

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Cyient DLM Limited (Previously know as Cyient DLM Private Limited)

### Report on the Audit of Interim Financial Statements

#### Opinion

We have audited the accompanying interim financial statements of Cyient DLM Private Limited ("the Company"), which comprise the interim Balance Sheet as at September 30, 2022, the interim Statement of Profit and Loss, including other comprehensive income, interim Cash Flow Statement and the interim Statement of Changes in Equity for the six-months period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Interim Financial Statements").

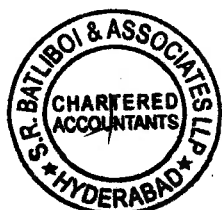
In our opinion and to the best of our information and according to the explanations given to us, the accompanying Interim Financial Statements have been prepared, in all material respects, in accordance with the requirements of Indian Accounting Standard 34 specified under section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

#### Basis for Opinion

We conducted our audit of the Interim 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 Interim Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 Interim Financial Statements.

#### Responsibilities of Management for the Interim Financial Statements

The Company's Board of Directors is responsible for the preparation of these Interim Financial Statements in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) 34 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Interim Financial Statements that are free from material misstatement, whether due to fraud or error.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

In preparing the Interim Financial Statements, Board of Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Interim Financial Statements**

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

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.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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.

## **Other matters – comparative financial information**

The corresponding financial information for the six months period ended September 30, 2021 presented in the accompanying Interim Financial Statements have not been subjected to an audit or independent review by a firm of chartered accountants and is certified by management.

The financial statements of the Company for the year ended March 31, 2022, included in these accompanying Interim Financial Statements, have been audited by us and we expressed an unmodified opinion on those statements on April 20, 2022.

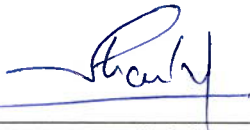
## **Other matter - restriction of use**

This report on the accompanying Interim Financial Statements has been issued solely for the information and use of the Board of Directors in connection with offer document, to be prepared by the Company for its proposed Initial Public Offer of equity shares (the 'Public Issue'). Accordingly, this report should not be used, referred to or distributed for any other purpose.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Shankar Srinivasan**  
Partner

Membership Number: 213271

UDIN: 23213271BGSEEI6649



Place of Signature: Hyderabad

Date: January 5, 2023

**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**

(CIN No.: U31909TG1993PLC141346)

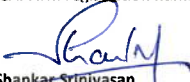
**Interim Balance Sheet as at September 30, 2022**

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

Particulars	Notes	As at September 30, 2022	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	1,251.98	1,294.83
Right of use assets	3B	364.07	382.86
Capital work-in-progress	3C	0.92	33.91
Goodwill	4	30.30	30.30
Other intangible assets	5	19.83	14.12
<b>Financial assets</b>			
(a) Investments	6	895.22	3.22
(b) Other financial assets	7	33.80	38.80
Deferred tax assets (net)	17.2	33.12	38.98
Income tax assets	17.3	5.03	5.03
Other non-current assets	8	4.74	8.11
<b>Total non-current assets</b>		<b>2,639.01</b>	<b>1,850.16</b>
<b>Current assets</b>			
Inventories	9	3,953.29	2,695.62
<b>Financial assets</b>			
(a) Trade receivables	10	1,507.61	1,523.25
(b) Cash and cash equivalents	11A	818.08	768.59
(c) Other bank balances	11B	449.86	449.49
(d) Other financial assets	7	36.60	22.33
Other current assets	8	598.29	459.70
<b>Total current assets</b>		<b>7,363.73</b>	<b>5,918.98</b>
<b>Total assets</b>		<b>10,002.74</b>	<b>7,769.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	12	29.37	13.67
Other equity	13	1,763.85	757.45
<b>Total equity</b>		<b>1,793.22</b>	<b>771.12</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(a) Borrowings	14	871.18	995.63
(b) Lease liabilities	3B	348.30	377.19
(c) Other financial liabilities	15	123.31	113.10
Provisions	16	69.21	59.61
Other non-current liabilities	18	260.83	260.83
<b>Total non-current liabilities</b>		<b>1,672.83</b>	<b>1,806.36</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(a) Borrowings	14	2,210.32	1,936.30
(b) Lease liabilities	3B	58.77	59.71
(c) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	19	29.96	32.06
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	2,477.18	1,892.79
(d) Other financial liabilities	15	68.23	41.33
Income tax liabilities (net)	17.3	91.56	60.63
Provisions	16	7.95	13.36
Other current liabilities	18	1,592.72	1,155.48
<b>Total current liabilities</b>		<b>6,536.69</b>	<b>5,191.66</b>
<b>Total liabilities</b>		<b>8,209.52</b>	<b>6,998.02</b>
<b>Total equity and liabilities</b>		<b>10,002.74</b>	<b>7,769.14</b>
<b>Corporate information and significant accounting policies</b>			
1 & 2			

Accompanying notes form an integral part of the financial statements  
As per our report of even date

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

  
Shankar Srinivasan  
Partner  
Membership No.: 213271



Place: Hyderabad  
Date: January 05, 2023

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

  
Krishna Bodanapu  
Non - Executive Chairman  
(DIN - 00605187)

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

Place: Hyderabad  
Date: January 05, 2023

  
Rajendra Velagapudi  
Managing Director  
(DIN - 06507627)

  
Shrinivas Kulkarni  
Chief Financial Officer

Place: Hyderabad  
Date: January 05, 2023



**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**  
**(CIN No.: U31909TG1993PLC141346)**  
**Interim Statement of Profit and Loss for the period ended September 30, 2022**  
 (All amounts in ₹ millions, except share and per share data and where otherwise stated)


Particulars	Notes	For the Period ended September 30, 2022	For the Period ended September 30, 2021
<b>INCOME</b>			
Revenue from operations	20	3,402.70	3,399.67
Other income	21	78.08	25.65
<b>Total income</b>		<b>3,480.78</b>	<b>3,425.32</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	2,594.31	2,596.82
Changes in inventories of finished goods and work-in-progress	23	52.77	(34.69)
Employee benefits expense	24	239.35	252.62
Finance costs	25	144.80	94.60
Depreciation and amortisation expense	26	98.93	100.02
Other expenses	27	163.92	204.37
<b>Total expenses</b>		<b>3,294.08</b>	<b>3,213.74</b>
<b>Profit before tax</b>		<b>186.70</b>	<b>211.58</b>
<b>Tax expense</b>			
(a) Current tax	17.1 (A)	46.37	55.11
(b) Deferred tax	17.1 (A)	6.11	(3.69)
<b>Total tax expense</b>		<b>52.48</b>	<b>51.42</b>
<b>Profit for the period</b>		<b>134.22</b>	<b>160.16</b>
<b>Other comprehensive income (OCI)</b>			
Items that will not be reclassified subsequently to statement of profit or loss:			
(i) Remeasurement gain/(losses) of net defined benefit liability	29	(0.99)	(4.47)
(ii) Income tax relating to items that will not be reclassified to profit or loss	17.1 (B)	0.25	1.12
<b>Total other comprehensive income for the period, net of tax</b>		<b>(0.74)</b>	<b>(3.35)</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>133.48</b>	<b>156.81</b>
<b>Earnings per equity share (par value of ₹ 10 each)</b>			
Basic and diluted (₹)*	31	4.61	6.51
Corporate information and significant accounting policies	1 & 2		

Accompanying notes form an integral part of the financial statements

\* EPS for the period ended Sep 2022 and Sep 2021 is not annualised. Also, refer note 31 for adjustment made towards bonus issue.

As per our report of even date


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

  
**Shankar Srinivasan**  
 Partner  
 Membership No.: 213271



Place: Hyderabad  
 Date: January 05, 2023

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

  
**Krishna Bodanapu**  
 Non - Executive Chairman  
 (DIN - 00605187)

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

Place: Hyderabad  
 Date: January 05, 2023

  
**Rajendra Velagapudi**  
 Managing Director  
 (DIN - 06507627)

  
**Shrinivas Kulkarni**  
 Chief Financial Officer

Place: Hyderabad  
 Date: January 05, 2023




Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)  
(CIN No.: U31909TG1993PLC141346)  
Interim Cash Flow Statement for the period ended September 30, 2022  
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	For the Period ended	
	September 30, 2022	September 30, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the period	134.22	160.16
Adjustments for:		
Tax expense	52.48	51.42
Depreciation and amortisation expense	98.93	100.02
Profit on sale of Plant, Property and Equipment (net)	-	0.94
Net unrealised exchange (gain)/loss	(32.60)	29.06
Finance costs	132.59	94.60
Interest income	(9.53)	(4.52)
Expected credit loss allowance, net	1.64	19.75
<b>Operating profit before working capital changes</b>	<b>377.73</b>	<b>451.43</b>
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	30.84	436.58
Inventories	(1,257.67)	(293.53)
Other assets and other financial assets	(137.19)	(324.47)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	574.85	322.75
Provisions and other liabilities	470.38	(155.81)
<b>Cash generated from operations</b>	<b>58.94</b>	<b>436.95</b>
Income taxes received/(paid), net	(15.44)	(25.50)
<b>Net cash flow from operating activities (A)</b>	<b>43.50</b>	<b>411.45</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Equity Shares of ICS	(892.00)	-
Payment towards purchase of property, plant and equipment and intangible assets	(11.86)	(42.75)
Proceeds from sale of property, plant and equipment	-	-
Investment in deposits	(1,580.87)	-
Proceeds from maturity/ withdrawal of Deposits	1,580.50	-
Interest received	1.04	0.07
<b>Net cash flow used in investing activities (B)</b>	<b>(903.19)</b>	<b>(42.68)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Right Shares	888.62	-
Proceeds from current borrowings	1,425.02	417.61
Repayments of current borrowings	(1,252.25)	(326.71)
Repayment of lease liabilities (including interest)	(49.83)	(43.63)
Interest paid	(102.38)	(38.46)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>909.18</b>	<b>8.81</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>49.49</b>	<b>377.58</b>
Cash and cash equivalents at the beginning of the period	768.59	146.69
<b>Cash and cash equivalents at the end of the period (refer note (i) below)</b>	<b>818.08</b>	<b>524.27</b>
<b>Notes :</b>		
<b>(i) Cash and cash equivalents comprises of: (refer note 11A)</b>		
Balances with banks		
in current accounts	765.17	475.16
Remittances in transit	52.89	49.01
Cash on hand	0.02	0.10
	<b>818.08</b>	<b>524.27</b>

Accompanying notes form an integral part of the financial statements  
As per our report of even date


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


  
Shankar Srinivasan  
Partner  
Membership No.: 213271



Place: Hyderabad  
Date: January 05, 2023

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

  
Krishna Godanapu  
Non - Executive Chairman  
(DIN - 00605187)

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

Place: Hyderabad  
Date: January 05, 2023

  
Rajendra Velagapudi  
Managing Director  
(DIN - 06507627)

  
Shrinivas Kulkarni  
Chief Financial Officer

Place: Hyderabad  
Date: January 05, 2023



**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**  
**(CIN No.: U31909TG1993PLC141346)**  
**Interim Statement of changes in equity for the period ended September 30, 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, 2021	12	1,367,000	13.67
Balance as at Sept 30, 2021	12	1,367,000	13.67
Balance as at March 31, 2022	12	1,367,000	13.67
Add: Issue of equity shares during the period	12	1,570,000	15.70
<b>Balance as at September 30, 2022</b>	12	<b>2,937,000</b>	<b>29.37</b>

During the six month period ended September 30, 2022, the Company has allotted 1,570,000 fully paid-up equity shares of face value of ₹ 10/- each at issue price of ₹ 566 per share on September 09, 2022, pursuant to rights issue. (Refer Note 12,38 for details)

**B. Other Equity**

Particulars	Note	Reserves and Surplus			Total
		Securities premium	General reserve	Retained earnings	
Balance as at April 1, 2021		92.09	3.72	267.04	362.85
Profit for the period	13	-	-	160.16	160.16
Other comprehensive Income	13	-	-	(3.35)	(3.35)
<b>Balance as at Sept 30, 2021</b>		<b>92.09</b>	<b>3.72</b>	<b>423.85</b>	<b>519.66</b>
Profit for the period	13	-	-	237.79	237.79
Other comprehensive Income	13	-	-	-	-
<b>Balance as at March 31, 2022</b>		<b>92.09</b>	<b>3.72</b>	<b>661.64</b>	<b>757.45</b>
Profit for the period	13	-	-	134.22	134.22
Other comprehensive Income	13	-	-	(0.74)	(0.74)
Right issue of shares	12	872.92	-	-	872.92
<b>Balance as at September 30, 2022</b>		<b>965.01</b>	<b>3.72</b>	<b>795.12</b>	<b>1,763.85</b>

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



Place: Hyderabad  
Date: January 05, 2023

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

  
**Krishna Bodanapu**  
Non - Executive Chairman  
(DIN - 00605187)

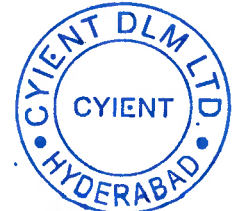
  
**Parvati K R**  
Company Secretary  
(M.No. - A23584)

Place: Hyderabad  
Date: January 05, 2023

  
**Rajendra Velagapudi**  
Managing Director  
(DIN - 06507627)

  
**Shrinivas Kulkarni**  
Chief Financial Officer

Place: Hyderabad  
Date: January 05, 2023



## Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)

CIN No.: U31909TG1993PTC141346

### Notes to interim financial statements for the period ended September 30, 2022

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

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#### 1. Corporate information:

Cyient DLM Limited (formerly known as 'Cyient DLM Private Limited') (the 'Company') is a public 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 Units Layout, Infocity, Madhapur, 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.

#### 2. Significant accounting policies

##### 2.1 Basis of preparation & presentation:

These interim financial statements for the six months period ended September 30, 2022 which comprise the interim Balance Sheet as at September 30, 2022, the interim Statement of Profit and Loss, including other comprehensive income, interim Cash Flow Statement and the interim Statement of Changes in Equity for the six-months period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Interim Financial Statements") have been prepared in accordance with IND AS 34 "Interim Financial Reporting" as amended by the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter notified under section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act. The interim financial statements are presented in Indian Rupees (Rs.) in million and have been prepared by the Company for the purpose of its proposed Initial Public Offer and Offer For Sale of equity shares (the 'Public Issue'). The Company has prepared these Restated Summary Statement on the basis that it will continue to operate as a going concern. The interim financial statements were approved for issue by the Company's Board of Directors on January 05, 2023

The Company is preparing complete set of financial statements. The corresponding financial information for the six months period ended 30 September 2021 presented in the accompanying Interim Financial Statements have not been subjected to an audit or independent review by a firm of chartered accountants and is certified by management and not included in Restated Summary Statement.

These Interim 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 Interim Financial Statements are presented in INR, and all values are rounded to the nearest millions, except when otherwise indicated.

##### 2.2 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





**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**

**CIN No.: U31909TG1993PTC141346**

**Notes to interim financial statements for the period ended September 30, 2022**

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

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All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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 Significant accounting judgement, estimates and assumptions:**

The preparation of Interim Financial Statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenue, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **Judgements**

In the process of applying the Company accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

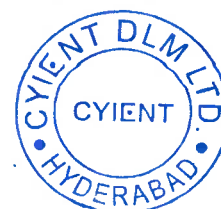
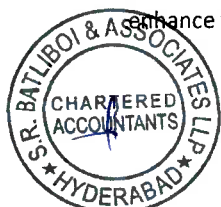
- Determining the lease term of contracts with renewal and termination options – Company as lessee
- The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

#### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Interim Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount



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rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company. Refer Note 4 of Interim Financial Statements for details on impairment evaluation of goodwill.

- **Provision for expected credit losses of trade receivables and contract assets**

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.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Refer note 10 of Interim Financial Statements for details on ECL.

- **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 17 of Interim Financial Statements for details on Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used.

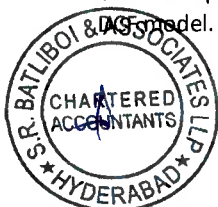
- **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 29 of Interim Financial Statements for Measurement of defined benefit obligations, key actuarial assumptions. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the



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The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 32 for of Interim Financial Statements for further details.

### **2.4 Goodwill**

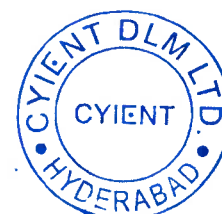
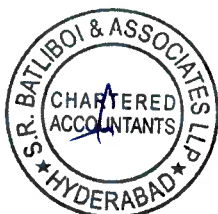
Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.



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### 2.5 Foreign currency translation

#### Functional and presentation currency

The Interim Financial Statements are presented in Indian rupees, which is the functional and presentation currency of the Company.

#### Transactions and balances

In preparing the Interim 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.

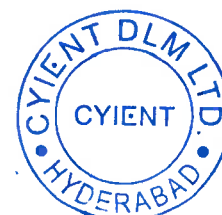
### 2.6 Property, plant and equipment

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 accumulated 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 of the Company	As per Schedule II of Act
Buildings	Refer Note 1 below	
Plant & Machinery	5-15 Years (refer note 2 below)	15 years
Tools & Equipment	5 Years (refer note 3 below)	10 years
Furniture & Fixtures	10 Years	10 years
Electrical Installations	10 Years	10 Years
Vehicles	10 Years	10 Years
Computers	3 Years	3 Years
Office Equipment	5 Years	5 Years



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**Notes:**

1. Buildings constructed over leasehold land are depreciated over remaining lease term of land or life as specified under Schedule II of the Act, whichever is lower
2. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of Plant & Machinery and Tools & Equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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.

On transition to Ind AS (i.e. 1 April 2016), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

**2.7 Intangible assets**

Intangible assets are stated at cost less accumulated amortization and accumulated 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

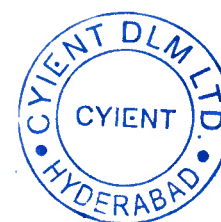
An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in 'other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

On transition to Ind AS (i.e. 1 April 2016), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

**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.



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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 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.

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.



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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 Interim 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.

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.

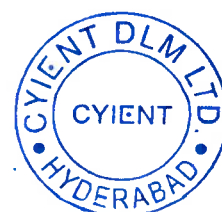
**2.10 Inventories:**

Inventories are valued 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.



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(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) after tax is adjusted for the effects of transaction of taxes, non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 2.12 Provisions and contingent liabilities

#### 2.12.1 Provisions

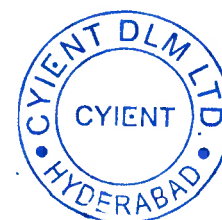
Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

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 liability is disclosed for all possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company (or) present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are not recognized in the Interim Financial Statements but discloses its existence in the Restated Consolidated Summary Statements unless the probability of outflow of resources is remote. A contingent asset is neither recognized nor disclosed in the Interim Financial Statements.





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**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 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.

**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.



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### **Post-employment obligations:**

#### **Defined contribution plans:**

Contributions in respect of Employees Provident 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.

#### **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 providing total electronic manufacturing solutions single operating segment "Total electronic manufacturing solutions" which is considered as the primary business segment.



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**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.

**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

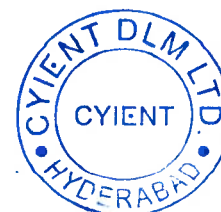
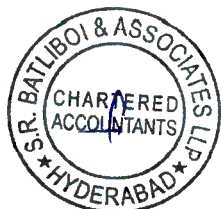
**Classification of financial assets:**

**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.



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**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.

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.

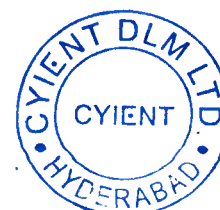
However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects 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.



**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**

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

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 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**

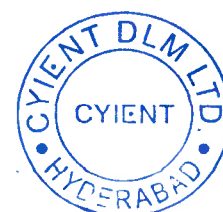
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

**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 Interim 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.



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

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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 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.

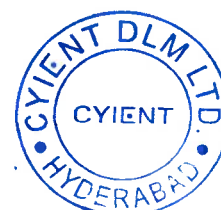
For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the Company uses a provision matrix to determine impairment 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.



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

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**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**

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:

**(i) 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.

**(ii) 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.



**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**  
**Notes forming part of the Interim financial statements for the period ended September 2022**  
 (All amounts in ₹ millions, except share and per share data and where otherwise stated)

**3A. Property, plant and equipment**

Particulars	As at	
	September 30, 2022	March 31, 2022
<b>Carrying amount of:</b>		
Buildings	773.62	797.34
Computers	24.41	27.77
Plant and equipment	329.88	352.67
Office equipment	12.74	8.22
Furniture and fixtures	59.47	62.37
Electrical installations	14.45	15.66
Vehicles	0.01	0.01
Tools and equipment	37.40	30.79
<b>Total</b>	<b>1,251.98</b>	<b>1,294.83</b>

**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
<b>I. Gross carrying value</b>									
Balance as at April 1, 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	2.90	-	6.47	48.69
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	40.44	0.27	125.68	2,177.75
Additions	0.89	4.65	5.68	6.22	2.59	0.03	-	12.26	32.32
Disposals	-	-	-	-	-	-	-	-	-
Balance as at September 30, 2022	902.35	96.76	850.99	34.41	146.88	40.47	0.27	137.94	2,210.07
<b>II. Accumulated depreciation</b>									
Balance as at April 1, 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)	-	-	(0.02)	(3.00)
Balance as at March 31, 2022	104.12	64.34	492.64	19.97	81.92	24.78	0.26	94.89	882.92
Depreciation for the period	24.51	8.01	28.47	1.70	5.49	1.24	-	5.65	75.17
Disposals	-	-	-	-	-	-	-	-	-
Balance as at September 30, 2022	128.73	72.35	521.11	21.67	87.41	26.02	0.26	100.54	958.09
<b>III. Carrying Amounts (I-II)</b>									
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
Balance as at September 30, 2022	773.62	24.41	329.88	12.74	59.47	14.45	0.01	37.40	1,251.98





3B. Leases

(a) Right of use assets:

Particulars	Leasehold land	Buildings	Total
Balance as at April 1, 2021	383.08	37.03	420.11
Additions	-	-	-
Deletions	-	-	-
Depreciation (refer note 26)	(22.21)	(15.04)	(37.25)
Balance as at March 31, 2022	360.87	21.99	382.86
Additions	-	-	-
Deletions	-	-	-
Depreciation (refer note 26)	(11.26)	(7.53)	(18.79)
Balance as at September 30, 2022	349.61	14.46	364.07

b) Current and non-current lease liabilities:

Particulars	As at September 30, 2022	As at March 31, 2022
Current lease liabilities	58.77	59.71
Non-current lease liabilities	348.30	377.19
Total	407.07	436.90

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

Particulars	As at September 30, 2022	As at March 31, 2022
Balance at the beginning of the period	436.90	452.40
Additions	-	-
Deletions	-	-
Finance cost accrued during the period (refer note 25)	20.00	41.32
Finance cost transferred to CWIP	-	-
Payment of lease liabilities	(49.83)	(56.96)
Balance at the end of the period	407.07	436.90

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

Particulars	As at September 30, 2022	As at March 31, 2022
Less than one year	58.36	62.11
One to five years	174.30	177.50
More than five years	561.29	604.18
Total	793.96	843.79

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.

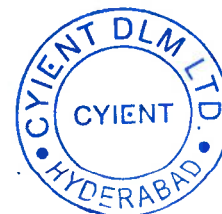
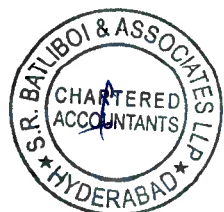
3C. Capital work-in-progress

(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 September 30, 2022					
Projects in progress	0.92	-	-	-	0.92
Total	0.92	-	-	-	0.92
Balance as at March 31, 2022					
Projects in progress	20.52	7.67	5.72	-	33.91
Total	20.52	7.67	5.72	-	33.91

Note 1: The amount of borrowing costs capitalised during the period / year ended September 30, 2022 is ₹ Nil, March 31, 2022 is ₹ Nil. The rate used to determine the amount of borrowing costs eligible for capitalisation was 10% p.a., which is the effective interest rate of the specific borrowing.

Note 2: Projects in progress are not overdue and not exceeded the cost.



**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**

**Notes forming part of the Interim financial statements for the period ended September 2022**

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

**4. Goodwill**

Particulars	As at	
	September 30, 2022	March 31, 2022
Balance at beginning of period	30.30	30.30
<b>Balance at end of the period*</b>	<b>30.30</b>	<b>30.30</b>

\*Represents Goodwill acquired on acquisition of Techno Tools, which is tested for impairment on an annual basis. The estimated value-in-use is based on future cash flows (discounted @ 14% (post tax)) for a 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 Goodwill would decrease below its carrying amount.

**5. Other intangible assets**

Particulars	As at	
	September 30, 2022	March 31, 2022
<b>Carrying amount of:</b>		
Computer software	19.83	14.12
<b>Total</b>	<b>19.83</b>	<b>14.12</b>
Movement in the carrying amount of intangible assets is as below:		
Particulars	Computer software	Total
<b>I. Gross carrying value</b>		
<b>Balance as at April 1, 2021</b>	<b>91.59</b>	<b>91.59</b>
Additions	16.15	16.15
Disposals	-	-
<b>Balance as at March 31, 2022</b>	<b>107.74</b>	<b>107.74</b>
Additions	10.68	10.68
Disposals	-	-
<b>Balance as at September 30, 2022</b>	<b>118.42</b>	<b>118.42</b>
<b>II. Accumulated amortisation</b>		
<b>Balance as at April 1, 2021</b>	<b>86.65</b>	<b>86.65</b>
Amortisation for the year	6.97	6.97
Disposals	-	-
<b>Balance as at March 31, 2022</b>	<b>93.62</b>	<b>93.62</b>
Amortisation for the period	4.97	4.97
Disposals	-	-
<b>Balance as at September 30, 2022</b>	<b>98.59</b>	<b>98.59</b>
<b>III. Carrying amounts (I-II)</b>		
<b>Balance as at March 31, 2022</b>	<b>14.12</b>	<b>14.12</b>
<b>Balance as at September 30, 2022</b>	<b>19.83</b>	<b>19.83</b>

**6. Investments**

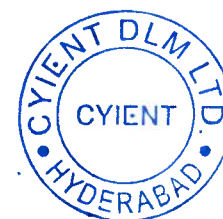
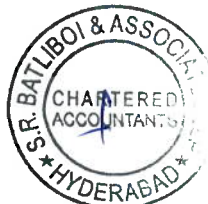
Particulars	As at	
	September 30, 2022	March 31, 2022
<b>Investments carried at fair value through other comprehensive income (unquoted), Full paid</b>		
Equity instruments of other entities (Unquoted)	892.00	-
Equity instruments in Mysore ESDM Cluster	3.22	3.22
<b>Total</b>	<b>895.22</b>	<b>3.22</b>

Note a) Details of investments

Particulars	As at September 30, 2022		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity instruments of other entities (unquoted)</b>				
Mysore ESDM Cluster	3,193,237	3.22	3,193,237	3.22
Innovation Communications Systems Private Limited	2,342,869	892.00	-	-

Note (b): Carrying value of investments:

Particulars	As at	
	September 30, 2022	March 31, 2022
Aggregate amount of Investments carried at fair value through other comprehensive income	895.22	3.22



**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**

**Notes forming part of the Interim financial statements for the period ended September 2022**

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

**7. Other financial assets**

Particulars	As at	
	September 30, 2022	March 31, 2022
<b>Non-current (at amortised cost)</b>		
<b>Unsecured, considered good</b>		
Security deposits	33.80	38.80
<b>Total</b>	<b>33.80</b>	<b>38.80</b>
<b>Current (at amortised cost)</b>		
<b>Unsecured, considered good</b>		
Security deposits	5.00	-
Interest accrued on deposit accounts	29.68	21.19
Advance to employees	1.92	1.14
<b>Total</b>	<b>36.60</b>	<b>22.33</b>
<b>Total other financial assets</b>	<b>70.40</b>	<b>61.13</b>

**8. Other assets**

Particulars	As at	
	September 30, 2022	March 31, 2022
<b>Non-current :</b>		
Capital advances	4.16	5.35
Prepaid expenses	0.58	2.76
<b>Total</b>	<b>4.74</b>	<b>8.11</b>
<b>Current :</b>		
Prepaid expenses	41.60	20.76
Advance to suppliers	284.16	277.87
Balances with government authorities	263.72	134.65
Deferred contract costs	2.06	14.53
Other current assets	6.75	11.89
<b>Total</b>	<b>598.29</b>	<b>459.70</b>
<b>Total other assets</b>	<b>603.03</b>	<b>467.81</b>

**9. Inventories**

Particulars	As at	
	September 30, 2022	March 31, 2022
Raw materials	3,539.27	2,219.90
Work-in-progress	207.35	291.94
Finished goods	185.81	153.99
Consumables & stores	20.86	29.79
<b>Total</b>	<b>3,953.29</b>	<b>2,695.62</b>



**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**  
**Notes forming part of the Interim financial statements for the period ended September 2022**  
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

**10. Trade receivables**

Particulars	As at	
	September 30, 2022	March 31, 2022
<b>Trade receivables</b>		
Unsecured, considered good*	1,580.97	1,599.78
Less: Allowance for expected credit loss	(73.36)	(76.53)
	<b>1,507.61</b>	<b>1,523.25</b>
Trade receivables - credit impaired - unsecured	45.71	47.47
Less: Allowance for credit impairment	(45.71)	(47.47)
<b>Total</b>	<b>1,507.61</b>	<b>1,523.25</b>

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

**Note:**

**Expected Credit Loss (ECL):**

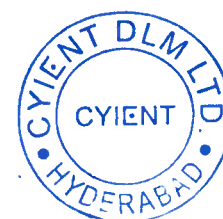
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal 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 September 30, 2022						Total
	Not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 year	
<b>Undisputed Trade Receivables</b>							
Considered good	1,159.86	347.12	38.25	15.79	6.13	13.82	1,580.97
<b>Disputed Trade Receivables</b>							
Credit impaired	-	-	-	-	-	45.71	45.71
<b>Total</b>	<b>1,159.86</b>	<b>347.12</b>	<b>38.25</b>	<b>15.79</b>	<b>6.13</b>	<b>59.53</b>	<b>1,626.68</b>
Less : Allowance for credit impairment and expected credit loss							(119.07)
<b>Balance at the end of the period</b>							<b>1,507.61</b>

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

Movement in the expected credit loss allowance	As at	
	September 30, 2022	March 31, 2022
Balance at the beginning of the year	124.00	137.15
Provision made during the year (refer note 27)	18.00	20.67
Reversal of provision on account of collection (refer note 27)	(22.93)	(33.82)
<b>Balance at the end of the year</b>	<b>119.07</b>	<b>124.00</b>



Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)

Notes forming part of the Interim financial statements for the period ended September 2022

(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	
	September 30, 2022	March 31, 2022
Balances with banks		
in current accounts	765.17	707.29
Cash on hand	0.02	0.01
Remittances in transit	52.89	61.29
<b>Total</b>	<b>818.08</b>	<b>768.59</b>

**11B. Other bank balances**

Particulars	As at	
	September 30, 2022	March 31, 2022
Deposits held as margin money/security for bank guarantees	449.86	449.49
<b>Total</b>	<b>449.86</b>	<b>449.49</b>

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 :

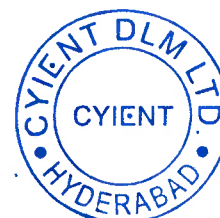
Reconciliation of liabilities arising from financing activities:

For the Period ended September 30, 2022 :

Particulars	As at March 31, 2022	New Leases	Proceeds	Repayment	Foreign exchange	As at September 30, 2022
Non-current borrowings (including current portion)	995.63	-	-	-	-	995.63
Current borrowings (net)	1,936.30	-	1,425.02	(1,252.25)	(23.20)	2,085.87
Lease liabilities	436.90	20.00	-	(49.83)	-	407.07
<b>Total liabilities from financing activities</b>	<b>3,368.83</b>	<b>20.00</b>	<b>1,425.02</b>	<b>(1,302.08)</b>	<b>(23.20)</b>	<b>3,488.57</b>

For the year end March 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
<b>Total liabilities from financing activities</b>	<b>2,790.19</b>	<b>41.32</b>	<b>2,551.91</b>	<b>(2,018.14)</b>	<b>3.55</b>	<b>3,368.83</b>



**12. Equity share capital**

Particulars	As at	
	September 30, 2022	March 31, 2022
<b>Authorised share capital:</b>		
10,000,000 equity shares of ₹ 10 each (March 31, 2022 :	100.00	47.50
<b>Issued and subscribed capital:</b>		
2,937,000 fully paid up equity shares of ₹ 10 each (March 31, 2022: 1,367,000)	29.37	13.67
<b>Total</b>	<b>29.37</b>	<b>13.67</b>

During the six month period ended September 30, 2022, the Company has allotted 1,570,000 fully paid-up equity shares of face value of ₹ 10/- each at issue price of ₹ 566 per share on September 09, 2022, pursuant to rights issue. Consequent to the aforesaid allotment, the paid-up share capital of the Company has increased to 2,937,000 equity shares of face value of ₹ 10/- each fully paid- up. Further, the Company has neither issued any shares with differential voting rights nor issued any sweat equity shares during the six month period ended September 30, 2022.

Note:

**(A) Reconciliation of the number of shares outstanding:**

Particulars	As at September 30, 2022		As at March 31, 2022	
	No of shares held	Amount	No of shares held	Amount
Balance as at beginning of the period/year	1,367,000	13.67	1,367,000	13.67
Add: Issue of shares in the current period/year	1,570,000	15.70	-	-
<b>Balance as at end of the period / year</b>	<b>2,937,000</b>	<b>29.37</b>	<b>1,367,000</b>	<b>13.67</b>

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

Name of the shareholder	As at September 30, 2022		As at March 31, 2022	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid up equity shares</b>				
Cyient Limited (Holding company)	2,937,000	100.00%	1,367,000	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	Number of shares			% of Holding of equity shares	% Change during the Year
	March 31, 2022	Change	September 30, 2022		
Cyient Limited (Holding company)	1,367,000	1,570,000	2,937,000	100.00%	115%

Name of the promoter	Number of shares			% of Holding of equity shares	% Change during the Year
	March 31, 2021	Change	March 31, 2022		
Cyient Limited (Holding company)	1,367,000	-	1,367,000	100.00%	0%

**(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	
	September 30, 2022	March 31, 2022
(a) General reserve	3.72	3.72
(b) Securities premium account		
(i) Opening balance	92.09	92.09
(ii) Premium on right issue of shares	872.92	-
<b>(iii) As at end of the period/ year</b>	<b>965.01</b>	<b>92.09</b>
(c) Retained earnings		
(i) Opening balance	661.64	267.04
(ii) Profit for the period/ year	134.22	397.95
(iii) Other comprehensive Income	(0.74)	(3.35)
<b>(v) As at end of the period/ year</b>	<b>795.12</b>	<b>661.64</b>
<b>Total</b>	<b>1,763.85</b>	<b>757.45</b>

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.

(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.



**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)****Notes forming part of the Interim financial statements for the period ended September 2022**

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

**14. Borrowings**

Particulars	As at	
	September 30, 2022	March 31, 2022
<b>Non-current- at amortised cost</b>		
<b>Unsecured</b>		
Term loan from related party (refer note 30)*	871.18	995.63
<b>Total</b>	<b>871.18</b>	<b>995.63</b>
<b>Current- at amortised cost</b>		
<b>Unsecured</b>		
Term Loan from related party - Current maturities of non-current borrowings	124.45	-
Working capital loan from related party (refer note 30)	540.00	540.00
<b>Secured</b>		
Working capital loans from banks	1,545.87	1,396.30
<b>Total</b>	<b>2,210.32</b>	<b>1,936.30</b>
<b>Total borrowings</b>	<b>3,081.50</b>	<b>2,931.93</b>

**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 installments starting from the June 2023 for each tranche. Outstanding balance of the term loan as at September 30, 2022 was ₹ 995.63, March 31, 2022 was ₹ 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 Sep 30, 2022 is ₹ 540.00 (ROI - 6.00% p.a.), Mar 31, 2022 is ₹ 540.00 (ROI - 6.00% p.a.). This loan is repayable on demand.

**c. Working capital loans from banks:**

i. The Company has availed working capital loans (repayable on demand) from various banks:

	September 30, 2022	March 31, 2022
<b>HDFC Bank</b>		
Loan outstanding	330.00	449.41
Range of interest	6.9% to 7.27%	6.00% to 8.15%
<b>State Bank of India</b>		
Loan outstanding	244.52	200.00
Range of interest	7.20% to 7.60%	6.8%
<b>Federal Bank</b>		
Loan outstanding	525.00	557.29
Range of interest	6.90% to 7.40%	6.00% to 7.00%
<b>Axis Bank</b>		
Loan outstanding	251.02	-
Range of interest	5.80% to 6.88%	-

ii. The Company has availed Packing credit facility from various banks:

	September 30, 2022	March 31, 2022
<b>HDFC Bank</b>		
Loan outstanding	195.33	189.60
Range of interest	4.15%-4.6%	1.6-1.9%

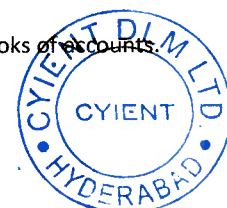
**Security terms for working capital loans from banks:**

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.



**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**

Notes forming part of the Interim financial statements for the period ended September 2022

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

**15. Other financial liabilities**

Particulars	As at	
	September 30, 2022	March 31, 2022
<b>Non-Current</b>		
Interest accrued but not due on borrowings*	123.31	113.10
<b>Total</b>	<b>123.31</b>	<b>113.10</b>
<b>Current</b>		
Capital creditors	3.95	6.99
Interest accrued but not due on borrowings*	64.28	34.34
<b>Total</b>	<b>68.23</b>	<b>41.33</b>

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

**16. Provisions**

Particulars	As at	
	September 30, 2022	March 31, 2022
Gratuity (refer note 29)	61.20	50.92
Compensated absences (refer note 29)	15.96	22.05
<b>Total provisions</b>	<b>77.16</b>	<b>72.97</b>
<b>Non-current:</b>		
Gratuity	55.35	40.28
Compensated absences	13.86	19.33
<b>Total</b>	<b>69.21</b>	<b>59.61</b>
<b>Current:</b>		
Gratuity	5.85	10.64
Compensated absences	2.10	2.72
<b>Total</b>	<b>7.95</b>	<b>13.36</b>





Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)  
Notes forming part of the Interim financial statements for the period ended September 2022  
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

17. Income taxes

17.1 Tax Expense

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

Particulars	For the Period ended September 30, 2022	For the Period ended September 30, 2021
<b>Current tax</b>		
In respect of current period	46.37	55.11
	<b>46.37</b>	<b>55.11</b>
<b>Deferred tax expense/(benefit):</b>		
In respect of the current period	6.11	(3.69)
	<b>6.11</b>	<b>(3.69)</b>
<b>Total</b>	<b>52.48</b>	<b>51.42</b>

Note: Presently, the Company has opted for the application of lower tax rate of 22% (excluding surcharge and cess thereon) under the provisions of section 115BAA of Income Tax Act, 1961.

B. Income tax benefit recognised in other comprehensive income

Particulars	For the Period ended September 30, 2022	For the Period ended September 30, 2021
<b>Income tax benefit recognised directly in equity consists of:</b>		
Tax effect on remeasurements of the net defined benefit liability	0.25	1.12
<b>Total</b>	<b>0.25</b>	<b>1.12</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	0.25	1.12
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 Period ended September 30, 2022	For the Period ended September 30, 2021
<b>Profit before tax</b>	<b>186.70</b>	<b>211.58</b>
Enacted rate in India	25.17%	25.17%
<b>Computed expected tax expense</b>	<b>46.99</b>	<b>53.25</b>
<b>Tax effect of adjustments to reconcile expected tax expense:</b>		
Deferred tax asset not recognised earlier/ (deferred tax liability reversing) during tax holiday period	-	-
Others	5.49	(1.83)
<b>Income tax expense</b>	<b>52.48</b>	<b>51.42</b>

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	
	September 30, 2022	March 31, 2022
<b>Deferred tax assets</b>		
Provision for doubtful debts	29.97	31.21
Section 43B disallowances	20.43	22.80
MAT Credit Entitlement	-	-
Right of use assets/lease liabilities (refer note 3B)	10.82	13.60
<b>Total (A)</b>	<b>61.22</b>	<b>67.61</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment & Intangible assets	(28.10)	(28.63)
<b>Total (B)</b>	<b>(28.10)</b>	<b>(28.63)</b>
<b>Deferred tax asset, net (A+B)</b>	<b>33.12</b>	<b>38.98</b>

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

Particulars	Property, plant and equipment and Intangible	Provision for employee benefits	Right of use assets/lease liabilities (refer note 3C)	Provision for doubtful debts	MAT credit entitlement	Total
<b>Balance as at April 1, 2021</b>	(24.05)	20.03	(4.15)	34.52	24.51	50.86
Recognised in P&L during the period	(7.10)	(4.52)	10.98	4.33	-	3.69
Recognised in OCI during the period	-	1.12	-	-	-	1.12
<b>Balance as at September 30, 2021</b>	<b>(31.15)</b>	<b>16.63</b>	<b>6.83</b>	<b>38.85</b>	<b>24.51</b>	<b>55.67</b>
<b>Balance as at March 31, 2022</b>	<b>(28.63)</b>	<b>22.80</b>	<b>13.60</b>	<b>31.21</b>	<b>-</b>	<b>38.98</b>
Recognised in P&L during the period	0.53	(2.62)	(2.78)	(1.24)	-	(6.11)
Recognised in OCI during the period	-	0.25	-	-	-	0.25
<b>Balance as at September 30, 2022</b>	<b>(28.10)</b>	<b>20.43</b>	<b>10.82</b>	<b>29.97</b>	<b>-</b>	<b>33.12</b>

17.3. Income tax assets and liabilities

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

Particulars	As at	
	September 30, 2022	March 31, 2022
<b>Income tax assets, net</b>		
Advances income taxes	5.03	5.03
<b>Income tax liabilities, net</b>		
Income tax payable	91.56	60.63



Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)  
Notes forming part of the Interim financial statements for the period ended September 2022  
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

**18. Other liabilities**

Particulars	As at	
	September 30, 2022	March 31, 2022
<b>Non-Current</b>		
Advance from customers	260.83	260.83
<b>Total</b>	<b>260.83</b>	<b>260.83</b>
<b>Current</b>		
Advance from customers	1,387.42	1,134.83
Unearned revenues	191.00	-
	7.88	7.57
Other current liabilities	6.42	13.08
<b>Total</b>	<b>1,592.72</b>	<b>1,155.48</b>

**19. Trade Payables**

Particulars	As at	
	September 30, 2022	March 31, 2021
<b>(at amortised cost)</b>		
(i) total outstanding dues of micro enterprises and small enterprises (MSME)	29.96	32.06
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,477.18	1,892.79
<b>Total</b>	<b>2,507.14</b>	<b>1,924.85</b>

\* 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 September 30, 2022						Total
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Dues to MSME	-	17.57	12.39	-	-	-	29.96
Dues to other than MSME	929.38	824.87	722.93	-	-	-	2,477.18
Disputed dues - Dues to MSME	-	-	-	-	-	-	-
Disputed dues - Dues to other than MSME	-	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>929.38</b>	<b>842.44</b>	<b>735.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,507.14</b>

Ageing for trade payable	As at March 31, 2022						Total
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
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	-	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>716.40</b>	<b>672.58</b>	<b>503.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,924.85</b>



**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**

**Notes forming part of the Interim financial statements for the period ended September 2022**

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

**20. Revenue from operations**

Particulars	For the Period ended September 30, 2022	For the Period ended September 30, 2021
Sale of goods	3,374.87	3,355.20
Rendering of services	27.83	44.47
<b>Total</b>	<b>3,402.70</b>	<b>3,399.67</b>

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

**1. Disaggregated revenue information**

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

Particulars	For the Period ended September 30, 2022	For the Period ended September 30, 2021
<b>Type of goods or service</b>		
Sale of printed circuit boards	3,374.87	3,399.67
Job work charges	27.83	44.47
<b>Total</b>	<b>3,402.70</b>	<b>3,444.14</b>
<b>Based on geographical location of customers</b>		
Within India	1,313.86	3,964.10
Outside India	2,088.84	(564.43)
<b>Total</b>	<b>3,402.70</b>	<b>3,399.67</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	3,374.87	3,399.67
Services transferred over time	27.83	44.47
<b>Total</b>	<b>3,402.70</b>	<b>3,444.14</b>

**2. Trade receivables and contract balances**

Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022
Trade receivables	1,507.61	1,523.25
Unearned revenue	191.00	-
Advance from customers	1,648.25	1,395.66
<b>Total</b>	<b>3,346.86</b>	<b>2,918.91</b>

The Company classifies the right to consideration in exchange for deliverables as trade receivable. A trade receivable is a right to consideration that is unconditional upon passage of time. Refer note 10 in Annexure V for details on expected credit loss.

**Contract Liabilities**

Advance from customers represents the amounts received from customers, which are adjusted against the future supplies against each customer order upon delivery. Unearned revenues represents invoicing in excess of revenue.

**Amount of revenue recognised from:**

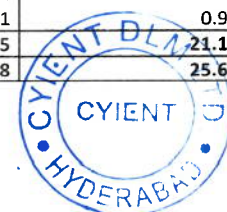
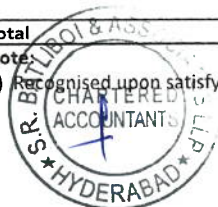
Particulars	For the period ended September 30, 2022	For the period ended September 30, 2021
Unearned revenue (Contract liabilities)	-	-
Advance from customers (Contract liabilities)	91.14	637.84

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 Period ended September 30, 2022	For the Period ended September 30, 2021
<b>Interest income on financial assets carried at amortised cost</b>		
Bank deposits	9.53	4.52
	<b>9.53</b>	<b>4.52</b>
<b>Other non-operating income</b>		
Export incentives (refer note (i) below)	-	4.83
Foreign exchange gain (net)	66.04	15.36
Miscellaneous income	2.51	0.94
	<b>68.55</b>	<b>21.13</b>
<b>Total</b>	<b>78.08</b>	<b>25.65</b>

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



**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**

Notes forming part of the Interim financial statements for the period ended September 2022

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

**22. Cost of materials consumed**

Particulars	For the Period ended September 30, 2022	For the Period ended September 30, 2021
Opening stock	2,219.90	1,190.73
Add: Purchases	3,913.68	2,853.11
Less: Closing stock	(3,539.27)	(1,447.02)
<b>Cost of materials consumed</b>	<b>2,594.31</b>	<b>2,596.82</b>

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

Particulars	For the Period ended September 30, 2022	For the Period ended September 30, 2021
<b>Opening Stock:</b>		
Finished goods	153.99	225.70
Work-in-progress	291.94	106.97
	<b>445.93</b>	<b>332.67</b>
<b>Closing Stock:</b>		
Finished goods	185.81	199.32
Work-in-progress	207.35	168.04
	<b>393.16</b>	<b>367.36</b>
<b>Net (Increase) / Decrease</b>	<b>52.77</b>	<b>(34.69)</b>

**24. Employee benefits expense**

Particulars	For the Period ended September 30, 2022	For the Period ended September 30, 2021
Salaries and wages, including bonus	201.80	241.85
Contribution to provident and other funds (refer note 29)	18.88	(4.64)
Share based payments to employees (refer note 36)	3.21	0.26
Staff welfare expenses	15.46	15.15
<b>Total</b>	<b>239.35</b>	<b>252.62</b>

**25. Finance costs**

Particulars	For the Period ended September 30, 2022	For the Period ended September 30, 2021
Interest expense -		
Interest on borrowings from banks	54.19	26.45
Interest on borrowings from related parties (refer note 30)	46.19	39.33
Interest on others	12.21	-
Interest on lease liabilities (refer note 3B)	20.00	20.81
Other borrowing cost	12.21	8.01
<b>Total</b>	<b>144.80</b>	<b>94.60</b>



**Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)**

**Notes forming part of the Interim financial statements for the period ended September 2022**

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

**26. Depreciation and amortisation expense**

Particulars	For the Period ended September 30, 2022	For the Period ended September 30, 2021
Depreciation of property, plant and equipment (refer note 3A)	75.17	78.66
Depreciation of right-of-use assets (refer note 3B)	18.79	18.46
Amortisation of intangible assets (refer note 5)	4.97	2.90
<b>Total</b>	<b>98.93</b>	<b>100.02</b>

**27. Other expenses**

Particulars	For the Period ended September 30, 2022	For the Period ended September 30, 2021
Rates and taxes	3.73	1.37
Insurance	13.39	9.02
Stores and spares consumed	25.60	8.44
Freight outwards	22.55	62.03
Travelling and conveyance	1.54	1.85
Communication	2.10	0.67
Printing and stationery	0.74	0.80
Power and fuel	18.46	19.80
Marketing expenses	7.89	32.42
Repairs and maintenance		
- Machinery	21.02	15.86
- Others	0.50	4.83
Legal and professional charges	7.61	6.69
Expenditure for Corporate Social Responsibility	2.30	0.65
Expected credit loss allowance (net) (refer note 10) **	1.64	19.75
Auditors' remuneration*		
-For statutory audit	3.34	2.45
-For reimbursement of expenses		-
Training and development	1.37	1.95
Miscellaneous expenses	30.14	15.79
<b>Total</b>	<b>163.92</b>	<b>204.37</b>

\* Exclusive of applicable taxes

\*\* include bad debts written off during the period Sep 2022 ₹ 6.57 Mn

**Notes:**

**i. Expenditure for Corporate Social Responsibility:**

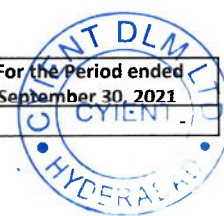
The Company contributes towards Corporate Social Responsibility (CSR) activities through Cyient Foundation and Cyient Urban Micro Skill Centre Foundation. The Company has formed CSR committee as per Section 135 of the Companies Act, 2013 to formulate and recommend to the Board, a Corporate Social Responsibility 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 through Cyient Foundation and contributions towards other charitable institutions are charged to the statement of profit and loss under 'Other Expenses': ₹ 2.3 (April 21 to Sep 21 - Nil).

Particulars	For the Period ended September 30, 2022	For the Period ended September 30, 2021
Gross amount required to be spent by the Company	2.30	0.65
Amount approved by the board to be spent during the period	2.30	0.65
<b>Actual amount spent</b>		
1. Construction / acquisition of any asset	-	-
2. On purposes other than (1) above (in cash)	-	-
<b>Shortfall/ (excess)</b>	<b>2.30</b>	<b>0.65</b>

\*Company has made a provision for CSR during the six months period ended September 30, 2022 and planned to contribute by year ended March 31, 2023.

**Basis of CSR Expenditure:**

Particulars	For the period ended September 30, 2022	For the Period ended September 30, 2021
Recognition of education	-	-



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

**28. Contingent liabilities and Commitments**

	As at	
	September 30, 2022	March 31, 2022
<b>(A) Contingent liabilities:</b>		
Claims against the Company not acknowledged as debt:		
(i) Pending statutory forms (C/H/I)	-	-
<b>(B) Commitments:</b>		
(i) Contracts remaining to be executed on capital account and not provided for (net of capital advances)	6.78	44.06
<b>Total</b>	<b>6.78</b>	<b>44.06</b>

**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 period / year ended as follows:

i. Six months period ended September 2022 : ₹ 9.61

ii. Six months period ended September 2021 : ₹ 8.99 (Additionally, a provision reversal was made for ₹ 18.10 (Mar '15-Feb '18), pursuant to final order from 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:	For the Period ended September 30, 2022	For the year ended March 31, 2022
Discount rate (%)	7.70%	7.46%
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

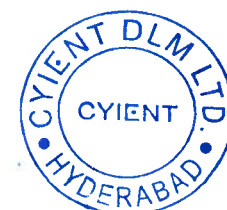
The following table sets out the defined benefit costs as per actuarial valuation for the Company.

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:	For the Period ended September 30, 2022	For the Period ended September 30, 2021
Current service cost	7.38	2.93
<b>Net interest cost</b>		
Interest expense on defined benefit obligation	2.94	2.51
Interest income on plan assets	(1.04)	(1.07)
<b>Defined benefit cost included in P&amp;L</b>	<b>9.28</b>	<b>4.37</b>

Remeasurement effects recognised in Other Comprehensive Income	For the Period ended September 30, 2022	For the Period ended September 30, 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	(1.94)	(1.00)
Actuarial (Gain) / Loss due to Experience on defined benefit obligation	2.86	4.84
Return on plan assets (Greater)/Less than discount rate	0.07	0.63
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>0.99</b>	<b>4.47</b>

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

Particulars	Number of shares	As at March 31, 2022
Present value of funded defined benefit obligation	88.92	79.85
Fair value of plan assets	(27.72)	(28.93)
<b>Net liability arising from defined benefit obligation</b>	<b>61.20</b>	<b>50.92</b>



Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)

Notes forming part of the Interim financial statements for the period ended September 2022

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

Movement in the present value of the defined benefit obligation	For the Period ended September 30, 2022	For the year ended March 31, 2022
Projected benefit obligation at the beginning of the year	79.84	72.85
Current service cost	7.38	5.08
Interest cost	2.94	2.44
Actuarial loss/(gain)	0.93	3.69
Benefits paid	(2.17)	(4.21)
<b>Defined benefit obligation at the end of the year</b>	<b>88.92</b>	<b>79.85</b>

Change in Plan assets	For the Period ended September 30, 2022	For the year ended March 31, 2022
Plan assets at the beginning of the year	28.92	31.83
Return on plan assets	0.97	2.08
Employer contribution	-	0.01
Benefits paid	(2.17)	(4.21)
Asset (loss)/Gain	-	(0.78)
<b>Plan Assets at the end of the year</b>	<b>27.72</b>	<b>28.93</b>

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 September 30, 2022		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(8.06)	9.34	(7.48)	8.71
Future salary growth (1% movement)	8.40	7.49	8.08	(7.14)

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

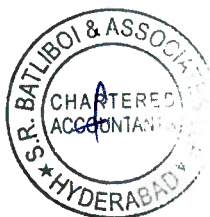
Particulars	As at September 30, 2022	As at March 31, 2022
Within 1 year	4.48	4.02
1-2 year	6.00	3.72
2-3 year	3.74	4.94
3-4 year	3.83	3.14
4-5 year	6.81	4.01
5-10 year	19.27	17.35
Payouts above 10 years	44.78	42.67

#### ii. Assumptions for compensated absences:

Particulars	For the Period ended September 30, 2022	For the year ended March 31, 2022
Discount rate (%)	7.70%	7.46%
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.



Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)  
Notes forming part of the interim financial statements for the period ended September 2022  
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

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 Israel India Limited	Fellow subsidiary
Cyient Singapore	Fellow subsidiary
<b>Key Managerial Personnel:</b>	
BVR Mohan Reddy (w.e.f December 27, 2022)	Non-Executive Director, Non-Independent Director
Ganesh Venkat Krishna Bodanapu	Chairman, Non-Executive Director, Non Independent Director
Ajay Aggarwal (resigned w.e.f December 13, 2022)	Director
Rajendra Velagapudi	Managing Director
Jehangir Ardeshir (w.e.f December 13, 2022)	Independent Director
Vanitha Datla (w.e.f December 13, 2022)	Independent Director
Medan Pillutla (w.e.f December 13, 2022)	Independent Director
Shrinivas Kulkarni (w.e.f January 02, 2023)	Chief Financial officer (CFO)
Anthony Montalbano (w.e.f January 02, 2023)	Chief Executive office (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 Period ended September 30, 2022	For the Period ended September 30, 2021
Revenue from operations	Cyient Limited	0.51	11.68
	Cyient Inc.	11.77	0.51
Marketing expenses	Cyient Israel India Limited	7.81	4.22
	Cyient Singapore	5.92	-
Reimbursement of expenses	Cyient Limited	32.34	29.85
	Cyient Inc.	15.22	-
Working capital loan received	Cyient Limited	-	400.00
Working capital loan paid	Cyient Limited	-	400.00
Right issue of shares (Note 12)	Cyient Limited	872.92	-
Purchase of investment	Cyient Limited	892.00	-
Corporate guarantee received	Cyient Limited	750.00	-
Interest on loan from holding company	Cyient Limited	46.19	39.33
Compensation to Key Managerial Personnel	Parvati Ramachandra <sup>#1*</sup>	0.77	0.79
	Rajendra Velagapudi <sup>#1*</sup>	7.39	9.11
	Suchitra R C <sup>#1</sup>	3.75	3.72

#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:

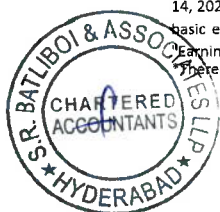
Nature of the transaction	Party name	As at September 30, 2022	As at March 31, 2022
Trade Receivables	Cyient Limited	13.30	11.84
	Cyient Inc.	16.26	2.98
	Cyient GmbH	0.37	-
	Cyient Israel India Limited	-	-
Trade Payables	Cyient Singapore	12.17	6.83
	Cyient GmbH - France	3.36	3.03
	Cyient Limited	294.97	254.96
	Cyient Israel India Limited	32.86	46.03
Advance from customer	Cyient Inc.	84.62	69.39
	Cyient Limited	-	7.20
Corporate guarantee outstanding	Cyient Limited	4,470.00	3,720.00
Terms Loans Outstanding	Cyient Limited	995.63	995.63
Working capital Loan Outstanding	Cyient Limited	540.00	540.00
Interest on loans outstanding	Cyient Limited	185.80	145.47

31. Earnings per share

Particulars	For the Period ended September 30, 2022	For the Period ended September 30, 2021
Profit for the period	134.22	160.16
<b>Basic and diluted:</b>		
Number of equity shares outstanding at the period/year end (refer note 12)	2,937,000	1,367,000
Weighted average number of equity shares at the period/year end (A)	1,615,798	1,367,000
Impact on account of Bonus Issue (refer Note below) (B)	27,468,563	23,239,000
Weighted average number of equity shares after Bonus Issue (A+B)	29,084,361	24,606,000
<b>Earnings per share (₹)</b>	<b>4.61</b>	<b>6.51</b>

Note : Pursuant to resolution passed by the Directors of the Company on December 13, 2022 and approved by the extraordinary general meeting held on December 14, 2022, the Company has allotted equity shares of face value of ₹ 10 each by way of bonus issue to its shareholders bonus shares in the ratio of 1:1.7. Accordingly, basic earning per share for the current year and for earlier year have been calculated / restated after considering the above bonus issue in terms of Ind AS-33 "Earnings Per Share" (refer note 38)

There were no dilutive instruments outstanding during the year





Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)

Notes forming part of the Interim financial statements for the period ended September 2022

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

### 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	
	September 30, 2022	March 31, 2022
Borrowings from banks*	3,081.50	2,931.93
Less: Cash and bank balances	(1,267.94)	(1,218.08)
<b>Net debt</b>	<b>1,813.56</b>	<b>1,713.85</b>
Total equity	1,793.22	771.12
<b>Net debt to equity</b>	<b>101%</b>	<b>222%</b>

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

#### 32.1.2 : Financial Instruments by category

Particulars	Carrying value as at	
	September 30, 2022	March 31, 2022
<b>Financial assets:</b>		
<b>Amortised cost</b>		
Trade receivables	1,507.61	1,523.25
Cash and cash equivalents	818.08	768.59
Other bank balances	449.86	449.49
Other financial assets	70.40	61.13
<b>Fair value through other comprehensive income</b>		
Investments in other equity instruments (unquoted)	895.22	3.22
<b>Total financial assets</b>	<b>3,741.17</b>	<b>2,805.68</b>
<b>Financial liabilities:</b>		
<b>Amortised cost</b>		
Borrowings*	3,081.50	2,931.93
Trade payables	2,507.14	1,924.85
Lease liabilities	407.07	436.90
Other financial liabilities	191.54	154.43
<b>Total financial liabilities</b>	<b>6,187.25</b>	<b>5,448.11</b>

\* 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.

Investments in other equity instruments (unquoted) are measured at fair value through initial designation in accordance with Ind-AS 109.

#### 32.1.3 Fair value hierarchy

##### Valuation technique and key inputs

Level 1 - Quoted prices (unadjusted) in an active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

##### Quantitative disclosures of fair value measurement hierarchy for financial instruments

Fair value measurement at the end of period/ year	As at	
	September 30, 2022	March 31, 2022
<b>Level 3</b>		
Investments in other equity instruments (unquoted)	895.22	3.22

The fair values of the unquoted equity instruments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, and probabilities of the various estimates within the range used in management's estimate of fair value for these unquoted equity investments.

There have been no transfers among Level 1, Level 2 and Level 3 during the period /year.



Cyient DLM Limited (Formerly known as Cyient DLM Private Limited)

Notes forming part of the Interim financial statements for the period ended September 2022

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

### 32.1.4 Fair value measurements using significant unobservable inputs (level 3)

The following table presents changes in level 3 items for the period / year ended

Fair value measurement at the end of period/ year	Investments in other equity instruments (unquoted)	
	September 30, 2022	March 31, 2022
<b>Level 3</b>		
Opening balance	3.22	3.22
Acquisitions (refer note 6)	892.00	-
Closing balance	895.22	3.22

#### Valuation inputs and relationships to fair value:

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Investments in other equity instruments (unquoted)		Significant unobservable inputs		Sensitivity of the inputs to fair value
As at	Fair value			
September 30, 2022	895.22	Earnings growth rate	Earnings growth factor for unquoted equity shares are estimated based on the market information of similar type of companies and also considering the economic environment impact.	Any increase in the earnings growth rate would result in a increase in fair value.
March 31, 2022	3.22	Discount rate	Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and risk specific to that asset.	Any increase in the discount rate would result in a decrease in the fair value.

### 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.

#### Sensitivity analysis:

Every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by ₹ 25.50 for the period ended September 30, 2022, ₹ 29.25 for the year ended March 31, 2022.

#### 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	
	September 30, 2022	March 31, 2022
Receivable from top 5 customers	61%	79%
Others	39%	21%

#### 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 30 September 2022 and 31 March 2022, the Company had unutilized credit limits from banks of ₹ 886.80 & ₹ 427.94 respectively.

The Company had working capital of ₹ 827.04 (₹ 727.32 As at March 31, 2022) and cash and bank balance of 1267.94 (₹ 1218.08 - As at March 31, 2022)

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding borrowings and lease liabilities) as at September 30, 2022:

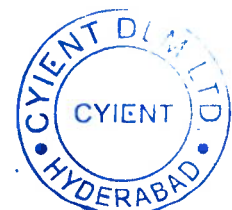
Particulars	Less than 1 year	1-2 years	2 years and more
Trade payables	2,507.14	-	-
Other financial liabilities	68.23	35.23	88.08
<b>Total</b>	<b>2,575.37</b>	<b>35.23</b>	<b>88.08</b>

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 and other payables	1,924.85	-	-
Other financial liabilities	41.33	28.28	84.82
<b>Total</b>	<b>1,966.18</b>	<b>28.28</b>	<b>84.82</b>

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 September 30, 2022			As at March 31, 2022		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from operations	1,313.86	2,088.84	3,402.70	3,964.10	3,241.23	7,205.33
Non-current assets*	1,671.84	-	1,671.84	1,764.13	-	1,764.13

\*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 period ended		For Year ended	
	September 30, 2022	Percentage	March 31, 2022	Percentage
Revenue from top customers (*)	1,614.00	47.43%	3,527.80	48.96%
Others	1,788.70	52.57%	3,677.53	51.04%
<b>Total Revenue</b>	<b>3,402.70</b>	<b>100.00%</b>	<b>7,205.33</b>	<b>100.00%</b>

\*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	
	30-Sep-22	March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	29.96	32.06
(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	September 30, 2022	March 31, 2022	% change	Reasons
Current ratio	Current Assets	Current Liabilities	1.13	1.15	-2.04%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.95	4.37	-55.48%	Note 1 (a) and (1b)
Debt Service Coverage ratio	Earning for Debt Service **	Debt service = Interest & Lease Payments + Principal Repayments	0.23	0.36	-35.18%	Note 1 (c)
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	0.10	0.69	-84.91%	Note 1 (b)
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.80	2.56	-68.89%	Note 1 (d)
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	2.25	3.81	-40.99%	Note 1 (d)
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases purchase return	Average Trade Payables	1.77	3.44	-48.68%	Note 1 (d)
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	4.11	9.46	-56.51%	Note 1 (d)
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.04	0.06	-28.58%	Note 1 (d)
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	0.06	0.18	-64.26%	Note 1 (d)
Return on Investment#	Interest (Finance Income)	Investment	-	-	-	

# The Company doesnot have any income generated on investments

\*Debt represents Borrowings and lease liabilities

\*\*Net profit after taxes + Non-cash operating expenses like depreciation and amortizations + Interest + other adjustments like loss on sale of Fixed assets

Note 1 : Improvement in ratio is due to:

a. Increased earnings on account of overall business growth through margin improvement.

b. Issue of right shares during the six months period ended September 2022.

c. Increase in repayment of working capital loan

d. Ratios for the Sep 2022 are based six months financial information



**36. Employee Share based expenses**

(i) Cyient Limited ("Holding Company") of the Company instituted Associate stock option plan 2015 (ASOP 2015) in July 2015 and earmarked 1,200,000 equity shares of ₹ 5 each for issue to the employees of the Holding Company and its subsidiaries. Under ASOP 2015, options will be issued to employees at an exercise price, which shall not be less than the market price of the Holding Company on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year. Share based expenses incurred by Holding Company are recharged to respective group companies. In this regard, the Company has accounted for share based expenses in the statement of profit and loss and a corresponding liability towards amount payable to Holding Company.

**Movements in stock options during the period/year**

Particulars	As at September 30, 2022		As at March 31, 2022	
	No. of Options	Weighted average exercise price	No. of Shares	Weighted average exercise price
Options outstanding at the beginning of the period/year	9,953	473	-	-
Granted	-	-	11,840	473
Forfeited	-	-	-	-
Exercised	(699)	473	(1,887)	473
Options outstanding at the end of the period/year	9,254	473	9,953	473

The fair value of options granted in the year was September 30, 2022 ₹ nil, March 31, 2022 ₹ 112 to 129

(ii) Cyient Limited ("Holding Company") of the Company instituted the ARSU's 2020 plan earmarking 1,050,000 shares of ₹ 5 each which provided for grant of RSUs to eligible associates of the Company and its subsidiaries. The Board of Directors recommended the establishment of the plan on January 16, 2020 and the shareholders approved the recommendation of Board of Directors on March 5, 2020 through a postal ballot. The RSUs will vest over a period of three years from the date of grant. Share based expenses incurred by Holding Company are recharged to respective group companies. In this regard, the Company has accounted for share based expenses in the statement of profit and loss and a corresponding liability towards amount payable to Holding Company.

**Movements in stock options during the period/year**

Particulars	As at September 30, 2022		As at March 31, 2022	
	No. of Options	Weighted average exercise price	No. of Shares	Weighted average exercise price
Options outstanding at the beginning of the year	10,240	5	-	-
Granted	-	-	10,240	5
Forfeited	-	-	-	-
Exercised	(312)	5	-	-
Options outstanding at the end of the period/year	9,928	10	10,240	5

The fair value of RSUs granted in the period / year was September 30, 2022 ₹ Nil, March 31, 2022 ₹ 714 to 792

The total charge for the period / year relating to employee share based payment plans was September 30, 2022 ₹ 3.21, March 31, 2022 ₹ 0.78

**37. 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
  - (a) 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 persons or entities, 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
  - (a) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The Company does not have 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.

**38. Subsequent events**

i. Pursuant to resolution passed by the Directors of the Company on December 13, 2022 and approved by the extraordinary general meeting held on December 14, 2022, the Company has allotted equity shares of face value of ₹ 10 each by way of bonus issue to its shareholders bonus shares in the ratio of 1:17 to be capitalised out of the Company's securities premium account/ free reserves or such other accounts as are permissible to be utilized for this purpose.


39. 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.

40. The Company has considered internal and external sources of information up to the date of approval of these financial statements in evaluating the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables. The Company has applied prudence in arriving at the estimates and assumptions. The Company is confident about the recoverability of these assets.

41. 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


  
**Shankar Srinivasan**  
 Partner  
 Membership No.: 213271



Place: Hyderabad  
 Date: January 05, 2023

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

  
**Krishna Bodanapu**  
 Non - Executive Chairman  
 (DIN - 00605187)

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

Place: Hyderabad  
 Date: January 05, 2023

  
**Rajendra Velagapudi**  
 Managing Director  
 (DIN - 06507627)

  
**Shrinivas Hukkani**  
 Chief Financial Officer

Place: Hyderabad  
 Date: January 05, 2023

