

Company Registration No. 201512291G

## Cyient Singapore Private Limited

Annual Financial Statements  
For the financial year ended 31 March 2021



## Cyient Singapore Private Limited

### Index

---

	<b>Page</b>
Directors' statement	1
Independent auditor's report	3
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10

## **Cyient Singapore Private Limited**

### **Directors' statement**

---

The directors are pleased to present their statement to the member together with the audited financial statements of Cyient Singapore Private Limited (the "Company") for the financial year ended 31 March 2021.

#### **Opinion of the director**

In the opinion of the directors

- (i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, statement of changes in equity and cash flow statement of the Company for the year then ended; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as the ultimate holding company has agreed to provide continuing financial support to the Company.

#### **Director**

The directors of the Company in office at the date of this statement are as follows:

Gummadi Mallikharjuna Rao  
Raja Muhammad Shah Bin Abdullah  
Ajay Aggarwal

#### **Arrangements to enable director to acquire shares and debentures**

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

#### **Director's interests in shares and debentures**

The directors holding office at the end of the financial year had no interests in shares, debentures, warrants or share options of the Company and its related corporations as recorded in the Register of Directors' Shareholding kept by the Company under Section 164 of the Singapore Companies Act.

**Cyient Singapore Private Limited**

**Directors' statement**

---

**Share options**

There were no options granted during the financial period to subscribe for unissued shares of the Company.

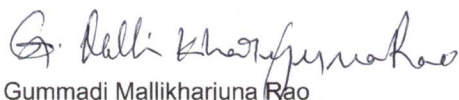
No shares were issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option as at the end of the financial year.

**Auditor**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

· On behalf of the board of directors

  
Gummadi Mallikharjuna Rao  
Director

  
Ajay Aggarwal  
Director

18 August 2021

## **Cyient Singapore Private Limited**

### **Independent auditor's report For the financial year ended 31 March 2021**

#### **Independent auditor's report to the member of Cyient Singapore Private Limited**

---

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Cyient Singapore Private Limited (the "Company"), which comprise the balance sheet as at 31 March 2021, statement of changes in equity, statement of comprehensive income and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended 31 March 2021.

#### **Basis for opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

Management is responsible for other information. The other information comprises the Directors' statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Cyient Singapore Private Limited**

### **Independent auditor's report For the financial year ended 31 March 2021**

#### **Independent auditor's report to the member of Cyient Singapore Private Limited**

---

#### **Responsibilities of management and directors for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is 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 directors' responsibilities include overseeing the Company's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 SSAs 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 financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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.

**Cyient Singapore Private Limited**

**Independent auditor's report  
For the financial year ended 31 March 2021**

**Independent auditor's report to the member of Cyient Singapore Private Limited**

---

**Auditor's responsibilities for the audit of the financial statements (cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore  
18 August 2021

**Cyient Singapore Private Limited****Statement of comprehensive income  
For the financial year ended 31 March 2021**

	<b>Note</b>	<b>2021 S\$</b>	<b>2020 S\$</b>
Revenue	4	2,355,167	7,160,331
Other income	5	-	16,800
Sub-contracting charges		(316,907)	(126,074)
Salaries and employee benefits	6	(2,033,504)	(5,385,135)
Depreciation of plant and equipment	10	(11,259)	(37,685)
Depreciation of right-of-use assets	11	-	(341,622)
Amortisation of intangible assets	12	-	(1,169,608)
Impairment of intangible assets	12	-	(2,062,855)
Other operating expenses		(700,089)	(2,034,493)
Finance costs	7	(14,173)	(52,882)
Loss before income tax	8	(720,765)	(4,033,223)
Income tax credit	9	28,670	228,756
Loss after income tax, representing total comprehensive income for the year		(692,095)	(3,804,467)

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*



**Cyient Singapore Private Limited**

**Balance sheet  
As at 31 March 2021**

	Note	2021 S\$	2020 S\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	10	54,862	64,471
Right-of-use assets	11	-	-
Intangible assets	12	-	-
Other receivables	14	-	172,588
<b>Total non-current assets</b>		54,862	237,059
<b>Current assets</b>			
Trade receivables	13	334,405	928,738
Other receivables	14	811,950	1,103,106
Prepayments		58,776	26,153
Contract assets	15	152,647	217,432
Cash at bank	16	768,860	495,676
<b>Total current assets</b>		2,126,638	2,771,105
<b>TOTAL ASSETS</b>		2,181,500	3,008,164
<b>EQUITY AND LIABILITIES</b>			
<b>Non-current liability</b>			
Deferred tax liability	17	-	17,286
<b>Current liabilities</b>			
Trade payables and accruals	18	499,218	1,032,339
Other payables	19	1,688,512	1,273,463
Provision for unutilised leave	20	104,118	103,329
Income tax payable		-	-
<b>Total current liabilities</b>		2,291,848	2,409,131
<b>Total liabilities</b>		2,291,848	2,426,417
<b>Equity</b>			
Share capital	22	5,085,360	5,085,360
Accumulated losses		(5,195,708)	(4,503,613)
<b>Total equity</b>		(110,348)	581,747
<b>TOTAL EQUITY AND LIABILITIES</b>		2,181,500	3,008,164

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**Cyient Singapore Private Limited**

**Statement of changes in equity  
For the financial year ended 31 March 2021**

---

	<b>Share capital S\$</b>	<b>Accumulated losses S\$</b>	<b>Total S\$</b>
<b>Balance as at 1 April 2019</b>	5,085,360	(729,230)	4,356,130
Loss for the period, representing total comprehensive income for the year	–	(3,804,467)	(3,804,467)
Transition impact of FRS 116	–	30,084	30,084
<b>Balance as at 31 March 2020 and 1 April 2020</b>	5,085,360	(4,503,613)	581,747
Loss for the period, representing total comprehensive income for the year	–	(692,095)	(692,095)
<b>Balance as at 31 March 2021</b>	5,085,360	(5,195,708)	(110,348)

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**Cyient Singapore Private Limited****Cash flow statement  
For the financial year ended 31 March 2021**

	<b>2021</b>	<b>2020</b>
	S\$	S\$
<b>Cash flows from operating activities</b>		
Loss before income tax	(720,765)	(4,033,223)
Adjustments for:-		
Depreciation of plant and equipment	11,259	37,685
Depreciation of right-of-use assets	-	341,622
Amortisation of intangible assets	-	1,169,608
Impairment of intangible assets	-	2,062,855
Allowance for expected credit losses	13,683	965,021
Loss on derivative financial instruments	-	2,639
Loss on disposal of plant and equipment	-	1,850
Interest expense on lease liabilities	-	3,039
Interest expense	14,173	49,843
<b>Operating cash flows before changes in working capital</b>	(681,650)	600,939
Trade receivables	580,650	1,804,744
Other receivables and prepayments	430,822	(358,713)
Contract assets	64,785	113,593
Trade payables and accruals	(533,121)	(864,024)
Other payables and contract liabilities	(90,516)	(569,913)
Provision for unutilised leave	789	63,045
<b>Cash flows (used in)/generated from operations</b>	(228,241)	789,671
Income tax paid	11,384	(40,297)
<b>Net cash (used in)/generated from operating activities</b>	(216,857)	749,374
<b>Cash flows from investing activities</b>		
Proceeds from disposal of plant and equipment	-	84
<b>Net cash generated from investing activities</b>	-	84
<b>Cash flows from financing activities</b>		
Interest paid	(14,173)	(49,025)
Amount due to/(from) holding company and related companies	504,214	449,894
Payment of principal portion of lease liabilities	-	(309,518)
Repayment of borrowings	-	(813,300)
<b>Net cash generated from/(used in) financing activities</b>	490,041	(721,949)
<b>Net increase in cash and cash equivalents</b>	273,184	27,509
Cash and cash equivalents at the beginning of financial year	495,676	468,167
<b>Cash and cash equivalents at the end of financial year</b>	768,860	495,676

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

## **Cyient Singapore Private Limited**

### **Notes to the financial statements For the financial year ended 31 March 2021**

---

#### **1. Corporate information**

The Company (Registration No: 201512291G) is a private limited Company incorporated and domiciled in Singapore.

The registered office and principal place of business are at 61 Seletar Aerospace View, Pratt & Whitney Singapore Components Repair, Singapore 797560.

The principal activities of the Company are to provide service and solutions to diverse industries such as aerospace, learning capabilities and associated actionable insights. There have been no significant changes in the nature of these activities during the financial year.

The Company is a wholly-owned subsidiary of "Cyient Limited", a company incorporated in the Republic of India and listed on the National Stock Exchange of India. Cyient Limited is the ultimate holding company of Cyient Singapore Private Limited.

#### **2. Summary of significant accounting policies**

##### **2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("S\$"), which is the functional currency of the Company, except when otherwise indicated.

The financial statements of the Company have been prepared on a going concern basis, notwithstanding that the Company incurred losses after income tax of S\$692,095 (2020: S\$3,804,467), and the Company's current and total liabilities exceeded its current and total assets by S\$165,210 (2020: net current assets of S\$361,974) and S\$110,348 (2020: net total assets of S\$581,747) respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Company to continue as a going concern. In view of the undertaking by the ultimate holding company to provide continuing financial support, management is of the view that the Company will have adequate cash flows for the next twelve months from the date the financial statements are authorized for issue.

##### **2.2 Adoption of new and amended standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

## Cyient Singapore Private Limited

### Notes to the financial statements For the financial year ended 31 March 2021

---

## 2. Summary of significant accounting policies (cont'd)

### 2.3 *Standards issued but not yet effective*

The Company has not adopted the following standards that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 116: COVID-19 Related Rental Concession	1 June 2020
Amendments to FRS 103: Reference to the Conceptual Framework	1 January 2022
Amendments to FRS 16: <i>Property, Plant and Equipment</i> – Proceeds before Intended Use	1 January 2022
Amendments to FRSs 2018 - 2020	1 January 2022
Amendments to FRS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

### 2.4 *Currency translation*

The financial statements are presented in Singapore Dollar, which is also the Company's functional currency.

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

**2. Summary of significant accounting policies (cont'd)**

**2.5 Plant and equipment**

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Furniture and fittings	10%
Office equipment	10%
Computers and software	33%
Plant and machinery	10%

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each balance sheet date, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in statement of comprehensive income in the year the asset is derecognised.

**2.6 Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

**2. Summary of significant accounting policies (cont'd)**

**2.7 Financial instruments**

**(a) Financial assets**

***Initial recognition and measurement***

Financial assets are recognised when, and only when, the entity becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade and other receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade and other receivables do not contain a significant financing component at initial recognition.

***Subsequent measurement***

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The Company classifies the measurement category of its debt instrument as:

***Amortised cost***

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

***Derecognition***

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

**2. Summary of significant accounting policies (cont'd)**

**2.7 Financial instruments (cont'd)**

**(b) Financial liabilities**

***Initial recognition and measurement***

Financial liabilities are recognised when and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

***Subsequent measurement***

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

***Derecognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

**2.8 Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



**2. Summary of significant accounting policies (cont'd)**

**2.9 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks.

**2.10 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**2.11 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.12 Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

**2.13 Employee benefits**

**(a) Defined contribution plans**

The Company makes contributions to the Central Provident Fund, a defined contribution pension scheme in Singapore. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

**(b) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

## 2. Summary of significant accounting policies (cont'd)

### 2.14 Leases

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

*As lessee*

The Company applies a single recognition and measurement approach for all leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premises                      < 1 year

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as described in Note 2.6.

#### (b) **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (i.e. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**2. Summary of significant accounting policies (cont'd)**

**2.15 Revenue recognition**

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to customer excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

*Engineering services income*

The Company earns revenue primarily from providing services and solutions to diverse industries such as aerospace, learning capabilities and associated actionable insights. The service is primarily related to engineering services in various industries. Engineering services income is recognised over the term of the contract, whilst revenue related to other fixed price contracts are recognised in accordance with the percentage of completion method ("PMC"). Percentage is measured by reference to the milestones completed in proportion to the deliverable as per the contracts with the customers.

The contract sum is apportioned over each milestone to be completed based on the input (efforts) required to complete the milestones. Revenue is recognised in accordance with the milestones completed. Provision for estimated losses on incomplete contracts are recorded in the year in which losses become probable based on the current contract estimates.

For services accounted for under the PCM method, earnings in excess of billings are classified as contract assets, while billing in excess of earnings are classified as contract liabilities.

Revenue from time and material contracts is recognised as the services are rendered.

Revenue from annual technical service contracts is recognised on a pro rata basis over the period in which such services are rendered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts as receipt of consideration is conditional on successful completion of individual milestone and approval by customer. Upon completion of the customisation and implementation milestone as detailed in the contract with customer and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Advance from customers and deferred revenue ("contract liabilities") is recognised when there are billings in excess of revenues.

Contracts are subjected to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

2. Summary of significant accounting policies (cont'd)

2.16 Taxes

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

**2. Summary of significant accounting policies (cont'd)**

**2.16 Taxes (cont'd)**

**(b) Deferred tax (cont'd)**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

**2.17 Share capital**

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

**2.18 Contingencies**

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

## Cyient Singapore Private Limited

### Notes to the financial statements For the financial year ended 31 March 2021

---

#### 3. Significant accounting judgements and estimates

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

##### 3.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

###### Provision for expected credit losses

The Company uses a provision matrix to calculate Expected Credit Losses (ECLs) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Company's trade receivables is disclosed in Note 13.

#### 4. Revenue

	2021 S\$	2020 S\$
Type of income:		
Engineering services income	2,355,167	7,160,331
Timing of transfer of services – over time	2,355,167	7,160,331

There is no variable consideration recognised during the financial year.

**Cyient Singapore Private Limited****Notes to the financial statements  
For the financial year ended 31 March 2021****5. Other income**

	<b>2021</b>	<b>2020</b>
	S\$	S\$
Government grants:		
- Temporary employment credit	-	16,800

**6. Salaries and employee benefits**

	<b>2021</b>	<b>2020</b>
	S\$	S\$
Salaries and bonus*	1,649,727	4,478,823
Central Provident Fund contributions	193,020	623,347
Director's remuneration	54,449	108,308
Provision for unutilised leave (Note 20)	79,637	87,262
Staff welfare	54,445	82,097
Share based payments	2,226	5,298
	<b>2,033,504</b>	<b>5,385,135</b>

\* Salaries and bonus are presented net of government grants amounting to \$523,421 (2020: nil).

**Compensation of directors and key management personnel**

The remuneration of director and other members of key management during the year were as follows:

	<b>2021</b>	<b>2020</b>
	S\$	S\$
Director's remuneration	54,449	108,308

**7. Finance costs**

	<b>2021</b>	<b>2020</b>
	S\$	S\$
Interest rate swap charges and interest	-	2,639
Interest on bank loans	-	9,856
Invoice discounting charges	6,342	24,009
Corporate guarantee fees	7,831	13,339
Interest expense on lease liabilities	-	3,039
	<b>14,173</b>	<b>52,882</b>

**Cyient Singapore Private Limited****Notes to the financial statements  
For the financial year ended 31 March 2021**

---

**8. Loss before income tax**

The following items have been included in arriving at loss before income tax:

	<b>2021</b> S\$	<b>2020</b> S\$
Depreciation of plant and equipment (Note 10)	11,259	37,685
Depreciation of right-of-use assets (Note 11)	-	341,622
Amortisation of intangible assets (Note 12)	-	1,169,608
Impairment of intangible assets (Note 12)	-	2,062,855
Allowance for expected credit losses:		
- Trade receivables (Note 13)	13,683	51,260
- Contract assets (Note 15)	-	913,761
Net foreign exchange loss/(gain)	38,333	(19,793)
Loss on disposal of plant and equipment	-	1,850
	<hr/> <hr/>	<hr/> <hr/>

**9. Income tax credit*****Major components of income tax credit***

The major components of income tax credit for the years ended 31 March 2021 and 31 March 2020 are as follows:

	<b>2021</b> S\$	<b>2020</b> S\$
<b>Statement of comprehensive income:</b>		
<i>Current income tax</i>		
- Current income taxation	-	-
- Over provision in respect of previous years	(11,384)	(222,756)
<i>Deferred tax (Note 17)</i>		
- Origination and reversal of temporary differences	(17,286)	(6,000)
Income tax credit recognised in profit or loss	<hr/> <hr/>	<hr/> <hr/>



**Cyient Singapore Private Limited**

**Notes to the financial statements  
For the financial year ended 31 March 2021**

---

**9. Income tax credit (cont'd)**

***Relationship between tax credit and loss before income tax***

A reconciliation between tax credit and the product of loss before income tax multiplied by the applicable corporate tax rate for the years ended 31 March 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
	S\$	S\$
Loss before income tax	(720,765)	(4,033,223)
Income tax using the corporate tax rate of 17% (2020: 17%)	(122,530)	(685,648)
Tax effects on:		
- Expenses not deductible for tax purposes	2,759	556,841
- Deferred tax assets not recognised	123,663	122,807
- Over provision in respect of previous years	(11,384)	(222,756)
- Others	(21,178)	-
Income tax credit recognised in profit or loss	(28,670)	(228,756)

Deferred tax assets not recognised are as follows:

	<b>2021</b>	<b>2020</b>
	S\$	S\$
Unutilised tax losses	8,339,269	7,613,531
Other temporary differences	3,388	1,694
	8,342,657	7,615,225

Deferred income tax assets arising from unutilised tax losses and other temporary differences are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company has unutilised tax losses and other temporary differences at the reporting date which can be carried forward and used to offset against future taxable profits of the Company, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

**Cyient Singapore Private Limited**

**Notes to the financial statements  
For the financial year ended 31 March 2021**

**10. Plant and equipment**

	Furniture and fittings S\$	Office equipment S\$	Computers and software S\$	Plant and machinery S\$	Total S\$
<b>Cost:</b>					
At 1 April 2019	1,763	2,747	609,758	75,262	689,530
Disposals	-	-	(38,683)	-	(38,683)
At 31 March 2020 and 1 April 2020	1,763	2,747	571,075	75,262	650,847
Additions	-	-	1,650	-	1,650
At 31 March 2021	1,763	2,747	572,725	75,262	652,497
<b>Accumulated depreciation:</b>					
At 1 April 2019	546	1,814	558,826	24,254	585,440
Charge for the year	167	522	29,846	7,150	37,685
Disposals	-	-	(36,749)	-	(36,749)
At 31 March 2020 and 1 April 2020	713	2,336	551,923	31,404	586,376
Charge for the year	167	274	3,668	7,150	11,259
At 31 March 2021	880	2,610	555,591	38,554	597,635
<b>Net carrying amount:</b>					
At 31 March 2021	883	137	17,134	36,708	54,862
At 31 March 2020	1,050	411	19,152	43,858	64,471

**11. Right-of-use assets/lease liabilities**

**As lessee**

The Company has a lease contract for office premises used in its operations. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Office premises S\$
At 1 April 2019	-
Initial application of FRS 116	338,497
Depreciation charge	(341,622)
Foreign exchange differences	3,125
At 31 March 2020 and 31 March 2021	-

**Cyient Singapore Private Limited**

**Notes to the financial statements  
For the financial year ended 31 March 2021**

**11. Right-of-use assets/lease liabilities (cont'd)**

***As lessee (cont'd)***

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	S\$
At 1 April 2019	–
Initial application of FRS 116	302,246
Accretion of interest	3,039
Payments	(309,518)
Foreign exchange differences	4,233
	<hr/>
At 31 March 2020 and 31 March 2021	–
	<hr/> <hr/>

The following are the amounts recognised in profit or loss:

	2021 S\$	2020 S\$
Depreciation of right-of-use assets	–	341,622
Interest expense on lease liabilities	–	3,039
Short-term lease expenses	322,547	400,322
	<hr/>	<hr/>
Total amount recognised in profit or loss	322,547	744,983
	<hr/> <hr/>	<hr/> <hr/>

The Company had total cash outflows for leases of S\$322,547 (2020: S\$709,840).

**12. Intangible assets**

	<b>Engineering service agreement</b>	
	2021 S\$	2020 S\$
Cost	11,249,600	11,249,600
Less: Amortisation charge		
- At beginning of year	9,186,745	8,017,137
- Charge for the year	–	1,169,608
	<hr/>	<hr/>
- At end of year	9,186,745	9,186,745
Less: Impairment losses	2,062,855	2,062,855
Net book value	–	–
	<hr/> <hr/>	<hr/> <hr/>

## Cyient Singapore Private Limited

### Notes to the financial statements For the financial year ended 31 March 2021

---

#### 12. Intangible assets (cont'd)

The Company acquired a maintenance, repair and overhaul services agreement ("MRO") from an external party for S\$11,249,600. The seller has transferred its employees and both parties entered into a non-solicitation agreement for 4 years commencing from September 2015. In January 2018, the MRO was extended for 4 more years lasting up till December 2021.

#### Impairment of assets

During the financial year ended 31 March 2020, the Company carried out a review of the recoverable amount of its intangible assets based on its business forecasts of underlying business contracts. An impairment loss of S\$2,062,855, representing the write-down of these assets to their recoverable amount was recognised in the statement of comprehensive income. The recoverable amount of the intangible assets was determined based value in use calculations using cash flow projections assessed by management, covering periods until the end of the MRO.

#### 13. Trade receivables

	2021 S\$	2020 S\$
Third parties	399,348	979,998
Allowance for expected credit losses	(64,943)	(51,260)
Total trade receivables, net	<u>334,405</u>	<u>928,738</u>

Trade receivables are non-interest bearing and generally have an average credit period of 30 to 90 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables that are denominated in foreign currencies are as follows:

	2021 S\$	2020 S\$
United States Dollar	226,177	587,724

#### ***Receivables that are past due but not impaired***

The aging profile of these receivables is as follows:

	2021 S\$	2020 S\$
Not past due	306,059	778,235
Past due less than 30 days	13,403	58,485
Past due 31 to 60 days	17,174	13,659
Past due 181 to 365 days	-	10,786
Past due more than 365 days	(2,231)	67,573
	<u>334,405</u>	<u>928,738</u>

**Cyient Singapore Private Limited**

**Notes to the financial statements  
For the financial year ended 31 March 2021**

**13. Trade receivables (cont'd)**

***Expected credit losses***

Movements of allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	<b>2021</b> S\$	<b>2020</b> S\$
At 1 April	51,260	-
Charge for the year (Note 8)	13,683	51,260
	<hr/>	<hr/>
At 31 March	64,943	51,260
	<hr/> <hr/>	<hr/> <hr/>

**14. Other receivables**

	<b>2021</b> S\$	<b>2020</b> S\$
<b>Non-current:</b>		
Security deposits	-	172,588
	<hr/>	<hr/>
<b>Current:</b>		
Security deposits	60,624	-
Sundry receivables	-	5,513
Amounts due from holding company	673,571	1,046,272
Amounts due from related companies	77,755	51,321
	<hr/>	<hr/>
	811,950	1,103,106
	<hr/>	<hr/>
<b>Total other receivables</b>	811,950	1,275,694
	<hr/> <hr/>	<hr/> <hr/>

The amount due from holding and related companies are unsecured, interest free and repayable on demand.

Other receivables that are denominated in foreign currencies are as follows:

	<b>2021</b> S\$	<b>2020</b> S\$
Australian Dollar	55,687	31,500
Indian Rupee	673,572	1,046,272
United States Dollar	82,691	192,409
	<hr/> <hr/>	<hr/> <hr/>

## Cyient Singapore Private Limited

### Notes to the financial statements For the financial year ended 31 March 2021

---

#### 15. Contract assets and liabilities

Information about contract assets and contract liabilities from contracts with customers are disclosed as follows:

	2021 S\$	2020 S\$
Contract assets	152,647	1,131,193
Allowance for expected credit losses	-	(913,761)
Total contract assets, net	<u>152,647</u>	<u>217,432</u>
Contract liabilities	<u>-</u>	<u>-</u>

#### **Expected credit losses**

Movements of allowance for expected credit losses of contract assets computed based on lifetime ECL are as follows:

	2021 S\$	2020 S\$
At 1 April	913,761	-
Charge for the year (Note 8)	-	913,761
Written off	(913,761)	-
At 31 March	<u>-</u>	<u>913,761</u>

Contract asset primarily relate to the Company's right to consideration for work completed but not yet billed at reporting date for engineering service contracts. Contract asset are reclassified to trade receivables when the rights become unconditional.

Contract liabilities primarily relate to the Company's obligation to transfer services to customers for which the Company has received advances from customers for engineering service contracts. Contract liabilities are recognised as revenue as the Company performs under the contract.

#### 16. Cash at bank

Cash at bank represents the Company's total cash and cash equivalents.

Cash at bank that are denominated in foreign currencies are as follows:

	2021 S\$	2020 S\$
United States Dollar	1,901	57,813

**Cyient Singapore Private Limited****Notes to the financial statements  
For the financial year ended 31 March 2021**

---

**17. Deferred tax liabilities**

	<b>Accelerated tax depreciation S\$</b>
At 1 April 2019	17,119
Credit to profit or loss	(6,000)
Initial adoption of FRS 116	6,167
	<hr/>
At 31 March 2020	17,286
Credit to profit or loss	(17,286)
	<hr/>
At 31 March 2021	-
	<hr/> <hr/>

**18. Trade payables and accruals**

	<b>2021 S\$</b>	<b>2020 S\$</b>
Accrued professional expenses:		
- Third parties	45,947	303,616
- Amounts due to holding company	-	136,517
GST payables	29,809	102,042
Accruals	423,462	490,164
	<hr/>	<hr/>
	499,218	1,032,339
	<hr/> <hr/>	<hr/> <hr/>

The average credit period for services received is immediate basis. The amounts due to holding company are unsecured, interest free and repayable on demand.

Trade payables and accruals that are denominated in foreign currencies are as follows:

	<b>2021 S\$</b>	<b>2020 S\$</b>
Indian Rupee	-	136,517
	<hr/> <hr/>	<hr/> <hr/>

**19. Other payables**

	<b>2021 S\$</b>	<b>2020 S\$</b>
Sundry payables	1,759	90,924
Amount due to holding company	1,591,004	1,084,720
Amount due to related companies	95,749	97,819
	<hr/>	<hr/>
	1,688,512	1,273,463
	<hr/> <hr/>	<hr/> <hr/>

The amount due to holding company and related companies are unsecured, interest free and repayable on demand.

**Cyient Singapore Private Limited**

**Notes to the financial statements  
For the financial year ended 31 March 2021**

**19. Other payables (cont'd)**

Other payables that are denominated in foreign currencies are as follows:

	<b>2021</b> S\$	<b>2020</b> S\$
Australian Dollar	14,799	14,828
Indian Rupee	1,591,004	1,084,720
United States Dollar	82,709	171,939

**20. Provision for unutilised leave**

	<b>2021</b> S\$	<b>2020</b> S\$
At 1 April	103,329	40,284
Utilised	(78,848)	(24,217)
Charge for the year	79,637	87,262
At 31 March	104,118	103,329

**21. Reconciliation of liabilities arising from financing activities**

A reconciliation of liabilities arising from financing activities is as follows:

	<b>At beginning of the year</b> S\$	<b>Cash flows</b> S\$	<b>Non-cash changes</b> S\$	<b>At end of the year</b> S\$
<b>2021</b>				
Amounts due to holding company	1,084,720	506,284	-	1,591,004
Amounts due to related companies	97,819	(2,070)	-	95,749
	1,182,539	504,214	-	1,686,753
<b>2020</b>				
Lease liabilities	302,246	(309,518)	7,272	-
Borrowings	813,300	(823,156)	9,856	-
Amounts due to holding company	662,544	422,176	-	1,084,720
Amounts due to related companies	70,101	27,718	-	97,819
	1,848,191	(682,780)	17,128	1,182,539

Non-cash changes include accretion of interest and differences arising from revaluation.



**Cyient Singapore Private Limited**

**Notes to the financial statements  
For the financial year ended 31 March 2021**

---

**22. Share capital**

	<b>2021</b>		<b>2020</b>	
	<b>No of shares</b>	<b>S\$</b>	<b>No of shares</b>	<b>S\$</b>
Issued and fully paid ordinary shares				
Balance at beginning and end of year	3,599,978	5,085,360	3,599,978	5,085,360

---

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

**23. Related party transactions**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties, took place on terms agreed between the parties during the financial year:

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
<b>Immediate holding company</b>		
Purchase/(sale) of services	124,865	(517,433)
Corporate guarantee fees paid	7,831	13,339
Reimbursement of expenses	34,435	63,217
<b>Related companies</b>		
Reimbursement of expenses	(109,544)	24,197

---

**24. Commitments**

The following were issued by a bank to third parties on the Company's behalf:

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Performance bond	309,390	309,390

---

## Cyient Singapore Private Limited

### Notes to the financial statements For the financial year ended 31 March 2021

---

#### 25. Financial instruments

(a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	2021 S\$	2020 S\$
<b>Financial assets</b>		
Amortised cost:		
- Trade receivables	334,405	928,738
- Other receivables	811,950	1,103,106
- Cash and bank balances	768,860	495,676
	<hr/> 1,915,215	<hr/> 2,527,520
Total financial assets	<hr/> <hr/> 1,915,215	<hr/> <hr/> 2,527,520
<b>Financial liabilities</b>		
Amortised cost:		
- Trade payables and accruals	469,409	930,297
- Other payables	1,688,512	1,273,463
Total financial liabilities	<hr/> 2,157,921	<hr/> 2,203,760

(b) Fair value measurements

Assets and liabilities not measured at fair value

(i) *Trade receivables and trade payables*

The carrying amounts of these receivables and payables (including trade balances due from/to related companies) approximate their fair values as they are subject to normal trade credit terms.

(ii) *Other receivables, cash at banks and other payables*

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

#### 26. Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include liquidity risk, credit risk and foreign currency risk.

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

**26. Financial risk management objectives and policies (cont'd)**

The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

**(a) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company has no significant liquidity risk as it maintains a level of cash at banks that is sufficient for working capital purpose.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets used for managing liquidity risk and financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

	<b>Carrying amount S\$</b>	<b>Contractual cash flow S\$</b>	<b>Less than 1 year S\$</b>	<b>1 to 5 years S\$</b>
<b>2021</b>				
<b>Financial assets:</b>				
Trade receivables	334,405	334,405	334,405	-
Other receivables	811,950	811,950	811,950	-
Cash at banks	768,860	768,860	768,860	-
	<hr/>			
Total undiscounted financial assets	1,915,215	1,915,215	1,915,215	-
	<hr/>			
<b>Financial liabilities:</b>				
Trade payables and accruals	(469,409)	(469,409)	(469,409)	-
Other payables	(1,688,512)	(1,688,512)	(1,688,512)	-
	<hr/>			
Total undiscounted financial liabilities	(2,157,921)	(2,157,921)	(2,157,921)	-
	<hr/>			
<b>Total net undiscounted financial liabilities</b>	<b>(242,706)</b>	<b>(242,706)</b>	<b>(242,706)</b>	<b>-</b>

**Cyient Singapore Private Limited**

**Notes to the financial statements  
For the financial year ended 31 March 2021**

**26. Financial risk management objectives and policies (cont'd)**

**(a) Liquidity risk (cont'd)**

Analysis of financial instruments by remaining contractual maturities (cont'd)

	<b>Carrying amount S\$</b>	<b>Contractual cash flow S\$</b>	<b>Less than 1 year S\$</b>	<b>1 to 5 years S\$</b>
<b>2020</b>				
<b>Financial assets:</b>				
Trade receivables	928,738	928,738	928,738	-
Other receivables	1,275,694	1,275,694	1,103,106	172,588
Cash at banks	495,676	495,676	495,676	-
	<hr/>			
Total undiscounted financial assets	2,700,108	2,700,108	2,527,520	172,588
	<hr/>			
<b>Financial liabilities:</b>				
Trade payables and accruals	(930,297)	(930,297)	(930,297)	-
Other payables	(1,273,463)	(1,273,463)	(1,273,463)	-
	<hr/>			
Total undiscounted financial liabilities	(2,203,760)	(2,203,760)	(2,203,760)	-
	<hr/>			
<b>Total net undiscounted financial assets</b>	<b>496,348</b>	<b>496,348</b>	<b>323,760</b>	<b>172,588</b>
	<hr/> <hr/>			

**(b) Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and contract assets.

For other financial assets (including cash at banks), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

**26. Financial risk management objectives and policies (cont'd)**

**(b) Credit risk (cont'd)**

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days past the credit due dates, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

Cash at banks are placed with credit worthy financial institutions.

Trade and other receivables and contract assets

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. For trade receivables and contract assets the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Company has a significant concentration of credit risk in relation to a certain external customer. As at end of financial year, the trade receivable balance comprises of three customers' balance that comprise 91% (2020: 69%) of the trade receivable balance. The management does not foresee any risk of default or expected credit loss arising from these parties as they are creditworthy customers. Further details of credit risks on trade receivables are disclosed in Note 4 to the financial statements.

The Company's other receivables mainly comprise of amounts due from related companies and holding company for which no risk of default is foreseen. Deposit relate to rental deposit for office lease.

The carrying amount of the Company's trade receivables, other receivables and cash at banks represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

**(c) Foreign currency risk**

Foreign currency received are kept in a foreign currency account and converted to Singapore Dollar on a need to basis so as to minimise the foreign currency exposure. The Company is exposed to foreign exchange risk arising from its receivables and payables that are in Australian Dollar, Indian Rupee and United States Dollar. The management monitors closely the foreign currency debtors and creditors to collect the receivables and settle the payable amounts at the earliest to minimise the foreign exchange risk.

**26. Financial risk management objectives and policies (cont'd)**

**(c) Foreign currency risk (cont'd)**

As at financial year end, the carrying amount of monetary assets and liabilities denominated in currencies other than in Singapore Dollar are disclosed in the respective notes to the financial statements.

Foreign currency sensitivity analysis

Any increase or decrease in the following foreign currency will have an impact on the financial statements. An increase of 10% in the currency rate against Singapore Dollar will increase/(decrease) the (loss)/profit before income tax of the Company by the following amount:

	<b>Loss before income tax 2021 S\$</b>	<b>Profit before income tax 2020 S\$</b>
Australian Dollar	4,089	1,667
Indian Rupee	(91,743)	(17,497)
United States Dollar	22,806	66,601

**27. Capital management**

The management considers the capital of the Company to mainly consist of shareholders equity.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 March 2021 and 2020.

**28. COVID-19 Considerations**

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2021. The outbreak has caused disruption to certain businesses and economic activity which may in turn have an impact on the financial condition of the Company. The response of Governments in dealing with the pandemic has and will continue to impact the general activity levels within the community, the economy and the operations of our business of which its impact is not possible to be determined at this point in time. The Company will continue to assess the situation and the potential impact to its business. As the situation is still evolving and uncertain, the financial impact is not able to be reliably estimated or determined as at the date of this report.

**29. Authorisation of financial statements for issue**

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 18 August 2021.

*Cyient Singapore Private Limited*

*The Accompanying Supplementary Detailed Income Statement Has Been Prepared For  
Management Purposes Only  
And Does Not Form Part Of The Audited Financial Statements*

**Cyient Singapore Private Limited****Detailed income statement for the financial year ended 31 March 2021**

	<b>2021</b>	<b>2020</b>
	\$	\$
Revenue		
Engineering services income	2,355,167	7,160,331
	<hr/>	<hr/>
<b>Other income</b>		
Government grants:		
- Temporary employment credit	–	16,800
	<hr/>	<hr/>
	–	16,800
	<hr/>	<hr/>
Sub-contracting charges	(316,907)	(126,074)
	<hr/>	<hr/>
<b>Salaries and employee benefits</b>		
Salaries and bonus	(1,649,727)	(4,478,823)
Central Provident Fund contributions	(193,020)	(623,347)
Director's remuneration	(54,449)	(108,308)
(Charge)/reversal of unutilised leave	(79,637)	(87,262)
Staff welfare	(54,445)	(82,097)
Share based payments	(2,226)	(5,298)
	<hr/>	<hr/>
	(2,033,504)	(5,385,135)
	<hr/>	<hr/>
Depreciation of plant and equipment	(11,259)	(379,307)
	<hr/>	<hr/>
Amortisation of intangible assets	–	(1,169,608)
	<hr/>	<hr/>
Impairment of intangible assets	–	(2,062,855)
	<hr/>	<hr/>
<b>Other operating expenses</b>		
Advertising and promotion	–	(75)
Allowance for expected credit losses	(13,683)	(965,021)
Foreign exchange gain/(loss)	(38,333)	19,793
General expenses	(20,327)	(35,887)
Insurance	(9,868)	(33,084)
Loss on disposal of plant and equipment	–	(1,850)
Operating lease expense	(322,547)	(401,322)
Professional fees	(236,759)	(387,793)
Printing and stationery	(7,878)	(10,669)
Recruitment expenses	(121)	(1,417)
Repairs and maintenance	(28,982)	(109,293)



**Cyient Singapore Private Limited****Detailed income statement (cont'd)  
For the financial year ended 31 March 2021**

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Other operating expenses (cont'd)</b>		
Software expenses	(9,359)	(1,906)
Telecommunications	(5,328)	(6,570)
Training and development	–	(3,171)
Travelling and transport	(6,897)	(96,228)
	<hr/> (700,089)	<hr/> (2,034,493)
<b>Finance costs</b>		
Interest rate swap charges and interest	–	(2,639)
Interest on bank loans	–	(9,856)
Invoice discounting charges	(6,342)	(24,009)
Corporate guarantee fees	(7,831)	(13,339)
Interest expense on lease liabilities	–	(3,039)
	<hr/> (14,173)	<hr/> (52,882)
(Loss)/profit before income tax	(720,765)	(4,033,223)
Income tax expense:		
- Current year	11,384	222,756
- Deferred tax	17,286	6,000
	<hr/> (692,095)	<hr/> (3,804,467)
Loss after income tax	(692,095)	(3,804,467)
Other comprehensive income	–	–
	<hr/> (692,095)	<hr/> (3,804,467)
Total comprehensive loss for the year	<hr/> <hr/> (692,095)	<hr/> <hr/> (3,804,467)