

**Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**  
**Balance Sheet as at March 31, 2018**

(Amount in Rs.)

Particulars	Note	As at	
		March 31, 2018	March 31, 2017
<b>ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	3	434,320,130	357,470,176
(b) Capital work-in-progress		-	208,438
(c) Goodwill	4	30,303,146	30,303,146
(d) Intangible assets	5	17,960,933	33,089,745
(e) Other financial assets	7B	16,499,029	12,760,000
(f) Deferred tax assets (net)	17.2	39,852,542	16,264,010
(g) Non - current tax assets (net)	8	10,116,674	5,978,458
(h) Other non-current assets	8	73,000,130	4,382,988
<b>Total non-current assets</b>		<b>622,052,584</b>	<b>460,456,961</b>
<b>II Current assets</b>			
(a) Inventories	9	1,221,668,727	934,604,964
(b) Financial assets			
(i) Investments	6	25,000	25,000
(ii) Trade receivables	10	1,375,217,861	996,796,230
(iii) Cash and cash equivalents	11A	59,804,723	126,730,700
(iv) Bank balances other than (iii) above	11B	74,896,065	108,773,162
(v) Other financial assets	7B	3,412,571	14,225,653
(c) Other current assets	8	121,980,179	96,812,392
<b>Total current assets</b>		<b>2,857,005,126</b>	<b>2,277,968,101</b>
<b>Total assets</b>		<b>3,479,057,710</b>	<b>2,738,425,062</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
Equity share capital	12	13,670,000	13,670,000
Other equity	13	348,074,338	391,114,309
<b>Total equity</b>		<b>361,744,338</b>	<b>404,784,309</b>
<b>II Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(a) Borrowings	14	64,195,660	63,703,916
(b) Provisions	16	10,918,737	6,266,018
<b>Total non-current liabilities</b>		<b>75,114,397</b>	<b>69,969,934</b>
<b>Current liabilities</b>			
Financial liabilities			
(a) Borrowings	19	1,387,643,426	1,101,498,373
(b) Trade payables	20	1,139,804,633	964,000,329
(c) Other financial liabilities	15	80,656,712	50,180,924
Provisions	16	18,974,144	17,484,610
Other current liabilities	18	415,120,060	130,506,583
<b>Total current liabilities</b>		<b>3,042,198,975</b>	<b>2,263,670,819</b>
<b>Total liabilities</b>		<b>3,117,313,372</b>	<b>2,333,640,753</b>
<b>Total equity and liabilities</b>		<b>3,479,057,710</b>	<b>2,738,425,062</b>

See accompanying notes to the financial statements.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

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

  
**Sathya P. Koushik**  
Partner  
Place: Bengaluru  
Date:

**Parvati K R**  
Company Secretary  
M.No.A23584  
Place: Bengaluru  
Date:

**Ajay Aggarwal**  
Director  
DIN/02565242  
Place: Bengaluru  
Date:

  
**Rajendra Velagapudi**  
Managing Director & CEO  
DIN/06528470  
Place: Bengaluru  
Date:

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

**Statement of Profit and Loss Accounts March 31, 2018**

(Amount in Rs.)

Particulars	Note	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>I INCOME</b>			
II Revenue from operations	21	3,914,399,099	3,660,057,654
III Other income	22	90,624,324	65,631,051
<b>IV Total Income (II+III)</b>		<b>4,005,023,423</b>	<b>3,725,688,705</b>
<b>V EXPENSES</b>			
Cost of materials consumed	24	3,190,219,325	2,851,435,027
Changes in inventories of finished goods and work-in-progress	25	(111,719,259)	(109,618,004)
Excise duty on sale of goods		36,377,398	207,016,928
Employee benefits expense	23	428,343,678	318,825,418
Finance costs	26	108,238,280	108,343,541
Depreciation and amortisation expense	27	82,640,985	72,953,608
Other expenses	28	332,952,013	258,605,507
<b>Total expenses (V)</b>		<b>4,067,052,420</b>	<b>3,707,562,025</b>
<b>VI Profit/(Loss) before exceptional item and tax (IV-V)</b>		<b>(62,028,997)</b>	<b>18,126,680</b>
<b>VII Profit/(Loss) before tax</b>		<b>(62,028,997)</b>	<b>18,126,680</b>
<b>VIII Tax expense</b>			
(a) Current tax	17	-	-
(b) Deferred tax	17	(23,588,532)	12,221,491
<b>IX Total tax expense</b>		<b>(23,588,532)</b>	<b>12,221,491</b>
<b>X Profit/(Loss) for the year (VII-IX)</b>		<b>(38,440,465)</b>	<b>5,905,189</b>
<b>XI Other comprehensive Income/(Loss)</b>			
I Items that will not be reclassified to profit or loss			
(a) Remeasurements of the net defined benefit liability ( Net of tax of Rs Nil Py Rs 1,213,017)		(4,599,506)	(2,711,578)
<b>XII Total other comprehensive Income/(Loss)</b>		<b>(4,599,506)</b>	<b>(2,711,578)</b>
<b>XIII Total comprehensive Income/(Loss) for the year</b>		<b>(43,039,971)</b>	<b>3,193,611</b>
<b>Earnings per equity share</b>			
(Equity shares, par value of ` 10 each)			
Basic (Rs)		(28.12)	4.32
Diluted (Rs)		(28.12)	4.32

See accompanying notes to the financial statements.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

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

**Sathya P Koushik**  
Partner

**Parvati K R**  
Company Secretary  
M.No.A23584

**Ajay Aggarwal**  
Director  
DIN/02565242

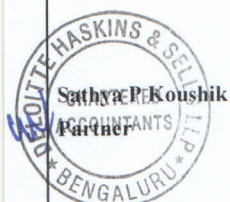
**Rajendra Velagapudi**  
Managing Director & CEO  
DIN/06528470

Place: Bengaluru  
Date:

Place: Bengaluru  
Date:

Place: Bengaluru  
Date:

Place: Bengaluru  
Date:





Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)  
Cash Flow Statement for the period ended March 31, 2018

(Amount in Rs.)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) for the year	(62,028,997)		18,126,678	
Adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortisation expense	82,640,985		72,953,608	
Loss/(gain) on sale of fixed assets, (net)	2,421,731		89,108	
Net unrealised exchange (gain)/loss	40,758,334		33,820,351	
Finance costs	108,238,280		108,343,541	
Interest income	(5,679,477)		(5,477,205)	
Liabilities no longer required written back	(8,035,017)		(1,589,836)	
Trade receivables written off (net)	11,541,438			
Provision for doubtful debts, net	12,456,831		(2,140,790)	
Operating profit before working capital changes		182,314,109		224,125,455
Changes in operating assets and liabilities:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(439,813,404)		(330,171,705)	
Inventories	(287,063,763)		43,974,920	
Other assets and other financial assets	(52,703,129)		(39,694,643)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	180,474,489		261,670,431	
Other financial liabilities	284,613,477		(51,678,794)	
Provisions	1,542,747		6,125,171	
Cash generated from operations		(130,635,474)		114,350,834
Income taxes paid		(4,138,215)		3,442,785
<b>Net cash flow from operating activities (A)</b>		<b>(134,773,689)</b>		<b>117,793,619</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Payments to acquire fixed assets	(149,520,550)		(99,815,742)	
Proceeds from sale of fixed assets	916,799		65,502	
Interest received	4,358,670		5,477,205	
<b>Net cash flow (used in) investing activities (B)</b>		<b>(144,245,082)</b>		<b>(94,273,035)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds in long term borrowings (net)	14,434,281		424,246	
Proceeds in short term borrowings (net)	286,145,053		(49,474,796)	
Finance costs	(88,486,539)		(108,343,541)	
Interest accrued				
<b>Net cash flow (used in) financing activities (C)</b>		<b>212,092,794</b>		<b>(157,394,091)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(66,925,977)</b>		<b>(133,873,507)</b>
Cash and cash equivalents at the beginning of the year		126,730,700		260,604,207
<b>Cash and cash equivalents at the end of the year*</b>		<b>59,804,723</b>		<b>126,730,700</b>
<b>*Cash and cash equivalents comprises of:</b>				
Balances with Banks		59,773,698		126,679,647
in current accounts		31,025		51,053
		<b>59,804,723</b>		<b>126,730,700</b>

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors

Sathya P Koushik  
Partner  
Place: Bengaluru  
Date:

Parvati K R  
Company Secretary  
M.No.A23584  
Place: Bengaluru  
Date:

Ajay Aggarwal  
Director  
DIN/02565242  
Place: Bengaluru  
Date:

Rajendra Velagapudi  
Managing Director & CEO  
DIN/06528470  
Place: Bengaluru  
Date:



Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)  
Statement of changes in equity for the year ended March 31, 2018

A. Equity share capital

(Amount in Rs.)

Particulars	Nos	Amount
Balance at March 31, 2016	1,367,000	13,670,000
Changes in equity share capital during the year	-	-
Balance at March 31, 2017	1,367,000	13,670,000
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	1,367,000	13,670,000

B. Other Equity

(Amount in Rs.)

Particulars	Reserves and Surplus			Total
	Securities premium reserve	General reserve	Retained earnings	
Balance at March 31, 2016	92,088,000	3,724,422	292,108,276	387,920,698
Other Items of othe comprehensive Income			(2,711,578)	
Profit/(Loss) for the period			5,905,189	
Balance at March 31, 2017	92,088,000	3,724,422	295,301,887	391,114,309
Other Items of othe comprehensive Income	-	-	(4,599,506)	
Profit/(Loss) for the period	-	-	(38,440,465)	
Balance at March 31, 2018	92,088,000	3,724,422	252,261,916	348,074,338

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors

Sathya P Koushik  
Partner

Parvati K R  
Company Secretary  
M.No.A23584

Ajay Aggarwal  
Director  
DIN/02565242

Rajendra Velagapudi  
Managing Director & CEO  
DIN/06528470

Place: Bengaluru  
Date:

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Date:

Place: Bengaluru  
Date:

Place: Bengaluru  
Date:





**Cyient DLM Private Limited** (formerly Rangsons Electronics Private Limited)  
**Notes forming part of the financial statements**  
**For the year ended 31<sup>st</sup> March 2018**

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**1. Corporate information:**

The financial statements comprise financial statements of Cyient DLM Private Limited (formerly known as Rangsons Electronics Private Limited) (the company) for the year ended 31<sup>st</sup> March 2018. The company is a private limited company domiciled in India, and is incorporated under the provisions of the Companies Act applicable in India. The Registered office of the Company is located at Plot No. 347 D1 & 2, KIADB, Electronic City, Hebbal Industrial Area, Mysore – 570 016.

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.

Effective 18th January 2017, the Company based on necessary approval from Register of Companies ("ROC") Karnataka, has changed its name from Rangsons Electronics Private Limited to Cyient DLM Private Limited.

**1.1 Merger of Techno Tools Precision Engineering Private Limited**

Pursuant to the Scheme of Amalgamation, approved by the National Company Law Tribunal (NCLT), Techno Tools Engineering Private Limited (an erstwhile wholly owned subsidiary of the Company) has been merged with the Company w.e.f. the appointed date of April 01, 2017.

As the merger is of a wholly owned subsidiary, the combination is a transaction between parties under common control. Accordingly, the accounting treatment followed is "Pooling of Interests Method" the one prescribed under Appendix C – (Business Combination of entities under common control) of IND AS 103 – Business Combination. The figures for the previous year are restated to reflect the Combination.

**2. Significant accounting policies**

**2.1 Statement of compliance:**

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

**2.2 Basis of preparation & presentation:**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 takes into account the characteristics of asset or liability of market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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.



**Cyient DLM Private Limited** (formerly Rangsons Electronics Private Limited)  
**Notes forming part of the financial statements**  
**For the year ended 31<sup>st</sup> March 2018**

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- 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.

### **2.3 Use of estimates:**

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

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

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

### **2.4 Business combination**

Acquisitions of businesses are accounted for using the pooling of Interest method. The consideration transferred in a business combination is measured at carrying amount, which is calculated as the sum of the acquisition-date carrying value of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their carrying value, where

- Assets and Liabilities of the combined entities are reflected at their carrying amount.
- No adjustments are made to reflect fair values, or recognize any new assets or liabilities. The only adjustments that are made are to harmonize accounting policy.

### **2.5 Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.4 above) less accumulated impairment losses, if any.

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

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





**Cyient DLM Private Limited** (formerly Rangsons Electronics Private Limited)  
**Notes forming part of the financial statements**  
**For the year ended 31<sup>st</sup> March 2018**

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On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

## **2.6 Foreign currency translation**

The functional currency of the Company, is Indian Rupee (Rs).

In preparing the financial statements of 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. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing 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.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note below for hedging accounting policies); and

Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

## **2.7 Income taxes:**

Income tax expense represents the sum of the tax currently payable and deferred tax.

### **2.7.1. Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### **2.7.2. Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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



**Cyient DLM Private Limited** (formerly Rangsons Electronics Private Limited)  
**Notes forming part of the financial statements**  
**For the year ended 31<sup>st</sup> March 2018**

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The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**2.7.3. Current and deferred tax for the year**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**2.8 Leasing:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**2.8.1 The Company as lessor**

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

**2.8.2 The Company as lessee**

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

**2.9 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.

**2.10 Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the





**Cyient DLM Private Limited** (formerly Rangsons Electronics Private Limited)  
**Notes forming part of the financial statements**  
**For the year ended 31<sup>st</sup> March 2018**

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present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**2.10.1 Onerous contracts:**

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

**2.11 Cash and cash equivalents:**

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

Cash flows are reported using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transaction of non- cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.12 Inventories:**

Inventories are valued in accordance with the method of valuation prescribed under the Accounting Standard and are as under:

- i) Raw Materials & Consumables.
- ii) Stores and Spares.
- iii) Work in Process & Finished Goods.

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

**2.13 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns.

**2.13.1 Sale of goods:**

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow the Company; and



**Cyient DLM Private Limited** (formerly Rangsons Electronics Private Limited)  
**Notes forming part of the financial statements**  
**For the year ended 31<sup>st</sup> March 2018**

- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sale of equipment is recognized when the product has been delivered, in accordance with the sales contract and when the title is transferred to the customer.

Revenue is net of volume discounts / price incentives which are estimated and accounted for based on the terms of the contracts and also net of applicable indirect taxes.

#### **2.13.2 Rendering of Services:**

Income recognition for services takes place as and when the services are performed.

#### **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, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

#### **2.15 Property, plant and equipment**

PPE are initially recognized at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognized so as to write off the cost of assets (other than capital work in progress) less their residual values over the useful lives, using the straight-line method ("SLM"). Management believes based on a technical evaluation (which is 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, etc.) that the revised useful lives of the assets reflect the period over which these assets are expected to be used, which are as follows:

Type of asset	Useful life
Leasehold Improvement	Refer Note 1
Plant & Machinery – Refer Note 2	15 Years
Tools & Equipment	5 Years
Furniture & Fixtures	10 Years
Electrical Installations	10 Years
Vehicles	10 Years
Computers – Servers & Networks	6 Years
– End user devices	3 Years
Office Equipment	5 Years





**Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)**  
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Note 1:

-Lease Hold improvements to Factory Buildings are depreciated over the Lease Period

Note 2:

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

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

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.

## **2.16 Intangible assets**

### **2.16.1 Intangible assets acquired separately**

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortization and accumulated impairment losses, if any.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses)

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

Type of asset	Useful life
Software	3 years

### **2.16.2 Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their carrying value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses on the same basis as intangible assets that are acquired separately.

## **2.17 Employee benefit plans**

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

*Post-employment obligations:*

*Defined contribution plans:*

Contributions in respect of Employees Provident Fund and Pension Fund which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as an expense based on the amount of contribution required to be made and when service are rendered by the employees.



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*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 Group 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 Group records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Group 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.

**2.18 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 Impairment of assets**

*a. Non-financial assets:*

*(i) Intangible assets and property, plant and equipment*

Intangible assets and property, plant and equipment 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.

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

## **2.20 Financial instruments**

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.

### **2.20.1 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

#### **a. Classification of financial assets:**

- i) **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.
- ii) **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.
- iii) **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.



**2.20.2 De-recognition of 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 recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**2.20.3 Foreign exchange gains and losses:**

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

**2.21 Impairment of assets**

*a. Financial assets:*

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.





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**Financial liabilities and equity instruments:**

**2.22 Classification as debt or equity**

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity Instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**2.23 Financial liability:**

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

**Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group 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 Group 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



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**Foreign exchange gains and losses**

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.

**De-recognition of financial liability:**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**2.22 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.





Cyient DLM Private Limited (Formerly known as Rangsons  
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3. Property, plant and equipment (Amount in Rs.)		
Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Carrying amount of:</b>		
Leasehold improvements	9,702,382	8,898,110
Computers	8,564,976	9,079,110
Plant and machinery	308,491,486	243,641,364
Office equipment	4,566,169	6,507,335
Furniture and fixtures	68,830,204	55,436,381
Electrical installations	11,754,257	11,214,723
Vehicles	13,450	13,450
Tools and equipment	22,397,206	22,679,702
<b>Total</b>	<b>434,320,130</b>	<b>357,470,176</b>
<b>CWIP</b>		
Capital work-in progress	-	208,438
	<b>434,320,130</b>	<b>357,678,614</b>

(Amount in Rs.)									
Description of assets	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Tools and equipment	Total
<b>I. Cost</b>									
Balance as at March 31, 2016	12,133,558	21,081,905	494,307,872	12,477,749	61,131,660	20,984,183	268,997	52,231,466	674,617,390
Additions	2,219,440	7,422,965	25,909,720	3,865,563	27,127,866	2,722,700	-	16,953,571	86,221,825
Disposals	-	(41,374)	(1,388,730)	-	-	-	-	(231,919)	(1,662,023)
Balance as at March 31, 2017	14,352,998	28,463,496	518,828,862	16,343,312	88,259,526	23,706,883	268,997	68,953,118	759,177,192
Additions	2,477,404	3,363,582	105,065,476	241,825	21,718,186	2,742,989	-	7,871,945	143,481,407
Disposals	-	(2,309,103)	(19,885,522)	-	(2)	(15,622)	-	2,309,103	(19,901,146)
<b>Balance as at March 31, 2018</b>	<b>16,830,402</b>	<b>29,517,976</b>	<b>604,008,816</b>	<b>16,585,138</b>	<b>109,977,709</b>	<b>26,434,249</b>	<b>268,997</b>	<b>79,134,166</b>	<b>882,757,453</b>
<b>II. Accumulated depreciation</b>									
Balance as at March 31, 2016	(4,028,707)	(16,629,624)	(243,837,227)	(7,616,715)	(24,805,170)	(10,333,492)	(253,305)	(39,414,866)	(346,919,106)
Depreciation for the year	(1,426,181)	(2,780,233)	(31,357,561)	(2,219,262)	(8,017,974)	(2,158,668)	(2,242)	(6,951,762)	(54,913,882)
Disposals	-	25,471	7,330	-	-	-	-	93,211	126,012
Balance as at March 31, 2017	(5,454,888)	(19,384,386)	(275,187,458)	(9,835,977)	(32,823,144)	(12,492,160)	(255,547)	(46,273,416)	(401,832,988)
Depreciation for the year	(1,673,132)	(3,878,352)	(36,939,058)	(2,180,112)	(8,324,647)	(2,187,832)	-	(8,109,790)	(63,292,923)
Disposals	-	2,309,738	16,609,225	(2,879)	286	-	-	(2,353,754)	16,562,616
<b>Balance as at March 31, 2018</b>	<b>(7,128,020)</b>	<b>(20,953,000)</b>	<b>(295,517,291)</b>	<b>(12,018,968)</b>	<b>(41,147,505)</b>	<b>(14,679,992)</b>	<b>(255,547)</b>	<b>(56,736,960)</b>	<b>(465,125,911)</b>
<b>III. Carrying Amounts (I-II)</b>									
Balance as at 31 March, 2016	8,104,851	4,452,281	250,470,645	4,861,034	36,326,490	10,650,691	15,692	12,816,600	327,698,284
Additions	2,219,440	7,422,965	25,909,680	3,865,563	27,127,866	2,722,700	-	16,953,571	86,221,785
Disposals	-	(15,903)	(1,381,400)	-	-	-	-	(138,708)	(1,536,011)
Depreciation expense	(1,426,181)	(2,780,233)	(31,357,561)	(2,219,262)	(8,017,974)	(2,158,668)	(2,242)	(6,951,762)	(54,913,882)
Balance as at March 31, 2017	8,898,110	9,079,110	243,641,364	6,507,335	55,436,381	11,214,723	13,450	22,679,702	357,470,176
Additions	2,477,404	3,363,582	105,065,476	241,825	21,718,186	2,742,989	-	7,871,945	143,481,407
Disposals & Depreciation expense	-	636	(3,276,297)	(2,879)	284	(15,622)	-	(44,651)	(14,901,146)
Balance as at March 31, 2018	<b>9,702,382</b>	<b>8,564,976</b>	<b>308,491,486</b>	<b>4,566,169</b>	<b>68,830,204</b>	<b>11,754,257</b>	<b>13,450</b>	<b>22,397,206</b>	<b>434,320,130</b>



4. Goodwill (Amount in Rs.)		
Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	30,303,146	30,303,146
Additions on account of business combinations		
Derecognised on account of amalgamation		
<b>Balance at end of the year</b>	<b>30,303,146</b>	<b>30,303,146</b>

The Company has identified Techno Tools Precision Engineering Private Limited as a Cash Generating Units (CGU) and the goodwill has been allocated to this CGU for the purpose of impairment testing. This goodwill is tested for impairment at least on an annual basis or more frequently when there is an indication for impairment. As of March 31, 2018, the Directors of the Company have assessed the goodwill for impairment by determining the "value in use" of the CGU. The "value in use" of the CGU is determined as an aggregate of present value of cash flow projections covering a five year period and the terminal value. The cash flows are discounted using a pre tax discount rate of 14%.

The growth rates of the cash generating unit have been considered based on the market conditions prevalent.

The management believes that the projections used by the management for determining the "Value in use" of cash generating unit are based on past experience of the business acquired and external sources of information and any reasonable possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit

5. Intangible assets (Amount in Rs.)		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Carrying amount of:</b>		
Computer software	17,960,933	33,089,745
<b>Total intangible assets</b>	<b>17,960,933</b>	<b>33,089,745</b>
<b>Total</b>	<b>17,960,933</b>	<b>33,089,745</b>

(ii). Movement in the carrying amount of intangible assets is as below:

(Amount in Rs.)		
Description of assets	Computer software	Total
<b>I. Cost</b>		
<b>Balance as at March 31, 2016</b>		
Additions	64,419,332	64,419,332
Disposals	13,546,851	13,546,851
<b>Balance as at March 31, 2017</b>	<b>77,966,183</b>	<b>77,966,183</b>
Additions		
Disposals	4,219,250	4,219,250
<b>Balance as at March 31, 2018</b>	<b>82,185,433</b>	<b>82,185,433</b>
<b>II. Accumulated amortisation</b>		
<b>Balance as at March 31, 2016</b>		
Amortisation for the year	(26,836,713)	(26,836,713)
Disposals	(18,039,725)	(18,039,725)
<b>Balance as at March 31, 2017</b>	<b>(44,876,439)</b>	<b>(44,876,439)</b>
Amortisation for the year	(19,348,062)	(19,348,062)
Disposals		
<b>Balance as at March 31, 2018</b>	<b>(64,224,501)</b>	<b>(64,224,501)</b>
<b>III. Carrying Amounts (I-II)</b>		
<b>Balance as at 31 March, 2016</b>		
Additions	37,582,619	37,582,619
Disposals	13,546,851	13,546,851
Depreciation expense	-	-
<b>Balance as at March 31, 2017</b>	<b>33,089,745</b>	<b>33,089,745</b>
Additions	4,219,250	4,219,250
Disposals		
Depreciation expense	(19,348,062)	(19,348,062)
<b>Balance as at March 31, 2018</b>	<b>17,960,933</b>	<b>17,960,933</b>

6. Investments (Amount in Rs.)		
Particulars	As at March 31, 2018	As at March 31, 2017
(i) Equity instruments in ESDM Cluster (25000 Equity Shares at face value of Rs. 1)	25,000	25,000
<b>Balance as at March 31, 2018</b>	<b>25,000</b>	<b>25,000</b>

The Company is one of the founder promoters of the Mysore ESDM (Electronic Systems Design and Manufacturing) Cluster, an initiative of the Government of India, to establish common facilities centre, for the development of ESDM companies in this region.





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**7B. Other financial assets**

(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Non-current</b>		
a) Security Deposits		
Unsecured, considered good	16,499,029	12,760,000
<b>Total other non-current financial assets</b>	<b>16,499,029</b>	<b>12,760,000</b>
<b>Current</b>		
b) Advance to Employees	818,772	641,657
c) Interest accrued on deposits	1,320,807	-
d) Others	1,272,992	13,583,996
<b>Total other current financial assets</b>	<b>3,412,571</b>	<b>14,225,653</b>
<b>Total other financial assets</b>	<b>19,911,600</b>	<b>26,985,653</b>

**8. Other assets**

(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Non-current (unsecured):</b>		
Capital advances	3,192,830	4,382,988
Advances to Income taxes, net	10,116,674	5,978,458
Other Advances	69,807,300	-
<b>Total other non-current assets</b>	<b>83,116,804</b>	<b>10,361,446</b>
<b>Current (unsecured):</b>		
Prepaid expenses	7,400,067	13,669,102
Balance with Government authority	114,580,112	83,143,291
Advance to suppliers		
Other advances, unsecured, considered good		
- Doubtful		
Less: Allowance for bad and doubtful loans		
<b>Total other current assets</b>	<b>121,980,179</b>	<b>96,812,393</b>
<b>Total other assets</b>	<b>205,096,983</b>	<b>107,173,839</b>

**9. Inventories**

(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
Inventories (lower of cost and net realisable value)		
Raw materials	829,691,830	655,085,415
Work-in-progress	180,336,317	163,592,686
Stores and spares	22,740,425	22,002,337
Finished goods	188,900,155	93,924,526
<b>Total</b>	<b>1,221,668,727</b>	<b>934,604,964</b>

Note - Closing provision of Inventory during the year Rs 74,506,207 ( Py Rs 9,154,936 )



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10. Trade receivables			(Amount in Rs.)
Particulars	As at		
	March 31, 2018	March 31, 2017	
Trade receivables			
Unsecured, considered good	1,375,217,861	996,796,230	
Doubtful	14,597,621	2,140,790	
Less: Allowance for doubtful debts	(14,597,621)	(2,140,790)	
Total	1,375,217,861	996,796,230	
11: Cash and Bank Balances			
11A. Cash and cash equivalents			
(Amount in Rs.)			
Particulars	As at		
	March 31, 2018	March 31, 2017	
Balances with banks in current account	59,773,698	126,679,647	
Cash on hand	31,025	51,053	
Total	59,804,723	126,730,700	
11B. Other bank balances			
(Amount in Rs.)			
Particulars	As at		
	March 31, 2018	March 31, 2017	
Deposits held as margin money/security for bank guarantees	74,896,065	108,773,162	
Total	74,896,065	108,773,162	
Deposits held as margin money towards non-fund based limits sanctioned by the bank for establishment of Bank Guarantee & Letter of Credits.			
Reconciliation of Cash and bank balances			
(Amount in Rs.)			
Particulars	As at		
	March 31, 2018	March 31, 2017	
Cash and Cash Equivalents (as per Note 11A)	59,804,723	126,730,700	
Bank balance (as per Note 11B)	74,896,065	108,773,162	
Total Cash and bank balances	134,700,788	235,503,862	





**Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**  
**Notes forming part of the financial statements**

**12. Equity share capital**

Particulars	(Amount in Rs.)	
	As at	
	March 31, 2018	March 31, 2017
<b>Authorised share capital:</b>		
47,500,000 fully paid up equity shares of Rs. 10 each	47,500,000	47,500,000
<b>Issued and subscribed capital:</b>		
13,67,000 fully paid up equity shares of Rs 10 each (as at March 31, 2018 : 13,67,000; as at March 31, 2017: 13,67,000)	13,670,000	13,670,000
<b>Total</b>	<b>13,670,000</b>	<b>13,670,000</b>

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

Particulars	As at Mar 31, 2018	As at Mar 31, 2017
	Amount	Amount
Opening Balance March 31, 2017	1,367,000	13,670,000
<b>Balance as at March 31, 2018</b>	<b>1,367,000</b>	<b>13,670,000</b>

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

Name of the shareholder	As at Mar 31, 2018		As at March 31, 2017	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>				
Cyient Ltd (Holding Company)	1,011,580	74.00%	1,011,580	74.00%
Pavan G.Ranga	131,505	9.62%	131,505	9.62%
Anirudh M.Ranga	69,307	5.07%	69,307	5.07%
Arjun M.Ranga	69,307	5.07%	69,307	5.07%

**(C). 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.



Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)  
Notes forming part of the financial statements

13. Other equity

(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
(a). General reserve	3,724,422	3,724,422
(b). Securities premium account	92,088,000	92,088,000
(c). Retained earnings	252,261,916	295,301,887
<b>Total</b>	<b>348,074,338</b>	<b>391,114,309</b>

Notes :

A) General reserve:

(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
Balance at beginning of year	3,724,422	3,724,422
<b>Balance at end of year</b>	<b>3,724,422</b>	<b>3,724,422</b>

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:

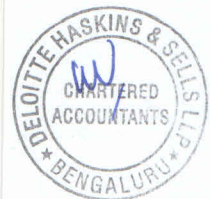
(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
Balance at beginning of year	92,088,000	92,088,000
<b>Balance at end of year</b>	<b>92,088,000</b>	<b>92,088,000</b>

C) Retained earnings

(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
Balance at beginning of year	295,301,887	292,108,276
Profit attributable to owners of the Company	(38,440,465)	5,905,189
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(4,599,506)	(2,711,578)
<b>Balance at end of year</b>	<b>252,261,916</b>	<b>295,301,887</b>





**Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**  
Notes forming part of the financial statements

**14. Non-current borrowings**

(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Secured - at amortised cost</b>		
Term loans* from banks	64,195,660	63,703,916
<b>Total non-current borrowings</b>	<b>64,195,660</b>	<b>63,703,916</b>

\* Current maturities on non-current borrowings have been disclosed under the head other current financial liabilities.

**14.1 Non current borrowings**

Nature of Security & Terms of Repayment :

**1. Nature of Security -**

Term Loans are borrowed from State Bank of India & HDFC Bank Ltd., and are secured by -

- First pari-passu charge on all existing and future fixed assets of the Borrower, to be shared with existing term lenders
- Second pari-passu charge on Current assets and other movable asset of the company

**ii. Guarantees :**

Corporate Guarantee of Cyient Limited

**2. Terms of Repayment and Rate of Interests**

**a. Term Loan - Rs. 55,000,000 [SBI]:**

Outstanding balance as at 31st March 2018 is NIL. Repayable in 60 monthly variable instalments commencing from May 2013. Last instalment due in March 2018. Rate of interest 11.55% p.a. Outstanding balance as at 31st March 2017 is Rs 12,700,000,.

**b. Term Loan - Rs. 90,000,000 [SBI]:**

Outstanding balance as at 31st March 2018 is Rs 28,500,000. Repayable in 60 monthly instalments commencing from November 2014. Rate of interest 11.55% p.a. Outstanding balance as at March 31, 2017 is Rs 48,000,000

**c. Term Loan - Rs. 150,000,000.00 [HDFC]:**

Outstanding balance as at 31st March 2018 is Rs 91,598,417. Repayable in 54 monthly instalments commencing from March 2016. Rate

of interest 9.65% p.a. Outstanding balance as at March 31, 2017 is Rs 44,964,136

There is no default in the repayment of the principal loan and interest amount

**15. Other financial liabilities**

(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Current</b>		
<b>Secured - at amortised cost</b>		
Current maturities of long-term debt	55,902,757	41,960,220
Payables on purchase of fixed assets	1,345,262	4,563,752
Interest accrued	23,408,693	3,656,952
<b>Total</b>	<b>80,656,712</b>	<b>50,180,924</b>

**16. Provisions**

(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
Gratuity	13,936,853	8,384,911
Compensated absences	15,956,028	15,365,717
	<b>29,892,881</b>	<b>23,750,628</b>
<b>Non-current:</b>		
Gratuity	9,159,046	4,480,741
Compensated absences	1,759,691	1,785,277
	<b>10,918,737</b>	<b>6,266,018</b>
<b>Current:</b>		
Gratuity	4,777,807	3,904,170
Compensated absences	14,196,337	13,580,440
	<b>18,974,144</b>	<b>17,484,610</b>
<b>Total</b>	<b>29,892,881</b>	<b>23,750,628</b>



17. Income taxes

17.1 - Tax Expense

(Amount in Rs.)		
A. Income tax expense/(benefit) recognised in the statement of profit and loss		
Particulars	March 31, 2018	March 31, 2017
Current tax		
In respect of the current year	-	-
Deferred taxes expense/(benefit):		
In respect of the current year	(23,588,532)	12,221,491
	(23,588,532)	12,221,491
Total	(23,588,532)	12,221,491

(Amount in Rs.)		
B. Income tax expense/(benefit) recognized in other comprehensive income		
Particulars	March 31, 2018	March 31, 2017
Remeasurements of (gain)/loss on defined benefit plan	1,421,247	1,213,017
	1,421,247	1,213,017

C. Reconciliation of effective tax rate

The following is the reconciliation of the Group's effective tax rate for the year ended March 31, 2018 and 2017:

(Amount in Rs.)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit/(Loss) before tax	(62,028,997)	18,126,680
Enacted rate in India	30.90%	30.90%
Computed expected tax expense/(benefit)	(19,166,960)	5,601,144
Effect of exemptions/deductions for tax purposes	-	-
Effect of expenses that are not deductible in determining taxable profit	(3,054,629)	7,571,804
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	-	(2,638,655)
Unused tax losses and tax offsets not recognised as deferred tax assets	-	607,900
Others	(1,366,943)	1,079,298
Income tax expense	(23,588,532)	12,221,491

17.2. Deferred tax assets and liabilities

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

(Amount in Rs.)		
Particulars	As at	
	March 31, 2018	March 31, 2017
Deferred tax assets	39,852,542	16,264,010
Deferred tax liabilities	-	-
Deferred tax liabilities, net	39,852,542	16,264,010

B. Composition of deferred tax assets and liabilities as at 31 March 2018 and 2017:

(Amount in Rs.)		
Particulars	March 31, 2018	March 31, 2017
Deferred tax (liabilities)/assets in relation to		
Property, plant and equipment	(22,609,629)	(20,381,568)
Provisions	2,098,200	1,264,910
Provision for doubtful debts	4,510,664	661,504
Defined benefit obligation	5,231,973	6,859,793
Tax losses	50,621,334	27,859,370
Total	39,852,542	16,264,010





**Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**  
**Notes forming part of the financial statements**

**18. Other liabilities**

(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Current</b>		
Advance from customers	408,349,431	91,904,499
Statutory Dues	6,770,629	32,221,842
Others	-	6,380,242
<b>Total</b>	<b>415,120,060</b>	<b>130,506,583</b>

**19. Current borrowings**

(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Unsecured - at amortised cost</b>		
Loans from related parties	265,000,000	150,000,000
<b>Secured - at amortised cost</b>		
from banks (bank overdraft) - Refer Note Below	1,122,643,426	951,498,373
<b>Total</b>	<b>1,387,643,426</b>	<b>1,101,498,373</b>

**Notes:**

**(i) Unsecured Loan - From Holding Company- Cyient Ltd.,**

Unsecured loans from Cyient Limited. Outstanding as on Mar 31, 2018 is Rs.265,000,000 (Outstanding as on March 31, 2017 is Rs.150,000,000)

(ii) Interest rate of 8.3% per annum, payable at the time of payment of principle.

**ii) Loans from banks**

**(i) State Bank of India:**

Loan outstanding balance as on March 31, 2018 is Rs. 299,330,518 (March 31,2017 Rs. 140,538,693). This loan is secured by a corporate guarantee from Cyient Limited.

**Primary Security:** Hypothecation of entire stock of raw materials/SIP/FG, Receivables / Book Debts and other current assets on pari-passu 1st charge basis.

**Collateral Security:** Hypothecation of unencumbered Plant and Machinery on pari passu 1st charge basis.

**(ii) HDFC Bank :**

Loan outstanding balance as on March 31, 2018 is Rs.577,662,545 (March 31, 2017: 408,878,824) This loan is secured by a corporate guarantee from Cyient Limited.

**Primary Security:** Current Assets - Paripassu charge on Current Assets

**Security:** Movable Fixed Assets - Paripassu charge on Movable fixed assets of the company.

**(iii) Citi Bank :**

Loan outstanding balance as on March 31, 2018 is Rs.147,210,967 (March 31, 2017: 221,326,160) This loan is secured by a corporate guarantee from Cyient Limited.

**Security:** First paripassu charge on present and future current assets including stock and book debts of the company. Second paripassu charge on fixed assets of the borrower.

**(iv) ICICI Bank :**

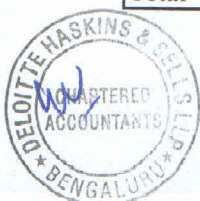
Loan outstanding balance as on March 31, 2018 is Rs.98,439,396 (March 31, 2017: 180,754,696). This loan is secured by a corporate guarantee from Cyient Limited.

**Security:** Hypothecation of all moveable assets (fixed and current assets) of the company including book debts, receivables by way of first paripassu charge on current assets and second paripassu charge on movable fixed assets of the company both present and future.

**20. Trade Payables**

(Amount in Rs.)

Particulars	As at	
	March 31, 2018	March 31, 2017
Total outstanding dues of micro enterprises and small enterprises (Refer Note -35)	199,518	166,417
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,139,605,115	963,833,912
<b>Total</b>	<b>1,139,804,633</b>	<b>964,000,329</b>



**Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**  
**Notes forming part of the financial statements**

**21. Revenue from operations**

(Amount in Rs.)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Sale of products	3,781,890,922	3,607,506,269
Sale of services	132,508,177	52,551,385
<b>Total</b>	<b>3,914,399,099</b>	<b>3,660,057,654</b>

**22. Other income**

(Amount in Rs.)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>Interest income</b>		
Interest income on financial assets carried at amortised cost:		
Bank deposits	5,232,324	5,453,350
Interest Income on Security deposit	447,153	23,855
	<b>5,679,477</b>	<b>5,477,205</b>
<b>Others</b>		
Liabilities no longer required, written back	8,035,017	1,589,836
Others	3,558,684	2,347,464
	<b>11,593,701</b>	<b>3,937,300</b>
<b>Other gains and losses</b>		
Foreign exchange gain, net	73,351,146	56,216,546
	<b>73,351,146</b>	<b>56,216,546</b>
<b>Total</b>	<b>90,624,324</b>	<b>65,631,051</b>





**Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**  
**Notes forming part of the financial statements**

**23. Employee benefits expense**

(Amount in Rs.)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salaries and wages, including bonus	391,715,503	282,194,098
Contribution to provident and other funds	12,988,887	13,225,762
Staff welfare expenses	23,639,288	23,405,558
<b>Total</b>	<b>428,343,678</b>	<b>318,825,418</b>

**24 Cost of materials consumed**

(Amount in Rs.)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Opening stock	655,085,415	807,283,624
Add: Purchases	3,364,825,740	2,699,236,818
Less: Closing stock	829,691,830	655,085,415
<b>Cost of materials consumed</b>	<b>3,190,219,325</b>	<b>2,851,435,027</b>

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

(Amount in Rs.)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>Opening Stock:</b>		
Finished goods	93,924,527	67,928,255
Work-in-progress	163,592,686	79,970,954
	<b>257,517,213</b>	<b>147,899,209</b>
<b>Closing Stock:</b>		
Finished goods	188,900,155	93,924,527
Work-in-progress	180,336,317	163,592,686
	<b>369,236,472</b>	<b>257,517,213</b>
<b>Net (increase) / decrease</b>	<b>(111,719,259)</b>	<b>(109,618,004)</b>

**26 Finance costs**

(Amount in Rs.)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>Interest expense</b>		
Interest on bank overdrafts and loans	78,567,607	82,974,496
Interest on loans from related parties	21,907,450	14,019,041
Others	7,763,223	11,350,004
<b>Total</b>	<b>108,238,280</b>	<b>108,343,541</b>

**27 Depreciation and amortisation expense**

(Amount in Rs.)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Depreciation of property, plant and equipment	63,292,923	54,913,882
Amortisation of intangible assets	19,348,062	18,039,725
<b>Total</b>	<b>82,640,985</b>	<b>72,953,608</b>

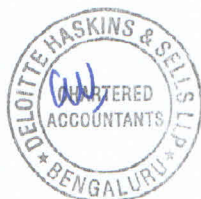


**Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**  
**Notes forming part of the financial statements**

**28. Other expenses**

**(Amount in Rs.)**

<b>Particulars</b>	<b>For the Year ended March 31, 2018</b>	<b>For the Year ended March 31, 2017</b>
Stores and spares consumed	71,268,891	55,083,620
Rent including lease rentals	24,004,454	22,858,387
Rates and taxes	4,404,358	10,849,137
Insurance	2,101,989	3,399,423
Freight and handling charges	33,419,935	15,037,640
Travelling and conveyance	6,538,652	10,528,348
Communication	3,215,215	4,454,085
Printing and stationery	5,185,305	4,007,911
Power and fuel	25,842,761	22,415,528
Marketing expenses	25,361,745	6,637,330
Repairs and maintenance	-	-
- Machinery	36,085,127	27,093,984
- Others	14,282,705	15,488,956
Legal and professional	15,154,834	35,020,863
Expenditure for Corporate Social Responsibility- (Refer Note 37)	-	300,000
Other Advance written off	12,311,006	-
Provision for doubtful debts (net)	12,456,831	2,140,790
Trade receivables written off (net)	11,541,439	56,137,611
Less: Reversal of provision for doubtful debts	-	(53,637,376)
Auditors' remuneration	-	-
-For audit	1,800,000	1,200,000
-For other service	150,000	-
-For reimbursement of expenses	-	181,750
Training and development	476,071	984,787
Loss on sale of Asset	2,421,731	89,108
Miscellaneous expenses	24,928,964	18,333,626
<b>Total</b>	<b>332,952,013</b>	<b>258,605,507</b>





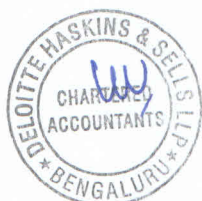
**Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**

Notes forming part of the financial statements

**29. Contingent liabilities and Commitments**

(Amount in Rs)

	As at March 31, 2018	As at March 31, 2017
<b>(A) Contingent liabilities:</b>		
Claims against the Company not acknowledged as debt: (note i, ii, iii, iv and v)		
(i) Disputed service Tax demands	140,830	592,349
(ii) Demand under Central Excise & Finance Act, 1944	408,748	126,693
(iii) Pending statutory forms (C/H/I)	33,134,415	-
(iv) EPCG licence obligation	25,899,683	60,842,471
(v) Pending Obligation under DEPB scheme	8,976,466	72,507,646
	<b>68,560,142</b>	<b>134,069,159</b>
<b>(B) Commitments:</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	5,816,049	62,989,600
	<b>5,816,049</b>	<b>62,989,600</b>
<b>Total</b>	<b>74,376,191</b>	<b>197,058,759</b>



**Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**  
**Notes forming part of the financial statements**

**30. Employee benefits:**

The employee benefit schemes are as under:

**1 Defined contribution plans**

**i. Provident fund:**

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated Rs. 86,86,557 (2016-17 Rs. 99,88,934). As at March 31, 2018, Contributions of Rs. 18,74,899 (as at March 31, 2017 Rs. 17,44,886) due in respect of 2017-18 (2016-17) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

**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.

This plan typically expose the group to actuarial risks such as : investment risk, interest rate risk, longevity risk and salary risk.

No other post retirement benefits are provided to these employees.

The principal assumptions used for the purposes of the actuarial valuations were as follows:	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount Rate (%)	7.29%	6.68%
Salary Increase rate (%)	12.00%	6.00%
Attrition (%)	8.00%	8.00%
Mortality Table	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Retirement age	58 years	58 years

The following table sets out the Defined Benefit Plan - as per actuarial valuation as at March 31, 2018 and March 31, 2017:

	(Amt in Rs)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows</b>		
Current Service cost	3,869,233	2,913,912
Interest Expense on Defined Benefit Obligation	433,097	320,521
Net interest cost	433,097	320,521
Defined benefit cost included in P&L	4,302,330	3,234,433
<b>Remeasurement effects recognised in Other Comprehensive Income</b>		
Actuarial (Gain) / Loss due to demographic assumptions change in DBO	-	495,254
Actuarial (Gain) / Loss due to Financial assumptions change in DBO	5,013,144	2,061,868
Actuarial (Gain) / Loss due to Experience on DBO	1,396,131	2,758,920
Return on plan assets (Greater)/Less than Discount rate	(1,809,769)	(1,391,448)
Components of defined benefit costs recognised in Other Comprehensive Income	4,599,506	3,924,594

The current service cost and the net interest expense for the year are included in the Employee benefits expense line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

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

(Amt in Rs)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	32,632,248	21,784,624
Fair value of plan assets	(18,695,395)	(12,437,527)
Net liability arising from defined benefit obligation	13,936,853	9,347,097





Movement in the present value of the defined benefit obligation	Year ended March 31, 2018	Year ended March 31, 2017
Projected benefit obligation at the beginning of the year	21,784,624	14,508,924
Current service cost	3,869,233	2,913,912
Interest cost	1,554,677	1,075,707
Actuarial loss/(gain)	6,409,275	5,316,042
Benefits paid	(985,561)	(2,029,961)
<b>Defined benefit obligation at the end of the year</b>	<b>32,632,248</b>	<b>21,784,624</b>
<b>Change in Plan Assets</b>		
Plan assets at the beginning of the year	12,437,527	12,320,854
Expected return on plan assets	1,283,660	755,186
Employer contribution	4,150,000	-
Benefits payment	(985,561)	(2,029,961)
Asset (loss)/Gain	1,809,769	1,391,448
<b>Plan Assets at the end of the year</b>	<b>18,695,395</b>	<b>12,437,527</b>

The estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligation.

#### Composition of plan assets

Plan assets comprise of 100% insurer managed funds. Fund is managed by LIC as per 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

(Amt in Rs)			
Sl. No.	Particulars	% increase in DBO	Liability
1	Discount Rate + 100 basis points	-8.07%	30,029,356
2	Discount Rate - 100 basis points	9.30%	35,622,280
3	Salary Growth + 100 basis points	8.38%	35,333,552
4	Salary Growth - 100 basis points	-7.41%	30,239,011
5	Attrition Rate + 100 basis points	-1.08%	32,395,138
6	Attrition Rate - 100 basis points	1.11%	32,881,964
7	Mortality Rate 10% Up	0.01%	32,634,902

#### Expected Contributions to the plan for the next annual reporting period

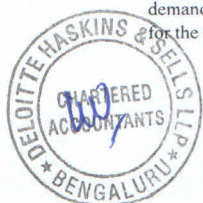
(Amt in Rs)		
Five Year Payouts	Discounted Values/Present Value	Undiscounted Values/Actual Value
Year (I)	2,190,809	2,299,644
Year (II)	2,091,939	2,366,439
Year (III)	1,954,951	2,366,527
Year (IV)	1,995,840	2,580,873
Year (V)	1,915,661	2,665,063
Next 5 year payouts (6-10 years)	8,758,660	14,849,285
Payouts above ten years	13,724,389	43,055,295

- ii. Provision for Compensated absences of Rs. 1,59,56,026 (March 31, 2017 - Rs. 1,44,03,531) is based on actuarial valuation:

Actuarial assumptions for long-term compensated absences	Year ended March 31, 2108	Year ended March 31, 2107
Discount rate	7.29%	6.68%
Salary escalation	12%	6%
Attrition	8%	8%
Leave availment ratio	5%	5%

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 estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligation.



**Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**  
**Notes forming part of the financial statements**

**31. Related Party Transactions**

The list of related parties of the Company is given below:

Name of the Holding Company	Country of incorporation	Extent of holding (%) as at	Extent of holding (%) as at
		31-Mar-18	31-Mar-17
Cyient Limited	India	74%	74%

**Subsidiaries of Holding Company:**

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	Extent of holding (%) as at
		31-Mar-18	31-Mar-17
Cyient Inc.	USA	100%	100%
Cyient GmbH	Germany	100%	100%
Cyient KK	Japan	100%	100%
Cyient Israel India Ltd., Israel (Incorporated on 18th Jul 2016)	Israel	100%	100%

**Key Managerial Personnel:**

Name	Designation
Krishna Bodanapu	Director
Ajay Aggarwal	Director
Pavan G Ranga	Director
Venkatesh Padmanabhan	Director ( Cessation on 25th April 2017)
Rajendra Velagapudi	Managing Director & Chief Executive Officer ( appointed on 25th April 2017
Jehangir Ardeshir	Independent Director
Haritha Saranga	Independent Director
Avinash Chander	Independent Director

Entity in which Key Managerial Persons and their relatives are able to exercise significant influence:

Name of the Entity in which Key Managerial Person exercise Significant Influence
N Ranga Rao and Sons
VCT Labs
Sri Ranga Trust
Rangsons Schuster Technologies Private Limited
Rangsons Defence Solutions Private Limited
Ripple Frangnace Pvt Ltd
Rangsons Interconnect Devices Private Limited



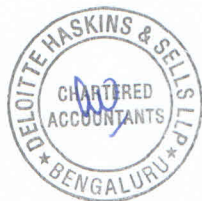




**Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**  
**Notes forming part of the financial statements**

**32. Earnings per share**

Particulars	For the year ended	
	31-Mar-18	31-Mar-17
Profit for the year attributable to shareholders of the Company	(38,440,465)	5,905,189
<b>Basic:</b>		
Number of shares outstanding at the year end	1,367,000	1,367,000
Weighted average number of equity shares	1,367,000	1,367,000
<b>Earnings per share (Rs)</b>	<b>(28.12)</b>	<b>4.32</b>
<b>Diluted:</b>		
Weighted average number of equity shares outstanding	1,367,000	1,367,000
<b>Earnings per share (Rs)</b>	<b>(28.12)</b>	<b>4.32</b>





**Cyent DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**  
Notes forming part of the financial statements

**33. Financial Instruments**

**33.1 Capital management**

The Company manages its capital to ensure that it continues as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company is not subject to any externally imposed capital requirements.  
The capital structure of the Company consists only equity. There is no debt liability for the Company.

**33.1.1 Gearing ratio**

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

Particulars	(Amt in Rs)	
	As at March 31, 2018	As at March 31, 2017
Debts	1,242,741,843	1,057,162,509
Cash and bank balances	134,700,788	235,503,862
Net debt	1,108,041,055	821,658,647
Total equity	361,744,338	404,784,309
Net debt to equity ratio (in %)	306.31%	202.99%

**33.2 Financial instruments by category**

The carrying value and fair value of financial instruments by categories as of 31 March 2018 were as follows:

Particulars	(Amt in Rs)		(Amt in Rs)	
	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total fair value
		Designated upon initial recognition	Designated upon initial recognition	
		Mandatory	Mandatory	
<b>Financial assets:</b>				
<b>Non-Current</b>				
(i) Investments	-	-	-	-
(ii) Loans	-	-	-	-
(iii) Other Financial Assets	16,499,029	-	-	16,499,029
<b>Current</b>				
(i) Trade receivables	1,375,217,861	-	-	1,375,217,861
(ii) Cash and cash equivalents	59,804,723	-	-	59,804,723
(iii) Bank balances other than (iii) above	74,896,065	-	-	74,896,065
(iv) Other Financial Assets	3,412,571	-	-	3,412,571
(v) Investments	25,000	-	-	25,000
<b>Total</b>	<b>1,529,855,249</b>	-	-	<b>1,529,855,249</b>
<b>Financial liabilities:</b>				
<b>Non-Current</b>				
(i) Borrowings	64,195,660	-	-	64,195,660
<b>Current</b>				
(i) Borrowings	1,387,643,426	-	-	1,387,643,426
(ii) Trade payables	1,139,804,633	-	-	1,139,804,633
(iii) Other financial liabilities	80,656,712	-	-	80,656,712
(iv) Other current liabilities	415,120,060	-	-	415,120,060
<b>Total</b>	<b>3,087,420,491</b>	-	-	<b>3,087,420,491</b>



The carrying value and fair value of financial instruments by categories as of 31 March 2017 were as follows: (Amt in Rs)

Particulars	Amortised cost		Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
	Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Financial assets:</b>								
<b>Non-Current</b>								
(iii) Other Financial Assets	12,760,000	-	-	-	-	-	12,760,000	12,760,000
<b>Current</b>								
(ii) Trade receivables	996,796,230	-	-	-	-	-	996,796,230	996,796,230
(iii) Cash and cash equivalents	126,730,700	-	-	-	-	-	126,730,700	126,730,700
(iv) Bank balances other than (iii) above	108,773,162	-	-	-	-	-	108,773,162	108,773,162
(vi) Other Financial Assets	101,164,599	-	-	-	-	-	101,164,599	101,164,599
(v) Investments	25,000	-	-	-	-	-	25,000	25,000
<b>Total</b>	<b>1,346,249,691</b>	-	-	-	-	-	<b>1,346,249,691</b>	<b>1,346,249,691</b>
<b>Financial liabilities:</b>								
<b>Non-Current</b>								
(i) Borrowings	63,703,916	-	-	-	-	-	63,703,916	63,703,916
<b>Current</b>								
(i) Borrowings	1,101,498,373	-	-	-	-	-	1,101,498,373	1,101,498,373
(i) Trade payables	1,049,258,204	-	-	-	-	-	1,049,258,204	1,049,258,204
(ii) Other financial liabilities	50,180,924	-	-	-	-	-	50,180,924	50,180,924
(iv) Other current liabilities	130,506,583	-	-	-	-	-	130,506,583	130,506,583
<b>Total</b>	<b>2,395,148,000</b>	-	-	-	-	-	<b>2,395,148,000</b>	<b>2,395,148,000</b>

### 33.3 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 Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

#### Market 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 Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. 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 following table analyzes foreign currency risk from financial instruments as of March 31, 2018:

Particulars	(Amt in Rs)	
	US Dollars	EURO
Cash and cash equivalents	53,487,729	5,816,622
Trade receivables	867,297,602	44,427,713
Other financial assets	69,807,300	-
Trade payables	(753,471,720)	(16,012,767)
Other financial liabilities	(255,734,590)	-
<b>Net assets/(liabilities)</b>	<b>(18,613,679)</b>	<b>34,231,568</b>
		<b>(129,793)</b>
		<b>(37,060,499)</b>
		<b>(21,572,403)</b>

The following table analyzes foreign currency risk from financial instruments as of March 31, 2017:

Particulars	(Amt in Rs)	
	US Dollars	EURO
Cash and cash equivalents	38,981,635	3,032,312
Trade receivables	149,192,982	31,810,936
Other financial assets	47,312,716	962,225
Trade payables	(732,807,534)	(9,659,800)
Other financial liabilities	(472,860,985)	(44,966,180)
<b>Net assets/(liabilities)</b>	<b>(970,181,186)</b>	<b>(18,820,507)</b>
		<b>(411,551)</b>
		<b>113,361</b>
		<b>(989,299,883)</b>

#### Sensitivity analysis:

The Company is mainly exposed to the currency: USD;EUR;GBP and JPY 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the rupee strengthens 5% against the relevant currency. For a 5% weakening of the rupee against the relevant currency, there would be a comparable impact on the profit or equity.

For the year ended March 31, 2018, every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact by INR 10,78,620/ (INR 10,78,620)

#### Equity Risk

There is no material equity risk relating to the Company's equity investments which are detailed in note 6 Investments.

#### Interest Risk

There is no material interest risk relating to the Company's financial liabilities which are detailed in note 14 and 19

#### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. 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 incurred losses in respect of trade and other receivables and investments.



The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

#### Liquidity risk

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

As of 31 March 2018, and 31 March 2017, the Company had unutilized credit limits from banks of Rs.41.10 Cr & Rs. 23.68 Cr respectively.

As of March 31, 2018, the Company had working capital of (Rs. 18,51,93,849), including cash and cash equivalents of Rs. 5,98,04,723

As of March 31, 2017, the Company had working capital of Rs. 1,19,20,745, including cash and cash equivalents of Rs. 12,67,30,699

**The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:**

Particulars	2019	2020	2021	2022	2023	Thereafter
Trade and other payables	1,139,804,633	-	-	-	-	-
Other liabilities	80,656,712	-	-	-	-	-
<b>Total</b>	<b>1,220,461,345</b>	-	-	-	-	-

**The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017:**

Particulars	2018	2019	2020	2021	2022	Thereafter
Trade and other payables	966,877,713	-	-	-	-	-
Other liabilities	47,303,539	-	-	-	-	-
<b>Total</b>	<b>1,014,181,252</b>	-	-	-	-	-





**Cyient DLM Private Limited (Formerly known as Rangsons Electronics Private Limited)**  
**Notes forming part of the financial statements**

**34. Segment information**

The company's various operations are managed as a single business unit. The leadership team makes resources allocations decision based on profitability. The objective in making decisions is to optimise financial results. The primary financial information reviewed by leadership team is based on the results of the company, based on the way the company aggregates it managing operations and manner in which resource allocation decisions are made. The Company has only one reportable segment for financial reporting purposes being the financial results of the company.

Revenue by Geographical location of customers is as follows-

(Amount in Rs)

Particulars	As at 31st March, 2018		
	India	ROW	Total
Revenue	2,634,835,152	1,279,563,946	3,914,399,098
Less: Inter Segment Revenue	-	-	-
Segment Revenue	2,634,835,152	1,279,563,946	3,914,399,098
Less: Segment Expenses	2,195,366,126	883,133,939	3,078,500,065
Segment Results	439,469,026	396,430,007	835,899,033
Less: Unallocable Expenses (Net)	-	-	988,552,354
Operating Income	-	-	(152,653,321)
Add: Other Income (Net)	-	-	90,624,324
<b>Profit before Taxes</b>	-	-	<b>(62,028,997)</b>
Less: Tax Expenses (Deferred Tax Asset)	-	-	(23,588,532)
<b>Net Profit (Loss) for the Year</b>	-	-	<b>(38,440,465)</b>

(Amount in Rs)

Particulars	As at 31st March, 2017		
	India	ROW	Total
Revenue	2,830,885,533	829,172,119	3,660,057,652
Less: Inter Segment Revenue	-	-	-
Segment Revenue	2,830,885,533	829,172,119	3,660,057,652
Less: Segment Expenses	2,217,550,076	524,266,947	2,741,817,023
Segment Results	613,335,457	304,905,172	918,240,629
Less: Unallocable Expenses (Net)	-	-	965,745,000
Operating Income	-	-	(47,504,371)
Add: Other Income (Net)	-	-	65,631,051
<b>Profit before Taxes</b>	-	-	<b>18,126,680</b>
Less: Tax Expenses (Deferred Tax Asset)	-	-	12,221,491
<b>Net Profit (Loss) for the Year</b>	-	-	<b>5,905,189</b>

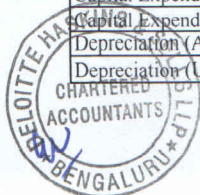
**Segment Assets by location as follows :**

(Amount in Rs)

Particulars	As at 31st March, 2018		
	India	ROW	Total
Segment Assets	728,152,701	1,052,035,024	1,780,187,725
Un-allocable Assets	-	-	1,698,869,985
<b>Total Assets</b>			<b>3,479,057,710</b>
Segment Liabilities	846,823,303	701,330,759	1,548,154,062
Un-Allocable Liabilities	-	-	1,930,903,648
<b>Total Liabilities</b>			<b>3,479,057,710</b>
<b>Other Information -</b>			
Capital Expenditure(Un-Allocable)	-	-	147,700,657
Depreciation (Allocable)	-	-	-
Depreciation (Un-Allocable)	-	-	82,640,985

(Amount in Rs)

Particulars	As at 31st March, 2017		
	India	ROW	Total
Segment Assets	1,365,812,077	473,684,617	1,839,496,694
Un-allocable Assets	-	-	898,928,368
<b>Total Assets</b>			<b>2,738,425,062</b>
Segment Liabilities	198,165,483	154,811,618	352,977,101
Un-Allocable Liabilities	-	-	2,385,447,961
<b>Total Liabilities</b>			<b>2,738,425,062</b>
<b>Other Information -</b>			
Capital Expenditure(Allocable)	-	-	-
Capital Expenditure(Un-Allocable)	-	-	74,319,038
Depreciation (Allocable)	757,556	-	757,556
Depreciation (Un-Allocable)	-	-	72,196,050



The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers:

Particulars	For year ended (in Crs)			
	31-Mar-18	Percentage	31-Mar-17	Percentage
Revenue from top customer	89.55	23%	121.24	33%
Revenue from top 5 customers	224.74	57%	254.72	70%
Others	166.70	43%	111.29	30%
<b>Total Revenue</b>	<b>391.44</b>	<b>100%</b>	<b>366.01</b>	<b>100%</b>

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

Particulars	As at	As at
	March 31, 2017	March 31, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	199,518.00	166,417.00
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	NIL	NIL
(iv) The amount of interest due and payable for the year	NIL	NIL
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	NIL	NIL
(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	NIL	NIL

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. This has been relied upon by the auditors.

### 36. Expenditure for Corporate Social Responsibility

The Company contributes towards Corporate Social Responsibility(CSR) activities through its trust, Cyient Foundation(formerly Infotech Enterprises Charitable Trust ). The areas of CSR activities are promoting education , adoption of school , medical and other special projects. Expenses incurred on CSR activities are charged to Statement of Profit and Loss under Other Expenses Rs Nil ( 2016-17 Rs 3,00,000)

For and on behalf of the Board of Directors

**Parvati K R**  
Company Secretary  
MM No. A23584

**Ajay Aggarwal**  
Director  
DIN/02565242)

**Rajendra Velagapudi**  
Managing Director & CEO  
DIN/06528470

Place: Bengaluru  
Date:

Place: Bengaluru  
Date:

Place: Bengaluru  
Date:

