Cyient Inc.
Consolidated Balance Sheet as at March 31, 2019
(All amounts in ₹ millions, 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	3	339	291
Capital work-in-progress		2	-
Goodwill	4	794	764
Intangible assets	5	320	454
Intangible assets under development	5	110	51
Financial assets			
(a) Investments	6	211	249
(b) Loans	7	-	191
(c) Other financial assets	8	15	15
Other non-current assets	9	9	19
Income tax assets (net)	18.3	321	302
Total non-current assets		**2,121**	**2,336**
Current assets			
Inventories	10	44	90
Financial assets			
(a) Trade receivables	11	3,573	2,390
(b) Cash and cash equivalents	12A	760	699
(c) Other bank balances	12B	18	46
(d) Other financial assets	8	1,635	1,381
Other current assets	9	178	149
Total current assets		**6,208**	**4,755**
Total assets		**8,329**	**7,091**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	993	993
Other equity	14	2,005	1,512
Total equity		**2,998**	**2,505**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(a) Borrowings	15	202	277
(b) Other financial liabilities	16	248	352
Provisions	17	141	59
Deferred tax liabilities (net)	18.2	263	266
Income tax liabilities (net)	18.3	20	20
Other non-current liabilities	19	-	26
Total non-current liabilities		**874**	**1,000**
Current liabilities			
Financial liabilities			
(a) Borrowings	15	671	423
(b) Trade payables	20		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprises		3,185	2,591
(c) Other financial liabilities	16	220	283
Provisions	17	59	56
Income tax liabilities (net)	18.3	298	188
Other current liabilities	19	24	45
Total current liabilities		**4,457**	**3,586**
Total liabilities		**5,331**	**4,586**
Total equity and liabilities		**8,329**	**7,091**
Corporate information and significant accounting policies	1 & 2		
Accompanying notes form an integral part of the consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

C. Manish Muralidhar
Partner

Place: Hyderabad
Date: April 25, 2019

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

Krishna Bodanapu
Managing Director and CEO
(DIN-05301037)

Ajay Aggarwal
President &
Chief Financial Officer

Place: Hyderabad
Date: April 25, 2019

CYIENT LIMITED HYDERABAD

Cyient Inc.

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

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

Particulars	Note	For the Year ended March 31, 2019	For the Year ended March 31, 2018
INCOME			
Revenue from operations	21	20,542	16,787
Other income	22	113	119
Total income		**20,655**	**16,906**
EXPENSES			
Cost of materials consumed		197	-
Changes in inventory of work-in-progress	23	46	(8)
Employee benefits expense	24	11,643	9,654
Finance costs	25	131	72
Depreciation and amortisation expense	26	255	207
Other expenses	27	7,805	6,338
Total expenses		**20,077**	**16,263**
Profit before tax		**578**	**643**
Tax expense			
Current tax	18	194	95
Deferred tax		(25)	101
Total tax expense		**169**	**196**
Profit for the year		**409**	**447**
Other comprehensive income (OCI)			
(a) Items that will not be reclassified subsequently to profit or loss:			
(i) Equity instruments through other comprehensive income		12	166
(ii) Income tax relating to items that may not be reclassified to profit or loss	18.1(B)	(3)	(49)
(b) Items that will be reclassified subsequently to profit or loss:			
(i) Exchange differences in translating the financial statements of foreign operations		76	24
(ii) Effective portion of gain on designated portion of hedging instruments in a cash flow hedge (FY 2017-18: ₹ 2)		(1)	2
(iii) Income tax relating to items that may be reclassified to profit or loss	18.1(B)	-	(1)
Total other comprehensive income		**84**	**142**
Total comprehensive income for the year		**493**	**589**
Earnings per equity share (par value of ₹ Nil each)	28		
Basic and Diluted (₹)		816.39	893.11
Corporate information and significant accounting policies	1 & 2		
Accompanying notes form an integral part of the consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

C. Manish Muralidhar
Partner

Place: Hyderabad
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For and on behalf of the Board of Directors of Cyient Limited

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Ajay Aggarwal
President &
Chief Financial Officer

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Date: April 25, 2019

CYIENT LIMITED HYDERABAD

Cyient Inc.

Consolidated statement of changes in equity for the year ended March 31, 2019

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

A. Equity share capital

Particulars	Note	Amount
Balance as at March 31, 2017		**993**
Changes in equity share capital during the year		-
Balance as at March 31, 2018	13	993
Changes in equity share capital during the year		-
Balance as at March 31, 2019		**993**

B. Other equity

Particulars	Note	Surplus		Items of other comprehensive income			Total other equity
		General reserve	Retained earnings	Cash flow hedge reserve	Foreign currency translation Reserve	Equity instruments through other comprehensive income	
Balance as at March 31, 2017		**2**	**697**	-	**224**	-	**923**
Other comprehensive income	14	-	-	1	24	117	142
Profit for the year		-	447	-	-		447
Total comprehensive income for the year		-	**447**	**1**	**24**	**117**	**589**
Balance as at March 31, 2018		**2**	**1,144**	**1**	**248**	**117**	**1,512**
Other comprehensive income	14			(1)	76	9	**84**
Profit for the year		-	409	-	-	-	**409**
Total comprehensive income for the year		-	**409**	**(1)**	**76**	**9**	**493**
Transfer of gain to retained earnings on disposal of equity instruments through OCI		-	**109**	-	-	**(109)**	-
Balance as at March 31, 2019		**2**	**1,662**	-	**324**	**17**	**2,005**

Accompanying notes form an integral part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

C. Manish Muralidhar
Partner

Place: Hyderabad
Date: April 25, 2019

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

Krishna Bodanapu
Managing Director and CEO
(DIN-05301037)

Ajay Aggarwal
President & Chief Financial Officer

Place: Hyderabad
Date: April 25, 2019

Cyient Inc.
Consolidated Cash Flow Statement for the year ended March 31, 2019
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the year	409		447	
Adjustments for :				
Tax expense	169		196	
Depreciation and amortisation expense	255		207	
Loss on sale of property, plant and equipment (net)	4		1	
Finance costs	131		72	
Interest income	(20)		(15)	
Dividend income received	(2)		-	
Liabilities no longer required written back	(13)		(38)	
Stock option expense	9		13	
Provision for doubtful debts, (net)	53		37	
Loans to related party written off	302		-	
Effect of exchange differences on translation of foreign currency cash and cash equivalents	10		(2)	
Unrealised forex loss	16		16	
Operating profit before working capital changes		1,323		934
Changes in operating assets and liabilities:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(1,212)		(77)	
Other financial assets	(255)		(509)	
Other assets	(16)		108	
Inventories	35		(9)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	619		299	
Other financial liabilities	(1)		35	
Other liabilities	(47)		(142)	
Provisions	85		(48)	
Cash generated from operations		531		591
Income taxes paid		(95)		(102)
Net cash flow from operating activities (A)		436		489
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment towards purchase of property plant and equipment and intangible assets (refer note (i) below)	(169)		(198)	
Proceeds from sale of property, plant and equipment	-		1	
Proceeds from sale of financial assets				
- Investments in equity instruments (quoted)	236		-	
Payments to acquire financial assets				
- Investments in preferred and debt instruments	(173)		-	
Loans given to fellow subsidiary	(66)		(43)	
Dividend income received	2		-	
Net cash outflow on acquisition of subsidiaries (refer note (ii) below)	(60)		(295)	
Payment of liability towards acquisition of business	(93)		-	
Movement in other bank balances	28		16	
Net cash flow used in investing activities (B)		(295)		(519)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	(120)		(63)	
Proceeds from current borrowings	671		977	
Repayment of current borrowings	(450)		(553)	
Proceeds from non-current borrowings	33		195	
Repayment of non-current borrowings	(204)		(345)	
Net cash flow (used in)/ from financing activities (C)		(70)		211
Net increase in cash and cash equivalents (A+B+C)		71		181
Cash and cash equivalents at the beginning of the year		699		516
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(10)		2
Cash and cash equivalents at the end of the year (refer note (i) below)		760		699
Notes:				
(i) Cash and cash equivalents comprises of (refer note 12A):				
Cheques on hand		-		3
Balances with banks				
in current accounts		609		689
Remittances in transit		151		7
		760		699

(ii) Payments to acquire property, plant and equipment and intangible assets include payments for items in 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.

(iii) Net cash outflow on acquisition of subsidiaries

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consideration paid in cash	(68)	(327)
Less: Cash and cash equivalent balances acquired on the acquisition	8	32
Net cash outflow on acquisition of subsidiaries	(60)	(295)

Accompanying notes form an integral part of the consolidated financial statements
In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

C. Manish Muralidhar
Partner

Place: Hyderabad
Date: April 25, 2019

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

Krishna Bodanapu
Managing Director and CEO
(DIN - 05301037)

Ajay Aggarwal
President &
Chief Financial Officer

Place: Hyderabad
Date: April 25, 2019

CYIENT LIMITED HYDERABAD

1. Corporate information:

Cyient Inc. ('Cyient' or 'the Parent Company') was incorporated on July 19, 1999 in the United States of America and is a wholly owned subsidiary of Cyient Limited (Ultimate Holding Company) a Company based in India. The Company and its subsidiaries (together referred as the 'Group') provide engineering design, software development and geographical information systems services to manufacturing, transportation and mapping companies in the United States.

1.2 Basis of preparation and presentation:

The consolidated financial statements include the financial statements of the Cyient Inc. (the parent company) and its subsidiaries Cyient Canada Inc., Cyient Defense Services Inc., B&F Design Inc., and New Technology Precision Machining co., Inc.; all together referred to as 'the Group'. During the year, Certon Software Inc. has been merged with its holding company, Cyient Inc. consequently, Certon Instruments Inc., a wholly owned subsidiary of Certon Software Inc. was voluntarily dissolved during the period. These consolidated financial statements have been prepared on a 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.

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

Fair value for measurement purposes in these consolidated 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 net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

CYIENT LIMITED HYDERABAD

2. Significant accounting policies

2.1 Statement of compliance:

The consolidated 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act as applicable to the extent notified and guidelines issued by the Securities and Exchange Board of India ("SEBI").

2.2 Use of estimates:

The preparation of the consolidated 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 these consolidated 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 consolidated financial statements in the period in which results are known and, if material, are disclosed in the consolidated 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 is included in the following notes:

- Useful lives of property, plant and equipment and intangible assets
- Intangible assets under development
- Assets and obligations relating to employee benefits
- Financial instruments
- Measurement of recoverable amounts of cash-generating units
- Provisions and contingencies
- Evaluation of recoverability of deferred tax assets
- Share based payments

2.3 Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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CYIENT LIMITED HYDERABAD

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, income and expenses relating to transactions between members of the Group are eliminated in full on consolidation.

2.4 Foreign currency translation

In preparing the financial statements of each individual Group entity, 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. 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 recognised in consolidated statement of profit and loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into presentation currency using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity.

i) <u>Functional and presentation currency</u>

These consolidated financial statements are presented in Indian rupees, while the functional currency of the Company and its subsidiaries is USD, which is determined based on the primary economic environment in which the entity operates.

ii) <u>Transactions and balances</u>

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the consolidated 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-

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

CYIENT LIMITED HYDERABAD

monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

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

iii) Group companies

The results and financial position of the Group are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of balance sheet.
- Income and expenses are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.
- When a foreign operation is sold, the associated exchange differences are reclassified to consolidated statement of profit and loss, as part of the gain or loss on sale.

2.5 Business combination:

Acquisition of businesses are accounted using the acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair value of the assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity interest issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition–date amounts of the identifiable assets acquired and the liabilities assumed.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be.
Measurement period adjustments are adjustments that arise from the additional information obtained during the 'measurement period' (which cannot exceed one year form the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments and are classified as an asset or liability are remeasured at

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

CYIENT LIMITED HYDERABAD

fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Business combinations under common control are accounted using the pooling of interest method as defined in Appendix C of Ind AS 103.

2.6 Goodwill:

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

For the purposes of impairment testing, goodwill is allocated to each of the Group'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. Any impairment loss for goodwill is recognised directly in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.7 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 for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in consolidated statement of profit and 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, 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 group 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. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

CYIENT LIMITED HYDERABAD

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.

2.8 Leases:

As a lessee:

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Operating leases:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor:

Operating lease:

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.9 Earnings per share:

The Group 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, which includes all stock options granted to the employees

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

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2.10 Provisions and Contingent liabilities

Provisions are recognised when the Group 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 consolidated financial statements. A contingent asset is neither recognised nor disclosed in the consolidated financial statements.

2.11 Share based payments

Stock options are granted to the associates of the Group under various stock option schemes established after June 19, 1999 by the ultimate holding company, Cyient Limited.

The cost of equity-settled employee share-based payments is recognised based on the fair value of the options and restricted stock units as on the grant date. These expenses are pushed down by the ultimate holding company, Cyient Limited and is recognised under employee benefits expense.

2.12 Cash and cash equivalents:

Cash comprises cash on hand, in bank and demand deposits with banks. The Group 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) for the year 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 Group are segregated based on the available information.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

CYIENT LIMITED HYDERABAD

2.13 Research and development

Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has intention and ability to complete and use the asset and the costs are measure reliably, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

2.14 Revenue

The Company derives revenue primarily from services and solutions specialising in geospatial, engineering design, analytics, network and operations solutions. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or a service to a customer. The method for recognizing revenues and costs depends on the nature of services rendered as mentioned below:

a) Time and material: Revenue from time and material contracts are recognized as the related services are performed, which is pursued based on the efforts spent and agreed rate with the customer. Revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

b) Fixed price contracts: Revenue from fixed-price contracts is recognized as per the 'percentage-of-completion' method, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity.

c) Maintenance contracts: Revenue from fixed-price maintenance contracts are recognised pro-rata over the term of the maintenance arrangement.

d) 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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS *

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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 classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenue are classified as contract liabilities (unearned revenues).

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

2.15 Other income

Interest income from a financial asset is required when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and rate applicable in the transaction using the effective interest method.

Dividend income is recognised when the Group's right to receive dividend is established.

Foreign currency gains and losses are reported on net basis. This includes the changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

2.16 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 capitalized until the property, plant and equipment are ready for use, as intended by management.

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

Type of asset	Useful life
Leasehold improvements	5 years or shorter of lease period
Tools and equipment	10 years

Based on internal assessment, the management believes that the above useful lives best represent the period over which the management expects to use these assets. Hence, the useful life of these assets are different from the useful lives as prescribed under schedule II of the Companies Act, 2013.

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

An item of property, plant and equipment is derecognised 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 recognised in the consolidated statement of profit and loss.

Individual assets costing USD 70 (equivalent INR 5000) or less are fully depreciated in the year of acquisition.

2.17 Intangibles assets

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

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair 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.

Intangible assets are amortized over their estimated useful life on a straight line basis as follows:

Type of asset	Useful life
Computer Software	3 years
Customer rights	4-5 years
Process know how and patents	5 years
Intellectual Property	Over the period of the respective project
Other Intangibles	Over the period of the respective project

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

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. 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 profit or loss when the asset is de-recognised.

2.18 Inventories:

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

i) Raw materials and Consumables - at cost or net realizable value whichever is less

Cost includes purchase costs and other attributable expenses.

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ii) Stores and spares- at cost

Costs includes purchase costs and other attributable expenses

iii) Work in progress & finished goods- at cost or net realizable value whichever is less

Costs of production comprises of direct material costs, wages and applicable overheads.

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.

2.19 Employee benefit plans

Defined contribution plans:

The Group provides a defined contribution plan benefit through the Cyient Inc. 401(K) Benefit Plan to all of its eligible employees. The plan is administered by the Group while the trustee for the plan is an external agency. The contribution from the Group is at the discretion of the Board of Directors of Cyient Inc.

Defined Benefit plans:

Compensated absences:

The employees of the Group are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment. 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.

Medical benefits:
Medical insurance plan offered to the associates is on self-insured basis which consists of fixed costs of administration charges and stop loss insurance that are charged on a per associate and monthly claims being settled from consolidated fund maintained by third party insurance fund. At the end of every calendar year, the insurance agency provides an estimate of "Claims Not Yet Received" computed on actuarial valuation based on number of associates and claims received over the last 12 months. This estimate is extrapolated on the basis of the closing enrolments as of March 31 and the management creates a liability for medical expenses.

Other short-term employee benefits:
Other short-term employee benefits, including overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders service.

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2.20 Financial instruments

(A) Initial recognition:

Financial assets and financial liabilities are recognised when a Group 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 profit or loss.

On initial recognition, the group can make an irrevocable election (on an investment by investment basis) to present the subsequent changes in fair value in the other comprehensive income pertaining to investments in equity instruments.

(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 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. Based on the nature of the investment, The Group chooses to avail irrevocable opinion of presenting subsequent changes in fair value in other comprehensive income based on its business model.

iii) **Financial assets at fair value through profit or loss:** Financial Asset which is not classified in any of the above categories are subsequently fair valued through consolidated statement of profit and loss.

iv) **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.

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v) **Investment in subsidiaries:** Investment in subsidiaries is carried at cost in the separate financial statements.

b. Derivative financial instruments:

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.

Derivatives are recognised at fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in consolidated statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income/expense 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 consolidated statement of profit and loss and is included in "Other income".

c. Hedge accounting:

The Group's policy is to use these derivative instruments (primarily interest rate swaps) to convert fixed rate debt to floating rates in order to hedge the interest rate risk arising from market borrowings.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

These derivative contracts are stated at the fair value at each reporting date.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in consolidated statement of profit and loss.

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Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in consolidated statement of profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in consolidated statement of profit and loss.

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

Financial assets:

The Group 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 Group retains substantially all the risks and rewards of the ownership of a transferred financial asset, the Group 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 consolidated statement of profit or loss if such gain or loss would have otherwise been recognised in consolidated statement of profit or loss on disposal of that financial asset.

Financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group'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 consolidated statement of profit or loss.

(D) Foreign exchange gains and losses:

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised 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 recognised in other comprehensive income.

- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit or loss and other

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changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

- 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 consolidated 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. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in consolidated statement of profit or loss.

Determination of fair values

In determining the fair value of its financial instruments, the group 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.

2.21 Impairment of assets

a. *Financial assets:*

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

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

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b. *Non-financial assets:*
Intangible assets, Intangible assets under development and property, plant and equipment:

Intangible assets, Intangible assets under development 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. Intangible assets under development are tested for impairment annually.

If such assets are considered to be impaired, the impairment to be recognised in the consolidated 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 consolidated 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 recognised for the asset in prior years.

2.22 Exceptional item:

Significant gains/losses or expenses incurred arising from external events or based on corporate action which are not expected to recur are disclosed as 'Exceptional item'

2.23 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 consolidated 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 Group is evaluating the impact of this amendment on its financial statements.

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2.24 Regulations

These consolidated financial statements are prepared solely for the purpose of being used to prepare, Cyient Limited's consolidated financial statements and in assisting submission of Annual Performance Report to Reserve Bank of India under Notification No. FEMA 120/RB-2004 dated July 7, 2004, Regulation 15(iii) as amended from time to time and should be read in that context.

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Notes forming part of the consolidated financial statements
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3. Property, plant and equipment

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amount of:		
Leasehold improvements	60	49
Computers	53	33
Office equipment	101	103
Furniture and fixtures	74	62
Electrical installations	7	6
Plant and equipment	42	36
Vehicles	2	2
Total	**339**	**291**

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

Particulars	Leasehold improvements	Computers	Office equipment	Furniture and fixtures	Electrical installations	Plant and equipment	Vehicles	Total
I. Cost or deemed cost								
Balance as at March 31, 2017	**50**	**172**	**122**	**59**	**5**	-	-	**408**
Additions	24	19	60	26	4	-	-	133
Disposals	-	(81)	(23)	(2)	-	-	-	(106)
Acquisitions through business combination	19	-	-	2	-	37	2	60
Foreign currency translation adjustments	1	1	-	-	-	-	-	2
Balance as at March 31, 2018	**94**	**111**	**159**	**85**	**9**	**37**	**2**	**497**
Additions	20	41	21	17	2	2	-	103
Disposals (refer note below)	-	(2)	(3)	-	-	-	-	(5)
Acquisitions through business combination	1	-	-	-	-	8	-	9
Foreign currency translation adjustments	6	5	11	5	-	3	-	30
Balance as at March 31, 2019	**121**	**155**	**188**	**107**	**11**	**50**	**2**	**634**
II. Accumulated depreciation								
Balance as at March 31, 2017	**35**	**141**	**58**	**16**	**2**	-	-	**252**
Depreciation for the year	10	19	18	8	-	1	-	56
Disposals	-	(81)	(22)	(1)	-	-	-	(104)
Foreign currency translation adjustments	-	(1)	2	-	1	-	-	2
Balance as at March 31, 2018	**45**	**78**	**56**	**23**	**3**	**1**	-	**206**
Depreciation for the year	13	21	30	9	1	7	-	81
Disposals	-	(2)	(2)	-	-	-	-	(4)
Foreign currency translation adjustments	3	5	3	1	-	-	-	12
Balance as at March 31, 2019	**61**	**102**	**87**	**33**	**4**	**8**	-	**295**
III. Carrying Amounts (I-II)								
Balance as at March 31, 2018	**49**	**33**	**103**	**62**	**6**	**36**	**2**	**291**
Balance as at March 31, 2019	**60**	**53**	**101**	**74**	**7**	**42**	**2**	**339**

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4. Goodwill

Particulars	As at	
	March 31, 2019	March 31, 2018
Balance at beginning of year	764	496
Additions on account of business combinations (refer note 31)	30	268
Balance at end of the year	**794**	**764**

Goodwill of ₹ 298 (March 31, 2018: ₹ 268) has been allocated to the DLM segment . The estimated value-in-use of this CGU is based on the future cash flows using a 2% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 13%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Goodwill of ₹ 496 (March 31, 2018: ₹ 496) has been allocated to the MI segment. The estimated value-in-use of this CGU is based on the future cash flows using a 3% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 13%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

5. Intangible assets

Particulars	As at	
	March 31, 2019	March 31, 2018
Carrying amount of:		
Computer software	6	86
Customer contracts	158	185
Process knowhow	47	61
Technology/ Intellectual Property (refer note (i) below)	64	73
Other Intangibles	45	49
Total intangible assets	**320**	**454**
Intangible assets under development (refer note (i) below)	**110**	**51**

Note:

(i). Intangible assets under development:

a) The Company incurred certain expenses towards development of a software towards certification process through simulation of ₹ 37 (March 31, 2018: ₹ Nil) which was capitalised as intangible assets under development'.

b) Amounts incurred by the Company pursuant to an agreement with a customer towards efficiency improvement in certain equipment on a risk sharing model ₹ 73 (March 31, 2018: ₹ 51). During the previous year, Company capitalized ₹ 76 pursuant to successful completion of an identifiable block which is expected to generate revenue over the next six years. This has been classified under 'Technology/ Intellectual Property'.

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

Particulars	Computer software	Customer contracts	Process Knowhow	Technology/ Intellectual Property	Other Intangibles	Total
I. Cost or Deemed cost						
Balance as at March 31, 2017	**378**	**110**	**78**	-	-	**566**
Additions	5	-	-	75	39	119
Disposals	(86)	-	-	-	-	(86)
Additions through business combination	-	96	-	-	13	109
Foreign currency translation adjustments	2	3	-	1	-	6
Balance as at March 31, 2018	**299**	**209**	**78**	**76**	**52**	**714**
Additions	3	-	-	-	-	3
Disposals	(11)	-	-	-	-	(11)
Additions through business combination	-	14	-	-	2	16
Foreign currency translation adjustments	19	14	5	5	3	46
Balance as at March 31, 2019	**310**	**237**	**83**	**81**	**57**	**768**
II. Accumulated amortisation						
Balance as at March 31, 2017	**193**	**4**	**3**	-	-	**200**
Amortisation for the year	109	21	15	3	3	151
Disposals	(86)	-	-	-	-	(86)
Foreign currency translation adjustments	(3)	(1)	(1)	-	-	(5)
Balance as at March 31, 2018	**213**	**24**	**17**	**3**	**3**	**260**
Amortisation for the year	85	49	17	14	9	174
Disposals	(8)	-	-	-	-	(8)
Foreign currency translation adjustments	14	6	2	(0)	-	22
Balance as at March 31, 2019	**304**	**79**	**36**	**17**	**12**	**448**
III. Carrying Amounts (I-II)						
Balance as at March 31, 2018	**86**	**185**	**61**	**73**	**49**	**454**
Balance as at March 31, 2019	**6**	**158**	**47**	**64**	**45**	**320**

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6. Investments

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current (refer note (i) below)		
Investment carried at fair value through other comprehensive income		
Equity instruments of other entities (quoted)	38	249
Equity instruments of other entities (unquoted)	-	-
Investments carried at fair value through profit and loss:		
Preferred instruments of other entities (unquoted)	69	-
Debt instruments of other entities (unquoted)	104	-
Total	**211**	**249**

Note (i): Details of investments - Non-current

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Equity instruments of other entities				
(Quoted)				
Murata Manufacturing Co. Limited (Murata) (refer note (a) below)	11,154	38	28,093	249
(Unquoted)				
Equity instruments of other entities				
Canesta Inc., USA (refer note (b) below)	10,000	-	10,000	-
(Unquoted)				
Preferred instruments of other entities				
Jana Care Inc. (refer note (d) below)	368,297	69	-	-
Debt Instrument of other entities				
Spry Health Inc. (refer note (c) below)	NA	104	-	-
Total	**389,451**	**211**	**38,093**	**249**

Notes:

a) During the previous year, the entire shareholding of VIOS Medical Instruments Inc. ("VIOS") was acquired by Murata Manufacturing Co. Limited ("Murata"), Japan. Accordingly, Company received shares of Murata on October 13, 2017 as consideration in lieu of its shares held in VIOS and on the date of allotment of such shares recognised a gain of ₹ 192 in 'Other Comprehensive Income' in accordance with Ind AS 109 'Financial Instruments'. The changes in the fair value subsequent to the allotment for the year ended March 31, 2018 of ₹ (26) is also recognised in 'Other Comprehensive Income'.

During the year, Company sold 24,375 shares held in Murata for a consideration of ₹ 236 (USD 3,470,675) resulting into gain of ₹ 109 net of tax of ₹ 45, has been transferred from 'other comprehensive income' to 'retained earnings'. Balance 3,718 shares continue to fair valued through other comprehensive income. During the year, Murata has announced stock split, wherein each share of common stock owned by shareholders will be split into three shares. Accordingly, Company's revised shareholding in Murata is 11,154 shares.

b) As at March 31, 2019, carrying value of equity instruments in Canesta Inc. was ₹ 0.13 (March 31, 2018: ₹ 0.10)

c) During the year, Company has invested an amount of ₹ 104 (USD 1,500,000) as a part of 'simple agreement for future equity' ("SAFE") with Spry Health Inc.. The Company has right to certain shares of Spry Health Inc. based on terms and conditions specified in the agreement.

d) During the year, Company has invested an amount of ₹ 69 (USD 1,000,000) in Series A Preferred Stock in Jana Care Inc.

Note (ii): Carrying values

Particulars	As at	
	March 31, 2019	March 31, 2018
Aggregate amount of investments carried at fair value through other comprehensive income (quoted)	38	249
Aggregate amount of investments carried at fair value through profit and loss (unquoted)	173	-

7. Loans

Particulars	As at	
	March 31, 2019	March 31, 2018
Non - Current		
Loans to related parties (refer note below and 30)	-	191
Total	**-**	**191**

Classification of Loans:

(a) Loans considered good -Secured	-	-
(b) Loans considered good -Unsecured	-	191
(c) Loans which have significant increase in credit risk; and	-	-
(d) Loans - credit impaired.	-	-

On February 15, 2019, Cyient Inc. entered into an asset purchase agreement with Cyient Insights LLC ("Insights"), wherein Cyient Inc. has acquired certain assets and liabilities for a consideration of waiver of the loan receivable from Insights. Further, trade receivable due from Insights was agreed to be offset with payable by Cyient Inc. Accordingly, the net loss on account of this transaction of ₹ 302 was recognised in the consolidated statement of profit and loss under 'other expenses'.

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8. Other financial assets

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current		
Security deposits		
- Unsecured, considered good	15	15
Total Other Non-current financial assets	**15**	**15**
Current		
Unbilled revenue	1,610	1,366
Advance to employees	9	4
Derivative instruments designated in a hedging relationship	1	2
Other receivables	15	9
Total other current financial assets	**1,635**	**1,381**
Total other financial assets	**1,650**	**1,396**

9. Other assets

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current:		
Capital advances	4	1
Prepaid expenses	-	13
Other advances	5	5
Total other non-current assets	**9**	**19**
Current:		
Prepaid expenses	153	131
Other advances	25	18
Total other current assets	**178**	**149**
Total other assets	**187**	**168**

10. Inventories

Particulars	As at	
	March 31, 2019	March 31, 2018
Inventories		
Work-in-progress	44	90
Total	**44**	**90**

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11. Trade receivables

Particulars	As at	
	March 31, 2019	March 31, 2018
Trade receivables		
Trade receivables considered good - Unsecured*	3,573	2,390
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	92	47
	3,665	2,437
Expected credit loss allowance (refer note below)	(92)	(47)
Total	**3,573**	**2,390**

* Include dues from related parties. (refer note 30)

Note:

Expected credit loss (ECL):

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The average credit period is between 60-90 days. Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits for each customer. Limits and scoring attributed to customers are reviewed once a year.

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

Ageing	As at	
	March 31, 2019	March 31, 2018
Within the credit period	2,235	1,857
1-90 days past due	541	268
91-180 days past due	244	34
181-365 days past due	270	222
More than 365 days past due	375	56
	3,665	**2,437**

Movement in the expected credit loss allowance	As at	
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	47	58
Provision for expected credit loss	53	37
Reversal of provision for expected credit loss	-	(49)
Add : Translation gain/(loss)	(8)	1
Balance at the end of the year	**92**	**47**

12: Cash and Bank Balances

12A. Cash and cash equivalents

Particulars	As at	
	March 31, 2019	March 31, 2018
Cheques on hand	-	3
Balances with banks		
in current accounts	609	689
Remittances in transit	151	7
Total	**760**	**699**

12B. Other bank balances

Particulars	As at	
	March 31, 2019	March 31, 2018
Balance in escrow account (refer note below)	7	46
Deposits held as margin money/security for bank guarantees	11	-
Total	**18**	**46**

Note:

a) Balance in escrow account ₹ 7 (March 31, 2018 - ₹ Nil) represents the purchase consideration paid towards the acquisition of New Technology Precision Machining Co., Inc. payable to previous shareholders on meeting on certain obligations.

b) During the year, Company paid the balance in escrow account of ₹ 46 to the previous shareholders of Certon Software Inc. on fulfilment of specified terms and conditions as a part of acquisition of Certon Software Inc.

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13. Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
20,000,000 shares common stock with Nil par value (March 31, 2018 : 20,000,000)	-	-
Issued and subscribed capital:		
500,500 shares common stock with Nil par value (March 31, 2018 : 500,500)	993	993
Total	**993**	**993**

(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	500,500	993	500,500	993
Changes in equity share capital during the year	-	-	-	-
Balance	**500,500**	**993**	**500,500**	**993**

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

Name of the 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	500,500	100%	500,500	100%

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

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

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14. Other equity

Particulars	As at	
	March 31, 2019	March 31, 2018
(a) General reserve	**2**	**2**
(b) Cash flow hedge reserve		
(i) Opening balance	1	-
(ii) Effective portion of gain on designated portion of hedging instruments in a cash flow hedge, (net of tax)	(1)	1
	-	**1**
(c) Foreign currency translation reserve		
(i) Opening balance	248	224
(ii) Additions	76	24
	324	**248**
(d) Retained earnings		
(i) Opening balance	1,144	697
(ii) Profit for the year	409	447
(iii) Transfer of gain to retained earnings on disposal of equity instruments through OCI	109	-
	1,662	**1,144**
(e) Equity instrument through Other comprehensive income		
(i) Opening balance	117	-
(ii) Increase in fair value of equity instruments, (net of tax of ₹ (3) (2017-18 ₹ (49)) (refer note 6(i))	9	117
(iii) Transfer of gain to retained earnings on disposal of equity instruments through OCI	(109)	-
	17	**117**
Total	**2,005**	**1,512**

Nature of reserves:

(a) General reserve

Represents appropriation of profit by the Group.

(b) Cash flow hedge reserve

Represents effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge, net of tax.

(c) Foreign currency translation reserve

Exchange difference relating to the translation of the Group's foreign operations from their functional currencies to the Company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

(d) Retained earnings

(i) Retained earnings comprises of the prior years' undistributed earnings after taxes along with current year profits.

(ii) Gain or loss on disposal of equity instruments designated at fair value through other comprehensive income is reclassified to retained earnings.

(e) Equity instrument through Other comprehensive income

Represents the cumulative gains and losses arising on fair valuation of the equity instruments measured at fair value through Other Comprehensive Income, net of amounts reclassified to retained earnings when the investments have been disposed off.

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15. Borrowings

Particulars	As at	
	March 31, 2019	March 31, 2018
Non - Current		
Secured - at amortised cost		
Term loans from banks	202	277
	202	**277**
Current		
Secured - at amortised cost		
Working capital loans from banks	671	423
	671	423
Total Borrowings	**873**	**700**

* Current maturities of non-current borrowings have been disclosed under the head other current financial liabilities (refer note 16).

(a) Cyient Inc. availed a term loan of ₹ 601 (USD 10,000,000) taken from HSBC Bank on April 1, 2014 repayable in quarterly installments over a period of 4 years. Interest Rate on the term loan is LIBOR+1.25% p.a payable monthly. Amount outstanding as on March 31, 2019 ₹ Nil (March 31, 2018 ₹ 42 (USD 6,25,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 2.2825% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited. During the year, the Company has repaid the outstanding loan as on March 31, 2018.

(b) Cyient Inc. availed a term loan of ₹ 349 (USD 5,500,000) taken from HSBC Bank on May 21, 2015 repayable in quarterly installments over a period of 3 years. Interest Rate on the term loan is LIBOR+1.25% p.a payable monthly. Amount outstanding as on March 31, 2019 ₹ Nil (March 31, 2018: ₹ 36 (USD 550,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 2.175% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited. During the year, the Company has repaid the outstanding loan as on March 31, 2018.

(c) Cyient Inc. availed a term loan of ₹ 268 (USD 4,000,000) taken from HSBC Bank on Feb 8, 2017 repayable in quarterly installments over a period of 4 years. Interest Rate on the term loan is LIBOR+1.50% p.a payable monthly. Amount outstanding as on March 31, 2019 ₹ 138.4 (USD 2,000,000) (March 31, 2018: ₹ 195 (USD 3,000,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 2.503% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited.

(d) Cyient Defense Services Inc. (wholly owned subsidiary of Cyient Inc.) availed a term loan of ₹ 191 (USD 3,000,000) taken from HSBC Bank on January 23, 2018 repayable in quarterly installments over a period of 4 years. Interest Rate on the term loan is LIBOR+1.00% p.a payable monthly on a floating basis. Amount outstanding as on March 31, 2019 ₹ 155.7 (USD 2,250,000) (March 31, 2018: ₹ 195 (USD3,000,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 3.3190% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, US which in turn, is secured by a corporate guarantee from Cyient Inc.

(e) During the year, the Company has borrowed working capital loan aggregating ₹ 671 (USD 9,700,000) which is outstanding as at March 31, 2019 and secured by a stand by letter of credit from HSBC Bank, India. Cyient Limited has provided corporate guarantee for this borrowing. Amount outstanding as at March 31, 2018 of ₹ 423 (USD 6,500,000) has been repaid during the year.

(f) During the year, Cyient Inc has received financial assistance in the form of loan of ₹ 35 (USD 500,000) from 'The Connecticut Department of Economics and Community Development' (DECD) at interest rate of 2.5% for a term of 10 years and repayable in monthly installments, as a part of the Company's project in East Hartford, Connecticut, USA ("Assistance agreement"). The Company may be eligible for a principal loan forgiveness of USD 200,000 based on creation of 85 new jobs and retention of 456 existing jobs at a specified average salary and retaining the same for 24 consecutive months. The Company is required to use the loan funds for the acquisition of machinery and equipment. As at March 31, 2019, the Company is in the process of meeting specified terms and conditions of the assistance agreement. Loan outstanding as on March 31, 2019 ₹ 33 (USD 478,452).

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16. Other financial liabilities

Particulars	As at	
	March 31, 2019	March 31, 2018
Non - Current		
Security deposits	1	1
Liability towards acquisition of business (refer note (i) & (ii) below)	247	351
Total	**248**	**352**
Current		
Current maturities of non-current borrowings	125	190
Liability towards acquisition of business (refer note (i) & (ii) below)	69	65
Interest accrued	-	1
Others	26	27
Total	**220**	**283**
Total other financial liabilities	**468**	**635**

Notes:

i) The Company has certain outstanding liabilities to previous shareholders of acquired entities payable on meeting certain critiera defined within acquisition agreements:

Payable by	Acquisition of	As at	
		March 31,2019	March 31,2018
Cyient Defense Services Inc.	B&F Design Inc.		
	Non-current	126	177
	Current	69	-
	(Payable after March 31, 2019 through April 30, 2021).		
Cyient Inc.	Certon Software Inc.		
	Non-current	121	175
	Current	-	65
	(During the year, an amount of ₹ 67 has been paid as deferred consideration and ₹ 69 has been written back to consolidated statement of profit and loss, in other income (refer note 22). The remaining contingent consideration is payable through May 31, 2020).		

17. Provisions

Particulars	As at	
	March 31, 2019	March 31, 2018
Compensated absences (refer note below)	200	115
	200	**115**
Non-current	141	59
Current	59	56
	200	**115**

Note:

Employee benefit plans:

The employee benefit schemes are as under:

Defined Benefit Plans

Compensated absences – Cyient Inc.,

Actuarial assumptions for long-term compensated absences	As at March 31, 2019	As at March 31, 2018
Discount rate	2.25%	2.55%
Expected return on plan assets	NA	NA
Salary escalation	3.00%	3.00%
Attrition	15.00%	15.00%

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 consolidated 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 bonds as at the Balance Sheet date for the estimated term of the obligation.

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18. Income taxes

18.1 Tax Expense

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
In respect of the current year	194	95
	194	**95**
Deferred taxes (benefit)/expense:		
In respect of the current year	(25)	101
	(25)	**101**
Total	**169**	**196**

B. Income tax expense recognised in other comprehensive income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Income tax expense recognised directly in equity consists of:		
Tax effect on equity instrument through OCI	3	49
Tax effect on effective portion of change in fair value of cash flow hedges	-	1
Total	**3**	**50**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	3	49
Items that may be reclassified to profit or loss	-	1

C. Reconciliation of effective tax rate

The following is the reconciliation of the Group's effective tax rate for the year ended March 31, 2019 and year ended March 31, 2018:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	**578**	**643**
Enacted rate in USA	30.75%	40.50%
Computed expected tax expense	**178**	**260**
Income not taxable	(21)	-
Effect of expenses that are not deductible in determining taxable profit	17	(6)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(5)	(5)
Effect of changes in income tax rates	-	(66)
Effect of deemed repatriation of foreign subsidiary	-	22
Others	-	(9)
Income tax expense	**169**	**196**
Effective tax rate	**29.26%**	**30.48%**

Note:

(i) In accordance with the Tax Cuts and Jobs Act of 2017 enacted in United States of America in FY 2017-18, tax on deemed repatriation for foreign subsidiaries of Cyient Inc. has been provided for and the liability is classified under non-current portion of the income tax payable on March 31, 2019 ₹ 20 (USD 286,193) (March 31, 2018: ₹ 20 (USD 3,00,008)) and current portion of income tax payable on March 31, 2019 ₹ 2 (March 31, 2018 : ₹ 2).

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18.2. Deferred tax assets and liabilities

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

Particulars	As at	
	March 31, 2019	March 31, 2018
Deferred tax assets	385	225
Deferred tax liabilities	(648)	(491)
Deferred tax liabilities, net	**(263)**	**(266)**

B. Movement in deferred tax assets and liabilities :

2018-19	Opening Balance	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Exchange difference	Closing balance
Deferred tax (liabilities)/assets in relation to :					
Cash flow hedges	(1)	-	-	1	-
Property, plant and equipment & Intangible assets	(19)	16	-	(2)	(5)
Unearned revenue	(280)	(57)	-	(15)	(352)
Provisions	52	6	-	3	61
Provision for doubtful debts	14	13	-	1	28
Capital loss	-	40	-	(2)	38
Carry forward of tax losses	18	7	-	(1)	24
Financial assets at FVTOCI	(50)	-	(3)	(4)	(57)
Net deferred tax assets/(liabilities)	**(266)**	**25**	**(3)**	**(19)**	**(263)**

2017-18	Opening Balance	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Exchange difference	Closing balance
Deferred tax (liabilities)/assets in relation to :					
Cash flow hedges	-	-	(1)	-	(1)
Property, plant and equipment & Intangible assets	(13)	(5)	-	(1)	(19)
Unearned revenue	(246)	(34)	-	-	(280)
Provisions	95	(44)	-	1	52
Provision for doubtful debts	24	(10)	-	-	14
Carry forward of tax losses	25	(8)	-	1	18
Financial assets at FVTOCI	-	-	(49)	(1)	(50)
Net deferred tax assets/(liabilities)	**(115)**	**(101)**	**(50)**	**-**	**(266)**

18.3. Income tax assets and liabilities

Particulars	As at	
	March 31, 2019	March 31, 2018
Income tax assets, net		
Income tax assets	321	302
Income tax liabilities, net		
Income tax payable -Current	(298)	(188)
Income tax payable-Non current (refer note (i) in 18.1 above)	(20)	(20)

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19. Other liabilities

Particulars	As at	
	March 31, 2019	March 31, 2018
Non - Current		
Unearned revenue	-	26
Total	**-**	**26**
Current		
Unearned revenue	18	40
Statutory remittances	6	5
Total	**24**	**45**

20. Trade Payables

Particulars	As at	
	March 31, 2019	March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	3,185	2,591
Total	**3,185**	**2,591**

* Includes amount payable to its related parties (refer note 30)

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21. Revenue from contracts with customers

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

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

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Revenue from services	19,847	16,710
Revenue from products	695	77
Total revenue from operations	**20,542**	**16,787**

1. Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by contract type and geography. The Group 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		
Fixed-price	5,480	4522
Time and material	14,140	11743
Maintenance	215	416
License	12	29
Product Sale	695	77
Total	**20,542**	**16,787**
Revenues by Geography		
North America	20,542	16,787
Total	**20,542**	**16,787**

Fixed price: Fixed price arrangements with customers have defined delivery milestones with agreed scope of work and pricing for each milestone. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration, is recognized as per the 'percentage-of-completion' method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity.

Time and material: Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

2. Contract balances

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	3,573	2,390
Unbilled revenue	1,610	1,366
Unearned revenue	18	66

Movement in unbilled revenue:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	1,366	780
Add: Revenue recognised during the year	6,680	5,058
Less : Invoiced during the year	(6,522)	(4,480)
Add : Translation gain	85	9
Closing balance	**1,610**	**1,366**

Movement in unearned revenue:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	66	207
Less : Revenue recognised during the year	(207)	(410)
Add: Invoiced during the year but not recognized as revenue	154	269
Add : Translation gain	6	-
Closing balance	**18**	**66**

The Group 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. date. Consequently, disclosure related to transaction price allocated to remaining performance obligation is not material.

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22. Other income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income		
Other financial assets	20	15
	20	**15**
Dividend income		
Dividend from equity instruments	2	-
	2	**-**
Other non-operating income		
Liabilities no longer required, written back (refer note 16(i))	83	38
Miscellaneous income	-	77
	83	**115**
Other gains and losses		
Net foreign exchange gain/(loss)	8	(11)
	8	**(11)**
Total	**113**	**119**

23. Changes in inventories of work-in-progress

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock:		
Work-in-progress (refer note below)	90	82
	90	**82**
Closing Stock:		
Work-in-progress	44	90
	44	**90**
Net decrease/(increase)	**46**	**(8)**

Note:

i) As a part of New Tech acquisition, the opening stock acquired as on acquisition date (April 04, 2018) was ₹ 5 (USD 70,120). During the previous year, as a part of B&F acquisition, the opening stock acquired as on acquisition date (January 31, 2018) was ₹ 82 (USD 1,263,608).

24. Employee benefits expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages, including bonus	10,870	8,990
Social security and other benefits to employees (refer note (ii) below)	123	99
Share based payment expense (refer note (i) below)	9	13
Staff welfare expenses	691	565
Less: Capitalised	(50)	(13)
Total	**11,643**	**9,654**

Note:

(i) The costs incurred by the Ultimate holding Company, Cyient Limited are recharged to the Company in relation with the stock options granted to the associates of the Group are recharged to the Company.

(ii) The Company provides a defined contribution plan benefit through 401(K) Benefit Plan to all of its eligible employees. The plan is administered by the Company while the trustee for the plan is an external agency. The contribution from the Company is at the discretion of the Board of Directors. The Company monthly contributions are charged to the Consolidated Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 123 (2017-18: ₹ 99) The amount payable towards 401(K) benefit plan as at March 31, 2019 is ₹ Nil (March 31, 2018: ₹ 25).

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25. Finance costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		
Interest on borrowings	31	13
Other interest expense	88	50
Unwinding of discounting deferred consideration	12	9
Total	**131**	**72**

26. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment	81	56
Amortisation of intangible assets	174	151
Total	**255**	**207**

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27. Other expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent including lease rentals (refer note (i) below)	272	189
Rates and taxes	16	9
Insurance	45	56
Travelling and conveyance	464	341
Sub-contracting charges	6,117	5,189
Communication	66	51
Printing and stationery	12	9
Power and fuel	18	10
Marketing and advertising expenses	109	99
Repairs and maintenance		
- Buildings	3	-
- Machinery	31	18
- Others	-	2
Legal & professional charges	127	150
Provision for doubtful debts (net)	53	37
Loans to related party written off (refer note 7)	302	-
Auditors' remuneration (refer note (ii) below)	7	6
Recruitment expenses	18	28
Training and development	17	8
Software charges	67	59
Miscellaneous expenses	61	77
Total	**7,805**	**6,338**

Notes:

(i) Operating leases:
The future minimum lease commitments of the Group under non-cancellable operating leases are as follows:

Particulars	As at	
	March 31, 2019	March 31, 2018
Not later than one year	210	169
Later than one year but not later than five years	565	502
Later than five years	140	184
Total	**915**	**855**

(ii) Auditors' remuneration comprises of:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
For audit	7	6
Total auditors' remuneration	**7**	**6**

28. Earnings per share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit for the year attributable to shareholders of the Company	409	447
Basic:		
Number of shares outstanding at the year end	500,500	500,500
Weighted average number of equity shares	500,500	500,500
Earnings per share - Basic and Diluted	**816.39**	**893.11**

Note: There are no dilutive potential equity shares outstanding during the year.

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29. Segment Information

A. Products and services from which reportable segments derive their revenue

The Cyient Inc. Group's Chief Operating Decision maker, is the Managing Director and Chief Executive Officer of the ultimate holding company who evaluates Cyient Group's performance and allocates resources based on an analysis of various performance indicators by business verticals and geographical segmentation of customers.

The Cyient Group classifies its operations into three vertically oriented business segments, i.e. Utilities, Geospatial and Communications (UGC), Manufacturing and Industrial Products (MI) and Design Led Manufacturing (DLM). The business cater to the specific requirements of customers in their respective user segments.

I. Utilities, Geospatial and Communications (UGC)

UGC vertical services customers in industries such as power, gas, telecom, transportation and local government. The Cyient Group service offerings to the UGC vertical include data conversion, data maintenance, photogrammetry and IT services. UGC segment comprises of Utilities & Geospatial and Communications business units.

II. Manufacturing and Industrial Products (MI)

MI vertical services customers in industries such as aerospace, automotive, off-highway transportation and industrial and commercial products, engineering design, embedded software, IT Solutions, manufacturing support, technical publications and other strategic customers. MI segment comprises of Aerospace & Defence, Transportation, Semiconductor, Medical & Healthcare and Industrial Energy & Natural Resources, business units.

III. Design Led Manufacturing (DLM)

DLM vertical services is engaged in providing electronic manufacturing solutions in the fields of medical, industrial, automotive, telecommunications, defence and aerospace applications including manufacture and machining of components for aerospace, automotive and defence industries.

Revenue in relation to these verticals is categorized based on items that are individually identifiable to that vertical.

Assets and liabilities used in the Cyient Inc. Group are not identified to any of the reportable segments, other than those related to DLM segment

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment

Revenue, expenses, assets and liabilities which relate to the Cyient Inc. Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocable revenue /expenses /assets /liabilities".

B. Segment revenue and results

Particulars	Segment Revenue		Segment Profit	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
UGC	6,783	5,032	186	(17)
MI	13,065	11,685	635	831
DLM	694	70	34	(2)
Total	**20,542**	**16,787**	**855**	**812**
Unallocable income (net of unallocable expenses)			(277)	(169)
Profit before tax			578	643
Tax expense			(169)	(196)
Profit for the year attributable to the shareholders of the Company			**409**	**447**

C. Segment assets and liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Segment assets		
DLM	547	457
UGC/MI	7,217	5,831
Total	**7,764**	**6,288**
Unallocated assets	**565**	**803**
Consolidated total assets	**8,329**	**7,091**
Segment liabilities		
DLM	30	37
UGC/MI	3,722	3,184
Total	**3,752**	**3,221**
Unallocated liabilities	**1,579**	**1,365**
Consolidated total liabilities	**5,331**	**4,586**

Note: Assets used in the Company's business or liabilities contracted have not been identified to its UGC and MI segments separately, as the assets and support services are used interchangeably between these segments.

Geographic segments

The Group is operating under one geography i.e., North America.

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30. Related party transactions

(a) Ultimate Holding Company: Cyient Limited, India

(b) Parent Company: Cyient Inc., USA

(c) Subsidiaries considered for consolidation:

Name of the Company	Country of Incorporation	Extent of holding (%) as on	
		March 31, 2019	March 31, 2018
Cyient Canada Inc.	Canada	100%	100%
Cyient Defense Services Inc. @1	USA	100%	100%
Certon Software, Inc. @2	USA	-	100%
Certon Instruments, Inc. @2	USA	-	100%
B&F Design, Inc. @3	USA	100%	100%
New Technology Precision Machining Co., Inc. @4	USA	100%	-

@1 The Company has incorporated a wholly-owned step down subsidiary, Cyient Defense Services Inc., in USA, on September 22, 2016.

@2 The Company acquired 100% of the equity interest in Certon Software Inc. (and its wholly owned subsidiary Certon Instruments Inc.) on February 8, 2017 and consolidated the same w.e.f February 1, 2017. Effective November 01, 2018, Certon Software Inc. was merged into its Parent Company Cyient Inc and its wholly owned subsidiary Certon Instruments Inc. was dissolved w.e.f August 31 2018.

@3 The Company acquired 100% of the equity interest in B&F Design, Inc. through its wholly owned subsidiary Cyient Defense Services Inc. on January 24, 2018 and consolidated the same w.e.f February 1 2018 for accounting purposes, as the transactions between the period January 24, 2018 and January 31, 2018 are not material.

@4 The Company acquired 100% of the equity interest in New Technology Precision Machining Co., Inc. through its wholly owned subsidiary Cyient Defense Services Inc. on April 04, 2018 and consolidated the same w.e.f April 1 2018 for accounting purposes, as the transactions between the period April 01, 2018 and April 04, 2018 are not material.

(d) Fellow Subsidiaries:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	
		March 31, 2019	March 31, 2018
Cyient Europe Limited	UK	100%	100%
Cyient GmbH	Germany	100%	100%
Cyient KK @1	Japan	100%	100%
Cyient Insights Private Limited @2	India	100%	51%
Cyient Australia Pty Ltd	Australia	100%	100%
Cyient Singapore Private Limited	Singapore	100%	100%
Cyient Engineering (Beijing) Limited @7	China	-	-
Cyient DLM Private Limited @3	India	100%	74%
Cyient Israel India Limited @4	Israel	100%	100%
Cyient Solutions and Systems Private Limited @5	India	51%	100%
Cyient Urban Micro Skill Centre Foundation @6	India	100%	-

@1 During the year, Cyient KK, Japan increased its paid-up capital from ₹ 5 to ₹ 39. The additional capital was infused by Cyient Australia Pty Limited. Consequently, Cyient Australia Pty Limited holds 86% of shareholding in Cyient KK, Japan and Ultimate holding Company holds the remaining 14% shareholding.

@2 During May 2018, the Ultimate holding Company acquired balance 49% shareholding of 979,744 equity shares of ₹ 10 each in Cyient Insights Private Limited for a consideration of ₹ 36. Consequent to this acquisition, Cyient Insights Private Limited and Cyient Insights LLC became wholly owned subsidiaries of the Parent Company.

@3 During February 2019, the Ultimate holding Company acquired balance 26% shareholding of 355,420 equity shares of ₹ 10 each in Cyient DLM Private Limited for a consideration of ₹ 425. Consequent to this acquisition, Cyient DLM Private Limited became wholly owned subsidiary of the Parent Company.

@4 The Ultimate holding Company incorporated a wholly owned subsidiary, Cyient Israel India Limited, in Israel on July 18, 2016. Cyient Israel India Limited commenced commercial operations during the previous year.

@5 During the previous year, the Ultimate holding Company subscribed to 49% share capital in Cyient Solutions and Systems Private Limited, which was accounted as an associate under Ind AS 28 'Investments in Associates and Joint Ventures'. Subsequently on March 26, 2018, the Ultimate holding Company acquired the balance 51% share capital in Cyient Solutions and Systems Private Limited and accordingly consolidated with effect from that date as a wholly owned subsidiary. On April 11, 2018, CSSPL entered into a share purchase agreement with Bluebird Aero Systems Limited ("Bluebird"), wherein Bluebird acquired 49% shareholding in CSSPL.

@6 On October 10, 2018, the Ultimate holding Company incorporated a wholly owned Sec 8 Company, Cyient Urban Micro Skill Centre Foundation, to further the CSR activities of the Company.

@7 On March 25, 2016, the Ultimate holding Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China. There is no investment in the subsidiary till March 31, 2019 and the subsidiary is yet to commence commercial operations.

Name of the Joint Venture of Parent Company	Country of incorporation	Extent of holding (%) as at	
		March 31, 2019	March 31, 2018
Infotech HAL Limited	India	50%	50%

Subsidiaries of Cyient Europe Limited:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	
		March 31, 2019	March 31, 2018
Cyient Benelux BV	Netherlands	100%	100%
Cyient Schweiz GmbH	Switzerland	100%	100%
Cyient S.R.O.	Czech Republic	100%	100%
AnSem NV @1	Belgium	100%	-
AnSem B.V. @1	Netherlands	100%	-
Blom Aerofilms Limited @2	UK	-	-

@1 The Company through its wholly owned subsidiary, Cyient Europe Limited, acquired 100% of equity shares of AnSem NV, Belgium (and its wholly owned subsidiary AnSem B.V., Netherlands) on April 26, 2018.
@2 Cyient Europe Limited has acquired a wholly-owned step down subsidiary, Blom Aerofilms Limited, in UK, on November 30, 2016. Effective April 01, 2017, Blom Aerofilms Limited was merged into Cyient Europe Limited.

Subsidiaries of Cyient GmbH:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	
		March 31, 2019	March 31, 2018
Cyient AB	Sweden	100%	100%

Subsidiary of Cyient Insights Private Limited:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	
		March 31, 2019	March 31, 2018
Cyient Insights LLC @1	USA	-	51%

@1 Cyient Insights LLC, wholly owned subsidiary of Cyient Insights Private Limited has been dissolved on February 15, 2019.

Subsidiary of Cyient DLM Private Limited:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	
		March 31, 2019	March 31, 2018
Techno Tools Precision Engineering Private Limited @1	India	-	-

@1 Effective April 01, 2017, Techno Tools Precision Engineering Private Limited was merged with its holding company, Cyient DLM Private Limited, pursuant to the order from National Company Law Tribunal dated April 02, 2018.

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Other related parties:

Entity	Country of incorporation	Nature of Relationship
Cyient Foundation	India	Entity with common KMP
Infotech ESOP trust	India	Entity with common KMP

Key Managerial Personnel (KMP):

Name	Designation
B V R Mohan Reddy	Executive Chairman, Cyient Limited
Krishna Bodanapu	Managing Director & CEO, Cyient Limited
Ajay Aggarwal	President & Chief Financial Officer, Cyient Limited
B. Ashok Reddy	Director, Cyient Inc.
Thomas Edwards	President, Cyient Inc
Nilanjan Sen	Director and Secretary, Cyient Inc
Katie Cook	Director, Cyient Inc.
K. Ramachandran	Independent Director, Cyient Limited
Som Mittal	Independent Director, Cyient Limited
Andrea Bierce	Independent Director, Cyient Limited
John Paul Paterson	Independent Director, Cyient Limited
Vinai Kumar Thummalapally	Independent Director, Cyient Limited
Vikas Sehgal	Independent Director, Cyient Limited
Peter Longo	Chairman of the Board, Cyient Inc.
M.M.Murugappan	Non-Executive & Non-independent Director ,Cyient Limited
Alain De Taeye	Non-Executive & Non-independent Director ,Cyient Limited

Note: KMP details are those as relevant for Cyient Group.

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	Year ended	
		March 31, 2019	March 31, 2018
Revenue	Cyient Limited	267	273
	Cyient KK	28	12
	Cyient Australia Pty Limited	6	6
	Cyient Singapore Private Limited	1	1
	Cyient Europe Limited	3	3
	Cyient BV	-	1
	Cyient S.R.O	1	1
	Cyient Insights LLC	1	-
	Cyient GmbH	8	7
Subcontracting expenses	Cyient Limited	4,317	3,675
	Cyient Insights LLC	2	23
	Cyient DLM Private Limited	7	-
	Cyient Insights Private Limited.	43	10
Reimbursement of expenses(net)	Cyient Limited	64	41
	Cyient Insights LLC	(4)	-
	Cyient Australia Pty Limited	4	-
	Cyient Europe Limited	13	10
	Cyient Insights Private Limited.	(3)	-
	Cyient S.R.O	1	-
	Cyient BV	1	-
	Cyient GmbH	-	1
Legal & professional charges	Cyient Limited	12	-
Waiver of loan & other receivables	Cyient Insights LLC	302	-
Loans given	Cyient Insights LLC	66	43
Interest on loans given	Cyient Insights LLC	20	15
Short term benefits	Executive Officers #1	88	67
Corporate guarantee given to bankers	Cyient Limited	381	645
Corporate guarantee fee	Cyient Limited	9	11
Corporate guarantee given to bankers liquidated	Cyient Limited	1,110	326

1. Executive officers include Thomas Edwards (President), Nilanjan Sen (Director and Secretary), Katie Cook (Director) and Peter Longo (Chairman of the Board).

(b) Balances at the year end:

Nature of the balance	Party name	As at	
		March 31, 2019	March 31, 2018
Receivable	Cyient Limited	749	466
	Cyient DLM Private Limited	3	1
	Cyient Japan KK	37	8
	Cyient Insights Private Limited	2	2
	Cyient Australia Pty Limited	21	11
	Cyient Singapore Private Limited	3	1
	Cyient Europe Limited	21	13
	Cyient BV	3	1
	Cyient AB	1	-
	Cyient S.R.O	3	1
	Cyient GmbH	23	11
Trade Payable	Cyient Limited	1,886	1,457
	Cyient GmbH	8	6
	Cyient Europe Limited	28	17
	Cyient AB	57	41
	Cyient Singapore Private Limited	1	1
	Cyient Insights LLC	-	5
	Cyient DLM Private Limited	2	-
	Cyient Insights Private Limited	29	10
Outstanding loans with fellow subsidiaries	Cyient Insights LLC	-	191
Corporate guarantee given to bankers	Cyient Limited	1,675	2,328

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31. Business combinations

A. Business combinations during the year 2018-19:

I. Acquisition of New Technology Precison Machining Co., Inc. (New Tech)

On April 04, 2018, the Company acquired 100% of equity interest in New Tech through its wholly owned subsidiary Cyient Defense Services Inc.. New Tech has expertise in design and manufacturing of precision engine assembly equipment, repair tooling, machining of fixtures and gauges, and engine factory modernization services primarily for aerospace and defense industry. The fair value of the purchase consideration was ₹ 75, entirely cash consideration. The fair value of net assets acquired on the acquisition date amounted to ₹ 45. The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values, as follows:

Components	Purchase price allocated
Property, plant and equipment	9
Intangible assets	16
Net current assets *	20
Total	**45**
Goodwill	30
Total purchase price	**75**

*includes cash and cash equivalents acquired of ₹ 8.

The transaction costs relating to this acquisition amounting to ₹ 2 have been included under legal & professional charges in the consolidated statement of profit and loss for the year ended March 31, 2019. The intangible assets are amortised over a period of 3-5 years as per management's estimate of its useful life, over which economic benefits are expected to be realised. The fair value and gross contractual amount for trade receivables acquired is ₹ 14 and is expected to be collectable. The goodwill amounting to ₹ 30 is attributable to the workforce and high profitability of the acquired business. Goodwill arising on the acquisition is deductible for tax purposes. From the date of acquisition, New Tech has contributed revenues amounting to ₹ 99 and loss amounting to ₹ (9) to the Group's performance for the year ended March 31, 2019. Management has consolidated New Tech w.e.f April 1, 2018, as the transactions between the period April 01, 2018 and April 04, 2018 were not material.

Results from this acquisition are grouped under Design Led Manufacturing (DLM) segment.

II. Amalgamation of Certon Software Inc.

Certon Software Inc. a wholly owned subsidiary of Cyient Inc was amalgamated with Cyient Inc., with effect from November 01, 2018. Pursuant to the amalgamation all the assets, liabilities and reserves stand transferred and vested in Cyient Inc. The amalgamation had been accounted for under "Pooling of Interests" method. Accordingly, the assets, liabilities and reserves have been taken over at their books values. As Certon Software Inc. was a wholly owned subsidiary of Cyient Inc., no consideration was paid to effect the amalgamation.

Value of assets and liabilities amalgamated:	**As at November 01, 2018**
Non current assets	39
Current assets	186
Current liabilities	(199)
Reserves	26

Further, Certon Instruments Inc., step-down subsidiary of Certon Software Inc., was dissolved during the year.

B. Business combinations during the year 2017-18:

Acquisition of B&F Design Inc. (B&F)

On January 24, 2018, the Company acquired 100% of equity interest in B&F through its wholly owned subsidiary Cyient Defense Services Inc.. B&F has an area of expertise in design and manufacturing of precision engine assembly equipment, repair tooling, machining of fixtures and gauges, and engine factory modernization services primarily for aerospace and defense industry. The fair value of the purchase consideration ie, ₹ 526 comprises cash consideration of ₹ 353, contingent consideration of upto ₹ 173 payable subject to the satisfaction of certain conditions. The fair value of the contingent consideration, recognised on the acquisition date is determined by discounting the estimated amount payable to the previous owners on achievement of certain financial targets applying the discounted cash flow approach. The key inputs used for the estimation of fair values are discount rate of 3.319% and probabilities of achievement of financial targets. The fair value of net assets acquired on the acquisition date amounted to ₹ 258. The excess of purchase consideration over the fair value of the net assets acquired has been attributed

The purchase price has been allocated based on management's estimates and independent appraisal of fair values, as follows:

Components	Purchase price allocated
Property, plant and equipment	60
Intangible assets	109
Net current assets *	89
Total	**258**
Goodwill	268
Total purchase price	**526**

*includes cash and cash equivalents acquired of ₹ 32.

The transaction costs relating to this acquisition amounting to ₹ 6 have been included under legal & professional charges in the consolidated statement of profit and loss for the year ended March 31, 2018. The intangible assets are amortised over a period of 3-5 years as per management's estimate of its useful life, over which economic benefits are expected to be realised. The fair value and gross contractual amount for trade receivables acquired is ₹ 20 and is expected to be collectable. The goodwill amounting to ₹ 268 is attributable to the workforce and high profitability of the acquired business. Goodwill arising on the acquisition is deductible for tax purposes. From the date of acquisition, B&F has contributed revenues amounting to ₹ 78 and profit amounting to ₹ 0.81 to the Group's performance for the year ended March 31, 2018. If the acquisition had occurred on April 1, 2017, management estimates that consolidated revenues and losses for the year would have been ₹ 468 and ₹ 5 respectively. The proforma amounts are not necessarily indicative of results that would have occurred if the acquisition had occurred on dates indicated or that may result in the future.

Results from this acquisition are grouped under Design Led Manufacturing (DLM) segment.

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32. Financial Instruments

32.1 Capital management

The Company manages its capital to ensure that it maximises the return to stakeholders through the optimisation of the debt and equity balance. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group is predominantly equity financed which is evident from the capital structure. Further, the Group has always been positive on its net cash position.

Gearing ratio:

Particulars	As at	
	March 31, 2019	March 31, 2018
Borrowings *	998	890
Cash and bank balances	(778)	(745)
Net debt	**220**	**145**
Total equity	**2,998**	**2,505**
Net debt to equity ratio	**7.34%**	**5.79%**

*Borrowings consist of non-current, current maturities of long term and current borrowings (refer note 15 & 16)

32.2 Financial instruments by category

Particulars	Carrying value as at	
	March 31, 2019	March 31, 2018
Financial assets:		
Amortised cost		
Loans to related parties	-	191
Trade receivables	3,573	2,390
Cash and cash equivalents	760	699
Other bank balances	18	46
Other financial assets	1,634	1,394
FVTOCI		
Investments in other equity instruments (quoted)	38	249
FVTPL		
Investments in preferred & debt instruments of other entities (Unquoted)	173	-
Derivative instruments designated in a hedging relationship	1	2
Total financial assets	**6,197**	**4,971**
Financial liabilities:		
Amortised cost		
Borrowings*	998	890
Trade payables	3,185	2,591
Other financial liabilities	26	28
FVTPL		
Liability towards acquisition of business **	316	416
Total financial liabilities	**4,525**	**3,925**

*Borrowings consist of non-current , current maturities of long term and current borrowings (refer note 15 & 16)

**Liability towards acquisition of business consists of current and non current portion (refer note 16)

The management assessed that fair value of cash and cash equivalents and other bank balances, trade receivables, other financial assets, trade payables, borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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 a forced or a liquidation sale.

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

Derivative financial instruments are mandatorily measured at fair value.

Liability towards acquisition of business are measured mandatorily at fair value through profit and loss.

32.3 Fair value hierarchy

Valuation technique and key inputs

Level 1 - Quoted prices (unadjusted) in an active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2019:

Particulars	Date of valuation	As at March 31, 2019	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
Assets					
Investment in quoted equity instruments (refer note 6) *	March 31, 2019	38	38	-	-
Investment in unquoted preferred instruments (refer note 6)**	March 31, 2019	69	-	-	69
Investment in unquoted debt instruments (refer note 6)**	March 31, 2019	104	-	-	104
Derivative instruments designated in a hedging relationship***	March 31, 2019	1	1	-	-
Liabilities					
Liability towards acquisition of business (refer note 16) **	March 31, 2019	316	-	-	316

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

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The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

Particulars	Date of valuation	As at March 31, 2018	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
Assets					
Investment in quoted equity instruments (refer note 6) *	March 31, 2018	249	249	-	-
Derivative instruments designated in a hedging relationship***	March 31, 2018	2	2	-	-
Liabilities					
Liability towards acquisition of business (refer note 16) **	March 31, 2018	416	-	-	416

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

The following methods and assumptions were used to estimate the fair values:

* The fair value of the quoted instruments are based on the price quotation on a recognized stock exchange at reporting date.

** The fair values of the unquoted , preferred and debt instruments and liability towards acquisition of business have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, and probabilities of the various estimates within the range used in management's estimate of fair value for these unquoted instruments.

***The Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amount. Such contract enables group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest is based on the outstanding balances at the end of the reporting period.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents changes in level 3 items for the periods ended March 31, 2019 and March 31, 2018:

Particulars	Investments in other equity and preferred instruments (unquoted)	Liability towards acquisition of business	Total
Gains/(losses) recognised in other comprehensive	-	-	
As at March 31, 2017	**83**	**231**	**314**
Acquisitions	-	177	177
Losses recognised in consolidated Statement of profit and loss account	-	8	8
Derecognition during the year	(83)	-	(83)
As at March 31, 2018	-	**416**	**416**
Acquisitions	173	-	173
Net gain recognised in consolidated Statement of profit and loss account	-	(58)	(58)
Payments during the year	-	(67)	(67)
Add : Translation Loss	-	25	25
As at March 31, 2019	**173**	**316**	**489**

Valuation inputs and relationships to fair value

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

Particulars	Fair value as at		Significant unobservable inputs	Valuation process	Sensitivity of the inputs to fair value
	March 31, 2019	March 31, 2018			
Investments in other preferred and debt instruments (unquoted)	173	-	Earnings growth rate	Earnings growth factor for unquoted equity shares are estimated based on the market information of similar type of companies and also considering the economic environment impact.	Any increase in earnings growth rate would increase the fair value.
			Discount rate	Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and risk specific to that asset.	Any increase in the discount rate would result in decrease in fair value.
Liability towards acquisition of business and contingent consideration	316	416	Expected cash outflows	Estimate of cash outflows are based on forecasted sales and entity's knowledge of the business and how the current economic environment is likely to impact.	Any increase in expected cash flows would increase the fair value.
			Discount rate	Discount rate is the current average borrowing cost that a market participant would expect to pay to obtain its debt financing based on the assumed capital structure.	Any increase in the discount rate would result in decrease in fair value.

32.4 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and other price risks. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk and interest rate risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The liquidity risk is measured by the Group's inability to meet its financial obligations as they become due.

Foreign exchange risk

The Group 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 to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the US Dollar 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 affected as the US Dollar appreciates/ depreciates against foreign currencies.

As at March 31, 2019, the Company has no outstanding forward exchange contracts and options.

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Foreign currency exposure unhedged

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

Particulars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	-	-	47	47
Trade receivables	-	-	75	75
Other financial assets	-	-	27	27
Trade payables	(2)	(24)	(234)	(260)
Net assets/(liabilities)	**(2)**	**(24)**	**(85)**	**(111)**

* Others include currencies such as Indian rupee, Australian $, Malaysian Ringgit, Swiss Frank, Taiwan $ and Canadian $ etc.

The following table analyses foreign currency risk from financial instruments as of March 31, 2018 (in ₹):

Particulars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	-	-	36	36
Trade receivables	-	2	-	2
Trade payables	(2)	(18)	(17)	(37)
Net assets/(liabilities)	**(2)**	**(16)**	**19**	**1**

* Others include currencies such as Indian rupee, Australian $, Malaysian Ringgit, Swiss Frank, Taiwan $ etc.

Interest rate risk

The Group is exposed to interest rate risk as it has borrowing at floating interest rate. The risk is managed by maintaining use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and define risk appetite, ensuring the most cost effective hedging strategies are applied.

Interest rate swap contracts

Under Interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amount. Such contract enables group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest is based on the outstanding balances at the end of the reporting period.

Details of the Interest rate swap contracts:

Particulars	Loan Amount		Fair Value of Interest Rate Swap		Coupon/Interest Rate	Fixed Interest Rate
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018		
Term loan from HSBC	294	467	1	2	Libor + 1% to 1.5%	2.175% - 3.3190%

In respect of the Group's interest rate swap contracts, a 5% increase/decrease in its fair value has an insignificant impact on the profit of the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables:

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

Liquidity risk

The Group principal sources of liquidity are cash & bank balances and cash generated from operations. The Group believes that working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The Group has unutilised credit limits from the banks of ₹ 330 and ₹ 228 as of March 31, 2019 and March 31, 2018 respectively.

As of March 31, 2019, the Company had working capital of ₹ 1,751, including cash and bank balances of ₹ 778
As of March 31, 2018, the Company had working capital of ₹ 1,169, including cash and bank balances of ₹ 745

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding current and non-current borrowings) as at March 31, 2019:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	3,185	-	-
Other current financial liabilities (refer note 16)	95	-	-
Other non-current financial liabilities (refer note 16)	-	163	85
Total	**3,280**	**163**	**85**

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding current and non-current borrowings) as at March 31, 2018:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	2,591	-	-
Other current financial liabilities (refer note 16)	93	-	-
Other non-current financial liabilities (refer note 16)	-	124	228
Total	**2,684**	**124**	**228**

Other price risks

The Group is exposed to equity price risks arising from equity investments. Company's equity investments are held for strategic rather than trading purposes.

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

CYIENT LIMITED
HYDERABAD

33. Contingent liabilities and Commitments

(A) Contingent liabilities

(i) The Company has certain obligations towards revenue authorities for its step down subsidiary Wellsco Inc. (amalgamated with Cyient Inc. w.e.f April 1, 2012). Pending further evaluation, an amount of ₹ 51 (March 31, 2018: ₹ 51) had been provided during the financial year 2015-16 in the books towards adjustment of any liabilities pertaining towards such obligation.

(ii) The Company has certain legal disputes with ex-employees of the Company which are at various stages of appeals. The Company is confident, that the disputes would be settled in its favour. Pending legal resolution of the dispute, no provision has been recognised in the consolidated financials statments.

(iii) One of the employee of the Company filed a legal suit to recover amount from a party on his own account in the name of Certon software. The Company has been taking proactive steps to mitigate any potential risk that may arise out of this action. Pending legal resolution of the dispute, no provision has been recognised in the consolidated financials statements.

(B) Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for is (net of capital advances) ₹ 45 (March 31, 2018: 12).

(ii) The Company has certain commitments to bankers relating to receivable factoring arrangements entered with them in respect of receivables from few customers. These factoring arrangements are without recourse to the Company and in the normal course of business. The Company is confident of meeting these commitments arising from such arrangements.

34. These consolidated financial statements were approved by the Board of Directors of Cyient Limited on April 25, 2019.

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

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

Krishna Bodanapu
Managing Director and CEO
(DIN-05301037)

Ajay Aggarwal
President & Chief Financial Officer

Place: Hyderabad
Date: April 25, 2019

CYIENT LIMITED
HYDERABAD