

Cyient Solutions and Systems Private Limited

Balance Sheet as at March 31, 2019

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

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non Current assets			
Property, plant and equipment	2	124,352	-
Intangible assets under development	3	163,067,461	-
Other non-current assets	4	62,180,909	131,877,467
Current assets			
Financial Assets			
(a) Cash and cash equivalents	5	74,284,600	1,120,423
(b) Other financial assets	6	-	1,956,000
Other current assets	4	243,802	-
Total assets		299,901,124	134,953,890
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	7	200,000	200,000
Other equity	8	(40,958,278)	(1,797,110)
Total equity		(40,758,278)	(1,597,110)
LIABILITIES			
Non - Current liabilities			
Financial Liabilities			
Borrowings	9	281,692,213	-
Current liabilities			
Financial Liabilities			
(a) Trade payables	10	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		58,712,261	51,000
(b) Other financial liabilities	11	-	136,500,000
Other current Liabilities	12	254,928	-
Total liabilities		340,659,402	136,551,000
Total equity and liabilities		299,901,124	134,953,890
Corporate information and significant accounting policies Accompanying notes form an integral part of the financial statements	1		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ganesh Balakrishnan
Partner



Place: Hyderabad
Date: April 23, 2019

For and on behalf of the Board of Directors

B. Ashok Reddy

B. Ashok Reddy
Director
(DIN-01848553)

Place: Hyderabad
Date: April 23, 2019

Joseph M
Managing Director and CEO
(DIN - 07033585)



Cyient Solutions and Systems Private Limited
Statement of Profit and Loss for the year ended March 31, 2019
 (All amounts in ₹ , except share and per share data and where otherwise stated)

Particulars	Note	For the Year ended March 31, 2019	For the Period ended March 31, 2018
INCOME			
Revenue from operations	13	100,566,996	-
Other income	14	(174,510)	-
Total income		100,392,486	-
EXPENSES			
Cost of materials consumed		93,068,739	-
Finance costs	15	23,020,763	-
Depreciation expense	2	18,444	-
Other expenses	16	23,445,708	1,797,110
Total expenses		139,553,654	1,797,110
Loss before tax		(39,161,168)	(1,797,110)
Tax expense	19	-	-
Loss for the year/period		(39,161,168)	(1,797,110)
Total comprehensive income for the year /period		(39,161,168)	(1,797,110)
Earnings per equity share (par value of ₹ 10 each)			
Basic and Diluted (₹)	17	(1,958.06)	(89.86)
Corporate information and significant accounting policies	1		
Accompanying notes form an integral part of the financial statements			

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For Deloitte Haskins & Sells LLP
Chartered Accountants


Ganesh Balakrishnan
Partner



For and on behalf of the Board of Directors


B. Ashok Reddy
Director
(DIN-01848553)


Joseph NJ
Managing Director and CEO
(DIN - 07033585)

Place: Hyderabad
Date: April 23, 2019

Place: Hyderabad
Date: April 23, 2019



Cyient Solutions and Systems Private Limited
Statement of changes in equity for the year ended March 31, 2019
 (All amounts in ₹, except share and per share data and where otherwise stated)

a. Equity share capital	Particulars	Note	Amount
Balance as at March 31, 2018			200,000
Issue of equity shares during the year		7	-
Balance as at March 31, 2019			200,000

b. Other equity

Particulars	Note	Surplus		Items of other comprehensive income	Total other equity
		Securities premium account	Retained earnings		
Balance as at March 31, 2017	8	-	-	-	-
Loss for the period		-	(1,797,110)	-	(1,797,110)
Balance as at March 31, 2018		-	(1,797,110)	-	(1,797,110)
Loss for the year			(39,161,168)		(39,161,168)
Balance as at March 31, 2019	8	-	(40,958,278)	-	(40,958,278)

Accompanying notes form an integral part of the financial statements

In terms of our report attached

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



Ganesh Balakrishnan
Ganesh Balakrishnan
 Partner

For and on behalf of the Board of Directors

B. Ashok Reddy
B. Ashok Reddy
 Director
 (DIN-01848553)

Joseph NJ
Joseph NJ
 Managing Director and CEO
 (DIN - 07033585)

Place: Hyderabad

Date: April 23, 2019

Place: Hyderabad

Date: April 23, 2019



Cyient Solutions and Systems Private Limited
Cash Flow Statement for the period ended March 31, 2019
 (All amounts in ₹, except share and per share data and where otherwise stated)

Particulars	For the period ended March 31, 2019		For the period ended March 31, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Loss for the year	(39,161,168)		(1,797,110)	
Adjustments for :				
Finance costs	23,020,763		-	
Depreciation and amortisation expense	18,444		-	
Operating loss before working capital changes		(16,121,961)		(1,797,110)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Other financial assets	1,956,000		(1,956,000)	
Other assets	(2,997,517)		-	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	58,661,261		51,000	
Other current liabilities	254,928		-	
Cash used in operations		41,752,711		(3,702,110)
Net income taxes paid		-		-
Net cash flow from/(used in) operating activities (A)		41,752,711		(3,702,110)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment towards purchase of property, plant and equipment and intangible assets (refer note(i) below)	(90,759,984)		(131,877,467)	
Advance received from holding Company	(136,500,000)		136,500,000	
Net cash flow (used in)/from investing activities (B)		(227,259,984)		4,622,533
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares	-		200,000	
Loan from holding Company	258,671,450		-	
Net cash flow from financing activities (C)		258,671,450		200,000
Net increase in Cash and cash equivalents (A+B+C)		73,164,177		1,120,423
Cash and cash equivalents at the beginning of the period		1,120,423		-
Cash and cash equivalents at the end of the period*		74,284,600		1,120,423
* Cash and cash equivalents comprises of: (refer note 5)				
Balances with Banks in current accounts		74,284,600		1,120,423
		74,284,600		1,120,423

(i). Payments to acquire property, plant & equipment and intangible assets include payments for items in capital work-in-progress, intangible assets under development and capital advances for purchase of the same. Adjustments for increase / decrease in financial liabilities relating to the acquisition of these assets has been made to the extent identified.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ganesh Balakrishnan
Partner

Place: Hyderabad
Date: April 23, 2019



For and on behalf of the Board of Directors

B. Ashok Reddy

B. Ashok Reddy
Director
(DIN-01848553)

Place: Hyderabad
Date: April 23, 2019

Joseph NJ
Managing Director and CEO
(DIN - 07033585)



Cyient Solutions and Systems Private Limited
Notes forming part of the financial statements

1. Corporate information and significant accounting policies:

a. Corporate information:

Cyient Solutions and Systems Private Limited ('CSSPL' or 'the Company') is engaged in the business of manufacturing, assembling, integrating, testing and sale of unmanned aerial systems. CSSPL is incorporated as a private limited Company in India on April 19, 2017. As at March 31, 2018, Cyient Limited ("Holding Company") owns 100 % shares in the Company.

On April 11, 2018, Cyient Limited entered into a share purchase agreement with Bluebird Aero Systems Limited ("Bluebird"), wherein Bluebird acquired 49% shareholding in CSSPL.

The Holding Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited.

b. Significant accounting policies

i. Statement of compliance:

The financial statements comply in all material respects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting policies generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").

ii. Basis of preparation and 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, as explained in the accounting policies below.

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. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.



Cyient Solutions and Systems Private Limited
Notes forming part of the financial statements

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

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

iii. Use of estimates:

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

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

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

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

- Useful lives of property, plant and equipment and intangible assets
- Intangible assets under development

iv. Foreign currency translation

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.



Cyient Solutions and Systems Private Limited
Notes forming part of the financial statements

Transactions and translations

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Foreign-currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

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

v. Revenue from contract with customer

Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sale of products

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Revenue from contract with customers is recognised by applying revenue recognition criteria specified in Ind AS 115 for each distinct performance obligation. The arrangement with customer specify services to be rendered which meet criteria of performance obligations. For allocation, transaction price, the Company measures the revenue in respect of each performance obligation of a contract at its relative standalone selling price.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services that are not distinct are accounted for on a cumulative catchup basis, while those that are distinct are accounted for prospective, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of discounts/incentives to each of the underlying



Cyient Solutions and Systems Private Limited
Notes forming part of the financial statements

performance obligation that corresponds to the progress by the customer towards earning the discount/incentive.

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

vi. Income taxes:

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

Current and deferred tax is recognised in Statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity, respectively.

The current income tax and deferred income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where the Company operates and generate taxable income.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

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

vii. 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.

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.



viii. Provisions and contingent liabilities:

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

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

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

Contingencies:

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

ix. Cash and cash equivalents:

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

Cash flows are reported using indirect method, whereby profit / (loss) after tax is adjusted for the effects of transaction of 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.

x. Inventories

Inventories are stated at lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.



xi. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to the acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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

xii. Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment.

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

Expenditure incurred towards development eligible for capitalization are carried as intangible assets under development where such assets are not yet ready for their intended use.

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

xiii. Financial instruments:

(A) Initial recognition:

Financial assets and financial liabilities are recognised 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 asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognised immediately in statement of profit or loss.



(B) Subsequent measurement:

a. Non-derivative financial instruments:

- i) **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised 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 liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement profit or loss and is included in the "Other income".

(C) De-recognition of financial assets and liabilities:

Financial assets:

The Company derecognises 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 risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises 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 statement of profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.



Cyient Solutions and Systems Private Limited
Notes forming part of the financial statements

Financial liabilities:

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

(D) Foreign exchange gains and losses:

- For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognised in statement of profit or loss.
- For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.
- 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.

xiv. 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 Solutions and Systems Private Limited
Notes forming part of the financial statements

xv. Recent accounting pronouncements:

Standards issued but not yet effective: -

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt the standard, if applicable, when it becomes effective.

IND AS 116 – Leases:

Ind AS 116 Leases was notified in October 2018 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires leases to account for all leases under a single on balance sheet model, similar to accounting for finance lease under Ind AS 17.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessee will be required to separately recognise the interest expense on the lease liability and depreciation expense on the right of use asset.

The Company is evaluating the impact of this amendment on its financial statements.



Cyient Solutions and Systems Private Limited

Notes forming part of the financial statements

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

2. Property, plant and equipment

Particulars	As at	
	March 31, 2019	March 31, 2018
Carrying amounts of:		
Furniture and fixtures	53,698	-
Electrical installations	70,654	-
Total	124,352	-

Notes:

a. Movement in the carrying amounts of property, plant and equipment is as below:

Particulars	Furniture and fixtures	Electrical installations	Total
I. Cost			
Balance as at March 31, 2017	-	-	-
Additions	-	-	-
Disposals/adjustments	-	-	-
Balance as at March 31, 2018	-	-	-
Additions	71,398	71,398	142,796
Disposals/adjustments	-	-	-
Balance as at March 31, 2019	71,398	71,398	142,796
II. Accumulated depreciation			
Balance as at March 31, 2017	-	-	-
Depreciation for the year	-	-	-
Disposals/adjustments	-	-	-
Balance as at March 31, 2018	-	-	-
Depreciation for the year	17,700	744	18,444
Disposals/adjustments	-	-	-
Balance as at March 31, 2019	17,700	744	18,444
III. Carrying Amounts (I - II)			
Balance as at March 31, 2018	-	-	-
Balance as at March 31, 2019	53,698	70,654	124,352

3. Intangible assets under development

Particulars	As at	
	March 31, 2019	March 31, 2018
Intangible assets under development	163,067,461	-
	163,067,461	-

During the year, the Company entered into a collaboration agreement with a third party for the development of payload and customization of UAV system. Accordingly, amount of ₹ 163,067,461 (March 31, 2018: ₹ Nil) has been classified under 'intangible assets under development'.



Cyient Solutions and Systems Private Limited
Notes forming part of the financial statements

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

4. Other assets

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current:		
Capital advances	40,159,875	112,610,148
Other receivables	-	19,267,319
Balance with government authorities	22,021,034	-
Total other non current assets	62,180,909	131,877,467
Current:		
Prepaid expenses	243,802	-
Total other current assets	243,802	-
Total other assets	62,424,711	131,877,467

5. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in current accounts	74,284,600	1,120,423
Total	74,284,600	1,120,423

6. Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Current :		
Security deposits	-	1,956,000
Total other financial assets	-	1,956,000



Cyient Solutions and Systems Private Limited

Notes forming part of the financial statements

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

7. Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
100,000 equity shares of ₹ 10 each	1,000,000	1,000,000
Issued and subscribed capital:		
20,000 fully paid up equity shares of ₹ 10 each	200,000	200,000
Total	200,000	200,000

a. Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Opening balance	20,000	200,000	-	-
Issue of shares during the year/period	-	-	20,000	200,000
Closing balance	20,000	200,000	20,000	200,000

b. Details of shares held by each shareholder holding more than 5% shares

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares				
Cyient Limited	10,200	51.00%	20,000	100.00%
Bluebird Aero systems Limited*	9,800	49.00%	-	-

* Effective April 11, 2018, Bluebird Aerosystems Limited ("Bluebird") acquired 49% shareholding in the Company from Cyient Limited.

c. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.



Cyient Solutions and Systems Private Limited
Notes forming part of the financial statements

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

8. Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Retained earnings		
(i) Opening balance	(1,797,110)	-
(ii) Other Comprehensive Income	-	-
(iii) Loss for the year/period	(39,161,168)	(1,797,110)
Total	(40,958,278)	(1,797,110)

Nature of reserves:

Retained earnings comprises of prior years' undistributed earnings after tax losses along with current year loss.

9. Non-current borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Loan from Cyient Limited (refer note below)	281,692,213	-
Total	281,692,213	-

Note :

Unsecured loan availed from the holding company, Cyient Limited and repayable in half yearly instalments commencing from April, 2018 over a period of 5 years. The loan was availed @10% interest per annum.

10. Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises (refer note 18)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	58,712,261	51,000
Total	58,712,261	51,000

* Includes amount payable to its related parties (refer note 20)

11. Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Payable to Holding Company	-	136,500,000
Total	-	136,500,000

12. Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory remittances	254,928	-
Total	254,928	-



Cyient Solutions and Systems Private Limited
Notes forming part of the financial statements

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

13. Revenue from contracts with customers

Effective April 1, 2018, the Company adopted Ind AS 115, Revenue from Contracts with Customers using the cumulative catch-up transition method applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 was not material.

Revenues for the year ended March 31, 2019 and March 31, 2018 are as follows:

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Revenue from products	100,566,996	-
Total revenue from operations	100,566,996	-

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

(i). Disaggregated revenue information

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

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Revenues by contract type		
Product Sale	100,566,996	-
Total	100,566,996	-
Revenues by Geography		
India	100,566,996	-
Total	100,566,996	-

Product sale:

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts, where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. Consequently, disclosure related to transaction price allocated to remaining performance obligation is not material.



Cyient Solutions and Systems Private Limited
Notes forming part of the financial statements

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

14. Other Income

Particulars	For the Year ended March 31, 2019	For the Period ended March 31, 2018
Foreign exchange (loss) (net)	(174,510)	-
Total	(174,510)	-

15. Finance cost

Particulars	For the Year ended March 31, 2019	For the Period ended March 31, 2018
Interest on loans from related parties	23,020,763	-
Total	23,020,763	-

16. Other expenses

Particulars	For the Year ended March 31, 2019	For the Period ended March 31, 2018
Rent	24,000	-
Rates and taxes	2,008,652	11,000
Printing and stationery	109,991	-
Travelling and conveyance	242,972	-
Repairs and maintenance		
- Machinery	158,480	-
- Others	8,250	-
Legal and professional charges	19,575,530	40,000
Marketing expenses	216,000	-
Auditors' remuneration	500,000	-
Training and development	11,700	-
Miscellaneous expenses	590,133	1,746,110
Total	23,445,708	1,797,110



Cyient Solutions and Systems Private Limited**Notes forming part of the financial statements**

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

17. Earnings per share

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
Loss after tax	(39,161,168)	(1,797,110)
Basic and Diluted*:		
Number of shares outstanding at the year end	20,000	20,000
Weighted average number of equity shares	20,000	20,000
Earnings per share (₹)	(1,958.06)	(89.86)

* There were no dilutive instruments outstanding during the period.

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

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the statutory auditors.

19. Tax expense

The Company has not recognised deferred tax asset ("DTA") on the business loss during the current and previous periods. DTA will be recognised when it is probable that future taxable amounts will be available to utilise these losses.



Cyient Solutions and Systems Private Limited

Notes forming part of the financial statements

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

20. Related Party Transactions

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

Party Name	Nature of relationship
Cyient Limited	Holding Company
Cyient Inc.	Fellow subsidiary
Cyient Canada Inc.	Subsidiary of Fellow subsidiary
Cyient Defense Services Inc.	Subsidiary of Fellow subsidiary
B&F Design Inc.	Subsidiary of Fellow subsidiary
New Technology Precision Machining Co., Inc.	Subsidiary of Fellow subsidiary
Cyient Insights Private Limited	Fellow subsidiary
Cyient Europe Limited	Fellow subsidiary
Cyient Benelux BV	Subsidiary of Fellow subsidiary
Cyient Schweiz GmbH	Subsidiary of Fellow subsidiary
Cyient SRO	Subsidiary of Fellow subsidiary
AnSem NV	Subsidiary of Fellow subsidiary
AnSem B.V.	Subsidiary of Fellow subsidiary
Cyient GmbH	Fellow subsidiary
Cyient AB	Subsidiary of Fellow subsidiary
Cyient KK	Fellow subsidiary
Cyient DLM Private Limited	Fellow subsidiary
Cyient Singapore Private Limited	Fellow subsidiary
Cyient Australia Pty Ltd	Fellow subsidiary
Cyient Israel India Limited	Fellow subsidiary
Infotech HAL Limited	Joint venture of Holding Company
Bluebird Aero systems Limited	Minority shareholder

Key Managerial Personnel (KMP):

Name	Designation
Joseph NJ	Managing Director & CEO
B. Ashok Reddy	Non-Executive director
A. Mohanakrishna Reddy (Resigned on August 30, 2018)	Non-Executive director
Matheswaran Muthumanickam	Independent director
Ronen Nadir (Appointed on August 30, 2018)	Non-Executive director
Mordechay Shechter (Appointed on August 30, 2018)	Non-Executive director

Summary of the transactions and balances with the above related parties are as follows:

(a) Transactions during the year:

Nature of the transaction	Party Name	For the year ended March 31, 2019	For the period ended March 31, 2018
Issue of share capital	Cyient Limited	-	200,000
Advance (repaid)/ received	Cyient Limited	(136,500,000)	136,500,000
Corporate Guarantee extended	Cyient Limited	3,152,929	50,000,000
Purchase of goods	Bluebird Aero systems Limited	88,671,584	-
Rental expenses	Cyient Limited	24,000	-
Interest expense	Cyient Limited	23,020,763	-
Reimbursement of expenses	Cyient Limited	18,738,313	-
	Cyient Inc.	315,585	-
Loans given	Cyient Limited	260,973,525	-
Intangible assets under development	Bluebird Aero systems Limited	163,067,461	-
Capital advances	Bluebird Aero systems Limited	40,159,875	112,610,148

(b) Balances at the year-end:

Nature of the balance	Party Name	As at March 31, 2019	As at March 31, 2018
Advances outstanding	Cyient Limited	-	136,500,000
Corporate Guarantee outstanding	Cyient Limited	53,152,929	50,000,000
Trade payables	Cyient Limited	18,756,314	-
	Cyient Inc.	315,585	-
	Bluebird Aero systems Limited	34,866,073	-
Loans outstanding	Cyient Limited	281,692,213	-
Other receivables	Bluebird Aero systems Limited	-	19,267,319



Cyient Solutions and Systems Private Limited
Notes forming part of the financial statements

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

21. Financial Instruments

21.1 Financial instruments by category:

Particulars	Carrying value as at	Carrying value as at
	March 31, 2019	March 31, 2018
Financial assets:		
Amortised cost		
Cash and cash equivalents	74,284,600	1,120,423
Other financial assets	-	1,956,000
Total financial assets	74,284,600	3,076,423
Financial liabilities:		
Amortised cost		
Borrowings	281,692,213	-
Trade payables	58,712,261	51,000
Other financial liabilities	-	136,500,000
Total financial liabilities	340,404,474	136,551,000

The management assessed that fair value of cash & cash equivalents, other current financial assets, trade payables, borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments, and hence these are carried at amortised cost.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

21.2 Financial risk management

Financial risk factors

The Company's activities expose it to foreign exchange 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.

Foreign exchange risk

The Company monitors and manages its financial risks by analysing its foreign exchange exposures.

Foreign currency exposure unhedged

The following table analyses foreign currency risk from financial instruments as of March 31, 2019:

Particulars	US Dollars	Total
Trade Payables	(54,448,977)	(54,448,977)

Sensitivity analysis:

For the year ended March 31, 2019 and March 31, 2018, every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by (₹ 2,722,449) / ₹ 2,722,449 and ₹ Nil respectively.



Cyient Solutions and Systems Private Limited

Notes forming part of the financial statements

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

Liquidity risk

The Company's principal sources of liquidity are cash & bank balances and loans and advances from holding company. Management regularly monitors the company's liquidity position. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	58,712,261	-	-
Total	58,712,261	-	-

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

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	51,000	-	-
Other financial liabilities	136,500,000	-	-
Total	136,551,000	-	-

22. Segment information

The Company's operations are managed as a single business unit. It has only one reportable segment for financial reporting purposes being the financial results of the Company.

23. Regrouping/ Reclassification

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosures.

24. The financial statements were approved by the Company's Board of Directors on April 23, 2019.

For and on behalf of the Board of Directors



B. Ashok Reddy

B. Ashok Reddy
Director
(DIN-01848553)

Joseph N

Joseph N
Managing Director and CEO
(DIN - 07033585)

Place: Hyderabad
Date: April 23, 2019

