special purpose Statement of changes in equity for the year ended March 31, 2021**

(All amounts in ILS, unless otherwise stated)

A. Equity share capital

Particulars	Note	Amount
Balance as at March 31, 2019		1,817,100
Balance as at March 31, 2020	7	1,817,100
Balance as at March 31, 2021	7	1,817,100

B. Other Equity

Particulars	Note	Retained earnings	Total
Balance as at March 31, 2019		21,125	21,125
Profit for the year	8	85,093	85,093
Balance as at March 31, 2020		106,218	106,218
Profit for the year	8	42,118	42,118
Balance as at March 31, 2021		148,336	148,336

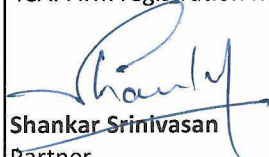
Accompanying notes form an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004


Shankar Srinivasan

Partner

Membership No.: 213271



Place: Hyderabad

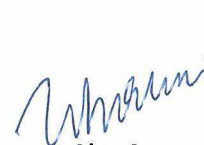
Date: March 30, 2022

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

Krishna Bodanapu

Managing Director and CEO

(DIN-00605187)


Ajay Aggarwal

Executive Director and CFO

(DIN-02565242)

Place: Hyderabad

Date: March 30, 2022



Cyient Israel India Limited

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2021

1. Corporate information:

Cyient Israel India Limited ("the Company") was incorporated in July 2016 in Israel with the Registered office of the Company located at 2 BSR towers, 1 Ben Gurion road, Bnei Brak, Israel. The Company is a wholly owned subsidiary of Cyient Limited, a listed Company in India. The Company is principally engaged in the business of providing marketing support services and related sourcing of electronic components to Cyient Group by engaging with number of leading defense original equipment manufacturers (OEMs) in Israel.

The Special purpose financial statements were authorised for issue in accordance with a resolution of the directors on March 30, 2022.

2. Significant accounting policies

2.1 Basis of preparation:

These Special Purpose Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), for the purpose of submission of Annual Performance Report to Reserve Bank of India under Notification No. FEMA 120/RB-2004 dated July 7, 2004, Regulation 15(iii) as amended.

In view of the approval granted by the Board of Directors of the Company in their meeting held on October 14, 2021 for the closure and winding up of the Company, the going concern assumption in the preparation of these Special Purpose Financial Statements is no longer valid and accordingly these Special Purpose Financial Statements have been prepared on liquidation basis of accounting. Hence, all the assets and liabilities have been stated at their estimated/realizable values as at March 31, 2021 and provisions has been made in the books of accounts for the losses arising or likely to arise on account of such planned closure to the extent ascertained by the management at the time of preparing the Special Purpose Financial Statements.

The Company will continue to incur operating costs till the liquidation of the Company. On a regular basis, management evaluate assumptions, judgment and estimates that can have a significant impact on reported net liabilities in liquidation based on the most recent information available. Actual costs may differ from estimates which might increase the net liabilities in liquidation.

2.2 Use of estimates:

The preparation of the Special Purpose 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 Special Purpose Financial Statements and the reported amounts of income and expenditure for the periods presented. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods.

2.3 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. The impact of COVID-19 on the Company's Special Purpose Financial Statements may differ from that estimated as at the date of approval of these Special Purpose Financial Statements.



Cyient Israel India Limited

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2021

2.4 Foreign currency translation

Functional and presentation currency

The Special Purpose Financial Statements are presented in Israeli New Shekel (ILS), which is the functional and presentation currency of the Company.

Transactions and translations

In preparing the Special Purpose Financial Statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign-currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

2.5 Income taxes:

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate. Current 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.

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 realize the asset and settle the liability simultaneously.

2.6 Cash and cash equivalents:

Cash comprises cash on hand, in bank and demand deposits with banks. 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.

2.7 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 not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

2.8 Revenue from contract with customers

Revenue from contracts with customers is recognised, on the basis of approved contracts, when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Revenue from services is recognised on accrual basis for services rendered and billed as per the terms of specific contract, which is on the basis of cost expended plus an agreed profit margin. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally upon delivery of the goods.

2.9 Other Income

Other Income is recognised when it is received or when the right to receive payment is established.



Cyient Israel India Limited

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2021

2.10 Employee Benefit Expenses

Short-term employee benefits - Liabilities for wages and salaries, including non-monetary benefits expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

2.11 Operating Segments

The Company's operations fall within a single operating segment, marketing support services and related sourcing of electronic components to Cyient group by engaging closely with Israeli defense OEMs which is considered as the primary reportable business segment.

2.12 Financial instruments

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.

Financial assets:

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Financial liabilities:

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

Foreign exchange gains and losses:

For foreign currency denominated financial assets and liabilities measured at amortized cost and FVTPL, the exchange differences are recognised in statement of profit or loss.

2.13 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 during the year.

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.



3. Loans and deposits

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-current (at amortised cost)		
Security Deposits - Unsecured, considered good	-	15,000
Total	-	15,000
Current (at amortised cost)		
Security Deposits - Unsecured, considered good	15,000	-
Total	15,000	-
Total loans and deposits	15,000	15,000

4. Trade receivables

Particulars	As at	
	March 31, 2021	March 31, 2020
Trade receivables		
Unsecured, considered good *	1,664,878	2,553,742
Trade receivables - significant increase in credit risk	221,784	221,784
Less: Expected credit loss allowance	(221,784)	(221,784)
Total	1,664,878	2,553,742

* Includes amount receivable from related parties (refer note 16).

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.

5. Cash and cash equivalents

Particulars	As at	
	March 31, 2021	March 31, 2020
Balances with banks in current accounts	443,951	371,905
Total	443,951	371,905

6. Other assets

Particulars	As at	
	March 31, 2021	March 31, 2021
Current : (at amortised cost)		
Advance To Suppliers	290,266	-
Balances with government authorities	559	-
Total other current assets	290,825	-



7. Equity share capital

Particulars	As at	
	March 31, 2021	March 31, 2020
Issued and subscribed capital:		
1,817,100 (March 31, 2020 : 1,817,000) fully paid up equity shares of ILS 1/- each	1,817,100	1,817,100
Total	1,817,100	1,817,100

(A) Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	Amount	Number of shares held	Amount
Opening Balance	1,817,100	1,817,100	1,817,100	1,817,100
Closing Balance	1,817,100	1,817,100	1,817,100	1,817,100

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

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Cyient Limited (Holding company)	1,817,100	100.00%	1,817,100	100.00%

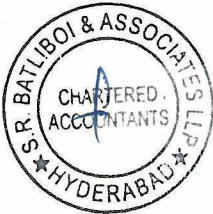
As per records of the Company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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

The Company has only one class of equity shares having a par value of ILS.1 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.

8. Other equity

Particulars	As at	
	March 31, 2021	March 31, 2020
Retained earnings		
Opening balance	106,218	21,125
Profit for the year	42,118	85,093
Closing balance	148,336	106,218



9. Trade Payables

Particulars	As at	
	March 31, 2021	March 31, 2020
Total outstanding dues*	638,446	723,823
Total	638,446	723,823

*Trade payables are non-interest bearing and are normally settled on 0-30 days and includes amount payable to its related parties (refer note 16).

10. Income Taxes

10.1 Tax Expense

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

Particulars	As at	
	March 31, 2021	March 31, 2020
Current Tax		
In respect of current year	-	10,976
Total	-	10,976

B. Reconciliation of effective tax rate

The following is the reconciliation of the Company's effective tax rate for the year ended March 31, 2021 and 2019

Particulars	As at	
	March 31, 2021	March 31, 2020
Profit before tax	42,118	96,069
Enacted Tax Rate	23.0%	23.0%
Computed expected tax expense	9,687	22,096
Effect of expenses that are deductible in determining taxable profit	(9,687)	(11,120)
Income tax expense	-	10,976
Effective tax rate	0.0%	11.4%

10.2 Income tax assets and liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-current		
Income tax assets,net		
Income tax asset	-	49,506
Less: Income tax payable	-	(10,976)
Total	-	38,530
Current		
Income tax assets,net		
Income tax asset	202,748	-
Total	202,748	-
Total Income tax assets,net	202,748	38,530

11. Other liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
Current		
Advance from customers*	-	319,048
Statutory Dues	13,521	12,988
Total	13,521	332,036

* Includes advances from related parties (refer note 16).



12. Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from services	804,147	856,110
Revenue from traded goods	115,732	811,484
Total	919,879	1,667,594

1. Disaggregated revenue information

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

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Revenues by contract type		
Services	804,147	856,110
Product Sale	115,732	811,484
Total	919,879	1,667,594
Revenues by Geography		
India	919,879	1,667,594
Total	919,879	1,667,594
Revenues by Timing of recognition		
Goods and services transferred		
- At a point in time	115,732	811,484
- Over time	804,147	856,110
Total	919,879	1,667,594

13. Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Foreign exchange gain (net)	-	3,443
Liabilities no longer required, written back	38,585	223,934
Total	38,585	227,377

14. Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages, including bonus	620,263	691,889
Total	620,263	691,889

15. Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Legal and professional charges	33,000	43,743
Expected credit loss allowance (net) (refer note 4)	-	221,784
Foreign exchange loss (net)	27,181	-
Auditor's remuneration (excluding applicable taxes)	22,783	22,727
Miscellaneous expenses	97,387	65,959
Total	180,351	354,213



Cyient Israel India Limited
Notes forming part of the Special purpose financial statements
(All amounts in ILS, unless otherwise stated)

16. Related Party Transactions

(i) The list of related parties of the Company is given below:

Name of the related party	Nature of relationship
Cyient Limited	Holding company
Cyient DLM	Fellow subsidiary

Key Managerial Personnel:

Krishna Bodanapu	Managing Director and CEO, Cyient Limited
Ajay Aggarwal	President and CFO, Cyient Limited
Alex Milner	Director
NJ Joseph	Director
Zack Zadik	Key Managerial Personnel

(ii) Summary of the transactions with the above related parties are as follows:

Nature of the transaction	Party name	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	Cyient DLM Private Limited	919,879	1,667,594
Reimbursement of expenses	Cyient DLM Private Limited	-	189,641
Remuneration to Key Managerial personnel	Alex Milner	-	70,472
	Zack Zadik	620,263	621,417

(iii) Balances at the year-end:

Nature of the transaction	Party name	As at March 31, 2021	As at March 31, 2020
Trade Receivables	Cyient DLM Private Limited	1,664,878	2,553,742
Advance to Supplier	Cyient DLM Private Limited	290,266	-
Trade Payables	Cyient Limited	422,246	466,898
Trade Payables	Cyient DLM Private Limited	5,476	5,686
Advance from customer	Cyient DLM Private Limited	-	319,048



Cyient Israel India Limited**Notes forming part of the Special purpose financial statements**

(All amounts in ILS, unless otherwise stated)

17. Financial Instruments**17.1 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.

17.1.1 : Financial Instruments by category

Particulars	Carrying value as at	
	March 31, 2021	March 31, 2020
Financial assets:		
Amortised cost		
Loans and deposits	15,000	15,000
Trade receivables	1,664,878	2,553,742
Cash and cash equivalents	443,951	371,905
Total financial assets	2,123,829	2,940,647
Financial liabilities:		
Amortised cost		
Trade payables	638,445	723,823
Total financial liabilities	638,445	723,823

The management assessed that fair value of cash and cash equivalents, loans and deposits, trade receivables 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.

17.2 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 operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The exchange rate between the ILS 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 ILS appreciates/ depreciates against these currencies. The Company monitors and manages its financial risks by analysing its foreign exchange exposures.

Foreign currency exposure unhedged

The following table analyses Foreign currency exposure unhedged risk from financial instruments:

Particulars	As at March 31, 2021	As at March 31, 2020
	US Dollars	US Dollars
Cash and cash equivalents	7,117	89,953
Trade receivables	220,700	220,700
Trade payables	128,210	128,210

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.



Cyient Israel India Limited**Notes forming part of the Special purpose financial statements**

(All amounts in ILS, unless otherwise stated)

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. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, 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.

18. Segment information

The company's operations fall within a single operating segment, marketing support services and related sourcing of electronic components to Cyient group by engaging closely with Israeli defense OEMs which is considered as the primary reportable business segment.

19. Contingent liabilities

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

20. Capital and other commitments

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

21. Earnings per share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit after tax	42,118	85,093
Basic and Diluted*:		
Number of shares outstanding at the year end	1,817,100	1,817,100
Weighted average number of equity shares	1,817,100	1,817,100
Earnings per share	0.02	0.05

* There were no dilutive instruments outstanding during the year.

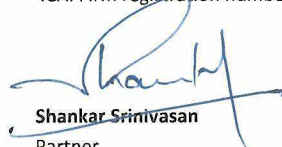
22. As per the transfer pricing rules prescribed under the Income Tax Act, 1961, the Company is examining the transactions and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustment with regard to the transactions involved.

23. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

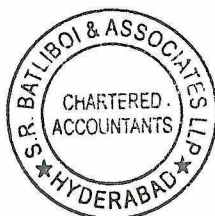
For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004


Shankar Srinivasan
Partner

Membership No.: 213271



For and on behalf of the Board of Directors of

Cyient Limited


Krishna Bodanapu
Managing Director and CEO

(DIN-00605187)


Ajay Aggarwal
Executive Director and CFO

Place: Hyderabad

Date: March 30, 2022

Place: Hyderabad

Date: March 30, 2022

