S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

THE SKYVIEW 10
18th Floor, "NORTH LOBBY"
Survey No. 83/1, Raidurgam
Hyderabad - 500 032, India
Tel : +91 40 6141 6000

Independent Auditor's Report

To the Members of Cyient DLM Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Cyient DLM Private Limited ("the Company"), which comprise the Balance Sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the 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 financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements and our auditor's report thereon.

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 such 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.

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Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Those Board of Directors are also responsible for 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 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 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 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- 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

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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 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 those charged with governance 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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

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i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 28 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 22213271AHLKWB8803
Place of Signature: Hyderabad
Date: April 20, 2022

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Annexure 1 referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Financial Statements of Cyient DLM Private Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company and hence not commented upon.

(d) The Company has not revalued its property, plant and equipment including right of use assets or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more in aggregate for each class of inventory.

(b) As disclosed in note 14 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company. The Company has not been sanctioned working capital limits from financial institutions during any point of time of the year.

(iii) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the

S.R. BATLIBOI & ASSOCIATES LLP * HYDERABAD * CHARTERED ACCOUNTANTS requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of electronic manufacturing solutions, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs and other statutory dues applicable to it. The provisions relating to sales tax, service tax, value added tax, duty of excise and cess are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (Rs. In Mn)
Income Tax Act, 1961	Income tax	CIT (Appeals)	FY 2016-17	5.11
			FY 2017-18	12.00

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

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(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix) (f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the Management, transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

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(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 35 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 27 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 27 to the Standalone Financial Statements.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 22213271AHLKWB8803
Place of Signature: Hyderabad
Date: April 20, 2022

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Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Cyient DLM Private Limited ("the Company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the financial statements of Cyient DLM Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable

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assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 22213271AHLKWB8803
Place of Signature: Hyderabad
Date: April 20, 2022

Cyient DLM Private Limited
(CIN No.: U31909TG1993PTC141346)
Balance Sheet as at March 31, 2022
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3A	1,294.83	1,400.89
Right of use assets	3B	382.86	420.11
Capital work-in-progress	3C	33.91	23.16
Goodwill	4	30.30	30.30
Other intangible assets	5	14.12	4.94
Financial assets			
(a) Investments	6	3.22	3.22
(b) Other financial assets	7	38.80	46.20
Deferred tax assets (net)	17.2	38.98	50.86
Income tax assets	17.3	5.03	5.84
Other non-current assets	8	8.11	35.59
Total non-current assets		1,850.16	2,021.11
Current assets			
Inventories	9	2,695.62	1,554.47
Financial assets			
(a) Trade receivables	10	1,523.25	2,263.83
(b) Cash and cash equivalents	11A	768.59	146.69
(c) Other bank balances	11B	449.49	195.07
(d) Other financial assets	7	22.33	30.93
Other current assets	8	459.70	238.21
Total current assets		5,918.98	4,429.20
Total assets		7,769.14	6,450.31
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	13.67	13.67
Other equity	13	757.45	362.85
Total equity		771.12	376.52
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(a) Borrowings	14	995.63	640.00
(b) Lease liabilities	3B	377.19	400.02
(c) Other financial liabilities	15	147.44	71.25
Provisions	16	59.61	53.78
Other non-current liabilities	18	260.83	17.44
Total non-current liabilities		1,840.70	1,182.49
Current liabilities			
Financial liabilities			
(a) Borrowings	14	1,936.30	1,697.65
(b) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	19	32.06	60.60
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	1,892.79	1,839.65
(c) Lease liabilities	3B	59.71	52.52
(d) Other financial liabilities	15	6.99	28.17
Income tax liabilities (net)	17.3	60.63	27.13
Provisions	16	13.36	12.35
Other current liabilities	18	1,155.48	1,173.23
Total current liabilities		5,157.32	4,891.30
Total liabilities		6,998.02	6,073.79
Total equity and liabilities		7,769.14	6,450.31
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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

Place: Hyderabad
Date: April 20, 2022

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

Ajay Aggarwal
Director
(DIN - 02565242)

Rajendra Velagapudi
Managing Director & CEO
(DIN - 06507627)

Parvati K R
Company Secretary
(M.No. - A23584)

Place: Hyderabad
Date: April 20, 2022

CYIENT DLM PVT. LTD. CYIENT MYSORE

Cyient DLM Private Limited
(CIN No.: U31909TG1993PTC141346)

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

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

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	20	7,205.33	6,280.28
Other income	21	79.51	88.83
Total income		**7,284.84**	**6,369.11**
EXPENSES			
Cost of materials consumed	22	5,552.88	4,778.52
Changes in inventories of finished goods and work-in-progress	23	(113.26)	174.41
Employee benefits expense	24	516.52	468.63
Finance costs	25	219.75	207.70
Depreciation and amortisation expense	26	192.86	184.62
Other expenses	27	408.79	399.28
Total expenses		**6,777.54**	**6,213.16**
Profit/(loss) before tax		**507.30**	**155.95**
Tax expense			
(a) Current tax	17.1 (A)	96.35	5.03
(b) Deferred tax	17.1 (A)	13.00	32.78
Total tax expense		**109.35**	**37.81**
Profit/(Loss) for the year		**397.95**	**118.14**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to statement of profit or loss:			
(i) Remeasurement of net defined benefit liability	29	(4.47)	1.84
(ii) Income tax relating to items that will not be reclassified to profit or loss	17.1 (B)	1.12	(0.52)
Total other comprehensive income for the year		**(3.35)**	**1.32**
Total comprehensive income for the year		**394.60**	**119.46**
Earnings per equity share (par value of ₹ 10 each)	31		
Basic and diluted (₹)		291.11	86.42
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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: April 20, 2022

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

Ajay Aggarwal
Director
(DIN - 02565242)

Rajendra Velagapudi
Managing Director & CEO
(DIN - 06507627)

Parvati KR

Parvati K R
Company Secretary
(M.No. - A23584)

Place: Hyderabad
Date: April 20, 2022

CYIENT DLM PVT. LTD. CYIENT MYSORE

Cyient DLM Private Limited
(CIN No.: U31909TG1993PTC141346)
Statement of changes in equity for the year ended March 31, 2022
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

A. Equity share capital

Particulars	Note	No's	Amount
Balance as at April 01, 2020	12	13,67,000	13.67
Balance as at March 31, 2021	12	13,67,000	13.67
Balance as at March 31, 2022	12	13,67,000	13.67

B. Other Equity

Particulars	Note	Reserves and Surplus			Total
		Securities premium	General reserve	Retained earnings	
Balance as at April 1, 2020		92.09	3.72	147.58	243.39
Profit for the year	13	-	-	118.14	118.14
Other comprehensive Income	13	-	-	1.32	1.32
Balance as at March 31, 2021		92.09	3.72	267.04	362.85
Profit for the year	13	-	-	397.95	397.95
Other comprehensive Income	13	-	-	(3.35)	(3.35)
Balance at March 31, 2022		92.09	3.72	661.64	757.45

Corporate information and significant accounting policies
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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS * HYDERABAD *

Place: Hyderabad
Date: April 20, 2022

For and on behalf of the Board of Directors
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CYIENT DLM PVT. LTD. CYIENT MYSORE

Place: Hyderabad
Date: April 20, 2022

Cyient DLM Private Limited
(CIN No.: U31909TG1993PTC141346)
Cash Flow Statement for the period ended March 31, 2022
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) for the year	**397.95**	**118.14**
Adjustments for:		
Tax expense	109.35	37.81
Depreciation and amortisation expense	192.86	184.62
Profit on sale of Plant, Property and Equipment (net)	(0.94)	-
Net unrealised exchange loss	15.45	27.92
Finance costs	219.75	207.70
Interest income	(16.09)	(17.59)
Expected credit loss allowance/ (reversal), net	(13.15)	8.68
Operating profit before working capital changes	**905.18**	**567.28**
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	758.78	(1,722.86)
Inventories	(1,141.15)	671.30
Other assets and other financial assets	(181.92)	154.55
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	7.65	820.72
Provisions and other liabilities	228.01	(123.21)
Cash generated from operations	**576.55**	**367.78**
Income taxes received/(paid), net	(62.04)	0.73
Net cash flow from operating activities (A)	**514.51**	**368.51**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment towards purchase of property, plant and equipment and intangible assets	(84.14)	(273.87)
Proceeds from sale of property, plant and equipment	7.06	-
Movement in other bank balances	(254.42)	231.80
Interest received	7.36	33.06
Net cash flow used in investing activities (B)	**(324.14)**	**(9.01)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from non current borrowings	-	230.00
Repayment of non current borrowings	-	(15.79)
Proceeds from current borrowings	2,551.91	1,645.17
Repayments of current borrowings	(1,961.18)	(2,136.20)
Repayment of lease liabilities	(56.96)	(59.26)
Interest paid	(102.24)	(111.31)
Net cash flow from/(used in) financing activities (C)	**431.53**	**(447.39)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**621.90**	**(87.89)**
Cash and cash equivalents at the beginning of the year	146.69	234.58
Cash and cash equivalents at the end of the year (refer note (i) below)	**768.59**	**146.69**
Notes :		
(i) Cash and cash equivalents comprises of: (refer note 11A)		
Balances with banks		
in current accounts	707.29	146.62
Remittances in transit	61.29	-
Cash on hand	0.01	0.07
	768.59	**146.69**

Accompanying notes form an integral part of the financial statements

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

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

Shankar Srinivasan
Partner
Membership No.: 213271

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS * HYDERABAD *

Ajay Aggarwal
Director
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Company Secretary
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CYIENT DLM PVT. LTD. CYIENT MYSORE

Place: Hyderabad
Date: April 20, 2022

Place: Hyderabad
Date: April 20, 2022

1. Corporate information:

The financial statements comprise financial statements of Cyient DLM Private Limited (formerly known as 'Rangsons Electronics Private Limited') (the 'Company') for the year ended March 31, 2022. The Company is a private limited company domiciled in India, and is incorporated under the provisions of the Companies Act, applicable in India. The registered office of the Company is at Cyient Limited, 3rd floor, Plot No. 11, Software Layout Units, Infocity, Hyderabad, Telangana - 500081.

The Company is principally engaged in providing total electronic manufacturing solutions in the fields of medical, industrial, automotive, telecommunication, defense and aerospace applications and machining of components for aerospace, automotive and defense industries.

The financial statements were authorized for issue in accordance with a resolution of the directors on April 20, 2022.

2. Significant accounting policies

2.1 Statement of compliance:

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

2.2 Basis of preparation & presentation:

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

Cyient Limited, the holding company, continues to provide operational and financial support to the Company to enable it to carry on its business and meet the liabilities as they fall due. During the year, the Company has achieved significant growth in its revenues and substantially improved its EBITDA. Further, based on the turnaround strategy adopted by the Company, the management projects that the company will generate sufficient cash in future. Based on the above, the management believes that the company will continue as a going concern and thereby realize its assets and discharge its liabilities in the normal course of its business.

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

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

The Company classifies all other liabilities as non-current.

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

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non - current classification of assets and liabilities.

2.3 Use of estimates:

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

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

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

- Impairment assessment of Goodwill
- Provision for income tax and recoverability of deferred tax assets
- Allowance for credit losses on receivables
- Provision for slow moving/ non-moving inventory

2.4 Goodwill

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

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

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

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2.5 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized 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 recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

2.6 Property, plant and equipment

Property, plant and equipment are initially recognized at cost. The initial cost of property, plant and equipment comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates.

The cost of property, plant and equipment includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

Type of asset	Useful life
Buildings	Shorter of lease period or estimated useful lives
Plant & Machinery	5-15 Years
Tools & Equipment	5 Years
Furniture & Fixtures	10 Years
Electrical Installations	10 Years
Vehicles	10 Years
Computers	3 Years
Office Equipment	5 Years

Note 1:

- The useful life of Plant and Machinery is determined on Single Shift Basis. The multiple shift impact as prescribed under Schedule II to the Act, has been adopted.

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- Based on the technical advice obtained stencils are depreciated over 5 years.

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

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

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

2.7 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their estimated useful life on a straight-line basis as follows:

Type of asset	Useful life
Computer software	3 years

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

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

2.8 Leases

Company as lessee

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

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

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

i) Right-of-use assets

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct

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costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The right-of-use assets are also subject to impairment. Refer note 2.22.

ROU asset	Useful lives
Leasehold land	19 years
Buildings	3-10 years

ii) Lease liabilities

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

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

2.9 Income taxes:

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

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.
The current tax and deferred tax calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income.

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. MAT credit is recognized in accordance with tax laws in India as a deferred tax asset only to the extent that is probable that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

In the situations where one or more units in the Company are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

2.10 Inventories:

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

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

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

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

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

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

2.11 Cash and cash equivalents:

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

Cash flows are reported using indirect method, whereby profit / (loss) before extraordinary items and 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.

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2.12 Provisions and contingent liabilities

2.12.1 Provisions

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

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

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

2.12.2 Contingencies

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

2.13 Revenue recognition

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 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. Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the fair value of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Variable consideration includes incentives, volume rebates, discounts etc., which is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Generally, the Company receives advances from few of its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

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2.14 Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.15 Government grants/incentives

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

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

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

2.16 Employee benefit plans

Employee benefits include provided fund, employee's state insurance scheme, gratuity fund and compensated absences.

Post-employment obligations:

Defined contribution plans:

Contributions in respect of Employees Provident Fund and Pension Fund which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as an

expense based on the amount of contribution required to be made and when service are rendered by the employees.

Defined benefit plans

Gratuity:

The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date using projected unit credit method. The liability recognized in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plant assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

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Compensated absences:

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

Other short-term employee benefits

Other short-term employee benefits and performance incentives expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders service.

2.17 Operating Segments

The Company's Chief operating decision maker is the Managing Director and Chief Executive Officer who evaluates Company's performance and allocates resources based on an analysis of various performance indicators by business verticals and geographical segmentation of customers.

The company is engaged in in providing total electronic manufacturing solutions single operating segment "Total electronic manufacturing solutions" which is considered as the primary business segment.

2.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.19 Financial instruments

a) Initial recognition:

Financial assets and financial liabilities are recognized when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

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b) Subsequent Measurement:

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Classification of financial assets:

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

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

Financial assets at fair value through profit or loss:
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(ii) Financial liability:

All financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

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Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Financial Liability subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item

c) Foreign exchange gains and losses:

For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income'

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

d) De-recognition of financial assets and liabilities:

Financial assets
The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risk and rewards of ownership of a transferred

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financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

Financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

2.20 Determination of fair values

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

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

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

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

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

2.21 Impairment of assets

Financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected

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credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in statement of profit and loss.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

Non-financial assets

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

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

2.22 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.

2.23 New and amended standards

The Company applied for the first-time aforesaid new standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective.

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(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendment includes the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after April 1,2021.

These amendments had no impact on the financial statements of the Company.

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 1, 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after April 1,2020.

These amendments had no impact on the financial statements of the Company.

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(iv) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

(v) Ind AS 16 – Property Plant and equipment –

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no significant impact on its financial statements.

(vi) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

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3A. Property, plant and equipment

Particulars	As at	
	March 31, 2022	March 31, 2021
Carrying amount of:		
Buildings	797.34	838.78
Computers	27.77	37.70
Plant and equipment	352.67	395.17
Office equipment	8.22	10.62
Furniture and fixtures	62.37	68.27
Electrical installations	15.66	15.13
Vehicles	0.01	0.01
Tools and equipment	30.79	35.21
Total	**1,294.83**	**1,400.89**

Notes :

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

Particulars	Buildings	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Tools and equipment	Total
I. Cost or Deemed Cost									
Balance as at April 1, 2020	**102.59**	**56.19**	**731.64**	**20.04**	**120.79**	**30.73**	**0.27**	**101.43**	**1,163.68**
Additions	792.10	28.98	100.85	8.68	19.21	6.81	-	17.86	974.49
Balance as at March 31, 2021	**894.69**	**85.17**	**832.49**	**28.72**	**140.00**	**37.54**	**0.27**	**119.29**	**2,138.17**
Additions	7.50	8.94	17.03	0.33	5.52	2.91	-	6.47	48.70
Disposals	0.73	2.00	4.21	0.86	1.23	-	-	0.08	9.11
Balance as at March 31, 2022	**901.46**	**92.11**	**845.31**	**28.19**	**144.29**	**40.45**	**0.27**	**125.68**	**2,177.76**
II. Accumulated depreciation									
Balance as at April 1, 2020	**12.36**	**34.70**	**376.80**	**15.57**	**60.34**	**18.70**	**0.26**	**72.59**	**591.32**
Depreciation for the year	43.55	12.77	60.52	2.53	11.39	3.71	-	11.49	145.96
Balance as at March 31, 2021	**55.91**	**47.47**	**437.32**	**18.10**	**71.73**	**22.41**	**0.26**	**84.08**	**737.28**
Depreciation for the year	48.67	17.32	55.99	2.46	11.00	2.37	-	10.83	148.64
Disposals	0.46	0.45	0.67	0.59	0.81	-0.01	-	0.02	2.99
Balance as at March 31, 2022	**104.12**	**64.34**	**492.64**	**19.97**	**81.92**	**24.79**	**0.26**	**94.89**	**882.93**
III. Carrying Amounts (I-II)									
Balance as at March 31, 2021	**838.78**	**37.70**	**395.17**	**10.62**	**68.27**	**15.13**	**0.01**	**35.21**	**1,400.89**
Balance as at March 31, 2022	**797.34**	**27.77**	**352.67**	**8.22**	**62.37**	**15.66**	**0.01**	**30.79**	**1,294.83**

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3B. Leases

(a) Right of use assets:

Particulars	Leasehold land	Buildings	Total
Balance as at April 1, 2020	**405.69**	**47.00**	**452.69**
Additions	-	20.27	20.27
Deletions	-	(12.87)	(12.87)
Depreciation (refer note 26)	(16.98)	(17.37)	(34.35)
Depreciation transferred to CWIP	(5.63)	-	(5.63)
Balance as at March 31, 2021	**383.08**	**37.03**	**420.11**
Depreciation (refer note 26)	(30.50)	(6.75)	(37.25)
Balance as at March 31, 2022	**352.58**	**30.28**	**382.86**

b) Current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	59.71	52.52
Non-current lease liabilities	377.19	400.02
Total	**436.90**	**452.54**

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

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	**452.54**	**465.73**
Additions	-	20.27
Deletions	-	(17.85)
Finance cost accrued during the year (refer note 25)	41.32	34.56
Finance cost transferred to CWIP	-	9.09
Payment of lease liabilities	(56.96)	(59.26)
Balance at the end of the year	**436.90**	**452.54**

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

Particulars	March 31, 2022	March 31, 2021
Less than one year	62.11	56.85
One to five years	177.50	196.19
More than five years	604.18	647.61
Total	**843.79**	**900.65**

The Company does not face a significant liquidity risk with regard to its lease liabilities, as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

3C. Capital work-in-progress

(i) Ageing of capital work-in-progress:

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Balance as at March 31, 2022					
Projects under progress	20.52	7.67	5.72	-	33.91
Projects temporarily suspended	-	-	-	-	-
Total	**20.52**	**7.67**	**5.72**	-	**33.91**
Balance as at March 31, 2021					
Projects under progress	8.96	14.20	-	-	23.16
Projects temporarily suspended	-	-	-	-	-
Total	**8.96**	**14.20**	-	-	**23.16**

4. Goodwill

Particulars	As at	
	31-Mar-22	31-Mar-21
Balance at beginning of year	30.30	30.30
Balance at end of the year	**30.30**	**30.30**

The Company has identified Techno Tools as a Cash Generating Units (CGU) and the goodwill has been allocated to this CGU for the purpose of impairment testing. This goodwill is tested for impairment at least on an annual basis or more frequently when there is an indication for impairment. The estimated value-in-use of this cash generating unit (CGU) is based on the future cash flows discounted at the rate of 14% for the forecast period of 5 years and a nil terminal growth rate. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

5. Other intangible assets

Particulars	As at	
	31-Mar-22	31-Mar-21
Carrying amount of:		
Computer software	14.12	4.94
Total	**14.12**	**4.94**

Movement in the carrying amount of intangible assets is as below:

Particulars	Computer software	Total
I. Cost or deemed cost		
Balance as at April 1, 2020	**88.92**	**88.92**
Additions	2.67	2.67
Balance as at March 31, 2021	**91.59**	**91.59**
Additions	16.15	16.15
Balance as at March 31, 2022	**107.74**	**107.74**
II. Accumulated amortisation		
Balance as at April 1, 2020	**82.34**	**82.34**
Amortisation for the year	4.31	4.31
Balance as at March 31, 2021	**86.65**	**86.65**
Amortisation for the year	6.97	6.97
Balance as at March 31, 2022	**93.62**	**93.62**
III. Carrying amounts (I-II)		
Balance as at March 31, 2021	**4.94**	**4.94**
Balance as at March 31, 2022	**14.12**	**14.12**

6. Investments

Particulars	As at	
	31-Mar-22	31-Mar-21
Investments carried at fair value through other comprehensive income (unquoted)		
Equity instruments in Mysore ESDM Cluster	3.22	3.22
Balance as at March 31, 2022	**3.22**	**3.22**

The Company is one of the founder promoters of the Mysore ESDM (Electronic Systems Design and Manufacturing) Cluster, an initiative of the Government of India, to establish common facilities centre, for the development of ESDM companies in this region. The objective of the investment is not to obtain economic benefits through the activities and accordingly, the Company has not presented consolidated financial statements.

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7. Other financial assets

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-current		
(at amortised cost)		
Security deposits		
- Unsecured, considered good	38.80	46.20
Total	**38.80**	**46.20**
Current		
(at amortised cost)		
Interest accrued on deposit accounts	21.19	12.46
Advance to employees	1.14	1.21
Others	-	17.26
Total	**22.33**	**30.93**

8. Other assets

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-current :		
(at amortised cost)		
Capital advances	5.35	17.99
Deferred contract costs	-	14.53
Prepaid expenses	2.76	3.07
Total	**8.11**	**35.59**
Current :		
(at amortised cost)		
Prepaid expenses	20.76	29.33
Advance to suppliers	277.87	131.93
Balances with government authorities	134.65	21.37
Deferred contract costs	14.53	24.91
Other current assets	11.89	30.67
Total	**459.70**	**238.21**

9. Inventories

Particulars	As at	
	March 31, 2022	March 31, 2021
Raw materials	2,219.90	1,190.73
Work-in-progress	291.94	106.97
Finished goods	153.99	225.70
Consumables & stores	29.79	31.07
Total	**2,695.62**	**1,554.47**

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10. Trade receivables

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade receivables		
Unsecured, considered good*	1,599.78	2,348.57
Less: Allowance for expected credit loss	(76.53)	(84.74)
	1,523.25	2,263.83
Trade receivables - credit impaired - unsecured	47.47	52.41
Less : Allowance for credit impairment	(47.47)	(52.41)
Total	1,523.25	2,263.83

* includes amount receivable from related parties (refer note 30)

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.

As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL allowance (or reversal) during the year is recognised in the statement of profit and loss.

Ageing for receivables	As at March 31, 2022						
	Not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 year	Total
Undisputed Trade Receivables							
Considered good	1,273.92	191.07	72.21	22.76	3.57	36.25	1,599.78
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	11.38	36.09	47.47
Total	1,273.92	191.07	72.21	22.76	14.95	72.34	1,647.25
Less : Allowance for credit impairment and expected credit loss							(124.00)
Balance at the end of the year							1,523.25

Ageing for receivables	As at March 31, 2021						
	Not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 year	Total
Undisputed Trade Receivables							
Considered good	1,531.33	729.40	31.17	12.80	16.68	27.19	2,348.57
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	11.49	2.11	38.81	52.41
Balance at the end of the year	1,531.33	729.40	31.17	24.29	18.79	66.00	2,400.98
Less : Allowance for credit impairment and expected credit loss							(137.15)
Balance at the end of the year							2,263.83

Movement in the expected credit loss allowance	As at	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	137.15	128.47
Provision made during the year (refer note 27)	20.67	22.40
Reversal of provision on account of collection (refer note 27)	(33.82)	(13.72)
Balance at the end of the year	124.00	137.15

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Notes forming part of the financial statements

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

11: Cash and Bank Balances

11A. Cash and cash equivalents

Particulars	As at	
	March 31, 2022	March 31, 2021
Balances with banks		
in current accounts	707.29	146.62
Cash on hand	0.01	0.07
Remittances in transit	61.29	-
Total	768.59	146.69

11B. Other bank balances

Particulars	As at	
	March 31, 2022	March 31, 2021
Deposits held as margin money/security for bank guarantees	449.49	195.07
Total	449.49	195.07

Deposits held as margin money is towards non-fund based limits sanctioned by the bank for establishment of bank guarantee and letter of credits.

Note :

Reconciliation of liabilities arising from financing activities:

(a) For the year end Mar 31, 2022:

Particulars	As at March 31, 2021	New Leases	Proceeds	Repayment	Foreign exchange	As at March 31, 2022
Non-current borrowings (including current portion)	995.63	-	-	-	-	995.63
Current borrowings (net)	1,342.02	-	2,551.91	(1,961.18)	3.55	1,936.30
Lease liabilities	452.54	41.32	-	(56.96)	-	436.90
Total liabilities from financing activities	2,790.19	41.32	2,551.91	(2,018.14)	3.55	3,368.83

(b) For the year end March 31, 2021:

Particulars	As at March 31, 2020	New Leases	Proceeds	Repayment	Foreign exchange	As at March 31, 2021
Non-current borrowings (including current portion)	781.42	-	230.00	(15.79)	-	995.63
Current borrowings (net)	1,832.29	-	1,645.17	(2,136.20)	0.76	1,342.02
Lease liabilities	465.73	46.07	-	(59.26)	-	452.54
Total liabilities from financing activities	3,079.44	46.07	1,875.17	(2,211.25)	0.76	2,790.19

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12. Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised share capital:		
4,750,000 equity shares of ₹ 10 each (March 31, 2021 : 4,750,000)	47.50	47.50
Issued and subscribed capital:		
1,367,000 fully paid up equity shares of ₹ 10 each (March 31, 2021: 1,367,000)	13.67	13.67
Total	**13.67**	**13.67**

Note:

(A) Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares held	Amount	No of shares held	Amount
Balance as at beginning of the year	13,67,000	13.67	13,67,000	13.67
Balance as at end of the year	**13,67,000**	**13.67**	**13,67,000**	**13.67**

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid up equity shares				
Cyient Limited (Holding company)	13,67,000	100.00%	13,67,000	100.00%

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

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

Name of the promoter	As at March 31, 2022		
	Number of shares held	% holding of equity shares	% Change during the Year
Cyient Limited (Holding company)	13,67,000	100.00%	-

Name of the promoter	As at March 31, 2021		
	Number of shares held	% holding of equity shares	% Change during the Year
Cyient Limited (Holding company)	13,67,000	100.00%	-

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

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

13. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
(a) General reserve	**3.72**	**3.72**
(b) Securities premium account	**92.09**	**92.09**
(c) Retained earnings		
(i) Opening balance	267.04	147.58
(ii) Profit for the year	397.95	118.14
(iii) Other comprehensive Income	(3.35)	1.32
	661.64	**267.04**
Total	**757.45**	**362.85**

Notes :

a) General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

b) Securities premium reserve:

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(c) Retained earnings

(i) Retained earnings comprises of prior years' undistributed earnings after taxes along with current year profit, net of dividends declared and dividend distribution tax thereon.

(ii) Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are presented within retained earnings.

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14. Borrowings

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-current- at amortised cost		
Unsecured		
Term loan from related party (refer note 30)*	995.63	640.00
Total	**995.63**	**640.00**
Current- at amortised cost		
Unsecured		
Current maturities of non-current borrowings	-	355.63
Working capital loan from related party (refer note 30)	540.00	315.00
Secured		
Working capital loans from banks	1,396.30	1,027.02
Total	**1,936.30**	**1,697.65**
Total borrowings	**2,931.93**	**2,337.65**

Details of the borrowings along with their terms and conditions:

a. Term loan from related party:

The Company has obtained term loan of ₹ 1,000.00 from Cyient Limited for capital expenditure purpose, which is availed in various tranches starting from February 2019 repayable in 16 quarterly instalments starting from June 2023. Outstanding balance of the term loan as at March 31, 2022 was ₹ 995.63 (March 31, 2021: ₹ 995.63). Rate of interest is 6.00% p.a. There is no default in the repayment of principal loan and interest amount.

b. Working capital loan from related party:

The Company has availed working capital loan repayable on demand from Cyient Limited whose outstanding balance as at Mar 31, 2022 is ₹ 540.00 (March 31, 2021: ₹ 315.00). The rate of interest is 6.00% p.a.

c. Working capital loans from banks:

i. The Company has availed working capital loans from various banks:

	March 31, 2022	March 31, 2021
HDFC Bank (Range of interest: 6.00% to 8.15% (March 31, 2021: 6.50% to 8.15%))	449.41	580.45
State Bank of India (Range of interest: 6.8% (March 31, 2021: 7.00% to 9.60%))	200.00	56.57
Federal Bank (Range of interest: 6.00% to 7.00% (March 31, 2021: 5.00% to 7.70%))	557.29	22.64

ii. The Company has availed packing credit facility from HDFC Bank and Federal Bank whose outstanding balance as at March 31, 2022 is ₹ 189.60 (March 31, 2021 is ₹ 367.36). The rate of interest on these facilities range from 1.45% to 1.89%.

Security terms for working capital loans from banks:

i. First pari-passu charge on present and future current assets including stock and book debts of the Company.
ii. Second pari-passu charge on all existing and future movable fixed assets of the Company.
iii. Corporate guarantee from Cyient Limited.
iv. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

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15. Other financial liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-Current		
Interest accrued but not due on borrowings*	147.44	71.25
Total	**147.44**	**71.25**
Current		
Capital creditors	6.99	28.17
Total	**6.99**	**28.17**

* includes amount payable to related parties (refer note 30)

16. Provisions

Particulars	As at	
	March 31, 2022	March 31, 2021
Gratuity (refer note 29)	50.92	41.02
Compensated absences (refer note 29)	22.05	25.11
Total provisions	**72.97**	**66.13**
Non-current:		
Gratuity	40.28	31.39
Compensated absences	19.33	22.39
Total	**59.61**	**53.78**
Current:		
Gratuity	10.64	9.63
Compensated absences	2.72	2.72
Total	**13.36**	**12.35**

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17. Income taxes

17.1 Tax Expense

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
In respect of current year	96.35	27.13
In respect of prior year	-	-
Minimum Alternate Tax (MAT) credit availed	-	(22.10)
	96.35	5.03
Deferred taxes expense/(benefit):		
In respect of the current year	(11.51)	32.78
In respect of prior year	24.51	-
	13.00	32.78
Total	109.35	37.81

B. Income tax benefit recognised in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax benefit recognised directly in equity consists of:		
Tax effect on remeasurements of the net defined benefit liability	1.12	(0.52)
Total	1.12	(0.52)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	1.12	(0.52)
Items that may be reclassified to profit or loss	-	-

C. Reconciliation of effective tax rate

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	507.30	155.95
Enacted rate in India	25.17%	31.20%
Computed expected tax expense	127.69	48.66
Tax effect of adjustments to reconcile expected tax expense:		
Deferred tax asset not recognised earlier/ (deferred tax liability reversing) during tax holiday period	(14.58)	(10.22)
Reversal of deferred tax asset recognised on tax losses	-	6.43
Others	(3.76)	(7.06)
Income tax expense	109.35	37.81

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17.2. Deferred tax assets and liabilities

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

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Provision for doubtful debts	31.21	34.52
Section 43B disallowances	22.80	20.03
MAT Credit Entitlement	-	24.51
Right of use assets/lease liabilities (refer note 3B)	13.60	(4.15)
Total (A)	**67.61**	**74.91**
Deferred tax liabilities		
Property, plant and equipment & intangible assets	(28.63)	(24.05)
Total (B)	**(28.63)**	**(24.05)**
Deferred tax asset, net (A+B)	**38.98**	**50.86**

Deferred tax assets have been recognised considering the utilisation plan against future taxable profits which are supported by existing and future sale orders.

17.3. Income tax assets and liabilities

The following is the analysis of income tax assets/(liabilities) presented in the Company balance sheet:	As at March 31, 2022	As at March 31, 2021
Income tax assets, net		
Advances income taxes	5.03	5.84
Income tax liabilities, net		
Income tax payable	60.63	27.13

18. Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Advance from customers	260.83	17.44
Total	**260.83**	**17.44**
Current		
Advance from customers	1,134.83	1,139.02
Statutory dues	7.57	5.27
Other current liabilities	13.08	28.94
Total	**1,155.48**	**1,173.23**

19. Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
(at amortised cost)		
(i) total outstanding dues of micro enterprises and small enterprises (MSME)	32.06	60.60
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	1,892.79	1,839.65
Total	**1,924.85**	**1,900.25**

* includes amount payable to related parties (refer note 30)

Trade payables are non-interest bearing and are normally settled on 60-day terms

Ageing for trade payable	As at March 31, 2022						
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Dues to MSME	-	32.06	-	-	-	-	32.06
Dues to other than MSME	716.40	672.58	503.81	-	-	-	1,892.79
Disputed dues - Dues to MSME	-	-	-	-	-	-	-
Disputed dues - Dues to other than MSME	-	-	-	-	-	-	-
Balance at the end of the year	**716.40**	**704.64**	**503.81**	-	-	-	**1,924.85**

Ageing for trade payable	As at March 31, 2021						
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Dues to MSME	-	39.63	20.97	-	-	-	60.60
Dues to other than MSME	546.34	707.09	586.22	-	-	-	1,839.65
Disputed dues - Dues to MSME	-	-	-	-	-	-	-
Disputed dues - Dues to other than MSME	-	-	-	-	-	-	-
Balance at the end of the year	**546.34**	**746.72**	**607.19**	-	-	-	**1,900.25**

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20. Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of goods	7,155.57	6,239.96
Rendering of services	49.76	40.32
Total	7,205.33	6,280.28

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

1.Disaggregated revenue information

	For the year ended March 31, 2022	For the year ended March 31, 2021
Type of goods or service		
Sale of printed circuit boards	7,155.57	6,239.96
Job work charges	49.76	40.32
Total	7,205.33	6,280.28
Based on geographical location of customers		
Within India	3,964.10	3,985.09
Outside India	3,241.23	2,295.19
Total	7,205.33	6,280.28
Timing of revenue recognition		
Goods transferred at a point in time	7,155.57	6,239.96
Services transferred point in time	49.76	40.32
Total	7,205.33	6,280.28

2. Transaction price allocated to the remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

21. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on financial assets carried at amortised cost		
Bank deposits	16.09	17.59
	16.09	17.59
Other non-operating income		
Export incentives (refer note below)	45.28	46.88
Reversal of expected credit loss allowance (net) (refer note 10)	13.15	-
Bad debts recovered	3.49	
Liabilities no longer required, written back	-	14.55
Profit on sale of property, plant and equipment	0.94	-
Foreign exchange gain (net)	0.23	-
Miscellaneous income	0.33	9.81
	63.42	71.24
Total	79.51	88.83

Note:
Recognised upon satisfying the specified conditions under the applicable scheme defined by the Government of India.

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22. Cost of materials consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock	1,190.73	1,686.58
Add: Purchases	6,582.05	4,282.67
Less: Closing stock	(2,219.90)	(1,190.73)
Cost of materials consumed	**5,552.88**	**4,778.52**

23. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock:		
Finished goods	225.70	366.76
Work-in-progress	106.97	140.32
	332.67	**507.08**
Closing Stock:		
Finished goods	153.99	225.70
Work-in-progress	291.94	106.97
	445.93	**332.67**
Net (Increase) / Decrease	**(113.26)**	**174.41**

24. Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages, including bonus	477.28	414.83
Contribution to provident and other funds (refer note 29)	5.99	25.96
Share based payments to employees	0.78	-
Staff welfare expenses	32.47	27.84
Total	**516.52**	**468.63**

25. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		
Interest on borrowings from banks	96.79	95.80
Interest on borrowings from related parties (refer note 30)	81.64	77.34
Interest on lease liabilities (refer note 3B)	41.32	34.56
Total	**219.75**	**207.70**

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26. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 3A)	148.64	145.96
Depreciation of right-of-use assets (refer note 3B)	37.25	34.35
Amortisation of intangible assets (refer note 5)	6.97	4.31
Total	**192.86**	**184.62**

27. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rates and taxes	5.32	0.72
Insurance	17.18	17.42
Stores and spares consumed	29.05	19.44
Freight outwards	133.14	101.05
Travelling and conveyance	3.77	2.82
Communication	2.31	1.44
Printing and stationery	1.10	1.01
Power and fuel	33.48	30.29
Marketing expenses	68.98	62.78
Repairs and maintenance		
- Machinery	28.22	18.44
- Others	3.69	8.95
Legal and professional charges	29.76	27.75
Expenditure for Corporate Social Responsibility	1.30	-
Foreign exchange loss (net)	-	61.71
Expected credit loss allowance (net) (refer note 10)	-	8.68
Auditors' remuneration*		
-For statutory audit	1.55	1.40
For reimbursement of expenses	0.01	0.03
Training and development	2.88	1.14
Miscellaneous expenses	47.05	34.21
Total	**408.79**	**399.28**

* Exclusive of applicable taxes

Notes:

i. Expenditure for Corporate Social Responsibility:

The Company contributes towards Corporate Social Responsibility (CSR) activities through Cyient Foundation (refer note 30). The Company has formed CSR committee as per Section 135 of the Companies Act, 2013 to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified by law. The areas for CSR activities are promoting education, adoption of schools, facilitating skill development, medical and other social projects. Expenses incurred on CSR activities are charged to the statement of profit and loss under 'Other Expenses': ₹ 1.30 (March 31, 2021: ₹ Nil).

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross amount required to be spent by the Company	**1.29**	-
Actual amount spent		
1. Construction / acquisition of any asset	-	-
2. On purposes other than (1) above (in cash)	1.30	-
(Shortfall)/ Excess	**0.01**	-

Heads of CSR Expenditure:

Particulars	For the period ended March 31, 2022	For the year ended March 31, 2021
Promotion of education	1.30	-

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28. Contingent liabilities and Commitments

	As at	
	March 31, 2022	March 31, 2021
(A) Contingent liabilities:		
Claims against the Company not acknowledged as debt:		
(i) Pending statutory forms (C/H/I)	-	7.79
	-	7.79
(B) Commitments:		
(i) Contracts remaining to be executed on capital account and not provided for (net of capital advances)	44.06	33.82
Total	44.06	41.61

29. Employee benefits:

The employee benefit schemes are as under:

1 Defined contribution plans

i. Provident fund:

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the statement of profit and loss in the period they are incurred. Total expense recognised during the year aggregated to ₹ 18.65 (2020-21 : ₹ 16.49). Further, the Company has reversed provision amounting to ₹ 18.10 in respect of the period from March 2015 to February 2018 towards PF Liability based on final proceedings before Assistant PF Commissioner.

2 Defined Benefit Plans

i. Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by the Company's own trust which has subscribed to the "Group Gratuity Scheme" of Life Insurance Corporation of India.

The present value of the defined benefit obligation (DBO), and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate (%)	7.46%	6.99%
Salary increase rate (%)	10.00%	10.00%
Attrition (%)	8.00%	8.00%
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	58 years	58 years

The following table sets out the defined benefit costs as per actuarial valuation for the Company.

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	5.08	6.95
Net interest cost		
Interest expense on defined benefit obligation	2.44	4.51
Interest income on plan assets	(2.08)	(1.99)
Defined benefit cost included in P&L	**5.44**	**9.47**

Remeasurement effects recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (Gain) / Loss due to demographic assumptions change in defined benefit obligation	-	-
Actuarial (Gain) / Loss due to Financial assumptions change in defined benefit obligation	0.98	(2.16)
Actuarial (Gain) / Loss due to Experience on defined benefit obligation	2.71	0.32
Return on plan assets (Greater)/Less than discount rate	0.78	
Components of defined benefit costs recognised in Other Comprehensive Income	4.47	-1.84

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	79.85	72.85
Fair value of plan assets	(28.93)	(31.83)
Net liability arising from defined benefit obligation	**50.92**	**41.02**

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Movement in the present value of the defined benefit obligation	For the year ended March 31, 2022	For the year ended March 31, 2021
Projected benefit obligation at the beginning of the year	72.85	65.75
Current service cost	5.08	6.95
Interest cost	2.44	4.51
Actuarial loss/(gain)	3.69	-1.84
Benefits paid	(4.21)	(2.52)
Defined benefit obligation at the end of the year	**79.85**	**72.85**

Change in Plan assets	For the year ended March 31, 2022	For the year ended March 31, 2021
Plan assets at the beginning of the year	31.83	27.04
Return on plan assets	2.08	1.99
Employer contribution	0.01	5.32
Benefits paid	(4.21)	(2.52)
Asset (loss)/Gain	(0.78)	-
Plan Assets at the end of the year	**28.93**	**31.83**

The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.

Composition of plan assets

Plan assets comprise of 100% insurer managed funds. Fund is managed by Life Insurance Corporation of India as per Insurance Regulatory and Development Authority of India (IRDA) guidelines, category wise composition of the plan assets is not available.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(7.48)	8.71	(7.20)	8.43
Future salary growth (1% movement)	8.08	(7.14)	7.91	(6.89)

Maturity profile of defined benefit obligation (discounted cash flows):

Particulars	As at March 31, 2022	As at March 31, 2021
Within 1 year	4.02	3.48
1-2 year	3.72	3.10
2-3 year	4.94	2.92
3-4 year	3.14	4.68
4-5 year	4.01	2.49
5-10 year	17.35	16.17
Payouts above 10 years	42.67	40.00

ii. Assumptions for compensated absences:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate (%)	7.46%	6.99%
Salary increase rate (%)	10.00%	10.00%
Attrition (%)	8.00%	8.00%
Leave availment ratio	5.00%	5.00%
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	58 years	58 years

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

The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.

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30. 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 Inc.	Fellow subsidiary
Cyient GmbH	Fellow subsidiary
Cyient Singapore	Fellow subsidiary
Cyient Israel India Limited	Fellow subsidiary
Key Managerial Personnel:	
Krishna Bodanapu	Director
Ajay Aggarwal	Director
Rajendra Velagapudi	Managing Director & CEO
Suchitra R C	Additional Director & Vice President Operations
Parvati Ramachandra	Company Secretary

(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, 2022	For the year ended March 31, 2021
Revenue from operations	Cyient Limited	10.95	10.91
	Cyient Inc.	1.24	6.52
Marketing expenses	Cyient Israel India Limited	15.01	20.00
Purchases of goods	Cyient Limited	-	8.23
Reimbursement of expenses	Cyient Limited	37.38	37.09
	Cyient GmbH	3.29	-
	Cyient Singapore	6.81	-
	Cyient Inc.	45.84	22.64
Loans received	Cyient Limited	825.00	530.00
Loans paid	Cyient Limited	600.00	300.00
Interest on loan from holding company	Cyient Limited	81.64	77.34
Compensation to Key Managerial Personnel	Parvati Ramachandra#1	1.58	1.30
	Rajendra Velagapudi #1*	16.15	12.06
	Suchitra R C #1	7.43	6.26

#1 The above figures do not include provisions for leave encashment, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

* Managerial remuneration to Mr. Rajendra Velagapudi (Managing Director & CEO) is paid by Cyient Limited, Holding Company and is recharged to the Company.

(iii) Balances at the year-end:

Nature of the transaction	Party name	As at March 31, 2022	As at March 31, 2021
Trade Receivables	Cyient Limited	11.84	-
	Cyient Inc.	2.98	6.12
	Cyient GmbH	-	0.33
Trade Payables	Cyient Limited	254.96	218.55
	Cyient GmbH	3.03	-
	Cyient Singapore	6.83	-
	Cyient Israel India Limited	46.03	44.53
	Cyient Inc.	69.39	22.96
Advance from customer	Cyient Limited	7.20	7.20
Corporate guarantee outstanding	Cyient Limited	4,520.00	4,520.00
Loans outstanding	Cyient Limited	1,535.63	1,310.63
Interest on loans outstanding	Cyient Limited	145.47	70.75

31. Earnings per share

36. Other statutory information	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year	397.95	118.14
Basic and diluted:		
Number of equity shares outstanding at the year end	13,67,000	13,67,000
Weighted average number of equity shares	13,67,000	13,67,000
Earnings per share (₹)	**291.11**	**86.42**

*There were no dilutive instruments outstanding during the year

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32. Financial Instruments

32.1 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. In order to optimise the Company's position with regards to its borrowings, interest income and interest expense, treasury team performs a comprehensive corporate interest risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

32.1.1 Gearing ratio

The gearing ratio at end of the reporting period is as follows.

Particulars	As at	
	March 31, 2022	March 31, 2021
Borrowings from banks*	1,396.30	1,027.02
Less: Cash and bank balances	(1,218.08)	(341.76)
Net debt	**178.22**	**685.26**
Total equity	771.12	376.52
Net debt to equity	**23%**	**182%**

* Includes current, non-current and current maturities of non-current borrowings from banks (refer note 14)

32.1.2 : Financial Instruments by category

Particulars	Carrying value as at	
	March 31, 2022	March 31, 2021
Financial assets:		
Amortised cost		
Trade receivables	1,523.25	2,263.83
Cash and cash equivalents	768.59	146.69
Other bank balances	449.49	195.07
Other financial assets	61.13	77.13
Fair value through other comprehensive income		
Investments in other equity instruments (unquoted)	3.22	3.22
Total financial assets	**2,805.68**	**2,685.94**
Financial liabilities:		
Amortised cost		
Borrowings*	2,931.93	2,337.65
Trade payables	1,924.85	1,900.25
Lease liabilities	436.90	452.54
Other financial liabilities	154.43	99.42
Total financial liabilities	**5,448.11**	**4,789.86**

* Includes current, non-current and current maturities of non-current borrowings from banks (refer note 14)

The management assessed that fair value of cash and cash equivalents and other bank balances, trade receivables, other financial assets, loans and deposits, trade payables, borrowings, lease liabilities and other financial liabilities 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.

32.2 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk and interest rate 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 rupee 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 rupee appreciates/ depreciates against these currencies. The Company monitors and manages its financial risks by analysing its foreign exchange exposures.

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Sensitivity analysis:

For the year ended March 31, 2022, every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact by ₹ 29.25 (for year ended March 31, 2021: ₹ 43.04).

Interest Risk

There is no material interest risk relating to the Company's financial liabilities which are detailed in note 14.

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. 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 and impairment that represents its estimate of expected losses in respect of trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

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

Particulars	As at	
	March 31, 2022	March 31, 2021
Receivable from top 5 customers	79%	72%
Others	21%	28%

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31 March 2022 and 31 March 2021, the Company had unutilized credit limits from banks of ₹ 427.94 & ₹ 588.37 respectively.

The Company had working capital of ₹ 761.66 (March 31, 2021: ₹ (462.10), including cash and bank balances of ₹ 1218.08 (March 31, 2021: ₹ 341.76)

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

Particulars	Less than 1 year	1-2 years	2 years and more
Trade payables	1,924.85	-	-
Other financial liabilities	6.99	-	-
Total	**1,931.84**	**-**	**-**

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding borrowings and lease liabilities) as at March 31, 2021:

Particulars	Less than 1 year	1-2 years	2 years and more
Trade and other payables	1,900.25	-	-
Other financial liabilities	28.17	-	-
Total	1,928.42	-	-

The Company's obligation towards payment of borrowings has been included in note 14 and 15.

The Company's obligation towards payment of lease liabilities has been included in note 3B.

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33. Segment information

The Company's operations fall within a single operating segment "Electronic manufacturing solutions" which is considered as the primary reportable business segment.

The reporting of geographical segments is based on the location of customers i.e., Domestic (Within India) and Overseas (Outside India).

Geographical segment information

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from operations	3,964.10	3,241.23	7,205.33	3,985.09	2,295.19	6,280.28
Non-current assets*	1,764.13	-	1,764.13	1,914.99	-	1,914.99

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

Information about major customers

Particulars	For year ended			
	31-Mar-22	Percentage	31-Mar-21	Percentage
Revenue from top customers (*)	3,527.80	48.96%	2,795.09	44.51%
Others	3,677.53	51.04%	3,485.19	55.49%
Total Revenue	**7,205.33**	**100.00%**	**6,280.28**	**100.00%**

* Includes revenue from customers individually amounting to 10% or more of the Company's revenues.

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

Particulars	As at	
	31-Mar-22	31-Mar-21
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	32.06	60.60
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

35. Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reasons
Current ratio	Current Assets	Current Liabilities	1.15	0.91	26.74%	Note 1 (a)
Debt- Equity Ratio	Total Debt	Shareholder's Equity	4.37	7.41	-41.05%	Note 1 (b)
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non cash operating expenses+Finance costs	Debt service = Interest & Lease Payments + Principal Repayments	0.36	0.23	59.56%	Note 1 (b)
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.69	0.37	85.96%	Note 1 (b)
Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.61	2.53	3.36%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	3.81	4.47	-14.88%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.44	2.90	18.48%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	9.46	(13.59)	-169.61%	Note 1 (c)
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.06	0.02	193.60%	Note 1 (b)
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt*	0.18	0.11	52.93%	Note 1 (b)
Return on Investment#	Interest (Finance Income)	Average Investment	-	-	-	

The Company does not have any income generated on investments.
*Debt represents lease liabilities.

Note 1 : Improvement in ratio is due to:
a. Higher efficiency resulting in improved working capital
b. Increased earnings on account of overall business growth and increase in overall margins
c. Revenue growth along with higher efficiency on working capital improvements

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36. Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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

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

Accompanying notes form an integral part of the financial statements

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

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Shankar Srinivasan
Partner
Membership No.: 213271

Place: Hyderabad
Date: April 20, 2022

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

Ajay Aggarwal
Director
(DIN - 02565242)

Rajendra Velagapudi
Managing Director & CEO
(DIN - 06507627)

Parvati K R

Parvati K R
Company Secretary
(M.No. - A23584)

Place: Hyderabad
Date: April 20, 2022

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