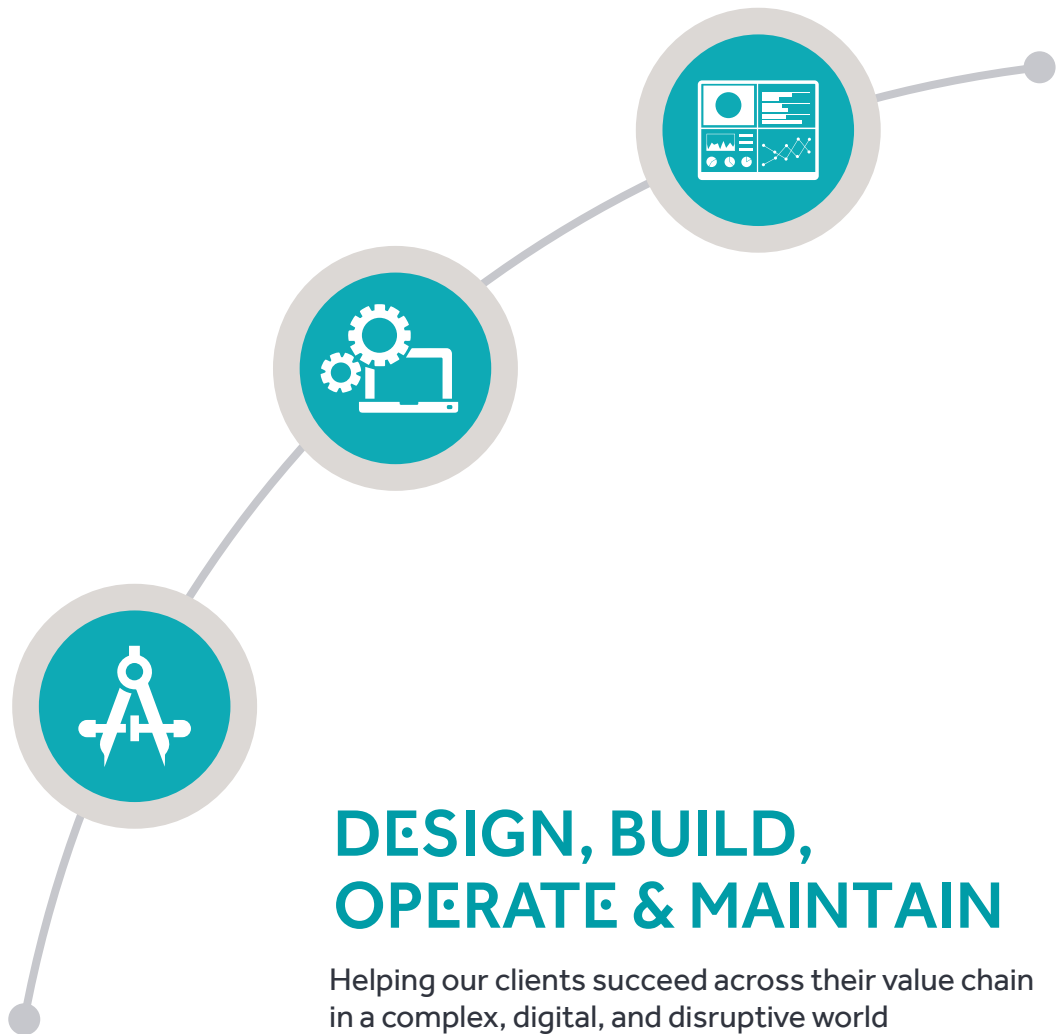
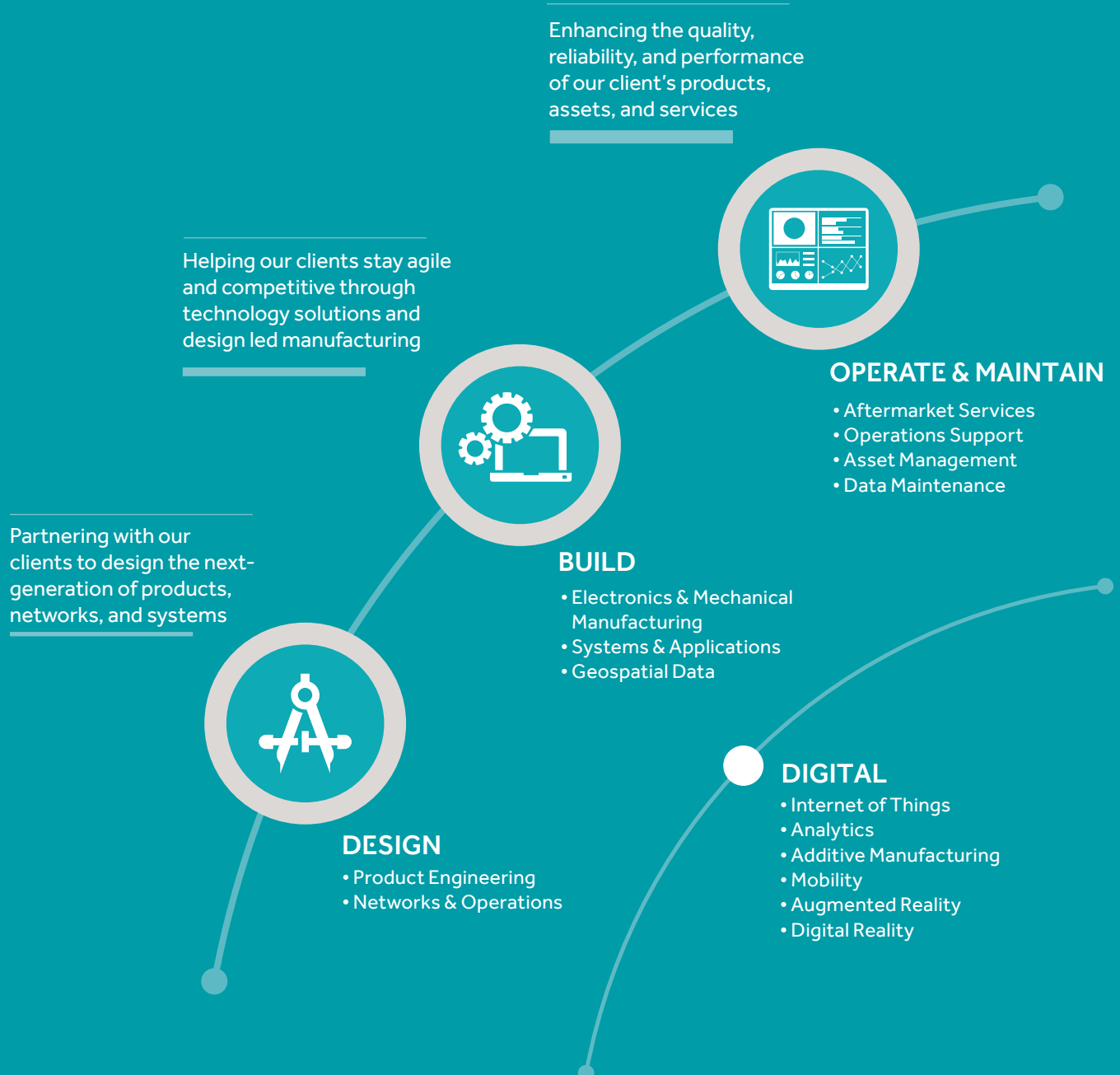




Cyient's technical expertise, domain knowledge, and service offerings differentiate us as a Design, Build, Operate & Maintain Partner who can fulfill greater needs and solve more problems. We leverage the power of digital technology to offer complete solutions across our clients' value chains.





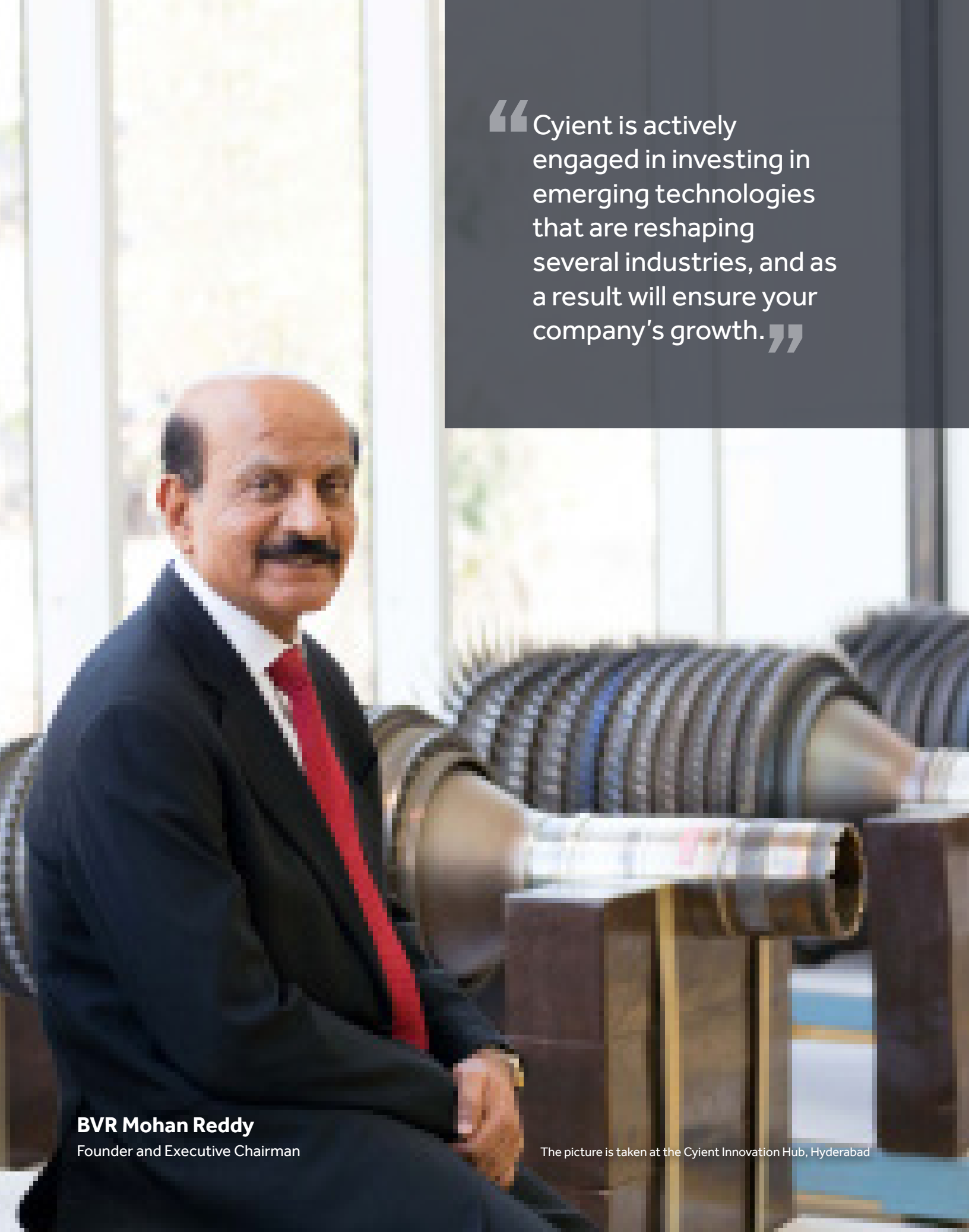
**CHAIRMAN, BVR MOHAN REDDY RECEIVES
THE PRESTIGIOUS PADMA SHRI AWARD FROM
THE PRESIDENT OF INDIA, SHRI PRANAB MUKHERJEE**

March 30, 2017

“ I am honored that the Government of India has recognized me for my contribution in creating an Engineering R&D industry in India. As a first-generation entrepreneur, I view the Padma Shri* as an acknowledgement of my ability to build a sustainable global technology company and contribute to a digitally empowered society. ”

- **BVR Mohan Reddy**

*Padma Shri is the fourth highest civilian honor awarded by the Republic of India, after the Bharat Ratna, the Padma Vibhushan, and the Padma Bhushan. To date, 2,767 individuals have been conferred the Padma Shri award, since it was instituted in 1954.

A photograph of BVR Mohan Reddy, a man with a mustache wearing a dark suit and a red tie, sitting in a modern office environment. He is positioned in the lower-left portion of the frame, looking towards the camera. Behind him is a large window with vertical blinds, and to his right is a sofa with a dark, patterned fabric. In the foreground, there is a small, dark wooden table with a glass top. The background is bright and slightly out of focus.

“Cyient is actively engaged in investing in emerging technologies that are reshaping several industries, and as a result will ensure your company's growth.”

BVR Mohan Reddy

Founder and Executive Chairman

The picture is taken at the Cyient Innovation Hub, Hyderabad

Dear Shareholders,

FY2017 was an exceptional year for Cyient. Stakeholders around the world joined us in celebrating 25 years of your company's remarkable journey. It is gratifying to see how Cyient has grown from a small geographic information systems (GIS) company into a highly respected global technology player. Cyient has grown at a healthy pace and is actively investing in emerging technologies and capabilities that will allow us to address the future growth market.

I am happy to say that Cyient was unaffected by the geopolitical disruptions that occurred in FY2017. We remain focused on our strategy to grow in core markets and become a leading brand for design led manufacturing and technology solutions. In order to ride the wave of digital transformation, Cyient has been promoting an internal culture of innovation and consciously investing in reskilling and upskilling its workforce. Your company has continued to create positive social impact through various digital-centric community initiatives. Recognized and respected for its corporate governance, your company has further strengthened its Board and brought special focus to diversity and inclusion in its business.

Let me elaborate on each of these themes in more detail.

Disruption is changing our world

We live in interesting and challenging times. Volatility, uncertainty, complexity, and ambiguity are the new normal and have an extraordinary bearing on enterprise strategy and growth. The velocity of change has increased. Moore's Law states that the number of transistors in an integrated circuit will double every two years, which also means that the computing speed of devices will grow exponentially. This creates many new possibilities that did not exist a few decades ago. At the same time, the predictability of change has decreased. Consequently, it is now harder to predict the future of emerging technologies and resultant changes to market demands and customer expectations. The lifespan of technologies and organizations has decreased significantly in the last few decades.

Geopolitical disruptions

The global political environment is constantly creating new challenges and opportunities for industry. However, these disruptions are likely to be temporary and cyclical. FY2017 was an eventful year at the local, national, and global level. On one

hand, we experienced demonetization in India (which did not have an impact on the IT-Business Process Management industry), while on the other we witnessed Brexit and the U.S. elections.

Many developed economies, including the U.S., UK, Singapore, and Australia, are enforcing protectionist policies with regard to movement of skilled talent. From India's perspective, we have an equal number of companies from developed nations that are operating in the country. They view India as a large market. There is an imperative need to have a global framework within which trade and services are delivered. The World Trade Organization should implement an amicable framework that would enable global multinational firms to operate in different countries and provide a clearly defined set of rules for movement of skilled talent.

Setting geographic boundaries in the digital era is not conducive for global growth. Global leaders need to speak up and provide a level playing field for the growth of all economies around the world.

Technology disruptions

Technology disruptions are redefining our industries and customers, leading to pressure on many existing businesses while simultaneously accelerating new business, models, and value propositions. There are multiple factors that are amplifying digital technology disruption that in turn has led to an unprecedented wave of innovation in almost every industry. Computation, storage and connectivity are becoming exponentially faster, cheaper and smaller. Collaboration, communication and consumption of similar technology platforms across the developed and developing world is spurring global innovation. Today, with the millennial generation having a high level of comfort in technology usage, employees now expect the same ease of use at their workplace. This has led to the multiplier effect of technology. Individual technologies built on diverse platforms are amplifying each other's effects, setting the stage for what some are calling a "fourth industrial revolution."

Customers and markets are changing

Today's customers have equal access to information and consider suppliers to be an integral part of their product and service ecosystem. They are willing to invest time to better understand their suppliers and in turn also expect those suppliers to have in-depth knowledge about their business.

They look to suppliers as technology consultants with domain expertise and expect them to drive

projects with a shared vision. Business models are shifting from the traditional, labour-based, onsite-offshore model to a cloud-based, off-premise model. There is growing interest in non-linear models and there is greater appetite with vendors to link revenues to business outcomes.

Over the last year, we have also seen decentralization of decision making. Buyers are changing their approach, as much as solution providers are repurposing their businesses. Buy-side influencers are expanding beyond CIOs to CMOs, COOs and other business leaders. In today's fast changing world, innovation has become hygiene and is not limited to internal effort. Corporations are now leveraging a new ecosystem for innovation through acquisition, funding, incubation and collaboration.

Cyient is prepared for the disruptive environment

Cyient has always embraced change and pioneered many transformations to keep it aligned and focused on customer and market requirements. Disruptive forces have created new challenges that organizations need to address immediately through the right initiatives. In this context, Cyient has defined three focus areas (1) Strategy, (2) Innovation, and (3) Skills and Leadership to navigate through its changing environment and is investing significant effort and resources on these initiatives.

Strategy

During the past 25 years, Cyient has transformed from a GIS data conversion vendor to a successful Design, Build, Maintain & Operate partner with expertise and engagement across multiple industries, including design led manufacturing. In the process, we have created a business that delivers sustainable value to our stakeholders.

Our strategic vision is to become a major tier-1 supplier in select industries, within the next ten years. To achieve this vision, we have articulated a strategy focused on expanding from Services to Systems and Solutions (the S3 Strategy). We need a very careful and focused approach to achieve this aspirational goal. To that end, we are leveraging the AGILE framework, which will support the transformation of Cyient through the five key levers of Ambition, Growth, Investment, Leadership and Execution. In May 2017, Cyient won the Institute for Competitiveness—Times Network Award for Strategy, in recognition of our role in "shaping the industry, creating unique positioning, and altering

the basis of competition." This award is a credible endorsement of Cyient's growth strategy and acknowledges that our Design, Build, Operate & Maintain value proposition is reshaping our industry positioning and redefining our growth paths.

I am also happy to share with you that our strategy to pivot our organization towards an industry vertical structure (business unit) from a geography based structure has started paying off. We see increased ownership and growth momentum post this alignment.

Innovation

Innovation is implicit in Cyient's DNA and our engineers have always strived to delight clients with innovative solutions. During FY2017, we made perceptible progress in enabling innovation across all the industries we serve. To continue nurturing a culture that focuses on innovation, we introduced the Idea Management Tool (IMT), a SaaS based enterprise system that enables leadership to solicit ideas from all associates, regardless of global location. We also launched the New Technology Accelerator (NTA) program to incubate and grow new technology ideas at Cyient.

We renamed the Customer Experience Center to the "Cyient Innovation Hub." This change aptly reflects the innovation being executed in the labs that are housed in this facility. There were two important additions to the Innovation Hub in FY2017:

LEGO Lab: LEGO is an extremely creative, rapid prototyping platform for engineers. It is often difficult to explain a concept or design. LEGO gives our engineers the basis to quickly build functional prototypes using a robotics platform

ANSYS Lab: This lab has been built in collaboration with ANSYS, a simulation platform company and a strategic partner. It provides our engineers with the environment to build complete, virtual prototypes of complex products and systems involving mechanical, electronics, and embedded software components to incorporate all of the physical phenomena that exist in real-world environments.

During FY2017, Cyient co-filed 5 patents and 6 technical papers in leading publications across various industries. We also worked across a number of emerging technology areas, including augmented reality and virtual reality. Examples include a collaboration with LV Prasad Eye Institute and Microsoft, development of a UAV based data acquisition and decision support system, and a project that uses Natural Language Processing

(NLP) technologies in a commercial setting. As always, Cyient has been innovating for its customers and has been recognized for its industry leading practices.

Skills and Leadership

In today's volatile business environment, skills and leadership development are critical needs to help organizations cope with rapid and disruptive change. Domain specialization and soft skills are the new expectations we are seeing across the technology sector. In this environment, technology and automation have taken center stage and companies have to deploy them rapidly to match a new competitive intensity. While technology will automate some jobs, it will also create new roles. It is estimated that a large part of the existing workforce will have to be re-skilled to adapt to these new roles.

Cyient continues to make significant investments in training and developing its global workforce. The Learning & Development function has adopted the latest training technology and methods, including gamification, flipped learning, and augmented and virtual reality to enhance the learning experience and improve retention. New ideas and thinking, like networked learning for instantaneous and contextual suggestions from peers, are also being adopted to help Cyient develop a highly skilled and competitive workforce.

During FY2017, Cyient invested in virtual training modules that can be accessed at any time, from anywhere. Cyient also developed tools that give employees visibility to numerous opportunities within the company.

Leadership is an important factor for growth and success for any organization. Cyient continues to implement highly competitive programs for emerging leaders that help to develop and nurture them for future leadership roles. Your company also conducts regular leadership lectures for middle and senior level management that address core leadership related issues; I directly lead the "Value Based Leadership" sessions.

Cyient has also been investing in external speakers and coaches to train emerging leaders on industry best practices, talent retention, succession planning and other leadership qualities.

Corporate Social Responsibility, Governance and Compliance

Corporate Social Responsibility (CSR) has been extremely important to Cyient. FY2017 was a milestone year for the Cyient Foundation, with the launch of multiple initiatives that focused on digital literacy, education and social empowerment.

An organization can only achieve sustainable growth when it has the right corporate governance and compliance processes in place. Technology has brought lot of benefits to society and at the same time a lot of risks to business. During FY2017, Cyient actively invested in IT hardware and cyber security, compliance, and standardized policy guidelines across the company. Cyient has also kick started various initiatives to leverage technology for paperless and sustainable options and create more eco-friendly operations.

Corporate Social Responsibility

While we celebrated Cyient's 25th anniversary in FY2017 we also strengthened our contribution to society by announcing the launch of 54 Cyient Digital Learning Centers (CDCs) that provide 1000+ desktops, complemented with 4 MBPS link to every government school located in Serilingampally Mandal of Ranga Reddy district in Telangana State.

The CDCs aim is to provide high-quality, digital educational resources to underprivileged students of these government schools and accelerate digital literacy. The CDCs are providing digital education to more than 20,000 underprivileged children. Beyond students, over 50,000 citizens from communities residing around the CDCs also have access to the Centers.

Apart from this significant new initiative, other flagship programs of the Cyient Foundation continue to grow and create a positive impact on society: Support to Education, Community Development and Support to Social Innovation.

Governance

Your company has been a shining beacon when it comes to corporate governance. Over the years, Cyient has had some of the best industry leaders on its Board of Directors. Recently, we added another industry veteran and former U.S. Ambassador, Vinai Thummalapally, as an independent director on the Board. Cyient will benefit from the experience and expertise that Ambassador Thummalapally brings to our Board and leadership team.

Today, Cyient operates from 48 global locations in 21 countries, with nearly 14,000 associates. To ensure that Cyient resembles a true multinational organization, it has constituted a new Board committee to deal with matters relating to diversity and inclusion. Cyient is also launching a specially designed training program that focuses on developing more women engineers in its workforce, thereby helping in our way to reduce the gap in this industry.

Compliance

While technology has brought us enormous possibilities, it has also increased the vulnerability to cyber threats. In recent months, there have been multiple attacks on IT security and cyber threats have become a challenge globally.

Cyient has taken significant steps to enhance IT hardware and information security by running multiple initiatives to improve internal processes and employee awareness. We have strengthened our Asset Management Policy to improve current IT hardware tracking and an Information Security Policy & Compliance Policy has been implemented to maintain confidentiality, integrity, availability, and safety of information and data.

To monitor and ensure compliance to all company policies and applicable regulations, we have globally launched the "Comprehensive Compliance Manager", a software tool developed by Ernst & Young. This tool covers all applicable laws and acts as a third-party validation of internal controls on an annual basis.

Recently, our industry has faced visa and work permit related issues across several parts of the world. I am glad to reassure you that your company has always been compliant with the laws and regulations in all the countries we operate in.

In Conclusion

FY2017 was an exceptional year for Cyient when we saw double digit growth of our top and bottom lines. While the IT-BPM industry growth average is 9%¹, Cyient has been surpassing the industry average for several years. In FY2017, our revenue grew by 16.3% YoY, and operating profit and net profit grew by 15.7% and 10.7%, respectively (in INR terms). The 5-year CAGR is 18.4% and the net profit CAGR for the same period stands at 18%.

Cyient is actively investing in emerging technologies that are reshaping expectations in our industries and will spur your company's growth. We have focused on select industry verticals to build deep domain knowledge and support digital transformation for customers that will make us their preferred partner for design led manufacturing and technology solutions. Our goal is to democratize technology to help mankind and create a positive impact in everyone's life.

I would like to take this opportunity to thank my associates for their relentless efforts to make Cyient successful. I would also like to thank our clients who have trusted us with their business and provided us with opportunities year after year. Your company's performance makes me very confident that we have a bright future in front of us.

Wish you all the best.


BVR Mohan Reddy

¹ "Nasscom sees FY18 industry growth at 8-10 percent," Economic Times, <http://economictimes.indiatimes.com/tech/ites/nasscom-sees-fy18-industry-growth-at-8-10-per-cent/articleshow/57436765.cms> <<http://economictimes.indiatimes.com/tech/ites/nasscom-sees-fy18-industry-growth-at-8-10-per-cent/articleshow/57436765.cms>>, (March 2, 2017)



Consistent dividend payout

~30%

Cyient has consistently paid a dividend of ~30% for the last three years; over and above, a special dividend of INR 2.50 per share was declared in FY2017 on account of Cyient's 25th anniversary.

Maximizing shareholder wealth is paramount to us and we will continue to focus on the same. We are well-positioned to maintain high shareholder returns.

64.9%

EBITDA conversion to Free Cash Flow (FCF) for FY2017, compared to 54.5% for FY2016

The image is of the Phase 2 atrium at Cyient's global headquarters in Hyderabad, India.

Key Performance Highlights

Maintaining Strong Growth

We delivered strong growth performance in FY2017, with a revenue increase of 16.3%, driven by our Communications, Aerospace & Defense, and Design Led Manufacturing (DLM) business units.

Revenue growth **16.3%**

At INR 36,065 million;
USD growth of 13.7% at
USD 538 million; 14.9% in
constant currency

Operating profit up **15.7%**

At INR 4,848 million, operating profit
as a focus area has percolated to all
levels in the organization

Net profit up **10.7%**

At INR 3,699 million, excluding
exceptional item*

Cash balance **INR 9,706 Mn**

Highest cash balance, since
inception, in a year with three
acquisitions and an increase in
dividend payout

Cash generation up **~30%**

At INR 3,712 million, cash
generation increased despite
double digit revenue growth.
This is a reflection of our
continuous improvement on
various drivers of cash generation

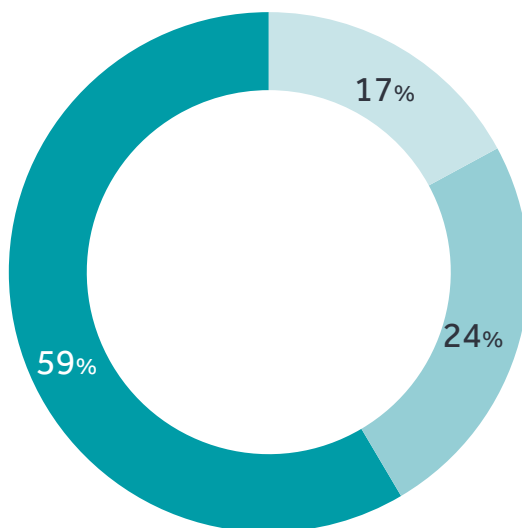
*Cyient granted Restricted Stock Units (RSU) to eligible employees on March 31, 2017, on the occasion of its silver jubilee anniversary celebrations.

Outreach and Scale

Over the past 25 years, Cyient has grown from a geospatial information systems company to a global provider of engineering, manufacturing, geospatial, network and operations management services. We leverage the power of digital technology and advanced analytics capabilities, along with domain knowledge and technical expertise, to solve complex business problems across more than ten industries, including Medical Technology & Healthcare, Aerospace & Defense, and Communications.

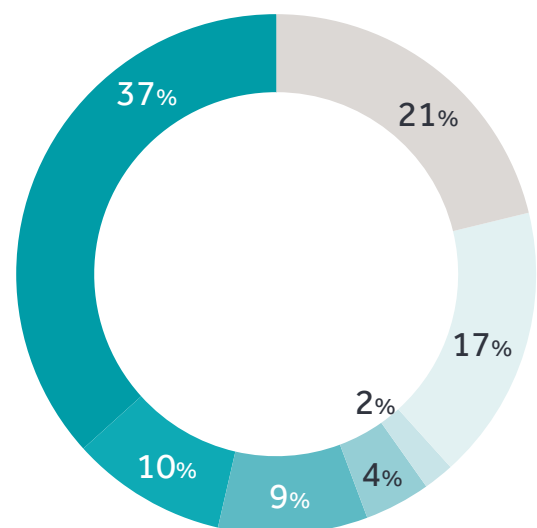
Revenue Segmentation (FY2017)

By Geography (%)



- Americas
- Europe, Middle East, and Africa
- Asia Pacific

By Business Unit (%)



- Aerospace & Defense
- Transportation
- Industrial, Energy & Natural Resources
- Semiconductor
- Medical Technology & Healthcare
- Utilities & Geospatial
- Communications

Customer Satisfaction Survey

In our 2017 Customer Satisfaction Survey, clients reported that **Trustworthy, Collaborative, and Adaptable** were the three characteristics they most associated with Cyient.

Cyient conducts an annual customer satisfaction survey to understand the needs of our clients and identify how we can continuously improve on solving complex problems for them.

By Clients

5 Clients

Generating **USD 20+ million** revenue each

9 Clients

Generating **USD 10+ million** revenue each

20 Clients

Generating **USD 5+ million** revenue each

62 Clients

Generating **USD 1+ million** revenue each

76

New Clients

Business Highlights

- Invested in three acquisitions: ODS (Australia) for Communications, Blom Aerofilms (UK) for Geospatial, and CERTON (US) for Aerospace & Defense
- Acquired minority stakes in two start-up ventures
- Continued focus on IP investments through partnerships
- Robust growth in Europe, Middle East, and Africa at 28% and Asia Pacific at 30%
- Declared special dividend for shareholders
- Restricted Stock Units, including cash-out option, were granted to ~9000 associates

Operating from **48 Locations** across **21 Countries**, with nearly **14,000 Associates**, Cyient adeptly combines global delivery with close proximity to **~300 clients**



Peoria



London



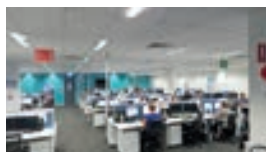
Mysore



Hyderabad



Singapore



Sydney



Associate Satisfaction Survey

2017 employee engagement score increased 2 percentage points YoY to reach 63%

beating the global Engineering, IT, and Manufacturing industry average of 57%.

Cyient's human resources strategy focuses on four key pillars: building organizational capabilities, talent acquisition, talent mobility, and systems. As part of this strategy, our team has created global mobility and immigration processes, and increased availability of corporate training programs for leadership development.



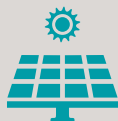
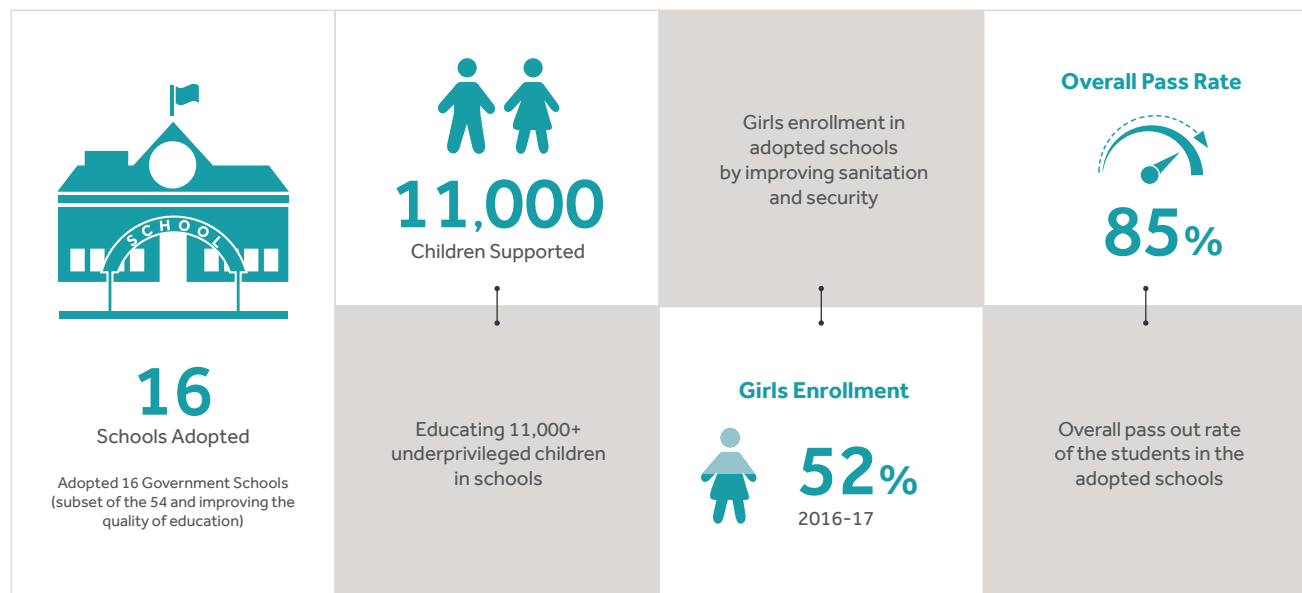
Taking Small Steps Towards Creating Lasting Change

Our relationships with our clients grow the more we do for them. We call this the virtuous circle. And it is precisely the same philosophy that we have towards our social responsibilities. We believe that the concept of the virtuous circle extends to our focus on cleanliness, education, and digital awareness. We believe that the more we give back to society, the more it prospers, and the more it helps us grow.

Cyient allocates 2% of annual profits for social causes.

Education and Sanitation

We have made definite forays in the area of education by adopting primary schools. Our continuous efforts have helped improve the overall pass rates, as well as the attendance of girls. We provide sanitary toilet and clean drinking water facilities that ensure a hygienic environment. We have also put together an online digital library, which offers periodicals, study materials, and other resources for the students, free of cost. Our digital library consists of several computers, a robust Internet connection, and a library assistant who helps guide the students.



Renewable Energy Focus

Improving carbon performance across our Indian offices and manufacturing facilities, by using solar energy that will meet over 50% of power requirements in 2017.

Digital Literacy

We empower local communities through digital literacy, with an aim to provide high-quality digital educational resources to underprivileged students of government schools, as well as community members.

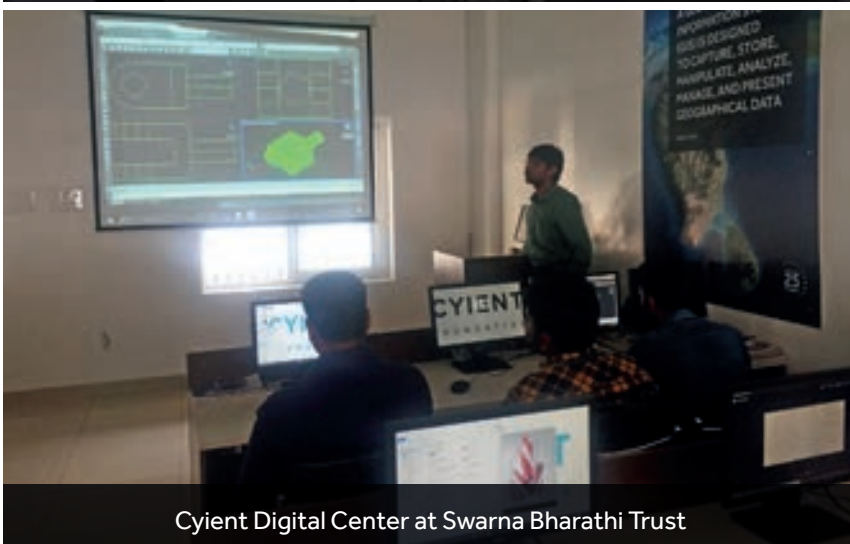
Cyient Foundation's innovative Public Private Partnership model will integrate digital classrooms, digital libraries, and adult digital literacy centers. We have launched 54 Cyient Digital Centers (CDC) with over 1000+ desktops, 4 MBPS link to Government Schools located in Serilingampally Mandal, Ranga Reddy Dt., Telangana, India.



Cyient associate volunteer interacting with students



Reverse osmosis water purification plant as part of Cyient's village adoption program



Cyient Digital Center at Swarna Bharathi Trust



Developing road infrastructure as part of Cyient's village adoption program



Designing Tomorrow Together

CYIENT'S FIRST ENGINEERING CENTER IN EASTERN EUROPE

Delivering complex design engineering solutions to Energy, Utilities, Oil & Gas, Rail Transportation, Aerospace & Defense, and Telecommunications clients globally.

Cyient's Engineering Center, Prague

DIGITAL TRANSFORMATION

Emerging technologies are reshaping the world as we know it. Cyient leverages the power of digital technology and advanced analytics capabilities to help clients improve speed-to-market, optimize resources, and reduce costs. From enhancing elevator efficiency to digitizing the network infrastructure for one of Europe's largest broadband cable service providers, Cyient takes solution ownership across the value chain to help clients focus on their core functions, innovate, and stay ahead of the curve.

Cyient's model supports MAX in increasing elevator availability

Our Solution:
Supporting thyssenkrupp's predictive maintenance
solution MAX with data analytics



Communication by Vodafone



CYIENT

Data Collection

Door movements, error
codes, break-downs

Data Analytics

Algorithms analyze
data for patterns and
generate alerts

Predictive Intervention

Predictive diagnostics
are delivered to the
technician in real-time

Enhancing Predictive Solutions for the Elevator Industry

“For us, MAX is an integral part of our plans to transform the elevator industry and enhance urban mobility, in cities across the world. Building on our collaborations for MAX with Microsoft and Vodafone, we are glad to have found another strong partner for this solution in Cyient. We are confident that their expertise in analytics will help to further develop MAX's competencies, supporting our 24,000+ technicians in the field and taking elevator service into the digital era.”

Andreas Schierenbeck | CEO, thyssenkrupp

Solution

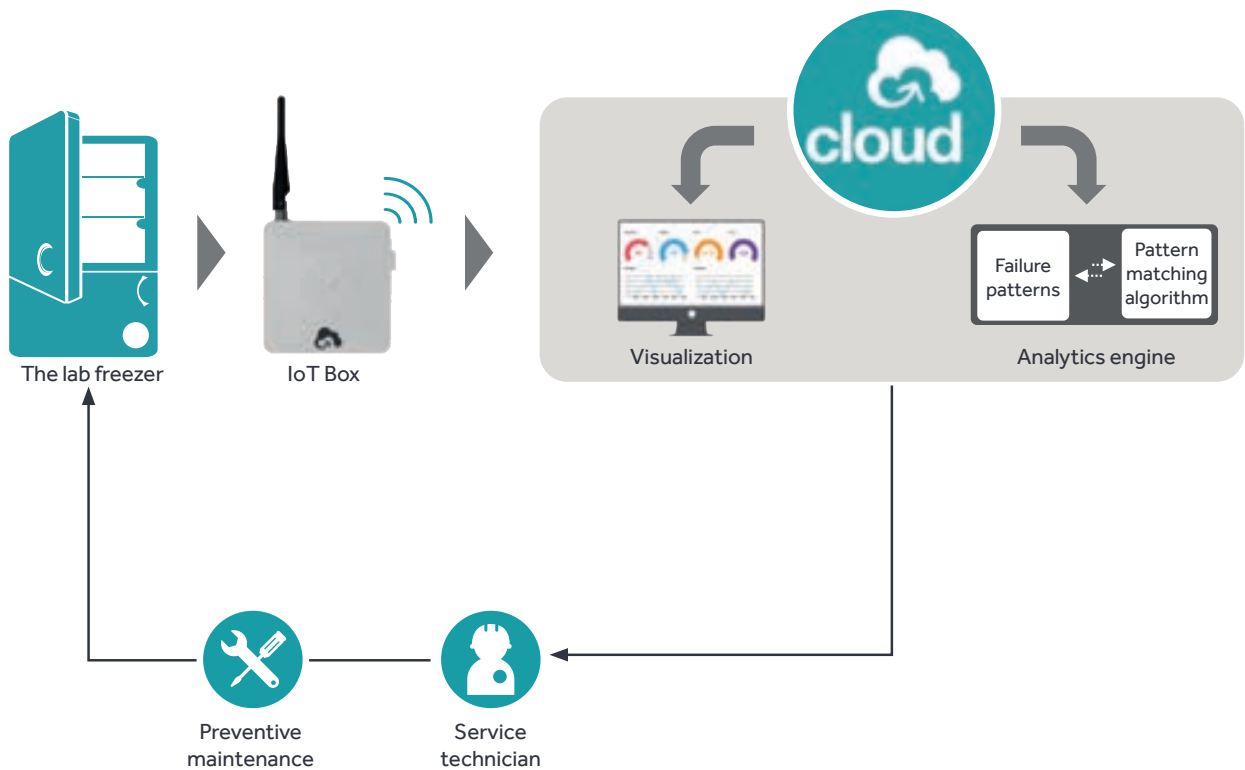
Cyient entered into a long-term agreement with thyssenkrupp Elevator, a global market leader in passenger transportation systems, to support its MAX platform. Cyient's advanced analytics services will be integrated into MAX to help deliver predictive maintenance solutions. The solution, developed with Microsoft and using its Azure cloud platform and Azure IoT Suite, will now also incorporate Cyient's expertise in creating predictive analytics solutions. Cyient will develop algorithms and integrated solutions to leverage data from elevators, and enhance thyssenkrupp's ability to diagnose potential problems and deliver superior service.

Key Outcomes

- Improve elevator performance through predictive and planned maintenance
- Support establishment of remote diagnostics and control
- Help achieve 50% reduction in elevator downtime

Ten weeks advance alerts to predict asset failure for optimized performance and reduced maintenance costs

The Solution Architecture



Data captured by the IoT box from the lab freezer sensors:

- Two freezer temperature sensor points
- Evaporator inlet/outlet temperature
- Condenser air inlet/outlet temperature
- Heat exchanger temperature
- Power consumption

Predictive Analytics Solution for Ultra-Low Temperature Medical Freezer

10 weeks

Advance alerts to predict asset failure

10-15%

Improved asset availability

70-75%

Confidence level of prediction

Solution

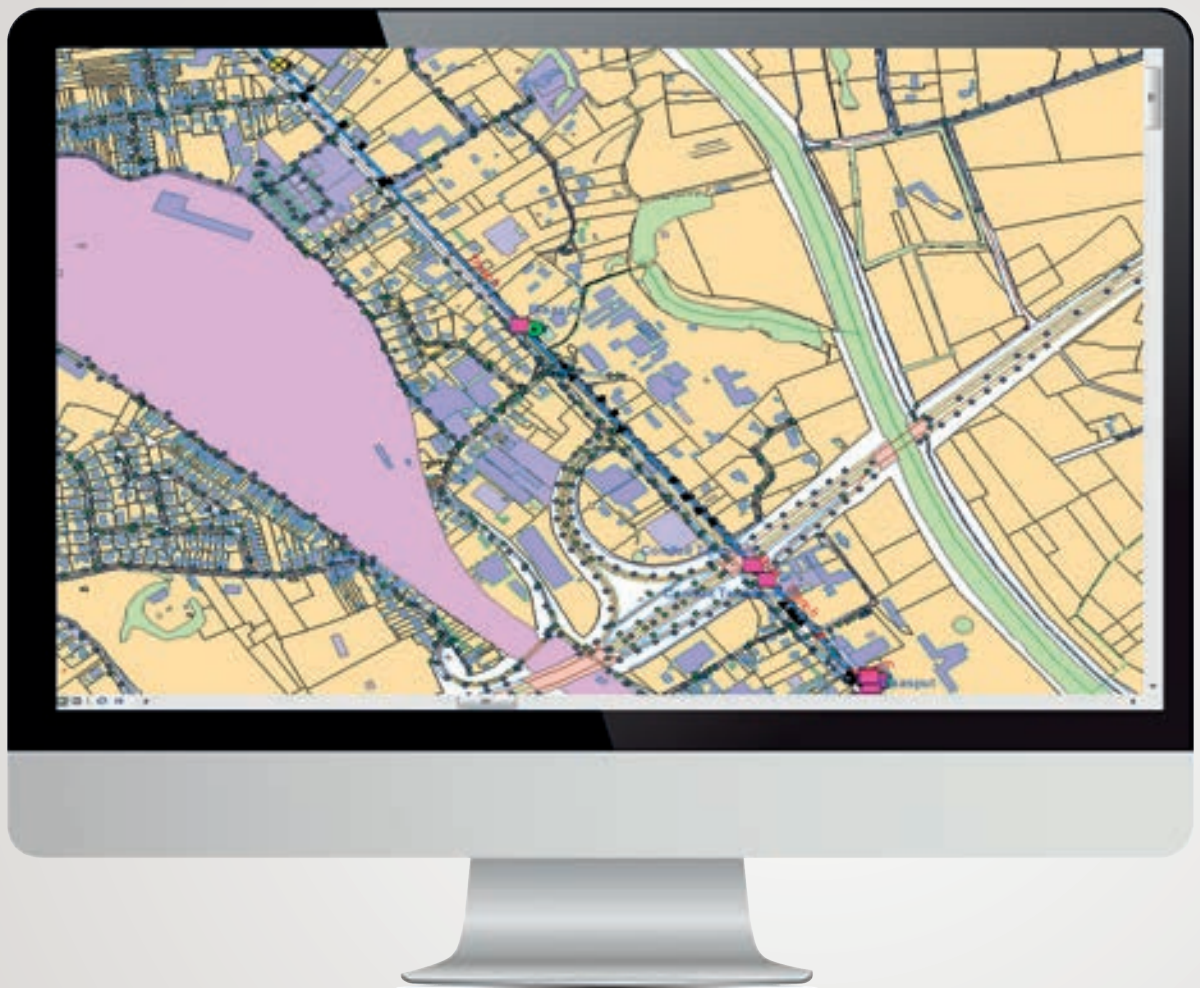
Cyient partnered with a medical equipment company to help remotely monitor, control, and improve accessibility of its ultra-low temperature medical freezers. Cyient built a customizable dashboard to monitor and operate the equipment on any platform. Our solution allows the client to receive configurable reporting on a periodic or problem basis.

Key Outcomes

- 10-15% improvement in asset availability
- Alerts up to ten weeks before asset failure
- Consistent forecast of critical failures, such as first stage compressor failure, at least two hours prior to an event
 - Improves equipment uptime and reduces equipment outages through more proactive alarm-based monitoring
 - Identifies freezer usage beyond intended design parameters (i.e. excessive door opening and extreme ambient temperatures)

- Maintained data quality at more than 98%

Infrastructure data network to be digitized in both Coax & Fiber



Cyient Digitizes the Network Infrastructure for One of Europe's Largest Broadband Cable Service Providers

Fiber - 8k+
Coax - 50k+
Kms Covered

1,352k+
Features Digitized

59k+
Structures Estimated

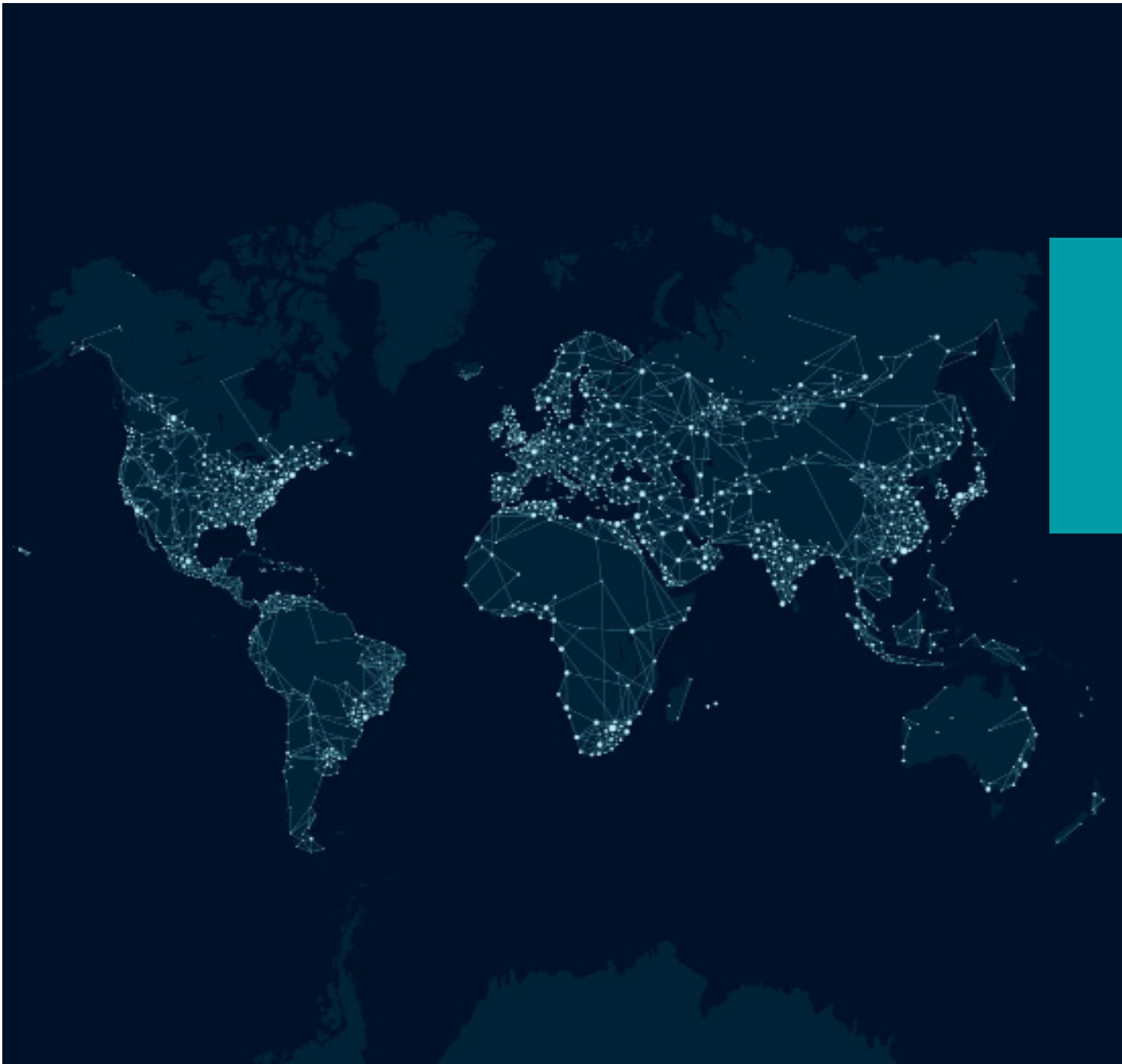
Solution

Cyient provided an end-to-end solution by working with the client to define and optimize the overall network infrastructure digitization program. This was achieved by referring to scans and source network data in many internal systems, including Physical Network Inventory Systems for fiber and coax. Cyient's core strengths in the communications industry and domain insights, particularly the interplay of GIS data management, network inventory, and business processes, were key to the success of this project.

Key Outcomes

- Achieved the desired AQL quality standards continuously, despite scope creep, rigid schedule constraints, and resource crashing
- Received quality bonus for 97% (57 out of 59) batches
- Completed the three-phase project six weeks ahead of schedule

- Over 9 million network data updates in both physical and logical network inventory systems for one of APACs leading communication service providers



Designing, Deploying, and Managing Networks that Sustain a Connected Future

99%

On-time delivery

98%

First time acceptance rate of network operations

98%

Network data accuracy

Solution

Cyient delivered end-to-end plan, build and operate services and solutions across fixed and mobile networks. We digitized the client's fixed network infrastructure and integrated the physical network inventory system with other operations and business support systems, to ensure optimized workflow, time-to-market and roll out of new broadband services. For the mobile network, we delivered a fast-paced small cell program for SAED* to construct, commission, and integrate with the client's complex network. Cyient supported the service quality assurance process; optimized the physical network infrastructure management of copper, fiber, coaxial, and hybrid technologies; and provided field surveys to ensure rapid expansion of the client's network.

Key Outcomes

- 9 million network data updates in both physical and logical network inventory systems
- Availability of up-to-date network and consumer data in inventory management system facilitated better planning and decision making
- Automation of address validation reduced service cycle time per job from 240 to 120 minutes
- Increased network data accuracy from 70% to 98%
- Completed 150+ mobile sites for SAED
- End-to-end process of small cell sites including construction, commissioning and integration

*site acquisition, environmental, and design

- Streamlining device configuration management for improved reliability, efficiency, and cost



Automated Device Configuration Management

Streamline and consolidate the network device infrastructure, and decommission legacy configuration management tools. Further, maintain consistent, standardized device configurations and compliance policies with automated configuration archival and change detection.

Solution

Cyient created custom drivers to discover and import the configurations of all the device models in the network and grouped devices based on geographic locations, vendors, and models in an INCM* realm structure. Customized the INCM device authentication process to automate device login and restrict access based on user roles and built the ability to quickly restore archived device configurations through INCM for rapid service restoration. The solution also integrated INCM with LDAP**, allowing users access by using their standard corporate credentials.

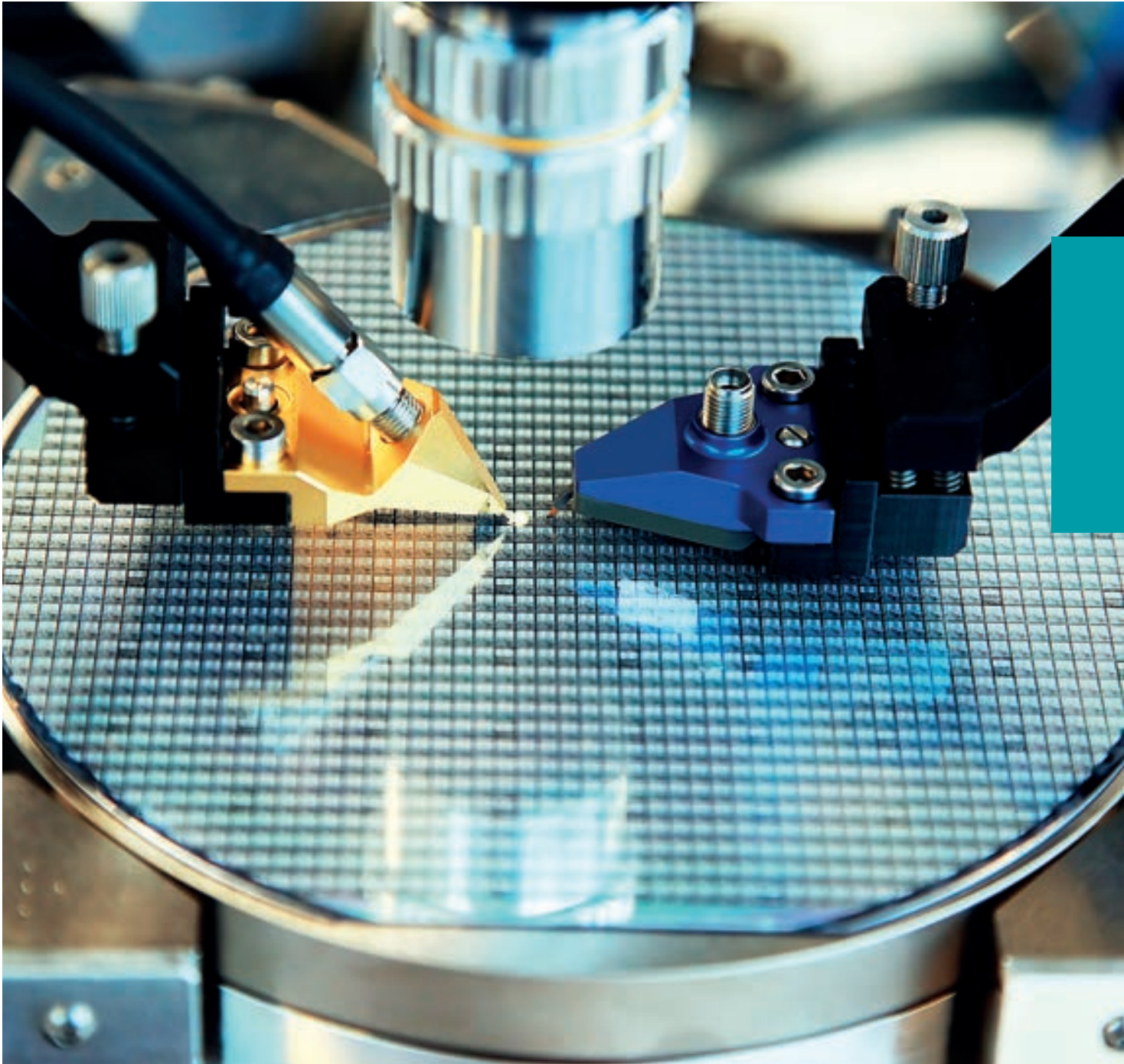
Key Outcomes

- Integrated solution deployed by Cyient reduces related overhead, solution complexity, and total cost of ownership.
- Consolidates and streamlines operations management, by providing consistent information to its different modules, and enables fast and consistent provisioning of new services
- Seamless integration and management within a central interface that allows support for devices, such as CPEs, of multiple vendors and types
- The solution allows for faster change identification through the ability to track, restrict and audit device login access

*INCM – IBM network configuration management (Tool for network configuration & change management)

**LDAP – Lightweight Directory Access Protocol

- Cyient's turnkey solution has produced an ASIC chip with improved security and lower BOM



Managing the Complete Life Cycle of an ASIC



Improved Security

With this new ASIC, the client can propose a new product family that provides improved security



Reduced Cost

Reduced the number of discrete components into a single integrated circuit



Reduced Size

The components size was significantly decreased, leading to production of smaller modules

Solution

Our client provided an ASIC* design specification, which was validated using FPGA**, to create an ASIC with additional features to the base design. To manage this complex project, Cyient leveraged its 20+ years of semiconductor experience to drive the right design and verification methodologies to execute this project within budget and on time. Cyient owned all stages of development to provide a fully functional silicon, which included design, synthesis, design for test, physical design, and interfacing. Cyient also managed post manufacturing activities, working with a foundry in Asia for wafers and a test house in Germany for assembly, test, and qualification; thereby providing a turnkey solution that met specifications.

The product is in volume production

*Application-specific integrated circuit

**Field-programmable gate array

- Predict and proactively communicate power outages and estimated restoration time to achieve enhanced customer satisfaction

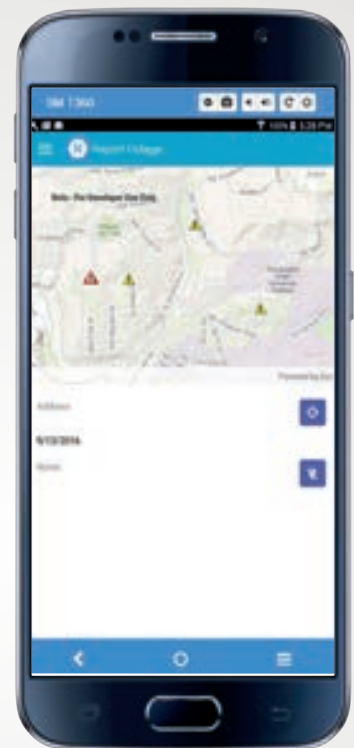
Mobile Application Snapshots



Outage Map



Outage Attributes



Reporting Outage

Cyient Wins Itron's Ignite Innovation Challenge with Outage Management App

“Itron is pleased to announce Cyient as the winner of our Ignite Innovation Challenge. Using the Itron Riva platform and the power of the Internet of Things, Cyient put technology to use to address today's energy resource challenges.”

Dr. Roberto Aiello | Managing Director, Itron Idea Labs

Solution

Cyient used Itron's Riva Edge Board to simulate real-time data acquisition from smart meters.

The team utilized the Software Development Kit to parse and push the power outages/restorations from smart meters to a cloud infrastructure. They also further customized the OpenRiva platform to parse for sustained power outages and to roll up the outages.

Key Outcomes

- Enables near real-time outage notification, thereby quickly predicting the fault locations to the operations team
- Enables immediate and proactive two-way communication (SMS/email) between consumers and the Utility on outage incidents and restoration status
- Maps the outages and restorations for easy viewing by consumers and field crews

“We made significant progress in executing our growth strategy across industries.”



Krishna Bodanapu
Managing Director & CEO

Dear Shareholders,

We live in a world that is getting more complex, competitive, and disruptive. New, emerging technologies are reshaping the industry like never before, which makes it an interesting and exciting time for business. The world is undergoing a transition and we need to keep pace to ensure we remain relevant in the long-term.

We defined our S3 (Services, Systems, and Solutions) strategy three years ago, to address the needs of the changing times and accelerate our growth aspirations. S3 is based on our ambition to move from being a service provider to a solutions provider.

It focuses on building capabilities to provide end-to-end solutions to our clients by leveraging unique, distinctive capabilities of design, system integration, manufacturing, repair and maintenance, and asset management services.

A clear manifestation of the strategy is Design Led Manufacturing (DLM), which provides our clients with a seamless transition from engineering design to manufacturing, and single ownership and accountability across the product lifecycle.

We have made significant strides in articulating S3—defining and detailing it across the industries we serve. Each year we focus on gaining more momentum on S3. I am happy to share with you the progress we have made over the past year.

In FY2017, we delivered a strong performance. Our revenue grew by 16.3% in INR terms (13.7% in USD) closing the year at INR 36,065 million (USD 537.9 million). The growth was driven by our Communications, Aerospace & Defense, and DLM Business Units (BU), while U&G and Transportation BU growth was impacted by cross currency fluctuation. Our group margins dropped by 10bps over FY2016, while the services margin improved by 60bps, due to higher utilization and change in the revenue mix. Our operating profit margin for the year was 13.4%, with an operating profit of INR 4,848 million (USD 72.3 million). Our operating profit increased by INR 658 million (USD 8.4 million) over the previous year. Our profit after tax increased by 5.6% to INR 3,438 million (USD 51.3 million) (including exceptional item). Our Free Cash Flow (FCF) was at INR 3,712 million (USD 55.4 million). Our Earnings per Share (EPS) grew by 5.6% to INR 30.5. The revenue from our top 20 clients increased to 71%, as against 68% in the previous year.

This year also marks our first year under an industry-focused organizational structure. We gained significant benefits under the new structure in terms of accelerated strategy execution,

increased customer centricity, and better focus on innovation and solutions.

Over the last few years, we have actively invested in, incubated, and matured digital technologies, such as analytics and Internet of Things (IoT). With our industries and clients more focused on digital, it is important that we make it an integral part of our strategic focus. To give this sufficient priority, rigor, and ownership, we have set up a new BU called Semiconductor, IoT, & Analytics (SIA). This BU will drive our digital strategy.

We made significant progress in executing our growth strategy across industries and one key measure of this is the revenue gained from key accounts. Our revenue from key accounts increased by 15% YoY. BU strategies are being executed and the teams are investing in developing solutions and capabilities across identified adjacencies. We invested in two key acquisitions—Blom Aerofilms Ltd., and CERTON Software.

The Blom acquisition complements Cyient's deep-rooted geospatial capabilities and brings us industry-leading knowledge in data acquisition. Blom's presence in the UK can be traced back to 1919 when Aerofilms was founded as the UK's first ever commercial aerial photography company. Over the subsequent decades, the company has built a wealth of experience and an impressive track record around all types of geospatial data acquisition and services, including aerial and ground-based LiDAR and data modeling. By combining Blom Aerofilms with Cyient's geospatial business, we will be well-positioned as an end-to-end geospatial solutions provider, covering acquisition, modeling, and processing services.

Similarly, CERTON is an IP-led, innovative provider of full product life-cycle engineering services to aerospace and defense companies seeking certification approval for safety-critical systems, embedded software, and electronic hardware. CERTON also has strong Field Programmable Gate Array (FPGA) and System on Chip (SoC) full product life-cycle capabilities and continues to build IP tools for various portions of the Avionics value chain, especially independent verification and validation (V&V). CERTON strengthens Cyient's Aerospace business by adding unique, model-based systems, engineering tools, and test automation capabilities targeted at the safety-critical embedded systems, software, and electronic hardware domains. These additional capabilities, will enhance Cyient's ability to help clients significantly reduce risk and time to market for safety-critical products in the Avionics space.

As a company, we have a well laid out M&A strategy. We will continue to focus on acquisitions to fill in

the gaps in our strategy and capabilities to help accelerate growth.

This past year, we also made additional investments to enhance our capabilities and global presence. To enhance our domain capability, we invested in building technical labs across areas such as Electronics, IoT, Train Control Management Systems (TCMS), and Clinical Diagnostics.

We also opened offices in West Palm Beach, Florida, to provide Defense related engineering services and in Pune for clients in the Semiconductor and Industrial sectors. We also set up an office in Israel to support business growth in the region.

Managing operational efficiency is important to drive improvements in our margin and grow the business. Last year, we focused on improving our utilization to 76.8%, against 75.2% the year before. We also focused on improving productivity through automation and were able to automate 50% of business processes through the year. Our aim is to get to 75% this year.

Innovation is an important aspect of our growth aspiration. As an organization, we focus on identifying and driving incremental innovation across all our processes. To structure innovation, and identify and incubate the best ideas from across the organization, we launched the Idea Management Tool, a SaaS-based enterprise software that enables us to solicit ideas from all employees, regardless of their location, and gather them into a centralized database for evaluation and implementation. We have been able to capture a large number of incremental innovation ideas through the tool. We incubated two key ideas across the year around Unmanned Aerial Vehicles (UAV's) to capture geological data and Augmented Reality/Virtual Reality (AR/VR) based applications in Aerospace.

While we now have a robust process to capture incremental innovation ideas and execute on them, it is important to have sound processes in place to capture transformational innovation ideas and execute them for revenue generation. In this context, we have created a new group called New Technology Accelerator (NTA), which is a dedicated group of high-caliber professionals focused on identifying and commercializing new technology and innovation. A portion of our revenue has been budgeted for the NTA, which works as an independent entity, and directly reports to me. The budgeted cost helps the businesses execute projects that leverage transformational innovation. While this is a significant cost in the short term, we believe that up to 20% of our revenue will come from NTA projects in the next five years.

Stakeholder engagement is critical to us and we focus on continuously improving our performance and stakeholder satisfaction. For FY2017, our Customer Satisfaction score was 55.2 against the industry average of 56.8 and the industry best score of 75.7. While we fared well on the services side, we have an opportunity to improve lower scores from our DLM business. This is the first year we are surveying DLM clients and will follow the same rigor as the rest of the company to ensure that we identify and address drivers of dissatisfaction.

Our Associate Engagement Score increased by 2 percentage points to 63%. We witnessed a positive shift across all four of our key drivers, namely Diversity & Inclusion, Resources, Brand, and Rewards & Recognition. All geographies showed improvement.

Awards and accolades reflect our commitment to drive value for our clients. This year, we were awarded the Pratt & Whitney Supplier Innovation and Higher Productivity Award for delivering highest productivity savings of USD 5.2 million for the client. We also won the "Best Analytics Service in Predictive Modelling" award at the Big Data Analytics and Insights Summit, Bangalore. Land Transport Awards recognized Cyient as the "Best Rail Signalling and Electrification Provider 2017," for our functional and domain expertise in rail signalling. Finally, we won the "Best Geospatial Solutions Company of the year" award, conferred by Geospatial Media and Communications during the Geospatial World Forum, 2017.

As important as the work we do internally to drive progress and efficiency, it is equally important to keep track of the pace of change in the industry and client expectations, and drive efforts towards keeping ourselves relevant to industry dynamics. While we delivered industry leading results in FY2017 and have a robust outlook for FY2018, what excites all of us at Cyient is the immense opportunity ahead of us and the actions in strategy, innovation, and operations that we have taken. These actions give us confidence that we will take a disproportionate share of this opportunity in front of us, which is what makes being a part of Cyient so exciting and rewarding. You, as our shareholder, are an integral part of this journey and I look forward to your support through this transformation when we can proudly say, we Design Tomorrow Together.

Thank you,



Krishna Bodanapu
Managing Director & CEO



Dear Shareholders,

FY2017 was a year of significant achievement at Cyient. The Board congratulates the Chairman, Managing Director, and the wonderful team of nearly 14,000 associates across the world for their dedication, diligence, and commitment towards all of Cyient's stakeholders.

Over the past decade, Cyient has transformed itself from an Engineering Services Company, serving the Aerospace, Transportation, Utilities, and Geospatial industries, to a company that provides complete solutions, including product realization, across more than 10 industries. The Board, recognizing the need for such strategic direction, has organized itself into committees that support Cyient's vision, while ensuring proper compliance and good governance across geographies; keeping a close watch on risk management; and ensuring that there is continuous development of leadership, talent, and skill throughout the company.

Board committees addressing all of these relevant and important areas met regularly during the year, along with the Cyient senior leadership team. Committee Heads reported to the entire Board at each meeting, so that there was a comprehensive view of the company's operations, development, and progress.

As Cyient's growth plans include expanding the scope and nature of current activities through organic growth, mergers & acquisitions, the Board played an active role in their evaluation and approval.

The Board values its interaction with the Chairman, Managing Director, and the entire senior leadership team, who have always been open to evaluating new avenues for growth, while ensuring continuity and efficiency in optimizing resources. The Board will strive to further provide the Cyient team its unstinted support in executing its strategic growth initiatives.

A handwritten signature in black ink, reading "M.M. Murugappan".

M.M. Murugappan

Lead Independent Director

Board of Directors



BVR Mohan Reddy
Executive Chairman
Committee Member - I & R



Krishna Bodanapu
Managing Director & CEO
Committee Member - I & R



MM Murugappan
Lead Independent Director
Committee Member - A & L



K Ramachandran
Independent Director
Committee Member - A, L, I, & R



Harsh Manglik
Independent Director
Committee Member - S



Som Mittal
Independent Director
Committee Member - A & S



Andrea Bierce
Independent Director
Committee Member - D & S



John Paterson
Independent Director
Committee Member - D & S



Alain De Taeye
Independent Director
Committee Member - S



Thomas W. Prete
Independent Director
Committee Member - A & L



Vinai Thummalapally
Independent Director
Committee Member - D & L

Legend

I – Stakeholder Engagement Committee
R – Corporate Social Responsibility Committee
A – Audit & Risk Management Committee
L – Leadership, Nomination & Remuneration Committee
S – Strategy & Client Engagement Committee
D – Diversity & Inclusion Committee

At the core of our corporate governance practices is the Board of Directors, who oversee how management serves and protects the long-term interests of all the company stakeholders. The Board acts on an informed basis and in the best interests of the company, with good faith, care, and diligence, for the benefit of shareholders, while having regard to all relevant stakeholders.

Senior Leadership



Krishna Bodanapu
Managing Director & CEO



B. Ashok Reddy
President - Corporate Affairs & Infrastructure



Ajay Aggarwal
Chief Financial Officer



PNSV Narasimham
Sr. VP - Global Human Resources



NJ Joseph
Sr. VP - Strategy & Marketing



Rajendra Velagapudi
Sr. VP - Business Excellence and
CEO & MD - Cyient Design Led
Manufacturing



Anand Parameswaran
Sr. VP - Aerospace & Defense
Business Unit



Tom Edwards
Sr. VP - UTC Account & President -
North America

Senior leadership provides the strategic direction for Cyient's growth and plays a key role in building long-term client relationships.



Sanjay Krishnaa
Sr. VP - Communications
Business Unit & President - APAC



Katie Cook
Sr. VP - Industrial, Energy
& Natural Resources Business Unit



Brian Wyatt
Sr. VP - Medical Technology &
Healthcare Business Unit



Prabhakar Atla
Sr. VP - Rail Transportation
Business Unit



Suman Narayan
Sr. VP - Semiconductor, IoT &
Analytics Business Unit



John Renard
President - Utilities & Geospatial
Business Unit & President - EMEA



Sunil Kumar Makkena
Sr. VP - Utilities & Geospatial
Business Unit

Corporate Information

Registered Office

Cyient Limited
4th Floor, 'A' Wing
11, Software Units Layout
Infocity, Madhapur
Hyderabad – 500 081
Tel: +91 40 6764 1000

Auditors

Deloitte Haskins & Sells
1-8-384 and 385, 3rd Floor
'Gowra Grand', Sardar Patel Road
Secunderabad – 500 003
Tel: +91 40 4031 2600

Internal Auditors

Ernst & Young LLP
Oval Office, 18
i Labs Center, Madhapur
Hyderabad – 500 081
Tel: +91 40 6736 2000

Secretarial Auditor

S. Chidambaram
#6-3-855/10/A, Flat No. 4A
Sampathji Apartments, Ameerpet
Hyderabad-500 016
Tel: +91 40 2341 3376

Tax Advisors

G.P. Associates
Flat No. 603, 6th Floor
'Cyber Heights', Plot No. 13
HUDA Layout, Road No. 2, Banjara Hills
Hyderabad – 500 033
Tel: +91 40 2354 0822

Bankers

The Hongkong and Shanghai Banking Corporation Limited
6-3-1107 & 1108,
Raj Bhavan Road, Somajiguda
Hyderabad – 500 082
Tel: +91 40 6616 2077

Citibank N.A.
'Queens Plaza', 1st Floor
Sardar Patel Road
Secunderabad – 500 003
Tel: +91 40 4000 5720

Oriental Bank of Commerce
9-1-129/1, 'Oxford Plaza'
Sarojini Devi Road
Secunderabad – 500 003
Tel: +91 40 2770 4935

Company Secretary & Compliance Officer

Sudheendhra Putty
4th Floor, 'A' Wing,
11, Software Units Layout
Infocity, Madhapur
Hyderabad – 500 081
Tel: +91 40 6764 1322

Registrar & Share Transfer Agents

Karvy Computershare Private Limited
Karvy Selenium
Tower B, Plot No 31&32
Financial District, Gachibowli
Hyderabad – 500 032
Tel: +91 40 6716 1562

Designing Tomorrow Together

CYIENT

STRENGTHENING SMEC'S* GLOBAL COMPETITIVE POSITIONING

A dedicated center of excellence (CoE), built and operated by Cyient in Bangalore, is SMEC's first offshore design center. The CoE will support SMEC's global civil and structural design engineering for its Infrastructure business, including building information modeling. In addition, the center aims to provide high-level consultancy services at competitive costs for SMEC's global infrastructure projects.



“Collaborating with Cyient on infrastructure design enhances SMEC's ability to offer solutions for our clients across our portfolio. The global design center, operated by Cyient, is an integral part of SMEC's overall growth strategy.”

Angus Macpherson | Director of Operations, SMEC

*SMEC provides global consultancy expertise in urban, infrastructure, and management advisory. In partnership with Surbana Jurong, SMEC has a strong global footprint, featuring 10,000 dedicated people working across a network of 100 offices in 40 countries throughout Asia, Australasia, the Middle East, Africa, and the Americas. www.smec.com

- Zinnov Zones 2016 rates Cyient in the leadership zone in four industry verticals



Zinnov, a global consulting and advisory firm, recognized Cyient as an 'Expansive and Established' player in the Zinnov Zones 2016 Product Engineering Services Report. The report also rated Cyient in the Leadership Zone across four industry verticals – Aerospace & Defense, Energy & Utilities, Transport, and Construction & Heavy Machinery.

Awards and Accolades



Cyient won Itron's Ignite Innovation Challenge 2016, at Itron Utility Week in Florida. The award is conferred by Itron Inc., a world leader in energy and water resource management.

Cyient won the Land Transport Awards 2017 under the 'Best Rail Signalling & Electrification Provider' category. The award is conferred by Transport News International, a leading UK-based magazine that provides news and research on the transportation industry.

Cyient honored with the Boeing 2015 Supplier of the Year Award, conferred by Boeing Inc. Boeing is the world's largest aerospace company and leading manufacturer of commercial jetliners and defense, space and security systems.

Cyient won the Geospatial Solutions Company of the Year Award 2017 at the Geospatial World Forum in January 2017. The award is conferred by Geospatial Media, which recognizes professionals and organizations for their contributions and services to the global geospatial industry.

Cyient secured the Pratt & Whitney 2016 Supplier Innovation and Productivity Savings Awards in January 2017. Pratt & Whitney is an American aerospace manufacturer with global service operations. It is a subsidiary of United Technologies.

SOCIAL INNOVATION FOR INCLUSIVE GROWTH

Cyient's partnership with Srujana Center for Innovation is aimed at bringing innovation to the healthcare sector. The funding assistance from Cyient Foundation has helped the Center come up with two patents—the pediatric perimeter and the bull's eye drops. The continued support from the Cyient Foundation has also resulted in the Center winning the BioAsia award for the pediatric perimeter, and the Open Indirect Ophthalmoscope being selected as one of the finalists for the Hackaday Prize 2016.



IMPRINTING INNOVATION AS PART OF OUR ENGINEERING DNA

For over two decades, we have carefully built and nurtured an ecosystem that resonates with our clients' cultures, encourages innovation, and maintains excellence in execution. Our belief in human ingenuity, along with a constant focus on performance, has resulted in over 50 patents and millions of hours in productivity savings for our clients. In-house innovation labs and challenging client projects create a perfect platform for driving creativity and innovation that solve complex business problems.

This picture was taken at the Cyient Innovation Hub, Hyderabad, which houses several labs that our associates use to collaborate, create, and test new concepts.





Designing Tomorrow Together

EXPANDING GEOSPATIAL CAPABILITIES

Through the acquisition of Blom Aerofilms Ltd, a leading provider of ground surveying, digital mapping, and aerial photography, Cyient has expanded its capabilities in geospatial software and data processing.

Our clients will benefit from our ability to converge acquisition, modeling, analysis, and processing services into customized geospatial solutions.

High-resolution orthophoto image of Faro, Portugal, taken in a fixed wing aircraft with a large format digital RGB aerial photography camera system.

CYIENT

WESTERN SYDNEY
UNIVERSITY



WESTERN SYDNEY UNIVERSITY AND CYIENT ARE NOW PROUD PARTNERS

With a focus on creating a true partnership in our local community, Cyient is proud of its initiative to give job opportunities back to graduates residing in Greater Western Sydney.



SUPPORTING THE NEXT GENERATION OF ENGINEERS

Cyient is a proud sponsor of the RACV Energy Breakthrough, an annual school competition for energy innovation that is held in Maryborough, Victoria, Australia. School students collaborate with teachers, parents and local industry to design and construct a vehicle, machine, or innovation in technology that will represent an 'energy breakthrough.'

Four days of
judging, testing
and trials

150
Schools

375
Teams

8,000
students and teachers
participating

12,000
spectators, friends,
and family

977 Kms
covered in
24 hours*

*by the leading team of eight riders from Ormeau State High School in Queensland. Their vehicle was powered by a pedal, an electric motor, and a limited battery supply.



Scan the QR code or visit
go.cyient.com/racvblog
to read more



Notice of Annual General Meeting

Notice is hereby given that the 26th Annual General Meeting of the shareholders of the company will be held on Thursday, 13 July 2017 at 3.00 p.m. at L&D Centre (company's campus), Plot No. 2, IT Park, Manikonda, Hyderabad - 500 032, Telangana, to transact the following business:

Ordinary Business

1. To receive, consider and adopt:
 - a. the audited financial statements of the Company for the financial year ended 31 March 2017 together with the reports of the board of directors and the auditors thereon
 - b. the audited consolidated financial statements of the Company for the financial year ended 31 March 2017, together with the report of the auditors thereon.
2. To confirm the first and special interim dividends and declare the final dividend on equity shares for the financial year 2016-17.
3. To appoint a Director in place of Mr. Alain De Taeye, (DIN 03015749), who retires by rotation and offers himself for re-appointment.
4. To appoint a Director in place of Mr. Thomas W. Prete (DIN 06634086), who retires by rotation and does not offer himself for re-appointment.
5. To consider and if thought fit to pass with or without modifications(s), the following resolution as an **ordinary resolution**:

"RESOLVED that pursuant to the provisions of section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S) as auditors of the Company, made at the 23rd Annual General Meeting (AGM), to hold office until the conclusion of the 27th AGM of the Company to be held in the year 2018 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, as may be mutually agreed between the board of directors of the Company and the auditors."

Special Business

6. To consider and if thought fit to pass with or without modification(s), the following resolution as an **ordinary resolution**:

"RESOLVED that pursuant to the provisions of sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, Mr. Vinai Thummalapally (DIN 07797921), who meets the criteria for independence as

provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an independent director of the Company for a period of five years with effect from 13 July 2017."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **special resolution**:

"RESOLVED that pursuant to the provisions of section 20 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, whereby a document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the shareholder."

By order of the Board



Place : Hyderabad
Date : 20 April 2017

Sudheendhra Putty
Company Secretary
M. No. F5689

Registered Office

4th Floor, A Wing, Plot No.11,
Software Units Layout, Infocity,
Madhapur, Hyderabad 500 081
Telangana
CIN: L72200TG1991PLC013134
Email: Company.secretary@cyient.com
Website: www.cyient.com

Notes

1. A shareholder entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll on behalf of him and the proxy need not be a member. The proxy form (available elsewhere in the annual report) should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM. A person can act as proxy on behalf of shareholders not exceeding fifty (50) in number and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other shareholder.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 10 July 2017 to 13 July 2017 (both days inclusive) in connection with the AGM and for the purpose of dividend.
3. An explanatory statement pursuant to provisions of section 102 of the Companies Act, 2013 ('Act') is annexed hereto in respect of item numbers 6 & 7.
4. The Board of Directors of the Company had declared a Special dividend of ₹ 2.50 per share i.e., at the rate of 50% on face value of ₹ 5 each and interim dividend of ₹ 3 per share i.e., at the rate of 60% on face value of ₹ 5 each on 29 August 2016 and 13 October 2016 respectively. The same was paid on 16 September 2016 and on 3 November 2016 respectively. The said special and interim dividends are to be confirmed at the AGM. The special dividend was declared and paid to commemorate the silver jubilee of the Company.
5. Final dividend of ₹ 5 per share, i.e., at the rate of 100% on face value of ₹ 5 each for the year ended 31 March 2017, as recommended by the board, if declared at the AGM, will be payable to those persons whose names appear in the Register of Members of the Company as at the close of business hours on 7 July 2017. Dividend will be paid on 21 July 2017.
6. The relevant details as required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015) and Secretarial Standard on General Meetings (SS 2) issued by the Institute of Company Secretaries of India, of persons seeking re-appointment as Directors under Item Nos. 3 and 6 above are annexed hereto.
7. Shareholders/proxies are requested to bring their copies of the Annual Report to the AGM and the attendance slip duly filled in for attending the AGM. Copies of the Annual Report will not be provided at the AGM.
8. Shareholders desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the registered office of the Company at least seven days before the date of the AGM, so that the information requested may be made available.
9. Shareholders holding shares in physical form may write to the Company/Company's R&T agents for any change in their address and bank mandates; shareholders holding shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to dispatch dividend warrants at their correct addresses, where applicable.
10. In terms of Schedule I of the SEBI (LODR) Regulations, 2015, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders.

Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their bank details, to the Company's Registrar and Transfer Agent.
11. Shareholders who wish to claim unclaimed dividends of the past years, are requested to correspond with Mr. N. Ravi Kumar, Deputy Company Secretary, at the Company's registered office. Pursuant to provisions of sections 205A and 205C, and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividends for a period of seven years from the date they became due for payment were required to be transferred to the Investor Education Protection Fund ('IEPF'). Sections 124 and 125 of the Act, read with the IEPF Rules, 2016, also contain similar provisions for transfer of such amounts to the IEPF.
12. The certificate from the auditors of the Company under SEBI (Share Based Employee Benefit) Regulations, 2014, as amended, will be available for inspection by the shareholders at the AGM.
13. In consonance with the Company's sustainability initiatives and Regulation 36 of the SEBI (LODR) Regulations, 2015, the Company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Shareholders are requested to support this green initiative by registering/updating their e-mail addresses for receiving electronic communications.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic format, therefore, are requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form may submit their PAN details to the Company/Company's R&T Agents.

15. Pursuant to Section 72 of the Act, shareholders are entitled to make a nomination in respect of shares held by them. Shareholders desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH13, to the R&T Agent of the Company. Further, members desirous of cancelling/ varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the R&T Agent of the Company. These forms will be made available on request.
16. All documents referred to in the accompanying notice will be available for inspection at the Registered Office of the

Company during business hours on all working days up to the date of declaration of the result of the 26th AGM of the Company.

17. Route map to the venue of the AGM is published elsewhere in the Annual Report.

By Order of the Board



Place : Hyderabad

Date : 20 April 2017

Sudheendhra Putty

Company Secretary

M.No. F5689

Electronic Voting

Pursuant to the provisions of section 108 of the Act, the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, 2015 shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited ('Karvy'), in respect of all resolutions set forth in this Notice. The facility of casting votes by shareholders using an electronic voting system from a place other than the venue of the AGM is termed as 'Remote Electronic Voting' (e-voting)

Mr. S. Chidambaram, Practising Company Secretary (Membership No.FCS 3935) has been appointed as the Scrutineer to scrutinize the voting process in a fair and transparent manner.

- a) The remote e-voting period commences on Saturday, 9 July 2017 (9.00 am IST) and ends on Wednesday, 12 July 2017 (5.00 pm IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date of Thursday, 6 July 2017, may cast their votes electronically. The remote e-voting module will be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder will not be allowed to change it subsequently or cast the vote again.
- b) Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the notice of AGM and holds shares as on the cutoff date i.e. Thursday, 6 July 2017, may obtain user ID and password by sending a request at evoting@karvy.com. However, if you are already registered with Karvy for e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset the password by using 'Forgot

User Details/Password' option available on '<https://evoting.karvy.com/>'

- c) The shareholders who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but will not be entitled to cast their vote again.
- d) The facility for voting through ballot paper will be made available at the AGM venue and the shareholders attending the AGM, who have not cast their vote by remote e-voting will be able to exercise their right at the AGM venue through ballot paper. Shareholders who have not cast their vote electronically, by remote e-voting, may only cast their vote at the AGM through ballot paper.
- e) The voting rights of shareholders will be in proportion to the shares held by them, as on the cut-off date of Thursday, 6 July 2017.
- f) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman, with the assistance of scrutineer, will order voting through ballot paper for all those shareholders who are present at the AGM but have not cast their votes electronically using the remote e-voting facility.
- g) Immediately after the conclusion of voting at the AGM, the Scrutineer will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutineer will prepare a consolidated Scrutineer's Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who will then declare the result of the voting.

- h) The voting results declared along with the Scrutineer's Report will be placed on the Company's website www.cyient.com and on the website of Karvy immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results will also be immediately forwarded to the BSE Ltd. and National Stock Exchange of India Ltd.
- i) Please contact toll free No. 1-800-34-54-001 or mail to Mr. Mohd Mohsin Uddin, e-mail: mohsin.mohd@karvy.com / Mr. Ravi Kumar Nukala, e-mail: company.secretary@cyient.com for any further assistance/clarifications.

Guidelines for e-voting:

The procedure and instructions for e-voting are as follows:

- i) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	For shareholders holding shares in Demat Form:- a) For NSDL:- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL:- 16 digits beneficiary ID c) For shareholders holding shares in Physical Form:- Event no. followed by Folio Number registered with the Company
Password	Your Unique password is printed on the Postal Ballot Form/via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the letters and numbers in the exact way as they are displayed for security reasons.

- iii) After entering these details appropriately, click on "LOGIN".
- iv) In case of first login, shareholders holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote. System will prompt you to change your password and update any contact details like mobile number, email ID etc on first login. You may also enter the Secret Question and answer of your

choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- v) You need to login again with the new credentials.
- vi) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- vii) If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and cast your vote earlier for any Company, then your existing login id and password are to be used.
- viii) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder does not want to cast, select

'ABSTAIN'

- ix) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xi) Corporate/Institutional Members (corporate / Fls/Flls/ Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutineer through e-mail to schid285@gmail.com with copy to evoting@karvy.com. The file/scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."

By Order of the Board



Place : Hyderabad
Date : 20 April 2017
Registered Office
4th Floor, A Wing, Plot No.11,
Software Units Layout, Infocity,
Madhapur, Hyderabad 500 081
Telangana
CIN: L72200TG1991PLC013134
Email: company.secretary@cyient.com
Website: www.cyient.com

Sudheendhra Putty
Company Secretary
M.No. F5689

Explanatory Statement pursuant to section 102 of the Companies Act, 2013

Item No. 6: Appointment of Amb. Vinai Thummalapally as Independent Director

Amb. Vinai Thummalapally was appointed as an additional director of the Company on 20 April 2017 under section 161 of the Act. Amb. Vinai Thummalapally has given a declaration to the board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Amb. Vinai Thummalapally fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of the section 149 read with schedule IV to the Act, the appointment of Amb. Thummalapally as independent director is now being placed before the shareholders for their approval.

Pursuant to section 160 of the Act, notice has been received from a shareholder signifying his intention to propose the appointment of Amb. Thummalapally along with a deposit of ₹ 1,00,000 (Rupees one lakh) as required under the aforesaid section.

The names of companies and the committees in which Amb. Thummalapally is a director/member, the letter of appointment and terms and conditions of the appointment are available for inspection at the registered office of the Company during normal business hours.

Except Amb. Thummalapally, none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

Your Directors recommend the resolution for your approval.

Item No. 7: Service of Documents

As per the provisions of sections 20 of the Companies Act, 2013, a document may be served on any shareholder by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed. Further, a shareholder may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its annual general meeting. Accordingly, the Board of Directors recommend the resolution for your approval by a special resolution. None of

the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 7 of the accompanying Notice.

Statement provided pursuant to the provisions of Regulation 36 of SEBI (LODR) Regulations, 2015 read with Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India

Brief Profiles Of Directors Seeking Appointment/ Re-Appointment

Item No. 3: Re-appointment of Mr. Alain De Taeeye as Non-Executive Director

Alain De Taeeye, born in Belgium, graduated as engineer-architect from the Ghent University. After having done research work in the field of Operations Research at the Business School of the Ghent University, he founded Informatics & Management Consultants (I&M) where next to IT consultancy, he continued his work on digital map databases and routing. In 1989 I&M was integrated into the Dutch TeleAtlas group and as of 1990 Alain headed TeleAtlas. During this period he successfully introduced Tele Atlas on both the Frankfurt and the Amsterdam Stock Exchanges. In 2008 Tele Atlas was acquired by TomTom and Alain joined the Management Board of TomTom.

Item No. 6: Appointment of Amb. Vinai Thummalapally as Independent Director

Ambassador Vinai Thummalapally recently completed his term as Executive Director of SelectUSA, part of the International Trade Administration of the U.S. Department of Commerce. It was established as a government-wide initiative to attract and retain business investment. Amb. Thummalapally managed the execution of SelectUSA's strategy to create jobs, spur economic growth, and promote competitiveness. He was appointed the American ambassador to Belize in 2009 for four years. As Chief of Mission, he helped strengthen the relationship between Belize and the United States in the areas of citizen security, economic development, education, and healthcare.

Amb. Thummalapally brings a wealth of experience from both the private and public sectors. Before joining the foreign service, Ambassador Thummalapally served as President of MAM-A Inc., formerly Mitsui Advanced Media. MAM-A Inc.

was the leading manufacturer and distributor of archival recordable optical discs in the US. During his fourteen-year tenure, the Company became the benchmark of the optical disc manufacturing industry.

He has two patents in optical disc manufacturing design and has also won several professional awards. Vinai has a B.S. degree in Mechanical Engineering from California State University (CSU) and took graduate classes in business administration from both CSU and the University of Tennessee.

Transport arrangements to attend the Annual General Meeting

Your Company will be providing transport facility from various strategic locations across the twin-cities at 1.00 p.m. on Thursday, 13 July 2017 to enable you to reach the venue of the AGM comfortably. Those who wish to avail of this facility are requested to contact Mr. K. Tirupathi Reddy on or before 10 July 2017 (by 6.00 pm) at the following number:

Cell: +91-9246536439

You may also send your requests by email to AGM@cyient.com. Your requests must reach us latest by 10 July 2017.

Shareholders who have been sent soft copies of Annual Report by e-mail are requested to show the DP ID numbers and Client ID numbers or Folio numbers for ease of identification.

Directors' Report

Dear Shareholders,

Your directors have pleasure in presenting the 26th Directors' Report on the business and operations of your company, for the financial year ended 31 March 2017.

FINANCIAL HIGHLIGHTS

(Amount in ₹ Million)

Particulars	Consolidated		Standalone	
	2016-17	2015-16	2016-17	2015-16*
Total Income	36,997	32,106	13,736	13,591
EBIDTA	5,704	5,226	3,617	3,637
Finance Cost	172	164	6	3
Depreciation	953	888	540	684
Exceptional item	261	87	201	72
Profit before Tax	4,318	4,087	2,870	2,878
Current Tax	927	1,139	601	615
Tax pertaining to earlier years	-	10		
Deferred Tax	118	(138)	(100)	(72)
Share of profit in associate company	118	120		
Joint Venture	5	5		
Minority Interest	(42)	(54)		
Profit after Tax	3,438	3,255	2,369	2,335
Basic Earnings per share (₹)	30.55	28.95	21.05	20.77
Diluted Earnings per share (₹)	30.53	28.90	21.03	20.73
Special Dividend per share (₹)	2.50		2.50	
Interim dividend paid (₹/Share)	3.00	7.00	3.00	7.00
Final dividend recommended (₹/Share)	5	5	5	5
Paid up Equity Share Capital	563	562	563	562
Reserves	20,610	17,743	18,259	16,213

* The previous year figures have been adjusted, re-grouped or re-classified pursuant to adoption of the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

STATE OF AFFAIRS/COMPANY'S PERFORMANCE

On a consolidated basis, the revenue from operations for FY 2017 at ₹36,065 million was higher by 16% over the last year (₹31,021 million in FY 2016). The profit for the year attributable to shareholders and non-controlling interests was ₹3,396 million, recording a growth of 6% over the last year (₹3,201 million of FY 2016). The profit after tax attributable to shareholders of the company was 3,438 million, 6% higher than that of the previous year (₹3,255 million).

On a stand-alone basis, the revenue from operations for FY 2017 at ₹12,920 million, was higher by 4.0% over the last year ₹12,456 million in FY 2016). The profit for the year was ₹2,369 million, registering a growth of 1% over the PAT of ₹2,335 million in FY 2016

APPROPRIATIONS

Dividend

Your directors have recommended a final dividend of ₹5 per share (100%) on par value of ₹5 per share.

During the year, the company declared and paid a special dividend and an interim dividend aggregating to 110% of the par value of the equity share. The special dividend declared to commemorate the Silver Jubilee of the company was at the rate of ₹ 2.50 per equity share (50%) on par value of ₹ 5 per share. The interim dividend was at the rate of ₹ 3 per equity share (60%) on par value of ₹ 5 per share. The dividends were declared on 29 August 2016 and 13 October 2016 respectively. Total dividend (including dividend distribution tax) as a

percentage of profit after tax was 60% as compared to 40% in the previous year.

RESERVES

Your company proposes to retain the entire amount of ₹2,369 million in its profit and loss account.

LIQUIDITY

Your company continues to be debt-free and maintains sufficient cash reserves to meet its operations and strategic objectives. As at 31 March 2017, your company had liquid assets of ₹ 7,464 million as against ₹ 5,746 million at the previous year end. These funds have been invested in short term deposits and mutual funds with scheduled banks and debt based mutual funds.

FIXED DEPOSITS

Your company has not accepted any deposits and as such, no amount of principal or interest was outstanding as on 31 March 2017

SHARE CAPITAL

Allotment of Shares

Your company has allotted 82,963 equity shares of ₹ 5 each to the associates of the company and its subsidiaries upon exercise of an equal number of stock options vested in them pursuant to the extant Stock Option Schemes of the company.

In view of the above allotments, the outstanding shares of the company increased from 112,483,377 equity shares of ₹ 5 each to 112,566,340 equity shares of ₹ 5 each.

Consequent upon the merger of Infotech Geospatial (India) Private Limited, a wholly owned subsidiary, the authorised share capital of the company increased from Rs. 135 crores to Rs. 139 crores.

SUBSIDIARIES

Cyient, Inc. (CI)

Headquartered in East Hartford, Connecticut, CI provides engineering, network and operations and data analytics services to customers in North America. CI has 30 offices across the US and Canada, with over 1,600 associates working with clients in North America.

CI caters to a broad spectrum of clients, from Fortune 500 companies to small organizations and local, state, and federal government agencies. CI generates annual revenues of over \$270M working across 40 states and 6 Canadian provinces.

CI leverages both the local and global delivery capability of Cyient while executing projects in the Americas region and is the principal unit for executing the acquisition strategy in North America.

During the year, Cyient Inc., acquired a Florida based company, viz., Certon Software Inc. and its wholly owned subsidiary Certon Instruments Inc.

Cyient Europe Limited (CEL)

Incorporated in London as Dataview Solutions Limited in 1992, it became a part of the Infotech Group in 1999.

Its services are designed to cater to leading Tier-1 and Tier-2 Telcos, gas, electric and water utility companies, public sector agencies, and commercial businesses. In addition it

provides world-class engineering services as well as big data and analytics capabilities to rail, aerospace and manufacturing companies. The company enjoys long-term relationships with several of its partners and customers and has built a strong foundation of trust and reliability.

Cyient Europe Ltd has 3 wholly owned subsidiaries. The oldest Cyient Benelux BV, based in Breda, the Netherlands provides support to our customers and business in the Benelux region while Cyient Schweiz GmbH, based in Bern, Switzerland provides support and local presence for our long standing engagement with Swisscom. Cyient SRO, based on Prague in the Czech Republic is the 3rd and newest subsidiary having been established in September 2015. Its primary focus is to provide engineering services to our rail and aerospace customers across Europe.

In November 2016, the company completed the acquisition of Blom Aerofilms Ltd, the UK subsidiary of NRC Group from Norway. The business brings a team with complementary skills of around 40 associates, mostly based out of their offices in Cheddar, Somerset.

The company is an ISO 9001 and ISO 27001 certified organization. Leveraging the global execution capability of its parent organization, it maintains client relationships and ensures efficient project management across Europe.

Cyient GmbH (CG)

Cyient GmbH offers world-class engineering services as well as big data and analytics capabilities to rail, aerospace and manufacturing companies in Germany and neighbouring countries such as Austria, France and Sweden. It was established as Advanced Graphics Software (AGS) in Leonberg, Germany, in 1992 – a 3D CAD/CAM, e-solution software and application provider.

After becoming a part of Cyient Group in 2000, it extended its foray into other service areas like GIS and IT solutions. Owing to the large pool of engineering, GIS, IT resources, CG provides high-quality services and solutions to the clients with offshore cost advantage and onsite project management.

Cyient KK (CKK)

Established in 2008 in Central Tokyo, CKK is a leading engineering service provider in Japan. CKK provides end-to-end engineering services and solutions to manufacturing industries.

CKK leverages the global delivery capability of the parent organisation, while maintaining client relationships and managing projects locally.

Cyient Australia Pty Limited (CAPL)

Established in 2005 and Headquartered in Melbourne and incorporated during the year 2014-15, CAPL commenced commercial operations during the current year. It provides engineering design and network operations services to diverse industries to its Asia Pacific customers. CAPL supports its customers especially Telecommunication, Utilities and Rail transportation from global delivery centres in Sydney and Melbourne with operations Australia wide and across the APAC region. CAPL has over 600 associates operating from our global delivery centres and customers across Australia.

Cyient Singapore Pte Limited (CSPL)

Cyient Singapore is the South East Asia headquarter.

CSPL provides services and solutions to diverse industries such as aerospace, telecommunications, utilities and rail transportation. CSPL has close to 100 engineers supporting its customers from the engineering centre in Singapore. CSPL has a strong customer base in the region and this entity becomes very important for the future growth in the region.

Cyient Engineering (Beijing) Limited (CEBL)

Cyient established its presence by setting up a subsidiary in Beijing. CEBL sees China as having long term market not only to support its global customers in China but also to capture huge potential that the China market brings to its future growth. Particular focus is on semiconductor, manufacturing and energy markets.

Cyient DLM Private Limited (CDLMPL)

After acquisition of a majority interest in Rangsons Electronics Pvt Ltd (REPL), Cyient completed the integration and in 2017 renamed REPL as Cyient DLM Pvt Ltd. This is towards Cyient's vision to provide a complete product life cycle solution (Design Led Manufacturing (DLM)) to our customers, as part of S3 strategy. Today CDLMPL is recognised as a market leader in High-Mix, High-Tech Electronic & Mechanical Manufacturing Services in Aerospace & Defense, Rail Transportation, Medical Technology, Telecom & Industrial business segments. CDLMPL possesses and maintains quality certifications that enable it to design and manufacture products to clients in these industry verticals.

CDLMPL has taken responsibility for seamless transition from the design phase to the manufacturing phase by arriving at Integrated Product Development Plan (IPDP) with all BU's. In many cases, we support our customer in techno-commercial points by a set of seasoned experts to deliver value engineered products derived from a combination of efficient designs, sourcing and production processes.

Cyient Insights Private Limited (CIPL)

Cyient acquired a majority stake in Invati Insights Private Limited, Hyderabad, India in October 2014. The company was subsequently renamed Cyient Insights Private Limited.

CIPL enables customers drive business innovation and deliver quantifiable business results through smart data analytics and actionable intelligence. CIPL prides itself on the unique approach in acquiring, managing and analyzing the vast amount of data generated by sensors embedded in machines and devices, and the unmatched commitment to add value to customers with the proven global delivery model. CIPL leverages Cyient's relationships in different verticals such as Aerospace & Defence, Heavy Engineering, Transportation, Medical, Telecommunications, Utilities, Energy & Natural Resources its global delivery model in executing projects.

Cyient Israel India Limited (CIIL)

During FY17, Cyient established its local presence in Israel to engage more closely with Israeli Defense OEMs who are significant clients for the company's Design-Led Manufacturing (DLM) business. Cyient has invested in local business development and consulting resources to strengthen its focus on this important market that has significant, long-term potential particularly around Indian Defence offsets opportunities. Cyient additionally engaged in an Israeli start-up accelerator programme that gives the company access to partnerships around innovative technology for military,

defense and homeland security applications.

Infotech Aerospace Services Inc. (IASI)

Established in 2003 in Puerto Rico, Infotech Aerospace Services Inc. provides engineering outsourcing and other professional services to Defense, Aerospace, and Power Generation Industries. IASI is an associate company between Cyient and Pratt & Whitney, a pioneer in flight technology.

IASI also provides engineering and supply chain services, including aerospace engineering, mechanical and software development for military, industrial and applications.

Infotech HAL Limited (IHL)

IHL aims to provide comprehensive solutions involving conceptual design, re-design and derivatives of modules, systems and components, prototyping and supply of these through Manufacturing Programme Management. IHL offers design services in the field of aerospace, viz., aero thermo and mechanical design, structural, stress, thermal and rotor dynamic analysis, aeronautics, computational fluid dynamics, combustion studies, preparation of digital mock up, testing and analysis, control system design, development and software applications.

IHL is a joint venture between Cyient and Hindustan Aeronautics Limited. IHL delivers engineering as well as aftermarket engineering and support services, i.e., technical publications, repair design, service bulletins, testing, performance analysis and maintenance monitoring in the aerospace domain.

IHL is well positioned to undertake work under offset program from various original equipment manufacturers.

Highlights of the performance of the above companies are published elsewhere in the Annual Report.

BUSINESS RESPONSIBILITY REPORT

In pursuance of Regulation 34 of the SEBI (LODR) Regulations, 2015, the company is publishing the Business Responsibility Statement. The same is enclosed as Annexure 'A'

Global Compact Network India

The company is a member of the Global Compact Network India – the Indian arm of the United Nations' Global Compact. The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. As a member of the Global Compact Network, the company is committed to comply with the following principles of United Nations Global Compact:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

CORPORATE SOCIAL RESPONSIBILITY

The company believes in giving back to society in some measure that is proportionate to its success in business. Corporate Social Responsibility (CSR) aims at balancing the needs of all stakeholders. The company's CSR initiative goes beyond charity and believes that as a responsible company it should take into account its impact on society as much as designing tomorrow together. The CSR initiatives are conducted through Cyient Foundation. The CSR Annual Report is enclosed as Annexure 'B'.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

None of the directors of the company is disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All independent directors have provided confirmations as contemplated under section 149(7) of the Act.

Appointments/Re-appointments

Pursuant to Article 56 of the Articles of Association of your company and the provisions of section 152 of the Act, Mr. Alain De Taeye (DIN 03015749) retires by rotation at the ensuing Annual General Meeting (AGM) and offers himself for re-appointment. Mr. Thomas Prete (DIN 06634086) retires by rotation; he does not offer himself for re-appointment.

Ambassador Vinai Thummalapally (DIN 07797921) was inducted on the Board as an additional director on 20 April 2017 pursuant to the provisions of section 161 of the Companies Act, 2013 read with Article 55 of the Articles of Association of the company. He is proposed to be appointed as an independent director in the ensuing AGM.

Pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by ICSI, brief particulars of the directors who are proposed to be appointed/ re-appointed are provided as an annexure to the notice convening the AGM.

Cessations

Dr. Jayant Sabnis ceased to be an Alternate Director with effect from 21 April 2016. Your directors place on record their appreciation and gratitude to him for his valuable contributions during his tenure as director.

There is no change in the key managerial personnel during

the year.

Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act have been disclosed in the corporate governance report, which forms part of this report.

Number of board meetings during the year

During the year, six meetings of the board were held, the details of which form part of the report on corporate governance.

Board evaluation and assessment

Board evaluation processes, including in relation to the chairman, individual directors and committees, constitute a powerful and valuable feedback mechanism to improve board effectiveness, maximise strengths and highlight areas for further development. In addition to greater board accountability, evaluation of board members helps in:

- More effective board processes
- Better collaboration and communication
- Greater clarity with regard to members' roles and responsibilities and
- Improved Chairman - Managing Director - Board relations

By focusing on the board as a team and on its overall performance, the company ensures that communication and overall level of participation and engagement also improves. In this background, the board undertook a formal board assessment and evaluation process during 2016-17. The board evaluation was performed after seeking inputs from all the directors and included criteria such as the board composition and structure, effectiveness of board processes, information and functioning as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January 2017.

The Leadership, Nomination & Remuneration Committee has overall stewardship for the process. The evaluation process covers the following aspects:

- Peer and self-evaluation of Directors
- Evaluation of the performance and effectiveness of the board
- Evaluation of the performance and effectiveness of Board Committees
- Feedback from the Non-Executive Directors to the Chairman, and
- Feedback on management support to the Board

The evaluation process elicited responses from the directors in a judicious manner - ranging from composition and induction of the board to effectiveness and governance. It also sought feedback on board and committee charters, strategy, risk management and quality of discussion and deliberations at the board. The Lead Independent Director provides feedback to the Executive Chairman. The same is discussed and acted upon accordingly at the board.

AUDITORS

Pursuant to the provisions of section 139 of the Act and the rules framed thereunder, Deloitte Haskins & Sells, Chartered

Accountants, were appointed as statutory auditors of the company from the conclusion of the 23rd AGM of the company held on 17 July 2014 till the conclusion of the 28th AGM to be held in the year 2019, subject to ratification of their appointment at every AGM. Accordingly, requisite resolution forms part of the notice convening the AGM.

AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

The auditors' report and secretarial auditors' report do not contain any qualifications, reservations or adverse remarks.

Report of the secretarial auditor is given as an annexure which forms part of this report.

EMPLOYEE STOCK OPTION PLANS

During the year the company had the Infotech Associate Stock Option Plans in operation for granting stock options to the associates of the company and its subsidiaries, in accordance with the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

RESTRICTED STOCK UNITS

During the year, to commemorate the Silver Jubilee year, the company implemented the "Cyient Restricted Stock Units Scheme -2016" pursuant to the special resolution passed by postal ballot on 12 December 2016.

Company has since obtained in-principle approval for the scheme from BSE Limited and National Stock Exchange of India Limited. During the year, company has granted 637,476 units to the associates of the company and its subsidiaries.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details are enclosed as Annexure 'E'.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to the provisions of Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015, a report on Management Discussion & Analysis is enclosed as Annexure 'F'.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, ('the Act') the board of directors, to the best of their knowledge and ability, confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;

- v. they have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Further, there are no qualifications, reservations or adverse remarks made by the Statutory Auditors/ Practising Company Secretary in their reports.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

RELATED PARTY TRANSACTIONS

None of the transactions with related parties falls under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and is enclosed as Annexure 'G'.

EXTRACT OF ANNUAL RETURN (MGT 9)

The extract of the annual return in Form MGT 9 as required under the provisions of section 92 of the Act is enclosed as Annexure 'H'.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Executive Directors	Ratio to Median remuneration
B. V. R. Mohan Reddy	87.78
Krishna Bodanapu	106.35
Independent Directors	
M.M. Murugappan	1.69
K. Ramachandran	1.69
Som Mittal	1.69
Harsh Manglik	1.69
John Paterson	5.06
Andrea Bierce	5.06

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
B.V.R Mohan Reddy	0.0

Krishna Bodanapu	-3.1
Ajay Aggarwal	15.4
Sudheendhra Putty	13.3

c. **The percentage increase in the median remuneration of employees in the financial year:** 7%

d. **The number of permanent employees on the rolls of Company:** 11,006

e. **The explanation on the relationship between average increase in remuneration and Company performance:**

On an average, employees received an annual increase of 7% in India. The individual increments varied from 3 % to 13 %, based on individual performance.

Employees outside India received wage increase varying from 1 % to 2.75 %. The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

f. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

(Amount in ₹ Million)

Aggregate remuneration of key managerial personnel (KMP) in FY16	33
Revenue	12,920
Remuneration of KMPs (as % of revenue)	0.3
Profit before Tax (PBT)	2,870
Remuneration of KMP (as % of PBT)	1.1

g. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2017	March 31, 2016	% Change
Market Capitalization (₹Million)	52,625	47,997	9.64
Price Earnings Ratio	22.21	20.54	8.10

h. **Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	March 31, 2017 (₹)	IPO Date	IPO Price (₹)	Adjusted IPO price by considering CA*	% Change
Market Price (BSE)	468.75	September 25, 1997	87.70	7.31	6314
Market Price (NSE)	467.50	September 30, 1998	124.30	10.36	4413

* Adjusted for 1:1 bonus issue in 2002 and 2010

* Sub divided 1 share of ₹ 10 into 2 shares of ₹ 5 in 2006

* One bonus share issue for every 2 shares of ₹ 5 each in in 2006

i. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around 7%. However, during the course of the year, the total increase is approximately 7%, after accounting for promotions and other event based compensation revisions.

Increase in the managerial remuneration for the year was -3%.

- j. Comparison of remuneration of the key managerial personnel against the performance of the company:

(Amount in ₹ Million)

	B.V.R. Mohan Reddy Executive Chairman	Krishna Bodanapu MD & CEO	Ajay Aggarwal Chief Financial Officer	Sudheendhra Putty Company Secretary
Remuneration	52	63	15	2
Revenue	12,920			
Remuneration as % of revenues	0.4%	0.5%	0.1%	0.02%
Profit before Tax (PBT)	2,870			
Remuneration (as % of PBT)	1.81%	2.2%	0.5%	0.07%

- k. The key parameters for any variable component of remuneration availed by the directors:

The members of the company vide postal ballot in October 2014 approved payment of commission to the non-executive directors within the ceiling of 1% of the net profits of the company as computed under the applicable provisions of the Act. The said commission is decided each year by the board of directors, based on the recommendations of Leadership, Nomination & Remuneration Committee and distributed amongst the non-executive directors based on their attendance and contribution at the board and certain committee meetings, as well as the time spent on operational matters other than at meetings.

- l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

None.

- m. Affirmation that the remuneration is as per the remuneration policy of the Company:

The company affirms that the remuneration is as per its remuneration policy.

- n. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Particulars relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has always provided a safe and harassment free workplace for every individual working in its premises through various policies and practices. The company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your company has been actively involved in ensuring that the associates are aware of the provisions of the POSH Act and rights thereunder.

During the year, the company:

1. Conducted awareness campaigns at all locations in India
2. Held awareness sessions on a quarterly basis at all locations in India through specific connect sessions by in-house women leaders and 'floor connect '
3. Enhanced the Internal web portal – 'Dcafe' with videos and animated visuals for better understanding of POSH among associates. Approximately 40% of the associates have accessed the portal
4. Registered two cases under the POSH Act (one each at Manikonda, Hyderabad and Visakhapatnam locations). Both the cases have been closed within the stipulated time limits in accordance with the law
5. Nominated the POSH panel (across India locations) to attend related sessions on POSH being conducted by various organisations such as IWN , NHRD and CII for better understanding of the Act and its requirements

6. Nominated associates to attend women safety sessions (One session as part of women leadership programme) organized by IWN in March 2017
7. Devised plan of action for financial year 2018.

RISK MANAGEMENT

The board of directors has formed a risk management committee to identify, evaluate, mitigate and monitor the risk management in the company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. A comprehensive enterprise risk management mechanism has been put in place and the same is regularly reviewed.

A more detailed analysis of the risk management in the company is published in the management discussion and analysis report published elsewhere in the annual report.

CORPORATE GOVERNANCE

The corporate governance framework in the company ensures that we make timely disclosures and share accurate information regarding the financials and performance, as well as disclosures related to the leadership and governance of the company. The company believes that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. The company will continue to uphold the true spirit of Corporate Governance and implement the best governance practices. A report on Corporate Governance pursuant to the provisions of Corporate Governance Code stipulated under SEBI (LODR) Regulations, 2015 is published else where in the report. The auditors' certificate regarding compliance of conditions of corporate governance is annexed as Annexure 'I'.

DISCLOSURE REQUIREMENTS

Details of the familiarization programme of the independent directors are available on the website of the company (<http://www.cyient.com/investors/corporate-governance>)

Policy for determining material subsidiaries of the company is available on the website of the company (<http://www.cyient.com/investors/corporate-governance>)

Policy on dealing with related party transactions is available on the website of the company (<http://www.cyient.com/investors/corporate-governance>)

The company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for associates including directors of the company to report genuine concerns. The provisions of this policy are in line with the provisions of the section 177(9) of the Act and the SEBI (LODR) Regulations, 2015 (<http://www.cyient.com/investors/corporate-governance>).

CEO's DECLARATION

Pursuant to the provisions of Regulation 17 of the SEBI (LODR) Regulations, 2015, a declaration by the Managing Director & CEO of the company declaring that all the members of the board and the senior management personnel of the company have affirmed compliance with the Code of Conduct of the company is enclosed as Annexure 'J'.

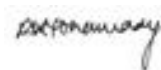
The CEO/CFO certification to the board pursuant to Regulation 17 of the SEBI (LODR) Regulations, 2015 is enclosed as an Annexure 'K'.

ACKNOWLEDGMENTS

The board of directors expresses its thanks to the company's customers, shareholders, vendors and bankers for their support to the company during the year. Your directors would like to make a special mention of the support extended by the various Departments of the Central and State Governments, particularly the Software Technology Parks of India, Development Commissioners - SEZ, Department of Communication and Information Technology, the Direct and Indirect tax authorities, the Ministry of Commerce, the Reserve Bank of India, Ministry of Corporate Affairs/Registrar of Companies, Securities and Exchange Board of India, the Stock Exchanges and others and look forward to their support in all future endeavours.

Your directors wish to place on record their deep sense of appreciation for the committed services of the associates of the company at all levels.

For and on behalf of the Board



B.V.R. Mohan Reddy
Executive Chairman
(DIN-00058215)

Place : Hyderabad
Date : 20 April 2017

Note: Except as otherwise stated, all the numbers in the Directors' Report are on standalone basis

Business Responsibility Report

Annexure-A

Innovation is an integral part of corporate culture at Cyient and is also central to our approach to addressing business responsibility. We are dedicated to utilization of technology and innovative business models to find solutions for improving well-being of local communities, reducing our environmental impact, and creating value for employees, suppliers, customers and other stakeholders. Whether we are encouraging our employees to reduce their carbon footprint through carpooling or reducing our own environmental impact through re-use of water or participating in social innovation programs to address healthcare challenges, we are constantly pushing the boundaries beyond the conventional.

We also believe that part of fulfilling our responsibilities towards environmental, social and economic sustainability involves embedding systems for monitoring and measuring performance. When it comes to resource efficiency we believe that what gets monitored gets managed, and measurement sets the stage for efforts towards continuous improvement and target setting. Accordingly we have carried out initiatives in the last year such as the installation of multiple energy meters to monitor floor-wise, utility-wise energy consumption at two of our facilities, and encouraged competition between floors with respect to energy efficiency. We have supported our employees in carrying out tests of their vehicular emissions to help improve mileage and reduce vehicular pollution. We are monitoring both

CSR expenditure and impact created by our CSR initiatives through a structured program. Finally, we have initiated the process of monitoring our sustainability performance applying Global Reporting Initiative (GRI) based guidelines and principles for sustainability reporting.

We are conscious that we need to keep pushing the boundaries when it comes to business responsibility. This is why we are committed to monitoring of our triple bottom line performance applying international best practices. We believe that business responsibility is not about celebrating our achievements of yesterday, but about innovation, value creation and continuous improvement in all material aspects of our Company's performance, moving us forward in our journey of sustainable growth.

As part of the approach to reporting and embedding business responsibility in our operations, the company has adopted the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business, issued by the Government of India, Ministry of Corporate Affairs. We have also largely drawn inputs from GRI guidelines for identifying material sustainability aspects and reporting on their performance. We have also taken cognizance of the principles enunciated by the Global Compact Network India - the Indian arm of the United Nations' Global Compact, in driving our business responsibility initiatives. Our business responsibility report for FY 2016-17 follows, based on the NVG guidelines of the Ministry of Corporate Affairs.

Section A General Information about the Company

1	Corporate identification number	C72200TG1991PLC013134
2	Name of the Company	Cyient Limited
3	Registered address	4th Floor, 'A' Wing, Plot No. 11, Software, Units Layout, Infocity, Madhapur Hyderabad, Telangana - 500 081
4	Website	www.cyient.com
5	Email address	company.secretary@cyient.com
6	Financial year reported	1st April 2016- 31st March 2017
7	Sector(s) that the Company is engaged in	62099-Other information technology & computer service activities
8	Three key products/services manufactured/ provided by the Company	• Engineering services addressing engineering solutions manufacturing & infrastructure verticals • Geospatial services to the utilities and telecom sectors • Data transformation and analytics services to the utility and transportation segments for public and private realm & product realization
9	Total number of locations where business activity is undertaken by the Company	Full list provided elsewhere in the Annual Report
10	Markets served by the Company	International

Section B Financial details of the Company

1	Paid up capital	563 million
2	Total turnover	12,920 million
3	Total profit after tax	2369 million
4	Total spending on CSR as percentage	2.62%
5	List of the activities in which expenditure in 4 above has been incurred	• Adoption of schools to drive improvement in quality education • Adoption of villages – Smart Village and SwachhPathashala • IT Literacy to communities through Digital Literacy Mission • Social Innovation aligned to business innovation – LVPEI Srujana Innovation center

Section C Other Information

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes – Nine subsidiary companies participate in the BR initiatives of Cyient Limited
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes- More than 60%

Section D BR information

1	Details of Director/s responsible for BR	Details of the director responsible for implementation of BR policies: DIN number: 58215 Name: BVR Mohan Reddy Designation: Executive Chairman
2	Principle-wise BR policy/policies	Details of BR head: Name: Ashok Reddy Designation: President - Corporate Affairs & Infra Contact number: +91-40-67641000 Email: Ashok.Reddy@cyient.com
3	Governance related to BR	Refer to the main Business Responsibility Report The BR performance of the company is assessed every 3 – 6 months. The company publishes the Business Responsibility Report annually in the Annual Report. Hyperlink : www.cyient.com/investors/financial-information/ The company is in the process of adopting sustainability reporting guidelines.

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Good governance is an intrinsic part of the fiduciary responsibility of the Company and transparency is one of the “FIRST” values which define and drive our Company culture. The cornerstone of the company’s philosophy on corporate governance is accountability to stakeholders, transparency in operations and fairness to all stakeholders. The Company’s policies relating to ethics, bribery and corruption extends to all the group companies, Suppliers, Contractors, NGOs and other stakeholders. The Company’s policies relating to ethics, bribery and corruption are defined by our Values as well as our Code of Conduct. Further, our commitment to

the highest possible standards of ethical, moral and legal business conduct are re-affirmed through a vigil mechanism, which provides a platform for associates, customers and vendors to raise their concerns under necessary safeguards from reprisals or victimization for whistle blowing. Finally, we ensure accountability with respect to protection of personal data of stakeholders through our Data Privacy Policy.

Our Values

The “FIRST” values define our culture and include: Fairness, Integrity, Respect, Sincerity and Transparency. Fairness - means equity and solidarity where the associates and customers experience an unbiased environment, irrespective of their cultural backgrounds. The company

believes in providing an encouraging and motivating ambience which enables associates to meet their personal and organizational objectives.

Integrity - cultivates the development of high professional standards and values. The company in all dimensions of work, aligns its actions with its words and delivers what it promises. The company is committed to the moral and ethical values of the organization and law of the land and expects the same honesty and integrity from its associates and customers.

Respect - the company believes that the most productive environment is where associates are valued and treated with respect and dignity; the company recognizes and rewards them for their hard work and performance.

Sincerity - is a commitment to present a work place which establishes professionalism, dedication towards quality, cost delivery and value systems and speaking and acting truly about the company's vision and realistic goals. The company has always demonstrated utmost reliability and accountability for all its commitments and promises and strives for the same ahead.

Transparency - is an open door policy. The company believes that a fair and open communication is the key to success. The company believes in clear billing processes and ensures availability of relevant information required for cooperation and collective decision making. Encouraging feedback from the clients and associates helps build a trustworthy company.

Code of conduct

The code of conduct encompasses the core values that the company upholds and lives by: Integrity and Transparency, Teamwork, Customer Delight, Leadership by Example, Fairness and Pursuit of Excellence. The code covers such matters as honest and ethical conduct, avoidance of conflicts of interests, legal compliances, disclosures and confidentiality obligations, competition and fair dealing. There is a more stringent code of conduct applicable for senior management and the board of directors buttressing the same principles of ethics and transparency. Besides, the company also has in place policies on anti-bribery and corruption.

Vigil Mechanism

The company has designed and implemented a vigil mechanism (whistle blower policy) that provides a formal mechanism for all associates of the company including subsidiaries to approach the Ombudsperson of the company and make protective disclosures about unethical behaviour and actual or suspected fraud. The objective of the Whistle

Blower Policy is to provide associates, customers and vendors an avenue to raise concerns, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. Further, the policy also provides necessary safeguards for protection of associates from reprisals or victimization for whistle blowing in good faith.

Data Privacy

The company recognizes that individuals have an expectation that personal data provided during their dealing with the company will be protected from inappropriate use or disclosure. In furtherance of this, the company introduced a Data Privacy Policy to reinforce its commitment to comply with applicable data privacy and security requirements in which the company and its subsidiaries operate. The policy provides common core values, policies and procedures intended to achieve nearly universal compliance.

Governance Awards & Recognition

In recognition of its exemplary and laudable corporate governance practices, the company was awarded the 14th National Award for Excellence in Corporate Governance by the Institute of Company Secretaries of India in December, 2014. Prior to that, in 2012, the company won the Golden Peacock Award for Excellence in Corporate Governance.

Grievance Management

During the financial year, 58 Complaints were received and all have been solved to the satisfaction of the stakeholders. Details of the investor complaints and disposals thereof have been discussed in the Report on Corporate Governance.

Principle 2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Application of our services for improved safety and environmental sustainability

Cyient is a global provider of engineering, manufacturing, data analytics, networks and operations solutions. Our solutions include product development and life cycle support, process and network engineering, and data transformation and analytics. Our solutions have been deployed across multiple sectors for various types of applications, and depending on the application, our services can potentially contribute to improved safety management and/or improved environmental sustainability of our customer's operations. This is best illustrated through case studies, as follows:

Case Study 1: Predictive Analytics Solution for Off Highway Equipment

1	Services	Predictive Analytics
2	Problem statement	Our client is one of the world's leading manufacturers of off-highway equipment. They approached us to help them reduce their cost of operations and improve the asset longevity through informed and effective decision-making in the maintenance of an asset and its components.
3	Solution	We designed an ensemble of advanced analytics solutions that could predict when asset components will fail and align replacements with planned maintenance schedules. We also built predictive algorithms, which evaluate a machine's exception or repair history, operating and maintenance practices, etc. to predict the catastrophic premature failure risk before planned maintenance. We also created a predictive model to evaluate the estimated remaining useful life of the asset
4	Safety and Sustainability Benefits	By empowering our customer with the tools to predict equipment failure and down-time through our predictive analytics solution, we enable optimization of preventive maintenance schedules and proactive replacement of components before failure. This inherently mitigates the risk of equipment failure, leading to improved safety management as well as reduced maintenance costs.

Case Study 2: Building Intelligent Networks for Utility Companies

1	Services	SMARTCOMMS, a communications solution for utility service providers
2	Problem statement	Utilities are increasingly adopting newer networks for the smart grid to modernize and transform communication lines. Many players are deploying technologies such as broadband, RF Mesh, cellular, etc. over conventional power lines, although these networks do not offer the solutions required to remain competitive in the digital economy. Moreover, utilities are also under unprecedented economic pressure to optimize the cost of their assets to remain viable as well as competitive. Utilities need fast, secure, and reliable infrastructure that can support instant data availability and power to move upstream and downstream, enabling two-way communication in real-time.
3	Solution	We offer SMARTCOMMS, a communications solution for utility service providers. It automates communications processes and allows real-time monitoring of meter readings and data consumption from a centralized management location. The solution helps enable detection of service related problems, change tariffs as per requirements, limit or increase the pumping capacity, deliver accurate invoices, and provide specific information for monitoring and energy management purposes. The SMARTCOMMS solution especially enables the utility operators to access or make available the required data to their end-users instantly at any point of time. The technology used for this solution is next generation fiber optics communications integrated with Gigabit Ethernet and RF nodes that communicate between advanced metering infrastructure (AMI) and smart meters. SMARTCOMMS helps to measure, collect, and analyze energy usage from advanced devices such as electricity, gas, and/or water meters, using optical fiber communication systems on request or on a pre-defined schedule.
4	Safety and Sustainability Benefits	A RF network with fiber optic connectivity offers instant availability of very high bandwidth over extended distances. Fiber-like, high-speed and low-latency networks are ideally suited for a variety of smart grid applications. By enabling smart grid applications to function more efficiently, this solution has the potential to contribute to improved energy management of power infrastructure, including managing existing electricity systems, as well as the expanding the use of low-carbon technologies, such as electric vehicles and distributed renewable energy generators.

There are many other examples of how our solutions are contributing to safe and resource efficient operations of our customers as well as the economy at large. More information on our services can be found in our web-site and other sections of the Annual Report.

Sustainable Sourcing

While the Company does not presently have a Sustainable Sourcing or Responsible Sourcing Policy, we promote environmental and safety awareness among all the associates, vendors and contractors.

The company ensures that the various support services are procured from agencies in the vicinity of the operations of the company. This includes services from transport service providers, canteen services and janitorial services. This helps in encouraging local entrepreneurship and reducing environmental pollution by minimizing transportation. We also encourage the growth and capability of local and small vendors. The business provided to local and small vendors increased by 8% in FY 2016-17 compared to the previous financial year.

Waste minimization

The company has implemented the following solutions to minimize waste generation and impact of waste generated:

- The company has canteen/pantry services at its various locations to cater to the needs of its associates. These services are outsourced and the food waste is disposed off by the contractor in an environment friendly manner.
- The company has tied up with a pollution control board

certified electrical and electronic waste disposal agency to handle the e-waste generated by it in compliance with the E-Waste Management & Handling Rules, 2011.

- Further, the company encourages the usage of electronic mode for all its activities (with associates, customers and society, in general) and minimizes the use of paper. The company also encourages the use of video conferencing to minimize emissions due to business travel.

Principle 3 Businesses should promote the wellbeing of all employees.

At Cyient, talent is a key component of the company's strategy for sustainable growth. People represent the most important asset of the company. The company emphasizes the importance of aligning its human resources with business goals. The employee management priorities of the company include the following:

- Building high performing talent and teams by empowering associates to excel
- Providing pro-active HR Service delivered through systems and process aligned to strategic business needs
- Integration and prioritization of approaches to address the needs of internal and external customers
- Attracting, retaining and engaging associates in line with organizational objectives
- Nurturing a strong workforce through leadership development and training
- Management and personal effectiveness initiatives

The following are the key employee related numbers of the Company:

Parameter	Value / Description		
Total number of employees	10,107		
Total number of employees hired on temporary/contractual/casual basis	101		
Number of permanent women employees	1,810		
Number of permanent employees with disabilities	Not presently monitored		
Percentage of your permanent employees part of recognized employee association	This is not applicable to our company at present.		
Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
	Child/forced/involuntary labour	NIL	NIL
	Sexual harassment	2 (Two)	NIL
	Discriminatory employment	NIL	NIL
Percentage of employees were given safety & skill up-gradation training in the last year	Permanent Employees: 74% Casual/Temporary/Contractual Employees: 100% We are currently not tracking the break-up of training hours by gender or by people with disabilities.		

The Company carries out several initiatives for the well-being of employees, as illustrated in the following case study:

Case Study: Emerging Leader Program

Objectives of ELP

- To identify high performing and high potential managers early on and increase their readiness to shoulder higher responsibilities
- To nurture young managers on managerial and business skills harnessing their potential
- Create leadership surplus for future needs

Target audience for ELP

Cyient launched the Emerging Leader Program for development of leadership qualities and behaviours in associates through action learning. The focus was to build a pipeline of leaders by inculcating leadership qualities among the roles of Team leads projects leads, assistant Managers and Managers. This programme was structured with an objective to identify high performing and high potential managers, to nurture young managers on managerial and business skills, and to harness their potential to become the future leaders of the company.

Case Study: Business Leader Program

Objectives of BLP

- Build a strong leadership pipeline and help business fill leadership positions internally
- Increase the readiness of leaders to shoulder higher responsibilities

Target audience for BLP

The BLP is a year- long program comprising of in-person training, coaching, action learning and online learning along with individualised development plans. The initial step of in person training happens through the Leadership Immersion workshop, followed by drafting the IDP and planning the action learning projects. They are enabled with individual coaching assistance and mentoring by senior leadership team members in executing their projects. The program closes with a build on workshop and impact evaluation.

Associate satisfaction levels plays a prime role at Cyient, there are numerous activities to measure and keep the associate engagement levels high at Cyient. This includes Associate satisfaction surveys; Every year, associate satisfaction survey is conducted where associates provide their genuine feedback. This helps the company to evaluate feedback and start working on those areas for effective engagement. Further we also carry out health camps and various awareness building initiatives to promote health and well being of our employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

The company values the support of its stakeholders and respects the interests and concerns they have towards the company. The company has continuous engagement with its various stakeholders to understand their concerns and assess their requirements and respond to their needs in an effective manner. The company has identified four key stakeholders groups including associates, investors, customers and the society and as documented/detailed elsewhere, caters to each of their requirements. Customer Satisfaction Survey, Associate Engagement Survey and Investor Satisfaction Survey are conducted each year to gauge the feedback of the respective stakeholders and the same is analysed for further improvement.

The company pro-actively engages with and responds to those sections in the society that are disadvantaged, vulnerable and marginalized. The company has a structured CSR program through which it assesses the needs of local stakeholders and carries out initiatives to address societal needs.

Principle 5 Businesses should respect and promote human rights.

The company appreciates that human rights are inherent, universal, indivisible and interdependent in nature. The spirit of Fundamental Rights and Directive Principles of State Policy of the Indian Constitution is a guiding framework that as far as practicable, is imbibed in all the company's policies and systems. The Company strives to adhere to the human rights laws and guidelines of the International Bill of Human Rights.

Mechanisms to promote human rights

The company integrates respect for human rights in management systems and ensure that all individuals impacted by the business have access to grievance redressal mechanisms. To this extent, the company has devised a whistle blower mechanism to enable all associates of the company including subsidiaries to approach the Ombudsperson of the company and make protective disclosures about unethical behaviour and actual or

suspected fraud. Further, Internal Complaints Committees, as required to be constituted by law, have been set up in respect of all the locations in India. A total of 58 Complaints were received during the financial year and all have been solved to the satisfaction of the stakeholders. Details of the investor complaints and disposals thereof have been discussed in the Report on Corporate Governance.

The company, within its sphere of influence, promotes the awareness and realization of human rights across its value chain. To this extent, the company extends its initiatives to promote human rights to external stakeholders including suppliers and contractors.

Policy on Sexual harassment

The company is an equal employment opportunity provider and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The company also believes that all associates of the company, have the right to be treated with dignity. Sexual harassment at the work place or other than work place if involving associates is a grave offence and is, therefore, punishable. In keeping with our avowed commitment to the adoption of best practices, the principles of Values FIRST and compliance of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has adopted and implemented a Policy to prevent and prohibit sexual harassment at the work place. The policy further provides for the redressal of complaints of sexual harassment. Implementation of this policy also makes us compliant to the Convention on the Elimination of all Forms of Discrimination against Women (United Nations Entity for Gender Equality and the Empowerment of Women).

Principle 6 Business should respect, protect, and make efforts to restore the environment.

The company ensures the environmental sustainability of its own operations through the following approach:

- Minimizing the consumption of electrical energy, chemicals and natural resources.
- Encouraging use of renewable energy resources.
- Compliance to applicable legal requirements and other requirements related to environmental aspects.
- Prevention of pollution to air, water and land by using environment friendly chemicals (where applicable) and continuous reduction of hazardous material in the processes.
- Reduction in generation of identified wastes.
- Promotion & adoption of environmental friendly and non-hazardous materials, components and processes
- Setting, maintaining and monitoring the environmental objectives & targets

Cyient has an Environmental, Occupational Health and &

Safety (EOHS) Policy which directs the company to implement a management system for minimizing environmental impact, as well as addressing health & safety risks. Cyient works with suppliers and contractors towards some of the objectives of the EOHS Policy, including minimizing pollutions and optimizing usage of natural resources. For example, the Company works with suppliers and contractors on initiatives relating to recycling and waste management.

Risk Assessment Audits are conducted by external auditors to help identify environmental risks. We also have an environment management system to streamline all standard operating procedures, and processes for mitigation of environmental risk.

In order to address global environmental issues such as climate change the company is carrying out the following initiatives:

- Utilization of solar power at Manikonda: 75% of power consumed at our Manikonda facility is sourced from solar power and the balance is from grid
- Energy efficient lighting: We are replacing CFL lighting fixtures with LED lighting fixtures at our facilities in a phased manner.
- IGBC gold rating of Manikonda facility: Our Manikonda facility is certified by IGBC, and has several sustainable design aspects including charging stations for electric vehicles, dedicated parking for vehicles used for carpooling, heat reflective paint on building roof (reducing HVAC load), energy efficient lighting, occupancy sensors and efficient HVAC systems.
- Transportation services: Provision of Company buses for employees to reduce usage of private vehicles and associated fuel consumption
- Improving vehicle fuel efficiency: We are supporting employees with diagnostic testing of employee vehicles and initiatives to improve mileage and reduce vehicular pollution, in collaboration with Carbon2Green.
- Adoption of Video conferencing: We are encouraging meetings through video conferencing to minimize business travel and associated emissions

The Company is not implementing any CDM projects, but is carrying several initiatives to address climate change as highlighted.

Principle 7 Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

The Company is member of the following associations:

- Confederation of Indian Industry
- National Association of Software and Service Companies
- Global Compact Network India
- Indo-American Chamber of Commerce
- National HRD Network
- The Federation of Telangana and AP Chambers of Commerce and Industry and
- Hyderabad Management Association

The company maintains cordial relations with bodies such as the Indian Institute of Technology, Indian School of Business, Institute of Company Secretaries of India, the Institute of Chartered Accountants of India and the Institute of Directors, besides several universities and educational institutions. The senior management of the company is also represented on various committees and boards constituted by the government on regulatory matters.

Through our various associations we have lobbied for the advancement of public good in the following broad areas: Promotion of technology, start-ups and innovation as well as good governance.

Principle 8 Business should support inclusive growth and equitable development.

The company understands the impact on social and economic development, and responds through appropriate action to minimize the negative impacts. It innovates and invests in technologies and processes that promote the well-being of society.

The company's Chairman has been an active champion of CSR initiatives. His enthusiastic support for schemes such as mid-day meals and adopting unaided schools, adoption of government polytechnic colleges and improving the digital literacy in communities around the adopted schools has greatly helped in bringing equitable and inclusive growth. Support offered includes notebooks, school bags and uniforms to all the Cyient adopted school children and motivates and inspires them towards success in life.

CSR vision:

- Provide quality education to underprivileged children
- Participate in innovative business-aligned projects

CSR mission: Achieving long-term, holistic development of the community around us by being committed to creating and supporting education, sanitation and digital literacy.

CSR program:

Cyient is running a structured program across the following four areas:

- Adoption of schools to drive improvement in quality education
- Adoption of villages – Smart Village and Swachh Pathashala
- IT Literacy to communities through Digital Literacy Mission
- Social Innovation aligned to business innovation – LVPEI Srujana Innovation center

All our programs are executed primarily through our own voluntary organization, Cyient Foundation. We also engage with NGOs and other non-profitable organization to support the execution of our CSR programs. The total CSR expenditure of the company in these areas for the financial year FY 2016-17 amounted to INR 5.63 crores. The impact created by our CSR program is evaluated using beneficiary surveys carried out by CSR volunteers. We regularly monitor

and publish the results of impact assessment studies.

Principle 9 Business should engage with and provide value to their customers and consumers in a responsible manner.

We are continuously focused on delivering value to our customers. We use our knowledge and skills to create solutions that are future facing, imaginative and practical for our customers. All interactions with our customers are based on a strong foundation of our 'Values First' philosophy of Fairness, Integrity, Respect, Sincerity and Transparency. 'Designing tomorrow together' is our vision and the basis of our brand promise. These three simple words describe our unique approach of working with our customers to improve their business and the lives of their customers. Case studies of how we have delivered value to our customers are elaborated on the Company website.

We carry out Customer Satisfaction Surveys on annual basis. This provides valuable feedback for the Company for providing the best possible service to customers and to continuously improve in our engagement with customers.

There are no unresolved customer complaints pending as of the end of financial year 2016-17. Further, there have been no instances of cases filed by customers or by any other stakeholders regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour, in the last five years.

Annual Report on CSR Activities

Annexure-B

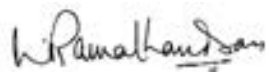
- The company believes in the philosophy of returning to society as a measure of gratitude for what it has taken from it. In view of this, the company's corporate social responsibility (CSR) aims to extend beyond charity and enhance social impact. The company's CSR vision includes:
To help underprivileged children to access the quality of education and
To participate in projects with business aligned innovation
The company's CSR mission is:
Achieving long-term, holistic development of community around us by being committed to creating and supporting programmes that bring about sustainable changes through education and health care systems.
The CSR policy, projects and programmes may be accessed at <http://www.cyient.com/about-us/corporate-social-responsibility>
(c) Manner in which the amount spent during the financial year is detailed below.
- The CSR committee of the company is comprised of:
Mr. K. Ramachandran
Mr. B.V.R. Mohan Reddy and
Mr. Krishna Bodanapu
Mr. B. Ashok Reddy, President - Corporate Affairs & Infrastructure is a permanent invitee to the committee.
- Average net profit of the company for last three financial years: ₹ 23,799 Lakhs
- Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): 605 Lakhs
- Details of CSR spent during the financial year:
(a) Total amount to be spent for the financial year:
₹ 606.86 Lakhs
(b) Amount unspent, if any; Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local Area or Other (2) Specify the state and district where projects or programs undertaken	Amount outlay (budget) project or program wise (₹) Lakhs	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs. (2) Over-heads: (₹) Lakhs	Cumulative expenditure upto the reporting period (₹) Lakhs	Amount Spent: Direct or through implementing agency
1.	Improve Quality of Education	Support Extended to Cyient Foundation Adopted Schools & Colleges	Rangareddy & Hyderabad Telangana; East Godavari & Kakinada - Andhra Pradesh	237	237	237	Direct
2.	Community Development	Village Adoption -Smart Village Swatch Bharat Swatch Vidyalaya - Sanitation & Hygiene facilities	Prakasam District - Andhra Pradesh; Rangareddy District - Telangana	66	66.90	66.90	Direct
3.	IT Literacy to Community	Digital Literacy to Community members through Cyient Foundation NDLM (National Digital Literacy Mission) Centers and Digital libraries.	Rangareddy & Hyderabad Telangana; East Godavari & Kakinada - Andhra Pradesh	240	240	240	Through NASSCOM Foundation
4.	Health-care to the Needy	Support extended to Business aligned innovation in Health Care	Rangareddy & Hyderabad -Telangana;	50	50	50	Through Hyderabad Eye Research Foundation
5.	Skill Development Initiative	Cyient Foundation through its Skill Development Initiative	Rangareddy District Telangana ; Nellore District-Andhra Pradesh	12	12.26	12.26	Direct
	Administrative Expenditure	Cyient Foundation					
	Total			605	606.86	606.86	

- In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report - Not Applicable
- The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the company.

Place : Hyderabad
Date : 20 April 2017


Krishna Bodanapu
(Managing Director & CEO)


K. Ramachandran
(Chairman-CSR Committee)

SECRETARIAL AUDIT REPORT

Annexure-C

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Cyient Limited
Hyderabad.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cyient Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided and declarations made by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2013;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (iii) Information Technology Act 2000; Information Technology (Amendment) Act 2008 & Rules for the Information Technology Act 2000

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

Place : Hyderabad
Date : 19 April 2017



S. Chidambaram
Practicing Company Secretary:
FCS No. 3935
C P No: 2286

To
The Members,
Cyient Limited
Hyderabad.

My Secretarial Audit Report of even date is to be read along with this letter.

- 1 The maintenance of Secretarial records is the responsibility of the Management of the Company. Further, the Company is also responsible for devising proper systems and process to ensure the compliance of the various statutory requirements and Governance systems.
- 2 It is the responsibility of the Management of the Company to ensure that the systems and process devised for operating effectively and efficiently.
- 3 My responsibility is to express an opinion on these secretarial records based on my audit.
- 4 I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices followed provide a reasonable basis for my opinion.
- 5 Wherever required, I have obtained the Management representations about the compliance of laws, rules and regulations and happening of events etc.
- 6 The Compliance of the provisions of other applicable laws, rules and regulations is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
- 7 The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Hyderabad
Date : 19 April 2017



S. Chidambaram

Practicing Company Secretary:
FCS No. 3935
C P No: 2286

Details of Stock Options pursuant to SEBI regulations

Annexure-D

Sl. No.	Description	Associate Stock Option Plan 2008	Restricted Stock Units Scheme- 2016
1.	Number of options outstanding at the beginning of the period	318,750	637,476
2.	Options granted during the year	83,000	637,476
3.	Pricing formula	Market price as defined in SEBI (Share Based Employee Benefits) Regulations, 2014	Grant price is based on the face value of the equity shares of the Company, i.e., INR 5.00
4.	Options vested	167,050	Nil
5.	Options exercised	82,963	Nil
6.	Total no. of shares arising as a result of exercise of options	82,963	Nil
7.	Options lapsed	Nil	Nil
8.	Variation of terms of options	Nil	Nil
9.	Money realized by exercise of Options (-)	15,650,192	Nil
10.	Total no. of options outstanding at the end of the period	318,787	637,476
11.	Total no. of options exercisable at the end of the period	84,087	Nil
12.	Employee wise details of options granted to		
	i) Senior Managerial Personnel:		
	Ajay Aggarwal	12,500	168
	Anand Parmeswaran	10,000	168
	John Renard	10,000	252
	PNSV Narasimhan	10,000	—
	Rajendra Velagapudi	7,500	224
	Katie Cook	5,000	168
	Tom Edwards	5,000	168
	N J Joseph	5,000	224
	Sanjay Krishnaa	5,000	224
	Sunil Kumar Makenna	5,000	252
	Brian Wyatt	5,000	168
	Prabhakar Atla	—	196
	ii) Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year:	Nil	Nil
	iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:	Nil	Nil
13.	Diluted EPS	INR 21.03	

cyient.com

2016-17

Annual Report

14.	i)	Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the intrinsic value of the stock options	
	ii)	Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	₹ 278 Million (increase)	
	iii)	The Impact of this difference on profits and on EPS of the Company	Profit After Tax (PAT)	₹2,369 Million
			Less: Additional employee compensation cost based on fair value	₹ 278 Million
			Adjusted PAT	₹ 2,091 Million
			Adjusted EPS	₹ 18.58

iv) Weighted average exercise price and fair value of stock options granted:

Stock Options granted on	Weighted average exercise price (in ₹)	Weighted average fair value (in ₹)	Closing market price at NSE on the date of grant (in ₹)
13/06/11	142.00	141.90	142.25
18/07/13	184.00	184.45	184.45
12/06/14	324.00	325.00	325.00
16/07/15	559.00	531.50	531.95
14/01/16	487.00	466.50	468.35
13/07/16	500.00	499.90	502.55

- v) Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information:
- The Black Scholes option pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.

vi) The main assumptions used in the Black Scholes option-pricing model during the year were as follows:

Risk free interest rate (%)	6.96— 8.40
Expected life of options from the date(s) of grant	3—4 years
Expected volatility (%)	40.00— 65.53
Dividend yield (%)	1.53 — 2.64

On behalf of the Board of Directors



B.V.R. Mohan Reddy
Executive Chairman
(DIN-00058215)

Place : Hyderabad
Date : 20 April 2017

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Annexure-E

1. Conservation of Energy

It is the continuous endeavour of the company to implement the best practices in areas of energy conservation. In this regard, company is availing solar power for Manikonda location. Also, as part of energy conservation, company has initiated the process of implementing energy savings practices at organization level by replacing the existing conventional lighting with LED lighting fixtures, creating awareness to associates by sending mailers, continuous monitoring after office hours and during weekends and sending mailers on observations. This has resulted in considerable savings to the organization. After analysis of the savings, the company is replicating the best practices at other locations. Also, as part of the initiative taken by the company, the E-Waste [old systems, hard disks, printers] related assets are sold to a firm approved by Pollution Control Board. As part of the conservation of natural resources, the paper waste from the locations is given to ITC for recycling of paper for making of recycled products. At the Bangalore Facility, the company has installed stage-wise lighting sensors at common areas like elevator lobbies and rest rooms to avoid manual intervention during off shift time. The company has also installed aerators to the taps at rest rooms to minimise wastage of water. Company has installed dual water pumping system at rest rooms by using STP recycled water.

The company also took initiatives to reduce the consumption of power and has been able to save 267,420 units in the financial year 2016, considering FY' 15 consumption as bench mark [Total Units consumed are 16223719]. For the FY' 17 1560789 Units on raw power was saved by taking effective steps across the locations in Andhra Pradesh and Telangana. During the same period, the diesel consumption was also reduced considerably.

More information is available in the Business Responsibility Report.

2. Research & Development and Benefits thereon

Cyient has made a significant growth in enabling innovation across business units, emphasizing on commercial technology developments like UAVs, AR-VR, IoT, Natural language processing (NLP),

etc. We are launching Idea Management tool across the company to solicit ideas, these ideas will germinate, take shape through collaboration, result in aiding our growth and achieve our vision for 2030. Company has launched New Technology Accelerator initiative to incubate higher order ideas in emerging technologies within Cyient by supporting with substantial funds and resources to realise organic business growth. Company has successfully delivered a commercial project to a medical client on AR/VR and pursuing multiple AR/VR technology based opportunities across domains. Company had successfully incubated, built competency and capability in UAV based data acquisition & processing and developed intuitive decision support system solutions in Mining, Utilities, Geospatial (Smart city) domains. Company has also initiated activities towards agri tech, wherein precision farming is the key focus area, which will involve UAV based multispectral data acquisition, leading to development of prescription for variable delivery of pesticide and fertilizers. Company has filed 5 co-patents with our clients in aircraft gas turbine engine compressor technology and Stator vane control systems.

At Cyient, we understand the importance of providing the most relevant, contextual and actionable knowledge to all our associates to help them perform better. During the year, there was a greater thrust on Knowledge sharing and dissemination through Tech talks & SME connect sessions which has been widely accepted by our associates. The testimony to the fact is an 86% increase in the unique visitor count to KCafe portal, 12% increase in the participation on tech talks as compared to previous year. The year also marks the successful launch of Eureka Platform, which has given our associates access to ~350 SMEs across Cyient. As on date we have 1486 unique visitors to Eureka with each one having visited at least 5 times in the year. In the coming years we would like to focus more on building a conducive environment for Knowledge search ability, sharing, combined with an appropriate Rewards & Recognition framework to promote re-usability of knowledge@ Cyient. This recognition will bring us many collaborative benefits including tax benefits.

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Capital Expenditure	—	—
Total R&D Expenditure	24	56
R&D Expenditure as percentage of Total Revenue	0.19%	0.45%

3. Technology Absorption, Adaptation and Innovation

Information technology continues to remain a key lever in driving productivity across the company. FY 2017 saw the successful launch of several transformative projects. 'Workday', our new human capital management (HCM) system went live globally in the third quarter of this financial year. The cloud based system now enables standardization of HR processes across the globe. Cyient is the first company headquartered in India to have partnered with Workday for automation of their human resources processes. Apart from Workday, the company rolled out several other systems that helped automate business processes, strengthen internal controls and improve the user experience. Moving to newer platforms has also helped the team become more agile.

We have enhanced our IT infrastructure to ensure that IT services continue to provide seamless support our global workforce. The year also saw the commissioning of a Tier III certified data center, to support client and internal projects.

IT Security continues to remain an area of immense focus with process improvements and additional tools being deployed to enhance information and cyber security controls. These tools will help us protect data and IP for Cyient and our clients.

The coming year shall prove equally exciting as we continue to execute our IT strategy for FY 2018, which aims to improve productivity by standardizing processes, automating low value adding activities and leveraging the power of analytics for faster decision making.

4. Foreign Exchange Earnings and Outgo

Most of your company's earnings are from the export of Engineering and Software Services. During the year, export earnings accounted for 94.1% of the total income. In order to promote product sales and services, your company participated in various exhibitions and carried product promotion activities. Details of Foreign Exchange Earnings and Outgo areas follows:

(₹ in million)		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Foreign Exchange Earning	12,071	11,715
Foreign Exchange Outgo	2,293	2,065

On behalf of the Board of Directors



B.V.R. Mohan Reddy
Executive Chairman
(DIN-00058215)

Place : Hyderabad
Date : 20 April 2017

Form No. AOC-2

Annexure-G

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

The company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2016-17.

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship

	Entity	Relationship
1	Cyient Inc., USA	Subsidiary
2	Cyient Canada Inc., Canada	Step down subsidiary
3	Certon Software Inc., USA	Step down subsidiary
4	Certon Instruments Inc	Step down subsidiary
5	Cyient Defense Services Inc., USA	Step down subsidiary
6	Cyient Europe Limited, UK	Subsidiary
7	Cyient Benelux BV, Netherlands	Step down subsidiary
8	Cyient Schweiz GmbH, Switzerland	Step down subsidiary
9	Cyient SRO, Czech Republic	Step down subsidiary
10	Cyient GmbH, Germany	Subsidiary
11	Cyient AB, Sweden	Step down subsidiary
12	Blom Aerofilms Limited, UK	Step down subsidiary
13	Cyient KK, Japan	Subsidiary
14	Cyient Australia Pty Ltd, Australia	Subsidiary
15	Cyient Singapore Private Limited, Singapore	Subsidiary
16	Cyient Engineering (Beijing) Limited, China*	Subsidiary
17	Cyient Insights Private Limited, India	Subsidiary
18	Cyient Insights LLC, USA	Step down subsidiary
19	Cyient DLM Private Limited, India	Subsidiary
20	Techno Tools Precision Engineering Private Limited, India	Step down subsidiary
21	Cyient Israel India Limited, Israel*	Subsidiary
22	Infotech HAL Limited, India	Joint Venture
23	Infotech Aerospace Services Inc., Puerto Rico	Associate

* yet to commence commercial operations

(b) Nature of contracts/arrangements/transactions

IT Enabled Engineering Services & Geospatial Services.

(c) Duration of the contracts/arrangements/transactions

Inter-company agreements entered into with subsidiary companies, as amended and ongoing.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

To provide IT Enabled Engineering Services & Geospatial Services to the client/customers to the company as a tripartite agreement.

The payment terms of each project as per the intercompany agreements entered with the respective subsidiaries.

(e) Date(s) of approval by the Board, if any: Not applicable as these are at arms' length basis and in the ordinary course of the business.

(f) Amount paid as advances, if any: Nil

For and behalf of the Board

B.V.R. Mohan Reddy

Executive Chairman

(DIN- 00058215)

Place : Hyderabad

Date : 20 April 2017

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31 MARCH 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L72200TG1991PLC013134
ii)	Registration Date	28 August 1991
iii)	Name of the Company	Cyient Limited
iv)	Category/Sub-Category of the Company	Company Limited by shares/Indian Non-Government Company
v)	Address of the Registered office and contact details	4th Floor, 'A' Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081, Telangana. Tel: 040-6764 1322; Fax:040-6662 4368 E-mail: Company.secretary@cyient.com; Website: www.cyient.com
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Unit: Cyient Limited Karvy Selenium Tower B, Plot 31-32, Financial District, Gachibowli, Nanakramguda, Hyderabad – 500 032, Telangana. Contact Person: Mr. Mohd Mohsin Uddin, Manager-Corporate Registry Ph: 040 - 6716 1562 E-mail: mohsin.mohd@karvy.com Website: www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
Software Enabled Engineering and GIS services	72200	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Country of Incorporation	CIN/GLN	Relationship	Extent of Holding as at March 31, 2017	Applicable Section
1	Cyient Europe Limited	U.K.	Not Applicable	Subsidiary	100%	Sec. 2(87)
2	Blom Aerofilms Limited	U.K.	Not Applicable	Step down subsidiary	100%	Sec. 2(87)
3	Cyient Benelux BV	Netherlands	Not Applicable	Step down subsidiary	100%	Sec. 2(87)
4	Cyient Schweiz GmbH	Switzerland	Not Applicable	Step down subsidiary	100%	Sec. 2(87)
5	Cyient sro	Czech Republic	Not Applicable	Step down subsidiary	100%	Sec. 2(87)
6	Cyient GmbH	Germany	Not Applicable	Subsidiary	100%	Sec. 2(87)
7	Cyient AB	Sweden	Not Applicable	Step down subsidiary	100%	Sec. 2(87)
8	Cyient Inc.	U.S.A	Not Applicable	Subsidiary	100%	Sec. 2(87)
9	Cyient Canada Inc.	Canada	Not Applicable	Step down subsidiary	100%	Sec. 2(87)
10	Certon Software Inc.	U.S.A	Not Applicable	Step down subsidiary	100%	Sec. 2(87)
11	Certon Instruments Inc.	U.S.A	Not Applicable	Step down subsidiary	100%	Sec. 2(87)
12	Cyient Defense Services Inc.	U.S.A	Not Applicable	Step down subsidiary	100%	Sec. 2(87)
13	Cyient KK	Japan	Not Applicable	Subsidiary	100%	Sec. 2(87)
14	Cyient Insights Private Limited	India	U72200TG2013PTC087527	Subsidiary	51%	Sec. 2(87)
15	Cyient Insights, LLC	U.S.A	Not Applicable	Step down subsidiary	51%	Sec. 2(87)
16	Cyient Australia Pty Limited	Australia	Not Applicable	Subsidiary	100%	Sec. 2(87)
17	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	India	U31909KA1993PTC014470	Subsidiary	74%	Sec. 2(87)
18	Techno Tools Precision Engineering Private Limited	India	U36900KA2013PTC068084	Step down subsidiary	74%	Sec. 2(87)
19	Cyient Singapore Private Limited	Singapore	Not Applicable	Subsidiary	100%	Sec. 2(87)
20	Cyient Engineering (Beijing) Limited ⁱ	China	Not Applicable	Subsidiary	100%	Sec. 2(87)
21	Cyient Israel (India) Limited ⁱⁱ	Israel	Not Applicable	Subsidiary	100%	Sec. 2(87)
22	Infotech HAL Limited	India	U29200KA2007PLC043691	Joint Venture	50%	Sec. 2(6)
23	Infotech Aerospace Services Inc.	Puerto Rico	Not Applicable	Associate	49%	Sec. 2(6)

Notes:

- (i) On March 25, 2016, the Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China. There is no investment in the subsidiary until March 31, 2017 and the subsidiary is yet to commence commercial operations.
- (ii) On July 18, 2016, the Company incorporated a wholly owned subsidiary, Cyient Israel India Limited, in Israel. There is no

investment in the subsidiary until March 31, 2017 and the subsidiary is yet to commence commercial operations.

IV. i) SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Sl. No	Category of Shareholder	No. of shares held at the beginning of the year (1 April 2016)				No. of shares held at the end of the year (31 March 2017)				% Change during the Year
		No of shares in Demat form	No of shares in Physical form	Total	% of total shares	No of shares in Demat form	No of shares in Physical form	Total	% of total shares	
(A)	PROMOTER AND PROMOTER GROUP									
1	INDIAN									
(a)	Individual/HUF	24,969,748	0	24,969,748	22.20	8,084,897	0	8,084,897	7.18	-15.02
(b)	Central Government/State Government(s)	0	0	0	0	0	0	0	0.00	0
(c)	Bodies Corporate	0	0	0	0	16,884,951	0	16,884,951	15.00	15.00
(d)	Financial Institutions/Banks	0	0	0	0	0	0	0	0.00	0
(e)	Others	0	0	0	0	0	0	0	0.00	0
	Sub-Total A(1) :	24,969,748	0	24,969,748	22.20	24,969,848	0	24,969,848	22.18	-0.02
2	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
(e)	Others	0	0	0	0	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	24,969,748	0	24,969,748	22.20	24,969,848	0	24,969,848	22.18	-0.02
(B)	PUBLIC SHAREHOLDING									
1	INSTITUTIONS									
(a)	Mutual Funds/UTI	10,976,140	0	10,976,140	9.76	8,159,406	0	8,159,406	7.25	-2.51
(b)	Financial Institutions/Banks	21,135	0	21,135	0.02	17,164	0	17,164	0.02	0.00
(c)	Central Government/State Government(s)	0	0	0	0	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	44,570,220	200	44,570,420	39.62	47,352,080	200	47,352,280	42.06	2.44
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0.0000	0.00
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.0000	0.00
(i)	Others	0	0	0	0	0	0	0	0.0000	0.00
	Sub-Total B(1) :	55,567,495	200	55,567,695	49.40	55,528,650	200	55,528,850	49.33	-0.07
2	NON-INSTITUTIONS									
(a)	Bodies Corporate	5,303,802	1,500	5,305,302	4.72	5,244,561	1,500	5,246,061	4.66	-0.06
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	4,397,397	379,288	4,776,685	4.25	4528871	357,463	4,886,334	4.34	0.09
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	1,360,397	0	1,360,397	1.21	1,337,673	0	1,337,673	1.19	-0.02
(c)	Others									

Sl. No	Category of Shareholder	No. of shares held at the beginning of the year (1 April 2016)				No. of shares held at the end of the year (31 March 2017)				% Change during the Year
		No of shares in Demat form	No of shares in Physical form	Total	% of total shares	No of shares in Demat form	No of shares in Physical form	Total	% of total shares	
	NBFCs registered with RBI	620	0	620	0	110	0	110	0.00	0.00
	Foreign Nationals	323,193	16,050	339,243	0.30	320,043	16,050	336,093	0.30	0.00
	Foreign Collaborators	16,792,960	0	16,792,960	14.93	16,792,960	0	16,792,960	14.92	-0.01
	Foreign Bodies	0	0	0	0	0	0	0	0	0.00
	Clearing Members	10,204	0	10,204	0.01	152,544	0	152,544	0.14	0.13
	Non Resident Indians	2,780,865	417,000	3,197,865	2.84	2,736,147	417,000	3,153,147	2.80	-0.04
	Trusts	538	162,120	162,658	0.14	600	162,120	162,720	0.14	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
	Sub-Total B(2) :	30,969,976	975,958	31,945,934	28.40	31,113,509	954,133	32,067,642	28.49	0.09
	Total B=B(1)+B(2) :	86,537,471	976,158	87,513,629	77.80	86,642,159	954,333	87,596,492	77.82	0.02
	Total (A+B) :	111,507,219	976,158	112,483,377	100.00	111,612,007	954,333	112,566,340	100.00	0.00
(C)	Shares held by custodians, against which	0	0	0	0	0	0	0	0.00	0.00
	Depository Receipts have been issued	0	0	0	0	0	0	0	0.00	0.00
1	Promoter and Promoter Group	0	0	0	0	0	0	0	0.00	0.00
2	Public	0	0	0	0	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	111,507,219	976,158	112,483,377	100.00	111,612,007	954,333	112,566,340	100.00	

Note:

- Mr. B.V.R.Mohan Reddy transferred 11,256,634 equity shares carrying voting rights, constituting 10% of the paid up share capital of the Company to Vineyard Point Software Private Limited as a part of the settlement contribution of a trust (viz. Saranam Family Private Trust). There is no cash consideration for this transaction. Subsequent to the transfer, Mr. BVR Mohan Reddy is holding 3,358,254 equity shares constituting 2.98% of the paid up share capital of the Company.
- Mrs. B Sucharitha transferred 5,628,317 equity shares carrying voting rights, constituting 5% of the paid up share capital of the Company to Infocad Enterprises Private Limited as a part of the settlement contribution of a trust (viz. Sairam Family Private Trust). There is no cash consideration for this transaction. Subsequent to the transfer, Mrs B. Sucharitha is holding 912,883 equity shares constituting 0.81% of the paid up share capital of the Company.
- Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholders.

IV. ii) Shareholding of Promoters

Sl. No.	Shareholder's name	Shareholding at the beginning of the year (1 April 2016)			Shareholding at the end of the year (31 March 2017)		
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares
1	B.V.R. Mohan Reddy	14,614,888	12.99	0	3,358,254	2.98	0
2	B. Sucharitha	6,541,200	5.82	0	912,883	0.81	0
3	Krishna Bodanapu	1,850,760	1.65	0	1,850,760	1.64	0
4	B. Sri Vaishnavi	1,790,400	1.59	0	1,790,400	1.59	0
5	D. Nageswara Reddy	115,200	0.10	0	115,200	0.10	0
6	Carol Ann Reddy	38,400	0.03	0	38,400	0.03	0
7	B.V.S. Ratna Kumari	15,600	0.01	0	15,600	0.01	0
8	A. Amala Reddy	3,000	0.01	0	3,100	0.00	0
9	B. Ashok Reddy	300	0.00	0	300	0.00	0
10	Vineyard Point Software Private Limited	0	0.00	0	11,256,634	10.00	0
11	Infocad Enterprises Private Limited	0	0.00	0	5,628,317	5.00	0
	Total	24,969,748	22.20	0	24,969,848	22.18	0

iii) Change in promoters' shareholding (Pl. specify, if there is no change)

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	B.V.R. Mohan Reddy	14,614,888	12.99		
	Increase/Decrease during the year	(11,256,634)	(10.00)		
	At the end of the year			3,358,254	2.98
2	B. Sucharitha	6,541,200	5.82		
	Increase/Decrease during the year	(5,628,317)	(5.00)		
	At the end of the year			6,541,200	0.81
3	Krishna Bodanapu*	1,850,760	1.65		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			1,850,760	1.64
4	B. Sri Vaishnavi	1,790,400	1.59		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			1,790,400	1.59
5	D. Nageswara Reddy	115,200	0.10		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			115,200	0.10
6	Carol Ann Reddy	38,400	0.03		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			38,400	0.03
7	B.V.S. Ratna Kumari	15,600	0.01		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			15,600	0.01

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	A. Amala Reddy*	3,000	0.01		
	Increase/Decrease during the year	100	0		
	At the end of the year			3,100	0
9	B. Ashok Reddy	300	0		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			300	0
10	Vineyard Point Software Private Limited	0	0		
	Increase/Decrease during the year	11,256,634	10.00		
	At the end of the year			11,256,634	10.00
11	Infocad Enterprises Private Limited	0	0		
	Increase/Decrease during the year	5,628,317	5.00		
	At the end of the year			5,628,317	5.00

* Note: The decrease of % of the individual holding is due to issue of further shares upon exercise of stock options by the associates.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Carrier International Mauritius Ltd	15,292,960	13.60	15,292,960	13.59
2	First Carlyle Ventures Mauritius	11,099,416	9.87	11,099,416	9.86
3	Deutsche Securities Mauritius Limited	5,456,277	4.85	5,455,977	4.85
4	ICICI Prudential Life Insurance Company Limited	4,806,297	4.27	4,807,155	4.27
5	Lavender Investments Limited	4,732,101	4.21	4,732,101	4.20
6	Amansa Holdings Private Limited	4,155,404	3.69	4,155,404	3.69
7	First State Investments ICVC—ASIA PACIFIC	2,719,104	2.42	384,8615	3.42
8	Seafarer Overseas Growth And Income Fund	572,109	0.51	3,000,000	2.67
9	T. Rowe Price International Discovery Fund	2,574,316	2.29	2,700,773	2.40
10	First State Investments ICVC- Indian Subcontinent Fund	0	0	1,519,311	1.35

Note:

1. The shares of the Company are traded on a daily basis on the stock exchanges and hence date wise increase/ decrease in shareholding is not provided.
2. The details of date-wise increase/decrease will be provided at the request of shareholder.

v) **Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	B.V.R Mohan Reddy — Executive Chairman	14,614,888	12.99		
	Increase/Decrease during the year	(11,256,634)	(10.00)		
	At the end of the year			3,358,254	2.98
2	Krishna Bodanapu — Managing Director & Chief Executive Officer	1,850,760	1.65		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			1,850,760	1.64
3	M.M. Murugappan —Independent Director	30,000	0.27		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			30,000	0.26
4	Ajay Aggarwal — Chief Financial Officer	100	0		
	Increase/Decrease during the year	18,750	0.02		
	At the end of the year			18,850	0.02
5	Sudheendhra Putty — Company Secretary	0	0		
	Increase/Decrease during the year	0	0		
	At the end of the year			0	0

Note: None of the other directors hold any shares in the Company.

V. INDEBTEDNESS

Company has not availed any loans during the year and is debt-free.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		B.V.R. Mohan Reddy Executive Chairman	Krishna Bodanapu MD & CEO	
1	Gross salary	18,071,832	15,082,096	33,153,928
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,860,000	3,888,000	8,748,000
	(c) Profits in lieu of salary under section 17(3) Incometax Act, 1961	Nil	Nil	Nil
2	Stock Options	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	(a) as % of Profit	29,347,587	44,021,380	73,368,967
	(b) Others, Specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	52,279,419	62,991,476	115,270,895
	Ceiling as per the Act	150,408,832	150,408,832	300,817,664

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Commission
1	Independent Directors	
i	M.M. Murugappan	1,200,000
ii	K. Ramachandran	1,200,000
iii	Harsh Manglik	1,200,000
iv	Som Mittal	1,200,000
v	John Paterson	2,687,134
vi	Andrea Bierce	2,687,134
	Total (1)	10,174,268
2	Other Non-Executive Directors	
i	Alain De Taeye	Not claimed
ii	Tom Prete	Not claimed
	Total (2)	Nil
	Total (B) =(1+2)	10,174,268
	Overall Ceiling as per the Act	30,081,766
	Total Managerial Remuneration (A+B)	125,445,163

C. Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of KMP other than MD/WTD/Manager		Total
		Ajay Aggarwal Chief Financial Officer	Sudheendhra Putty Company Secretary	
1	Gross salary			

	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,151,928	2,291,184	15,443,112
	(b) Value of perquisites u/s 17(2)			
	Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3)			
	Income Tax Act, 1961	1,374,941	174,603	1,549,544
2	No. of Stock Options	12,668#	Nil	12,668#
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	(a) as % of Profit	Nil	Nil	Nil
	(b) Others, Specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	14,526,869	2,465,787	16,992,656

During the year, Mr. Ajay Aggarwal was granted 12500 options under Associate Stock Option Plan – 2008 and 168 units under Cyient Restricted Stock Units 2016 scheme. He also exercised 18,750 stock options vested under Associate Stock Option Plan – 2008. Mr. Sudheendhra Putty was granted 168 units under Cyient Restricted Stock Units 2016 scheme.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

A. COMPANY

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/compounding fees imposed	Authority {RD/NCLT/ COURT}	Appeal made, if any (give details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

B. DIRECTORS

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/compounding fees imposed	Authority {RD/NCLT/ COURT}	Appeal made, if any (give details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

C. OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/compounding fees imposed	Authority {RD/NCLT/ COURT}	Appeal made, if any (give details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Independent Auditor's Certificate on Corporate Governance

Anneure-I

To
The Members of
Cyient Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated September 9, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Cyient Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far

as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



Ganesh Balakrishnan

Place : Secunderabad
Date : April 20, 2017

Partner
(Membership No. 201193)

CEO'S Declaration

Annexure-J

I, Krishna Bodanapu, Managing Director & CEO do hereby declare that pursuant to the provisions of Schedule V of the SEBI LODR Regulations, all the members of the Board and Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company, for the financial year ended 31 March 2017.

Place : Hyderabad
Date : 16 April 2017

Cyient Limited,



Krishna Bodanapu
Managing Director & CEO

CEO/CFO Certification pursuant to SEBI (LODR) Regulations, 2015

Annexure-K

The Board of Directors
Cyient Limited
Hyderabad.

16 April 2017

Sub: Certificate pursuant to Regulation 17 (8) of the SEBI LODR Regulations, 2015

- A. We have reviewed financial statements and the cash flow statement (standalone and consolidated) for the year 2016-17 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.



Krishna Bodanapu
Managing Director & CEO



Ajay Aggarwal
Chief Financial Officer

Report on Corporate Governance

Company's Philosophy on Corporate Governance

Corporate governance is about internalizing and manifesting a firm commitment to the adoption of ethical practices across the company to deliver value in all of its dealings with a wide group of stakeholders encompassing associates, customers, vendors, regulators and shareholders at all times. It is the evolution of a system by which the values, principles, management policies and procedures of the company are inculcated and manifested.

It is in this background that the company whole heartedly embraces and imbibes good governance practices. The company believes that corporate governance is an integral means for the existence of the company. It ensures adherence to the moral and ethical values, legal and regulatory framework and the adoption of good practices beyond the realms of law.

Good corporate governance is an intrinsic part of the company's fiduciary responsibility as a responsible citizen. As such, the emphasis is on transparency of operations. The company recognizes that to attract, meet and surpass the expectations of global investors, statutory disclosures and reporting norms are not sufficient and voluntary adherence to best international disclosure practices is a *sine qua non*. These practices enable the company to establish enduring relationships with all the stakeholders and optimize the growth paradigm.

Corporate governance in the company is predicated upon an ethos of transparency, accountability, fairness and overall sustainability. It aims at the following:

- Fulfilling long-term strategic goals;
- Maintaining excellent relations with customers and suppliers;
- Taking care of the interests of the associates;
- Caring for the environment and local community;
- Complying with all applicable laws and regulatory requirements

Corporate governance is intertwined with the business of the company and the principles are dovetailed into its activities. The company's philosophy on corporate governance is effectively encapsulated below:

Sustainable development of all stakeholders	Company ensures the growth of all those associated with it on a sustainable basis
Effective management and distribution of wealth	Company maximizes wealth and judiciously deploys the wealth so created for providing maximum benefit to all stakeholders; it enhances wealth creation capabilities to promote sustainability
Discharge of social responsibility	Company takes a holistic approach to stakeholders by including the entire society and contributing to its welfare
Application of best management practices	Excellence in functioning permeates every level of the company
Compliance of law in letter and spirit	Enhancing value to all stakeholders by appropriate compliance of law and maintaining the socio-economic balance
Adherence to ethical standards	Ensuring fairness, integrity, respect, sincerity and transparency in all its dealings with stakeholders

Best Governance Practices

The company constantly raises the bar in its relentless pursuit of corporate and business excellence. As such, it adopts, adapts and implements - voluntarily - some of the most robust and laudable good governance practices across the board. These include:

- Paperless and interactive communication amongst the directors through a customized web based portal - a sustainability initiative that helps in ease and pace of decision making
- Following all the secretarial standards issued by the Institute of Company Secretaries of India
- Increased board and board committee interaction through optimum use of technology - conduct of board meetings in the electronic mode

- Vendor and associate satisfaction surveys conducted to elicit feedback from stakeholders
- Policies and procedures for disclosure and dissemination of information by the company
- Internal Audit conducted by independent professionals
- All board committees headed by independent directors
- Designation of lead independent director and separate meetings of independent directors

Good governance policies

The company constantly strives to conduct its business and strengthen its relationships in a dignified, distinctive and responsible manner. The company lives by the ethos of Values FIRST - Fairness, Integrity, Respect, Sincerity and Transparency in all its operations and dealings. Towards this, the company has adopted several policies and guidelines for ethical and transparent operations. These include:

- Code of conduct for board of directors and senior management
- Code of business conduct for all associates
- Anti-corruption and bribery policy
- Code of Conduct for prevention of insider trading
- Code of Practices & Procedures for disclosure of unpublished price sensitive information
- Prevention of sexual harassment policy
- Policy on related party transactions
- Policy on material subsidiaries
- Data privacy policy
- Whistle blower policy/vigil mechanism
- Policy on board diversity
- Environment, health and safety policy
- Anti Fraud Policy

In recognition of its exemplary corporate governance practices, the company was awarded the coveted National Award for Excellence in Corporate Governance by the Institute of Company Secretaries of India in 2014. Earlier, the company won the Golden Peacock Award for Excellence in Corporate Governance for the year 2012.

The company complies with the corporate governance provisions as specified in chapter IV of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The company lives by the principles of corporate governance and implements them in a manner so as to achieve the following avowed objectives.

The rights of shareholders:

The company protects and facilitates the exercise of the rights of shareholders:

- right to participate in, and to be sufficiently informed of, decisions concerning fundamental corporate changes.
- opportunity to participate effectively and vote in general meetings.
- being informed of the rules, including voting procedures that govern general meetings.
- opportunity to ask questions to the board of directors, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable and statutory limitations.
- exercise of ownership rights by all shareholders, including institutional investors.
- adequate mechanism to address the grievances of the shareholders.
- protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress.

Timely information:

The company provides adequate and timely information to shareholders, including but not limited to sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be discussed at the meeting.

Equitable treatment:

The company ensures equitable treatment of all shareholders, including minority and foreign shareholders:

- (i) All shareholders of the same series are treated equally.
- (ii) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of members of board of directors, is facilitated.
- (iii) Exercise of voting rights by foreign shareholders is facilitated.
- (iv) The company has devised and implemented a framework to avoid insider trading and abusive self-dealing.
- (v) Processes and procedures for general shareholder meetings allow for equitable treatment of all shareholders.
- (vi) Procedures adopted by the company do not make it unduly difficult or expensive to cast votes.

Role of stakeholders in corporate governance:

The company recognises the rights of its stakeholders and encourages co-operation:

- (i) The company respects the rights of stakeholders that are established by law or through mutual agreements.
- (ii) Stakeholders have the opportunity to obtain effective redressal for violation of their rights.
- (iii) Stakeholders shall have access to relevant, sufficient and reliable information on a timely and regular basis to enable them to participate in corporate governance process.
- (iv) The company has devised an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

Disclosure and transparency:

The company ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the listed entity, in the following manner:

- (i) Information is prepared and disclosed in accordance with the prescribed standards of accounting, financial and non financial disclosure.
- (ii) Channels for disseminating information provide for equal, timely and cost efficient access to relevant information by users.
- (iii) Minutes of the meeting are maintained explicitly recording dissenting opinions, if any.

Board of Directors

At the core of the corporate governance practices is the Board of Directors which oversees how the management serves and protects the long term interests of all the stakeholders of the company. The board acts on an informed basis and in the best interests of the company with good faith, care and diligence, for the benefit of shareholders, while having regard to all relevant stakeholders.

The role of the board, includes responsibilities for entrepreneurial leadership, risk management, strategy, securing the necessary financial and human resources and performance review. The board also sets the company's values and standards, and ensures it meets its obligations to shareholders and others.

At the company, the board is accountable to shareholders and other stakeholders and is responsible for protecting and generating sustainable value over the long term. In fulfilling their role effectively, Board of Directors of the company:

- a) guide, review and approve corporate strategy and financial planning, including major capital expenditures, acquisitions and divestments;
- b) monitor the effectiveness of the company's governance practices, environmental practices, and social practices, and adhere to applicable laws;
- c) embody high standards of business ethics and oversee the implementation of codes of conduct that engender a corporate

culture of integrity;

- d) oversee the management of potential conflicts of interest, such as those which may arise around related party transactions;
- e) oversee the integrity of the company's accounting and reporting systems, its compliance with internationally accepted standards, the effectiveness of its systems of internal control, and the independence of the external audit process;
- f) oversee the implementation of effective risk management and proactively review the risk management approach and policies annually or with any significant business change;
- g) ensure a formal, fair and transparent process for nomination, election and evaluation of directors;
- h) appoint the chief executive officer (CEO) and develop succession plans;
- i) align CEO and senior management remuneration with the longer term interests of the company and its shareholders; and
- j) conduct an objective board evaluation on a regular basis, consistently seeking to enhance board effectiveness.

The board also makes available communication channels for periodic dialogue on governance matters with shareholders and other stakeholders as appropriate.

The board meets regularly to discharge its duties and directors allocate adequate time to board meeting preparation and attendance. Board members are aware of the business, its operations and senior management well enough to contribute effectively to board discussions and decisions. The board demonstrates that it has the necessary governance policies, processes and systems in place and as such generates trust and support among its stakeholders. It maintains robust governance arrangements to ensure it always acts in a way that will generate sustainable value for the company.

None of the directors on the board is a member of more than 10 committees or Chairman of more than 5 committees, across all companies in which he/she is a director. The necessary disclosures regarding committee positions have been made by the directors. All independent directors have provided an affirmation of their independence as required under the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

- a) The names and categories of the directors on the board, their attendance at board meetings held during the year, the last AGM and the number of directorships and committee chairmanships/memberships held by them in other public companies as on 31 March 2017 are given herein below:

Name of the Director	Category	Board Meetings		Last AGM	No. of directorships in other public companies		No. of committee positions held in other public companies	
		Held	Attended		Chairman	Director	Chairman	Member
Mr. B.V.R. Mohan Reddy DIN 00058215	Promoter, Executive Chairman	6	6	Present	–	3	–	1
Mr. Krishna Bodanapu DIN 05301037	Promoter, MD & CEO	6	6	Present	–	–	–	–
Mr. M.M. Murugappan DIN 00170478	Independent, Non-Executive	6	4	Present	–	9	3	5
Mr. K. Ramachandran DIN 00193357	Independent, Non-Executive	6	4	Present	–	1	–	1
Mr. Harsh Manglik DIN 01461387	Independent, Non-Executive	6	2	Absent	–	–	–	–
Mr. Som Mittal DIN 00074842	Independent, Non-Executive	6	4	Absent	–	3	2	–
Mr. John Paterson DIN 07102549	Independent, Non-Executive	6	5	Present	–	–	–	–

Name of the Director	Category	Board Meetings		Last AGM	No. of directorships in other public companies		No. of committee positions held in other public companies	
		Held	Attended		Chairman	Director	Chairman	Member
Mrs. Andrea Bierce DIN 06997266	Independent, Non-Executive	6	4	Present	–	–	–	–
Mr. Alain De Taeye DIN 03015749	Non - Independent, Non-Executive	6	2	Present	–	–	–	–
Mr. Thomas W Prete DIN 06634086	Non - Independent, Non-Executive	6	1	Absent	–	–	–	–
Mr. Jayant Sabnis* DIN 06719021 (Alternate Director to Mr. Thomas Prete)	Non - Independent, Non-Executive	1	0	Absent	–	–	–	–

* Resigned as director w.e.f 21 April 2016

In the above table the number of directorships does not include company alternate directorships, directorships of private limited companies, companies registered under section 25 of the Companies Act, 1956/ section 8 of Companies Act, 2013 and of companies incorporated outside India. Chairmanship/Membership of committees include only Audit and Shareholders/ Stakeholder Engagement Committees.

The company does not have any 'material non-listed subsidiary company' as defined under SEBI (LODR) Regulations, 2015.

b) Meetings held during the financial year 2016-17:

Quarter	No. of Meetings	Dates on which held
April '16 to June '16	1	April 21, 2016
July '16 to September '16	2	July 14, 2016 and August 29, 2016
October '16 to December '16	1	October 13, 2016
January '17 to March '17	2	Jan 12, 2017 and March 23, 2017

(Meeting held on 23 March 2017 was by Audio-Visual means)

Board Effectiveness

An effective board is a key feature of the governance journey to building a successful company. The duty of the board is to represent and protect the interests of all the stakeholders. The board's role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enables risks to be assessed and managed. An effective board develops and promotes its collective vision of the company's purpose, its culture, its values and the behaviour it wishes to promote in conducting its business. In particular, it:

- provides direction for management;
- lays down strategy and vision;
- demonstrates ethical leadership, displaying - and promoting throughout the company - behaviour consistent with the culture and values it has defined for the company;
- creates a performance culture that drives value creation without exposing the company to excessive risk of value destruction;
- makes well informed and high quality decisions based on a clear line of sight into the business;
- creates the right framework for helping directors meet their statutory duties under the relevant statutory and regulatory regimes;

- is accountable, particularly to those that provide the company's capital; and
- thinks carefully about its governance arrangements and embraces evaluation of their effectiveness.

The board's effectiveness is measured by the way in which the members of the board, as a whole work together under the chairman, whose role in corporate governance is fundamental and its collective ability to provide both the leadership and the checks and balances which effective governance demands.

Term of Board membership

The executive directors are appointed by the shareholders for a period of five years at a time; they are eligible for re-appointment in accordance with the provisions of the Act. The board on the recommendations of the nominations committee considers the appointment/re-appointment of executive and non-executive directors. Independent directors are appointed for a term of up to 5 years. Non-Executive, non-independent directors retire by rotation as per the provisions of the Companies Act, 2013.

As per company policy, the retirement age for directors is 70 years.

Memberships in other boards

Executive directors are also allowed to serve on the boards of corporate or government bodies whose interests are germane to the future of the IT and engineering service business or the key economic or academic institutions of the nation, or whose prime objective is to benefit society. Independent directors are not expected to serve on the boards of competing companies. There are no other limitations except those imposed by law and good corporate governance practices.

Training of board members

Non-executive directors who are inducted on the board are given an orientation about the company, its operations, services, details of subsidiaries and joint ventures, board procedures and processes and major risks and risk management strategies. The company ensures that directors are inducted through a familiarization process comprising, inter alia, their roles and responsibilities.

Newly inducted directors spend approximately a week at the time of their induction and interact with the Chairman, Managing Director & CEO, CFO and other members of the senior management. They interact with the heads of all business units and other functional heads. They are provided a walk through among some of the centres of excellence and given a detailed understanding of the business and its operations.

Directors are regularly updated on changes in policies and programmes, laws and the general business environment.

Details of the familiarization programme for Non-Executive Directors and their letter of appointment are published on the website of the company in the link: <http://www.cyient.com/investors/corporate-governance/>

Board Evaluation and Assessment

Board evaluation processes, including in relation to the chairman, individual directors and committees, constitute a powerful and valuable feedback mechanism to improve board effectiveness, maximise strengths and highlight areas for further development. In addition to greater board accountability, evaluation of board members helps in:

- More effective board processes
- Better collaboration and communication
- Greater clarity with regard to members' roles and responsibilities and
- Improved Chairman - Managing Director - Board relations

By focusing on the board as a team and on its overall performance, the company ensures that communication and overall level of participation and engagement also improves. In this background, the board undertook a formal board assessment and evaluation process during 2016-17. The board evaluation was performed after seeking inputs from all the directors and included criteria such as the board composition and structure, effectiveness of board processes, information and functioning as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January 2017.

The Leadership, Nomination & Remuneration Committee has overall stewardship for the process. The evaluation process covers the following aspects:

- Peer and self-evaluation of Directors
- Evaluation of the performance and effectiveness of the board
- Evaluation of the performance and effectiveness of Board Committees
- Feedback from the Non-Executive Directors to the Chairman, and

- Feedback on management support to the Board

The evaluation process elicited responses from the directors in a judicious manner - ranging from composition and induction of the board to effectiveness and governance. It also sought feedback on board and committee charters, strategy, risk management and quality of discussion and deliberations at the board. The Lead Independent Director provides feedback to the Executive Chairman. The same is discussed and acted upon accordingly at the board.

Board membership criteria

The Leadership, Nomination & Remuneration Committee reviews and assesses board composition on behalf of the board and recommends the appointment of new directors. The committee also oversees the conduct of the annual review of Board effectiveness.

- In reviewing board composition, the committee considers the benefits of all aspects of diversity including, differences in the skills, regional and industry experience, background, race, gender and other distinctions, in order to enable it to discharge its duties and responsibilities effectively.
- In identifying suitable candidates for appointment to the board, the committee considers candidates on merit against objective criteria and with due regard for the benefits of diversity on the board.

Board accountability

The board presents a fair, balanced and understandable assessment of the company's position and prospects. This responsibility extends to interim and other price-sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements. The board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The board also maintains sound risk management and internal control systems.

Board processes, procedures and practices

The company believes that the effectiveness of the board is reinforced by its structures and the processes and procedures it follows. It has in place robust practices and processes that contribute to the effective and efficient performance of the board. The processes facilitate and reinforce the roles, responsibilities and authorities of the board in the governance, management and control of the company. Board systems and procedures broadly comprise convening the meetings, contents of the agenda, conducting the meetings, decision making at the meetings, adequacy of minutes and working of board committees.

Decisions relating to the policy and operations of the company are arrived at meetings of the board held periodically. Meetings of the board enable discussions on matters placed before them and facilitate decision making based on collective judgment of the board. The company follows the best practices in convening and conducting meetings of the board and its committees.

These include:

Annual Calendar

The annual board calendar is drawn up 4 to 6 quarters in advance together with a well thought out action planner. All tasks are scheduled in advance so that everyone concerned can plan their work systematically. This also enables better time management of and for the board besides aiding their efficiency.

Board Charter

A board charter is prepared setting out the respective roles, responsibilities and authorities of the board, the various committees and the senior management. This helps in better management, governance and control within the board as well as within the company itself. Further, it ensures that the board decisions can be measured against the charter.

Meeting location

The meetings of the board of directors are usually held at the registered office in Hyderabad. At times, some meetings are also held at the other development centres of the company.

Frequency of meetings

A minimum of four board meetings is held each year with the time gap between any two successive meetings not exceeding four months. Meetings of the committees are also planned and scheduled to be held along with the board meetings.

Board agenda

It strikes a fine balance between the reviews of the past performance and forward looking issues. The agenda is structured such that routine and administrative matters do not consume too much board time. The agenda also shows the amount of time allocated for each item. The agenda is made available to the directors along with supporting documents sufficiently in advance of the meetings.

Briefing papers

Board materials, including the notes on agenda are summarized and formatted in such a way that the directors can readily grasp and focus on the more significant issues in the preparation for the board meetings. Relevant and complete information is presented in an orderly manner. The board papers associated with a particular agenda item are set out as an executive summary with further details annexed thereto. The papers present the issue for discussion, offer solutions on how to effectively address the issue and provide management's view on what action to take. The briefing papers are crisp and succinct and facilitate decision making.

Decision making process

The board follows a culture of openness and debate by facilitating effective contribution of all directors and ensuring constructive relations among the directors. Constructive discussions are facilitated leading to effective decision making. The chairman's role in securing good corporate governance is crucial. The chairman is responsible for leadership of the board and ensuring its effectiveness. The chairman ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues.

Directors' participation

All the directors participate, discuss and deliberate, threadbare the proposals and matters put up to it. On some occasions, where a director is not physically present, the company arranges for telecon or Webex to enable participation. On matters where a director is concerned or interested, he/she does not participate.

Besides, heads of the business units, geography and subsidiary heads, and key executives also participate in the board meetings to provide the business perspective.

On a case to case basis, external experts and consultants are also invited to make presentations to the board as required.

Board Minutes

The minutes of the meetings of the board and committees are drafted such that they strike the right balance between being a bare record of decisions and a full account of the discussions. They mention the brief background of the proposal, summarize the deliberations and the rationale for taking the decision. The minutes are drafted in unambiguous terms and comprise a fair and correct summary of the proceedings conducted thereat.

E-Initiatives

The company leverages technology and synergizes it with the green initiatives to the optimum. The company has put in place systems that provide more efficient information flow to the board and leverages technology solutions to enhance board- committee interactions. It uses the world's most widely used digital board solution.

Availability of information to the board

The board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. Under the advice and direction of the chairman, the company secretary's responsibility includes ensuring good information flows within the board as well as between senior management and non-executive directors.

The following information, inter alia, is provided to the directors of the company:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the board.
5. Minutes of the meetings of the subsidiary companies.
6. General notices of interest received from directors.
7. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary, if any.
8. Show cause, demand, prosecution notices and penalty notices which are materially important.
9. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
10. Any material default in financial obligations to and by the company, or substantial non-payment for services sold by the

company.

11. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
12. Details of any joint venture or collaboration agreement.
13. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
14. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc., if any.
15. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
16. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
17. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer.
18. Legal compliance reports and details of payment of statutory dues.

Whistle blower policy/Vigil Mechanism

The company has formulated a Whistle Blower Policy with a view to provide a mechanism for associates to approach the Ombudsperson/Chairman of the Audit Committee of the Company to, inter alia, report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or policy. Further, the policy provides necessary safeguards for protection of associates from reprisals or victimization, for whistle blowing in good faith. No personnel has been denied access to the audit committee. Ombudspersons have been nominated for the various geographies and the board oversees the implementation of the same.

Action Taken Report

The company has put in place MIS processes for the prompt dissemination of the decisions taken by the board to the various levels in the company. An action taken report on the decisions of the board at its previous meeting is systematically put up to the board at the following meeting for its information.

Secretarial Standards

The Institute of Company Secretaries of India (ICSI), a statutory body that is in the forefront of promoting corporate governance, has issued secretarial standards on various important facets of corporate functioning and management. Although the secretarial standards on board and general meetings are mandatory from 1 July 2015, the company has voluntarily adopted and complied with the standards for the last several years. Further, the company has also as a measure of good governance, voluntarily adopted and complied with the ICSI secretarial standards on dividend, registers and returns, minutes, transmission of shares, passing of resolutions by circulation, affixing of common seal and board's report.

Meetings of Independent Directors

The company facilitates/enables the conduct of separate meetings of the independent directors to update them on all business related issues and new initiatives. These meetings afford an opportunity to the independent directors for exchanging valuable views on the issues to be raised at the board meetings. During the year, the independent directors met once. At the said meeting, the independent directors:

- (a) reviewed the performance of non-independent directors and the board of directors as a whole;
- (b) reviewed the performance of the executive chairman of the company, taking into account the views of nonexecutive directors;
- (c) assessed the quality, quantity and timeliness of flow of information between the management and the board of directors that is necessary for the board to effectively and reasonably perform its duties.

Role of the Chairman

The chairman is responsible for leadership of the board and ensuring its effectiveness on all aspects of its role. The chairman lives and upholds the highest standards of integrity and probity inside and outside the boardroom, through setting clear expectations in terms of culture and values, as well as in terms of the style and tone of board discussions.

The chairman runs the board and sets the agenda - he is pivotal in creating the conditions for overall board and individual director effectiveness. The role includes:

- setting a board agenda which is primarily focused on business, strategy, accountability, competitive performance and value creation;
- ensuring that issues relevant to this objective are reserved for board consideration, including determining the nature and extent of the significant risks the board is willing to embrace in the implementation of its strategy;
- making certain that an effective decision-making process is in place in the board, and that the board's committees are properly structured with appropriate terms of reference;
- encouraging the active engagement of all board members in board and committee meetings, drawing fully on their skills, experience, knowledge and, where appropriate, independence;
- building effective relationships founded on mutual respect and open communication - both inside and outside the boardroom - between the non-executive directors and executive team, in particular with regard to the identification and oversight of significant risks;
- developing, in particular, a productive working relationship with the CEO, providing support and advice while respecting executive responsibility;
- consulting the senior independent director on board matters consistent with regulations;
- ensuring effective processes are established relating to succession planning and the composition of the board, having regard to the benefits of diversity;
- taking the lead on issues of director development and acting on the results of board evaluation;
- ensuring effective communication with shareholders and other stakeholders and ensuring that all directors are made aware of the views of major investors.

Role of Managing Director & CEO

The CEO is vested with operational responsibility for delivering the company's strategy. The CEO's relationship with the chair is the key dynamic that underpins the effectiveness of the board.

The CEO, with the support of the executive team, has primary responsibility for communicating to the people working within the business the expectations of the board in relation to the company's culture, values and behaviours, and for ensuring that the appropriate standards of governance permeate down to all levels of the organisation.

He has the most intimate knowledge of the company and its capabilities. This is evidenced when making proposals and exercising judgement, particularly on matters of strategy. The CEO appreciates that constructive challenge from non executive directors is an essential aspect of good governance and encourage the non-executive colleagues to probe proposals, especially when issues of judgement are concerned.

Role of Non Executive Directors

Non-executive directors constructively challenge and help develop proposals on strategy.

Non-executive directors make sufficient time available to discharge their responsibilities effectively. Inevitably, this involves being well-informed about the company, and having a strong command of issues relevant to the business. Non-executive directors seek constantly to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant.

The letter of appointment issued to the non-executive directors states the time the non-executive director will be required to spend on the company's business, and indicates the possibility of additional time commitment when the company is undergoing a period of particularly increased activity, such as in the case of an acquisition or takeover.

As part of the process of learning more about the business and of becoming effective boardroom contributors in the company, non-executive directors - supported by the chair and CEO - build recognition among executive directors of their contribution in order to promote mutual respect. This, in turn, allows them to support executive directors in their management of the business while monitoring their conduct.

Non-executive directors maintain confidence in the governance of the company by upholding high standards of integrity and probity, and supporting the chair and executive directors in the embedding of the appropriate culture, values and behaviours in the boardroom and beyond.

Because of the importance of the process of decision-making to the work of the board, non-executive directors insist on accurate, clear and comprehensive information being provided sufficiently in advance to enable thorough consideration of the issues prior to, and informed debate and challenge at, board meetings.

At Cyient, non-executive directors supplement their knowledge of the business with the views of shareholders and other stakeholders - either directly or as conveyed to them by the chair, CEO or, in special circumstances, the lead independent director. Such opinions and judgments are valuable in providing different perspectives of the company's progress and performance.

Role of Lead Independent director

Mr. M.M. Murugappan is the lead independent director. His role includes the following:

- providing support for the chairman in the delivery of his objectives;
- ensuring the views of the other directors are conveyed to the chairman;
- ensuring that the chairman is passing on the views of shareholders, and especially that any concerns are being conveyed to the full board;
- ensuring that the chairman is paying sufficient attention to succession planning;
- carrying out the evaluation of the chairman in conjunction with other non-executive directors

Role of Independent directors

The independent directors bring an element of objectivity to the board processes; they bring in an objective view in the board deliberations. They provide a valuable outside perspective to the deliberations of the board and contribute significantly to the decision making process. Independent directors play a pivotal role in maintaining a transparent working environment in the company.

Decision making at the board

Effective and good decision-making at the board is facilitated by:

- ensuring that directors are afforded adequate time to prepare for meetings;
- allowing time for debate and challenge, especially for complex, contentious or business-critical issues;
- achieving timely closure on decisions taken; and
- providing clarity for executives on the actions required.

Succession planning at the board

The company uses succession management and planning to ensure that it identifies and develops future leaders to face the challenges of growth effectively and successfully. For a conscious board, a succession plan that provides guidance on identifying and sourcing potential board members who can fulfill key requirements is essential. This succession plan helps appoint new directors quickly in a structured manner, and the board can continue its business without disruption, meeting any business challenges that may be encountered.

The LNR committee is entrusted with the task of succession planning for the board. This committee is responsible for:

- Developing a database of eligible board candidates on a continuous basis
- Interviewing potential candidates
- Recommending candidates to the board and
- Ensuring each new Board member receives induction and training.

Role of company secretary in overall governance process

The company secretary has a key role to play in facilitating the effective functioning of the board through the timely presentation of board information which - by being accurate, clear and comprehensive - assists high-quality decision making.

Under the direction of the chairman, the company secretary's responsibilities include ensuring good information flows within the board and its committees, between senior management and non-executive directors, as well as facilitating induction and assisting with professional development. All directors have access to the advice and services of the company secretary who is responsible to the Board for ensuring that Board procedures are complied with. In addition, the Company Secretary discharges the functions prescribed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration Policy of Directors

Levels of remuneration are determined such that they attract, retain and motivate directors of the quality required to run the company successfully. All board level compensation is approved by the shareholders and disclosed separately in the financial statements. The annual compensation of the executive directors is approved by the board within the overall limits set by the shareholders at their meetings.

The non-executive directors (NEDs) are eligible for commission not exceeding an aggregate of 1% of the net profits of the company, as per the resolution passed by the shareholders of the company through postal ballot on October 30, 2014. The commission is paid on the basis of their attendance and contribution at the Board. The board approves the commission paid to directors individually.

Criteria for making payment to Non-Executive Directors

With changes in the corporate governance norms, the role of the NEDs and the degree and quality of their engagement with the board and the company has undergone significant changes over a period of time. This is also accentuated by the Companies Act, 2013. Consistent with globally accepted governance practices, the company has ushered in flexibility in respect of payment of remuneration to NEDs. While determining the remuneration to NEDs, their attendance at the meetings of the board or committees thereof, their contributions at the meetings or otherwise, and on their position in various committees of the board, whether as that of chairman or member, are considered. The letter of appointment to the NEDs comprises other details. They are available on the company's website at <http://www.cyient.com/investors/corporate-governance/>

Details of remuneration to the Non-Executive Directors[®]:

(Amount ₹)	
Name of the Director	Commission [®]
Mr. M.M. Murugappan	1,200,000
Mr. K. Ramachandran	1,200,000
Mr. Harsh Manglik	1,200,000
Mr. Som Mittal	1,200,000
Mr. John Paterson	2,687,134
Mr. Andrea Bierce	2,687,134
Mr. Thomas W Prete*	0
Mr. Alain De Taeye*	0

*waived the amount. Payment of sitting fee was discontinued from the FY 2015-16 onwards

[®] Excluding Service Tax

The company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Executive Chairman and Managing Director & CEO as approved by the shareholders of the company at the 23rd Annual General Meeting of the company held on 17 July 2014.

Details of remuneration to the Executive Directors:					(Amount ₹)
Name of the Director	Salary	Commission	PF	Superannuation	Total
Mr. B.V.R. Mohan Reddy	18,071,832	29,347,587	2,160,000	2,700,000	52,279,419
Mr. Krishna Bodanapu	15,082,096	44,021,380	1,728,000	2,160,000	62,991,476

The above amounts do not include provisions for encashable leave, gratuity and premium paid for Group Health Insurance as separate actuarial valuation/premium paid are not available for the executive chairman and managing director & CEO.

Shareholding of the Directors in the Company as on 31 March 2017

Mr. B.V.R. Mohan Reddy, Executive Chairman holds 3,358,254 equity shares (2.99%) in the company. During the year, he transferred 11,256,634 equity shares (10.00% of the total share capital) to his family trust as a gift; Mr. Krishna Bodanapu, Managing Director & CEO, holds 18,50,760 equity shares (1.65%).

Except Mr. M.M. Murugappan who holds 30,000 equity shares (0.02%) in the company, no other non-executive director holds any shares, convertible instruments or stock options in the company as on 31 March 2017.

During the year, no stock options were granted or shares issued at a discount to the Directors.

Board committees

Board committees are pillars of corporate governance. In this background, the board has constituted various committees,

statutory as well as non-statutory, as a means of improving board effectiveness and efficiency where more focused, specialized and technically oriented discussions are required. The company believes that committees prepare the ground work for decision making and report at the subsequent board meetings. Further, committees enable better management of the board's time and allow in-depth scrutiny and focused attention. The company is of the view that committees:

- Review information in greater detail before it is placed before the board
- Manage issues with greater efficiency by having experts focusing on specific matters
- Provide an objective and independent insight into board's functioning and judgment

The board identifies the requirements of the committee to support its work and responsibilities. As such, it lays down the terms of reference/charter for each committee so created. The terms of reference comprise, a clear statement which describes the purpose of the committee, its membership composition, authority, major areas of responsibility and reporting mechanism to the board.

During the year 2016-17, the company had, *inter alia*, the following board committees:

- Audit & Risk Management Committee
- Leadership, Nomination & Remuneration Committee
- Stakeholder Engagement Committee
- Corporate Social Responsibility Committee
- Strategy and Client Engagement Committee

Audit & Risk Management Committee:

The committee is a vital cog in the wheel of good corporate governance. It has been established with the aim of enhancing confidence in the integrity of the processes, procedures and practices relating to internal controls and corporate financial reporting. The committee functions as a liaison between the board of directors and the auditors - internal and external. The committee is an efficient mechanism for focusing on issues relevant to the integrity of the company's financial reporting.

The committee has been constituted in accordance with and derives the terms of reference from the provisions of section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015

The specific charter of the committee is:

Audit:

- Recommend appointment and remuneration; evaluate performance of the auditors and effectiveness of the audit process.
- Evaluate the independence of auditors and their areas of un-resolved concerns if any.
- Review effectiveness of internal audit function, reporting structure, scope coverage and frequency of internal audit
- Examine internal audit report to focus on significant findings, follow up actions in place, internal investigations, conclusions arrived, failures or irregularities in the internal controls framework and the reports submitted to highlight the same.
- Review the statutory audit scope and plan for various locations before commencement of the audit; provide inputs and areas of focus if any.
- Summarize the findings of statutory audit report; understand process gaps, mitigation plans implemented to address the same.

Risk Management:

- Assessing and providing oversight to management with regards to the identification and evaluation, of major strategic, operational, regulatory, information and external risks inherent in the business of the Company and the control processes with respect to such risks;
- Overseeing the risk management, compliance and control activities of the company, including but not limited to the development and execution by management of strategies to mitigate risks;
- Overseeing the integrity of the company's governance framework of operational controls with respect to legal and

regulatory compliance

Financial Review:

- o Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- o Reviewing with the management, the annual and quarterly financial statements and auditor's report thereon before submission to the board for approval o Approval or any subsequent modification of transactions of the company with related parties; o Scrutiny of inter-corporate loans and investments;
- o Valuation of undertakings or assets of the company, wherever it is necessary;
- o To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders(in case of non-payment of declared dividends) and creditors;
- o To review the functioning of the Whistle Blower mechanism

Further, the committee reviews the adequacy of internal controls over financial reporting and the company level control systems. It reviews the quarterly, half-yearly and annual financial results before their submission and adoption by the board.

The committee also reviews corporate governance, processes and procedures.

The composition and details of the meetings of the Committee during the year 2016-17 are as follows:

Name of the Member	Position	Meetings held during the year	Meetings attended
Mr. M.M. Murugappan	Chairman	4	4
Mr. K. Ramachandran	Member	4	3
Mr. Som Mittal	Member	4	4

The Chairman of the Audit Committee was present at the 25th Annual General Meeting (AGM).

The Executive Chairman, Managing Director & CEO and CFO are permanent invitees to the committee. On a case to case basis, the heads of the business units, HR and other functions are also invited and attend the meetings of the committee. The company secretary acts as secretary of the committee.

Representatives of the statutory and internal auditors attend the meetings of the audit committee.

Leadership, Nomination & Remuneration (LNR) Committee:

The role of the committee, *inter alia*, includes the following:

- Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of independent directors and the board
- Devising and administering a policy on board diversity
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board their appointment and removal.
- Reviewing leadership development programmes
- Review of succession planning
- Discussing and evaluating best practices in leadership development, succession planning and executive compensation.

In addition, the committee also considers and transacts the items listed out in the SEBI (LODR) Regulations, 2015. The committee works in tandem with the board to plan for an appropriate succession of the leadership within the board and the company. The performance evaluation of the independent directors is done by the entire board of directors, excluding the director being evaluated.

The composition of the Committee and details of meetings/attendance during the year are as follows:

Name of the Member	Position	Meetings held during the year	Meetings attended
Mr. K. Ramachandran	Chairman	3	3
Mr. M.M. Murugappan	Member	3	3

Mr. John Paterson was inducted as a member of the committee at the board meeting held on 12 January 2017

Criteria for selection and appointment of independent directors

The nominations committee adopts a formal and transparent process for the appointment of new independent directors on the board. The search for the board appointees is conducted, and appointments recommended, based on merit, against objective criteria and with due regard to the diversity of the board. In particular, the committee has a responsibility to ensure that the calibre of the independent directors is such that they enhance and maintain the standards of corporate governance. The specific criteria considered, include, *inter alia*, their ability to bring an independent judgment to bear on the issues of strategy, performance, resources and standards of conduct. The directors are also expected to allocate sufficient time to the company to discharge their responsibilities effectively. The recommendations of the nominations committee are considered by the board and the appointment is made by the board as a whole.

Board Diversity

The company recognises and embraces the benefits of having a diverse board, and sees increasing diversity at board level as an essential element in maintaining a competitive advantage. The company believes that a truly diverse board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences are considered in determining the optimum composition of the board and when possible are balanced appropriately. All board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the board as a whole requires to be effective.

Stakeholder Engagement Committee:

Shareholders are the ultimate owners of the company and the board is accountable to them. The shareholders' grievance committee has been constituted to handle investor correspondence/grievances. The primary function of the committee is to assist the board in handling shareholders' grievances and their immediate redressal. As per its charter, derived from section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, this committee is formed to specifically look into the redressal of shareholder and investor complaints such as transfer of shares, issue of duplicate share certificates, non-receipt of balance sheet and non-receipt of declared dividend. The committee also oversees the work of the R&T agents.

The composition of this Committee is as follows:

Name of the Member	Position
Mr. K. Ramachandran	Chairman
Mr. B.V.R. Mohan Reddy	Member
Mr. Krishna Bodanapu	Member

The Chairman of this committee is an independent director.

During the year, the committee met twice.

Mr. Sudheendhra Putty is the designated compliance officer under the SEBI regulations. Mr. N. Ravi Kumar is the compliance officer in respect of other matters.

Details of Shareholder Complaints received during the year 2016-17

Sl. No.	Particulars	Received	Disposed
1	Non Receipt of Dividend Warrants	32	32
2	Non Receipt of Annual Reports	04	04
3	Non Receipt of Securities	22	22
TOTAL		58	58

All the complaints were resolved to the satisfaction of shareholders and there are no share transfers which were pending at the end of the financial year.

Corporate Social Responsibility (CSR) Committee:

The Company has set up a CSR committee to *inter alia*

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified by law

- (b) recommend the amount of expenditure to be incurred on the activities specified and
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

The composition of the committee during the year 2016-17 is as follows:

Name of the Member	Position
Mr. K. Ramachandran	Chairman
Mr. B.V.R. Mohan Reddy	Member
Mr. Krishna Bodanapu	Member

Strategy and Client Engagement Committee:

Consequent to implementing the new organization structure, the board decided to combine the individual Strategy and Client Engagement committees into the Strategy and Client Engagement Committee. Ms. Andrea Bierce, Independent Director, joined the reconstituted committee and was nominated as the Chairperson.

During the year, the committee continued to monitor the effectiveness of strategy execution based on key success factors and the company's long-range financial plan. It also provided useful guidance around the macroeconomic environment, geopolitical developments and market disruptions to help the organization reassess strategy planning and execution. The committee assessed the company's acquisition and venture investment targets and provided important feedback around their business and financial evaluation.

The committee reviewed the effectiveness of strategy execution at Cyient's Key Accounts based on key performance indicators like client satisfaction (CSAT), associate satisfaction (ASAT), revenue growth, profitability and portfolio mix changes. It specifically reviewed the process and results from the CSAT survey to ensure key insights were translated into an improvement program. The committee also shared insights on how the organization could ensure that clients understand and benefit from Cyient's brand promise of 'Designing Tomorrow Together'

The composition of the Strategy & Client Engagement Committee as of 31 March 2017 is as follows:

Name of the Member	Position
Mr. Som Mittal	Chairman
Mr. Harsh Manglik	Member
Mr. Alain De Taeye	Member
Mr. John Paterson	Member

During the year, the committee met four times.

As part of the annual strategy planning process, the company organizes a strategy retreat with the board of directors in October to deliberate on various topics related to strategic initiatives, their progress, risks to strategy execution and the need for new strategic programmes required to achieve the company's long term objectives. Cross functional teams develop each strategic theme, and each team is mentored by one or more board members. This serves the dual purpose of providing a platform for board members to bring their expertise to the senior leadership, while also providing an opportunity for them to understand detailed aspects of execution and challenges related to them.

Diversity and Inclusion Committee:

During the year, the board set up a Diversity and Inclusion committee with the following focus areas:

- Link organizational D&I strategy to business strategy & emphasize importance of diversity to the strategy
- Develop initiatives to create awareness of diversity and inclusion benefits
- Create initiatives to integrate diversity and inclusion principles throughout Cyient's vision and daily business practices
- Develop metrics to measure progress
- Communicate progress and efforts
- Suggest policy changes to Operations Council when needed

General Meetings

The board uses the annual general meeting as a means to communicate with the investors and to encourage their participation.

Annual General Meeting	Venue	Time, Day & Date	No. of special resolutions passed
25th AGM	L&D Centre (company's Campus), Plot No. 2, IT Park, Nanakramguda, Manikonda, Hyderabad - 500 032	3.00 p.m. on Monday August 29, 2016	Nil
24th AGM	---- do ---	2:30 p.m. on Thursday, July 16, 2015	3
23rd AGM	---- do ---	2:30 p.m. on Thursday, July 17, 2014	3

Extra-ordinary General Meeting

No Extra-Ordinary General Meeting of the shareholders was held during the year.

Postal Ballot:

During the year, the company approached the shareholders of the company through postal ballots, in November, 2016. The special resolution was passed on 12 December 2016. A snapshot of the Voting results is given below:

a) Resolution for issue of RSUs for the associates of the company:

Number of total postal ballot forms/ e-votes received	166
Number of votes in favour of the Resolution	50,852,925
Number of votes against the Resolution	16,146,455
Number of invalid/neutral votes	45

b) Resolution for issue of RSUs to the associates of the subsidiaries of the company:

Number of total postal ballot forms/ e-votes received	166
Number of votes in favour of the Resolution	50,852,900
Number of votes against the Resolution	16,146,480
Number of invalid/neutral votes	45

Procedure for postal ballot:

Company conducts a postal ballot, where required, in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and applicable regulations.

Investor Relations

The company recognizes the investor community as a key stakeholder of the business, and aims to build its investor relations on pillars of trust and transparency. To ensure informed decisions by investors, the company provides comprehensive information in the form of annual reports, quarterly earnings reports, investor releases and investor presentations made to institutional investors & analysts. Additionally, regular conference calls, management interviews, face to face investor meetings and annual general meetings ensure a direct interaction with the management team. The company also publishes its quarterly, half-yearly and annual results in leading newspapers in India. The results are also displayed on the Company's website "www.cyient.com". The company has been taking continuous initiatives to meet investor expectations, and has rolled out several initiatives in pursuit of an effective two-way communication channel with investors. These initiatives include "Investor Satisfaction Survey", "Annual Investors' Day", focus on investor return metrics, improved disclosures, and increased frequency of management interactions with investors.

Scores

The Securities Exchange Board of India has initiated a platform for redressing the investor grievances through SCORES, a web based complaints redressal system. The system processes complaints in a centralized web based mechanism. The company is in compliance with this system.

Handbook

The company has in place shareholder handbook and the same is available on the company's website. This is a comprehensive document and a one-stop-shop for all queries of the shareholders.

The Company obtains a Certificate of Compliance from Mr. S. Chidambaram, Company Secretary in Practice, at half-yearly intervals, certifying that the share transfer requests complete in all respects have been processed and share certificates with transfer endorsements have been issued by the company within the stipulated time periods. This certificate is also filed with both Stock Exchanges where the company's shares are listed.

In order to facilitate speedier redressal of investors' grievances, the company has an exclusive email ID Company.Secretary@cyient.com. Shareholders may lodge their queries addressed to this email ID which would be attended to on priority.

Company's philosophy on Disclosure and transparency

The company is committed to make disclosures and abide by the obligations under the applicable laws. The company's commitment to good corporate governance is bulwarked on the Values FIRST philosophy and as such, adheres in letter and spirit to various codes and guidelines:

- (a) Information is prepared and disclosed in accordance with applicable standards of accounting and financial disclosure.
- (b) The company implements the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and ensures that the annual audit is conducted by an independent, competent and qualified auditor - Deloitte Haskins & Sells.
- (c) The company ensures that disseminations made are adequate, accurate, explicit, timely and presented in a simple language. It refrains from making and avoids misrepresentation and ensures that the information provided to the bourses and investors is not misleading.
- (d) The company provides adequate and timely information to stock exchange(s) and investors.
- (f) The Channels for disseminating information by the company provide for equal, timely and cost efficient access to relevant information by investors at large.
- (g) The company abides by all the provisions of the applicable laws including the securities laws and also such other guidelines as may be issued from time to time by any regulatory authority and the stock exchange(s) in this regard and as may be applicable.
- (h) The company makes the specified disclosures and follows its obligations in letter and spirit taking into consideration the interest of all stakeholders.
- (i) Filings, reports, statements, documents and information which are event based or are filed periodically contain all the relevant information.
- (j) Periodic filings, reports, statements, documents and information reports contain information that enable investors to track the performance of the company over regular intervals of time and provide sufficient information to enable investors to assess the current status of the company

Disclosures

- a) The Managing Director & CEO and Chief Financial Officer have given a Certificate to the Board as contemplated in SEBI (LODR) Regulations, 2015. This is published elsewhere in the Annual Report.
- b) There are no materially significant related party transactions please refer note No. 34 of the consolidated financial statements, forming part of this Annual Report
- c) There were no pecuniary transactions with any of the Non-Executive Directors, except payment of commission.
- d) A compliance report of all applicable laws and regulations duly signed by the Executive Chairman, Chief Financial Officer and the Company Secretary is placed at periodic intervals for review by the Board. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

The Board considers materially important show cause/demand notices received from statutory authorities and the steps/action taken by the company in this regard. A status report of material legal cases and disputed liabilities pending before the various courts/judicial forums is also put up to the board on a quarterly basis.
- e) The board of directors has laid-down a 'Code of Conduct' (Code) for all the board members and senior management personnel of the company and this Code is posted on the website of the Company. Annual declaration is obtained from every associate covered by the Code. The declaration of the Managing Director & CEO, as required under SEBI (LODR) Regulations, 2015, is published elsewhere in the Annual Report.
- f) The board regularly discusses the significant business risks identified by the management and the mitigation process being taken up. A detailed note on the risk identification and mitigation is included in the Risk Management Report and Management Discussion and Analysis annexed to the Directors' Report.
- g) No penalties or strictures were imposed on the company by the Stock Exchanges, SEBI or other statutory authorities on any matter related to capital markets during the last three years.

- h) The company is compliant with the provisions of applicable laws and the SEBI (LODR) Regulations, 2015.
- i) The senior management have affirmed to the board of directors that there is no material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the company.
- j) Mr. Krishna Bodanapu is the son of Mr. B.V.R. Mohan Reddy. There are no inter-se relationships between and among any other directors.
- k) It is confirmed that Regulations 17 to 27 clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 have been complied with by the company.

Means of Communication

- a) The company has a "Corporate Disclosure Policy" and a "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" each with an objective of ensuring timely and adequate disclosure of information. This policy deals with prompt disclosure of price sensitive information, parameters for overseeing and coordinating disclosure, responding to market rumours, timely reporting of changes in shareholding and details of medium of disclosure and dissemination.
- b) Statutory advertisements and financial results of the company (Quarterly, Half-yearly and Annual) are normally published in 'Business Standard', or 'Financial Express' newspapers in English and 'Andhra Prabha'/'Nava Telangana' regional language dailies (Telugu).
- c) A quarterly investor update is sent to all the shareholders in the electronic mode. This update provides a qualitative insight into the company's performance, the financial and business highlights, a message from the management and various other operational metrics.
- d) Apart from the financial results, all press releases of the Company and presentations made to the institutional investors and analysts, if any, are placed on the Company's website - <http://www.cyient.com/investors/financial-information/> and <http://www.cyient.com/newsroom/press/>
- e) The company also releases all price sensitive information simultaneously to NSE (NEAPS)/BSE and the media.
- f) The website of the company gives comprehensive information about the management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on 'Investor Relations' serves to inform the shareholders, by giving complete financial results, press releases, shareholding pattern, information relating to R&T agents and frequently asked questions for the shareholders.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, are discussed in the said report. The said report also contains a section on risk management.

Compliance of Insider Trading Norms

The Company has adopted the code of internal procedures and conduct for listed companies notified by the SEBI prohibiting insider trading.

General Shareholder Information

- a) AGM - Date, Time and Venue : Thursday, 13 July 2017 at 3.00 p.m.
L & D Centre, Plot No.2, IT Park,
Manikonda, Hyderabad 500032, Telangana
- b) Financial Year : 1 April 2016 to 31 March 2017
- c) Date of Book Closure : 10 July 2017 to 13 July 2017 (both days inclusive)
- d) Dividend Payment Date : 21 July 2017
- e) Listing on Stock Exchanges : BSE Ltd., P.J. Towers, Dalal Street, Fort, Mumbai-400 001
National Stock Exchange of India Ltd., Exchange Plaza,
Bandra-kurla Complex, Bandra (East), Mumbai-400 051

The company has paid the annual listing fees to each of the stock exchanges.
- f) Stock Code : BSE : 532175
NSE : CYIENT/EQ
CIN : L72200TG1991PLC013134
ISIN : INE136B01020

- g) Market price data: High/Low during each month in the financial year 2016-17 and performance in comparison to IT indices such as BSE Sensex and Nifty is as follows:

Month & Year	NSE				BSE			
	High	Low	High	Low	High	Low	High	Low
Apr-16	517.50	429.90	7992.00	7516.85	517.00	429.95	26100.54	24523.20
May-16	490.00	454.75	8213.60	7678.35	488.00	454.95	26837.20	25057.93
Jun-16	509.00	464.10	8308.15	7927.05	505.00	465.00	27105.41	25911.33
Jul-16	517.40	468.35	8674.70	8287.55	518.00	469.05	28240.20	27034.14
Aug-16	538.80	490.15	8819.20	8518.15	538.90	481.15	28532.25	27627.97
Sep-16	499.05	454.85	8968.70	8555.20	500.60	455.00	29077.28	27716.78
Oct-16	554.00	463.00	8806.95	8506.15	555.00	464.80	28477.65	27488.30
Nov-16	512.30	405.00	8669.60	7916.40	511.00	416.05	28029.80	25717.93
Dec-16	517.35	470.00	8274.95	7893.80	517.05	468.00	26803.76	25753.74
Jan-17	542.95	459.00	8672.70	8133.80	544.00	458.85	27980.39	26447.06
Feb-17	499.00	440.20	8982.15	8537.50	497.90	442.00	29065.31	27590.10
Mar-17	488.00	460.50	9218.40	8860.10	489.85	435.05	29824.62	28716.21

- h) Registrar and Transfer Agent : Karvy Computershare Private Limited
Unit: Cyient Limited
Plot No. Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda, Hyderabad
Tel : +91 40 6716 1562
Email : mohsin.mohd@karvy.com; einward.ris@karvy.com
Website : www.karvycomputershare.com

- i) Share Transfer System

Shares lodged for physical transfer are registered within a period of 8 days as against service standard of 15 days, if the documents are clear and complete in all respects. The shares duly transferred are dispatched to the shareholders concerned within a week from the date of approval of transfers by the Share Transfer Committee. For this purpose, the Share Transfer Committee meets as often as required. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. As the Company's shares are currently traded in dematerialized form, the transfers are processed and approved in the electronic form by NSDL / CDSL through their depository participants.

Karvy Computershare Private Limited is the Common R&T Agent for both physical and dematerialised mode.

- j) Distribution of Shareholding:

The Distribution of shareholding of the Company as on March 31, 2017 is as follows:

Sl. No.	Category	Cases	% of Cases	Amount	% Amount
1	upto 5000	18,742	93.30	10,656,075.00	1.89
2	5001-10000	593	2.95	4,106,010.00	0.73
3	10001-20000	365	1.82	5,288,470.00	0.94
4	20001-30000	90	0.45	2,248,555.00	0.40
5	30001-40000	46	0.23	1,616,185.00	0.29
6	40001-50000	38	0.19	1,740,880.00	0.31
7	50001-100000	62	0.31	4,590,800.00	0.82
8	100001 & ABOVE	151	0.75	532,584,725.00	94.63
TOTAL		20,087	100.00	562,831,700.00	100.00

Shareholding Pattern:

Sl. No.	Description	Cases	Shares	% Equity
1	Banks	3	17,164	0.02
2	Clearing Members	45	1,52,544	0.14
3	Employees	193	4,85,961	0.43
4	Foreign Collaborators	2	1,67,92,960	14.92
5	Foreign Institutional Investors	14	1,12,23,085	9.97
6	Foreign Nationals	26	3,36,093	0.30
7	Foreign Portfolio Investors	99	3,61,29,195	32.10
8	H U F	356	8,0,085	0.07
9	Bodies Corporates	336	52,46,061	4.66
10	Mutual Funds	34	81,59,406	7.25
11	NBFCs	1	110	0.00
12	Non Resident Indians	757	31,53,147	2.80
13	Company Promoters	11	2,49,69,848	22.18
14	Resident Individuals	18,203	56,57,961	5.03
15	Trusts	7	1,62,720	0.14
TOTAL		20,087	11,25,66,340	100

Shareholders holding more than 1% of shares:

Name of the Shareholder	No. of equity shares	% of shareholding
Carrier International Mauritius Ltd	15,292,960	13.59
Vineyard Point Software Private Limited	1,12,56,634	10.00
First Carlyle Ventures Mauritius	11,09,94,416	9.86
Infocad Enterprises Private Limited	56,28,317	5.00
Deutsche Securities Mauritius Limited	54,55,977	4.85
ICICI Prudential Life Insurance Company Limited	48,07,155	4.27
Lavender Investments Limited	47,32,101	4.20
Amansa Holdings Private Limited	41,55,404	3.69
First State Investments Icvc- Stewart Investors Asia Pacific Fund	38,48,615	3.42
B.V.R. Mohan Reddy	33,58,254	2.98
Seafarer Overseas Growth And Income Fund	30,00,000	2.67
T. Rowe Price International Discovery Fund	27,00,773	2.40
Krishna Bodanapu	1,85,07,60	1.64
Bodanapu Sri Vaishnavi	1,79,04,00	1.59
First State Investments Icvc- Stewart Investors InDian Subcontinent Fund	15,19,311	1.35
Tele Atlas Data 'S Hertogenbosch B V	15,00,000	1.33
The State Teachers Retirement System Of Ohio	14,97,697	1.33
SBI Magnum Taxgain Scheme	1,49,07,61	1.32
First State Investments ICVC- Stewart Investors As la Pacific Sustainability Fund	12,55,008	1.11

k) Reconciliation of Share Capital

Mr. S. Chidambaram, Company Secretary in Practice carried out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued/paid up capital and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. This reconciliation is done on a quarterly basis and reported to the board of directors and also to the Stock Exchanges.

k) Dematerialization of shares and liquidity

As per SEBI guidelines on investor protection, the Company's shares are to be traded only in dematerialized mode. Accordingly, the company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity for scripless trading. As at the end of March 31, 2017, 99.15% of the outstanding equity shares of the company are in electronic form.

l) Outstanding GDRs/ADRs/Warrants or any other convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants/convertible debentures during the year 2016-17 and there are no outstanding convertible instruments which will impact the equity.

m) Development Facilities

The Company has Software Development facilities, the particulars of which are as follows:

Development Facilities	Location
Hyderabad	- Plot No.8, 9, 10 & 11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081 - Plot No.2, IT Park, Nanakramguda, Manikonda, Hyderabad-500 032. - Plot No. 6, Survey No. 1, IDA Uppal, Hyderabad - 500 039
Bangalore	- Plot No.110 A & 110B, Phase - I, Electronics City, Adjacent to E.City, Fire Station, Hosur Main Road, Bangalore-560 100 - Pritech Park SEZ, First Floor, Wing- B, Block - 9, Sarjapur Marthahalli Ring Road, Bellandur, Bangalore- 560103
Visakhapatnam	Survey No. 410, Plot No. 14, SEZ Units, Hill No. 3, Rushikonda, Madhuravada (V), Visakhapatnam-530 007
Kakinada	D. No. 13-1-61/64, 4th 5th & 6th Floors, Katyayani Hi-tech Complex, Main Road, Opp.: Apollo Hospitals, Kakinada - 533 001; Plot Nos. 1,2,3,4 & 5A, APIIC SEZ, Sarpavaram, Kakinada - 533 001
Noida	- Plot No. 11, Block "B", Sector 63, NOIDA - 201 301 - Plot No. 7, NSEZ, Phase II, NOIDA - 201 305
Warrangal	Survey Nos.1596, 1703/1 of Madikonda Village, Kazipet Mandal, Warangal District, Telangana - 506003
Pune	No. 602, 6th floor, Zero One IT Park, S.No.79/1, Ghorpadi, Mundhwa Road, Pingle Wasti, Pune - 411036

*Complete list of development centres, subsidiaries and other offices is available elsewhere in the Annual Report/ Company's website.

n) Address for correspondence and contact persons for investors' queries

Investors' correspondence may be addressed to Mr. N. Ravi Kumar, Dy. Company Secretary and any queries relating to the financial statements of the Company may be addressed to Mr. Piyush Parekh, Manager, Investor Relations at the Registered Office of the Company at 4th Floor, 'A' Wing, Plot No.11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081 Tel:+91-40-67641537/6764 1696, E-mail : Company.Secretary@cyient.com / Piyush Parekh@cyient.com.

- o) Policies of the company with regard to Material subsidiaries and related party transactions are available at <http://www.cyient.com/investors/corporate-governance/>
- p) Equity shares in the suspense account:

In accordance with the requirement of Schedule V of the SEBI (LODR) Regulations, 2015 the Company reports the following details in respect of equity shares lying in the suspense account:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account as on 1 April 2016	114	76,040
Shareholders who approached the Company for transfer of shares from suspense account during the year	3	2325
Shareholders to whom shares were transferred from the suspense account during the year	3	2325
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March 2017	111	73715

The voting rights on the shares outstanding in the suspense account as on 31 March 2017 shall remain frozen till the rightful owner of such shares claims the shares.

Details of dividend declaration dates and due dates of transfer to Investor Education and Protection Fund (IEPF):

Financial Year	Rate of Dividend	Date of Declaration of Dividend	Due date to claim the dividend
2009-2010	40%	July 14, 2010	August 20, 2017
2010-2011	25%	July 20, 2011	August 26, 2018
2011-12 (Interim)	25%	October 27, 2011	December 3, 2018
2011-12 (Final)	25%	July 18, 2012	August 24, 2019
2012-13 (Interim)	40%	November 7, 2012	December 13, 2019
2012-13 (Final)	50%	July 18, 2013	August 24, 2020
2013-14 (Interim)	40%	October 17, 2013	November 23, 2020
2013-14 (Final)	60%	July 17, 2014	August 23, 2021
2014-15 (Interim)	60%	September 29, 2014	October 28, 2021
2014-15 (Final)	100%	July 16, 2015	August 22, 2022
2015-16 (1st interim)	60%	October 15, 2015	November 21, 2022
2015-16 (2nd interim)	80%	March 17, 2016	April 23, 2023
2016-17 (Special Dividend)	50%	August 29, 2016	October 5, 2023
2016-2017 (Interim Dividend)	60%	October 13, 2016	November 19, 2023

For the financial year 2009-10, company has transferred the unclaimed dividend to the IEPF and filed the relevant forms with the Registrar of Companies, Telangana.

The company sends reminders to the shareholders concerned to claim the unclaimed and unpaid dividends before they are transferred to the IEPF.

Compliance Report on Discretionary Requirements under Regulation 27(1) of SEBI (LODR) Regulations, 2015

Status of implementation of non-mandatory requirements is as follows:

Sl. No.	Requirement	Status of implementation
1	A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.	Not applicable as the company has an executive chairman
2	A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	The company sends a quarterly investor update to the shareholders comprising key financial, business and operations update. This is sent in the electronic mode
3	The listed entity may move towards a regime of financial statements with unmodified audit opinion.	The company has constantly endeavoured towards this and until now the company's audit reports are all 'clean reports/ unmodified opinions'
4	The listed entity may appoint separate persons to the post of chairperson and managing director or chief executive officer.	The offices of Executive Chairman and Managing Director & CEO are different
5	The internal auditor may report directly to the audit committee.	The Internal auditor directly makes a presentation to the Audit Committee and the internal auditor has the direct access to the Audit Committee

**INDEPENDENT AUDITOR'S REPORT
ON ABRIDGED Ind AS FINANCIAL STATEMENTS**

**TO THE MEMBERS OF
CYIENT LIMITED**

(i) We have examined the abridged Balance Sheet of CYIENT LIMITED ('the Company') as at March 31, 2017, the abridged Statement of Profit and Loss including Other Comprehensive Income, the abridged Cash Flow Statement and the abridged Statement of Changes in Equity for the year then ended, together with the notes thereon. These abridged Ind AS financial statements are the responsibility of the Company's Management.

(ii) These abridged Ind AS financial statements have been prepared by the Company in accordance with pursuant to Rule 10 of the Companies (Accounts) Rules, 2014 and are based on the audited Standalone Ind AS financial statements of the Company for the year ended March 31, 2017

prepared in accordance with the provisions of sub-section (1) of Section 136 of the Companies Act, 2013 and covered by our report dated April 20, 2017 to the members of the Company, which report is attached hereto.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm's Registration No.008072S)

(Ganesh Balakrishnan)
Partner
(Membership No. 201193)

SECUNDERABAD,
April 20, 2017

INDEPENDENT AUDITOR'S REPORT

To The Members of Cyient Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of CYIENT LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as

a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which

there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Secunderabad,
April 20, 2017

Ganesh Balakrishnan
Partner
(Membership No. 201193)

Report on Internal Financial Controls Over Financial Reporting

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Cyient Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by

the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Secunderabad,
April 20, 2017

Ganesh Balakrishnan
Partner
(Membership No. 201193)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, the Company is in the process of reconciliation and discrepancies, if any, noted would be dealt with in the year in which such reconciliation is completed.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the freehold land	Gross Block as at March 31, 2017	Net Block as at March 31, 2017	Remarks
Freehold land located at Nanakramguda Village, admeasuring 10 acres.	3,947,700	3,947,700	Pending completion of legal formalities relating to conveyance.

In respect of buildings constructed on leasehold land and disclosed as fixed asset in the financial statements, the lease agreement of such leasehold land is in the name of the Company, where the Company is the lessee in the agreement.

- ii. The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- iii. According to the information and explanations given to us, the Company has granted loans, unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2017 and therefore, reporting under clause (v) of the CARO 2016 is not applicable.
- vi. Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. Excise duty is not applicable to the Company.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable. Excise duty is not applicable to the Company.
- (c) Details of dues of Sales Tax, Service Tax, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Stat-ute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Un-paid (₹)
Central Sales Tax Act, 1956	Sales Tax (including penalty)	Sales Tax Appellate Tribunal	2004-05 to 2009-10 & 2012-13	7,656,660
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax (including penalty)	Sales Tax Appellate Tribunal	2005-06 to 2009-10	1,964,650
Finance Act, 1994	Service Tax (including penalty)	Central Excise and Service Tax Appellate Tribunal	2006-07 to 2010-11 & 2013-14 to 2015-16	110,018,570

There are no dues of Income-tax, Customs Duty, as on March 31, 2017 on account of disputes. Excise duty is not applicable to the Company.

- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

Secunderabad,
April 20, 2017

Ganesh Balakrishnan
Partner
(Membership No. 201193)

Abridged Balance Sheet as at March 31, 2017

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS			
Non-current assets			
Property, plant and equipment	2,313	2,475	2,535
Capital work-in-progress	92	6	24
Intangible assets	243	241	438
Intangible assets under development	71	—	—
Financial assets			
(a) Investments	4,605	4,587	4,460
(b) Loans	106	63	26
(c) Other financial assets	270	228	171
Deferred tax assets (net)	26	44	—
Income tax assets (net)	392	457	304
Other non-current assets	836	809	710
Total non-current assets	8,954	8,910	8,668
Current assets			
Financial Assets			
(a) Investments	925	790	335
(b) Trade receivables	2,950	2,802	2,984
(c) Cash and cash equivalents	6,516	4,916	4,396
(d) Other bank balances	23	40	29
(e) Loans	153	154	5
(f) Other financial assets	1,611	1,155	1,600
Other current assets	501	450	376
Total current assets	12,679	10,307	9,725
Total assets	21,633	19,217	18,393
EQUITY AND LIABILITIES			
Equity			
Equity share capital	563	562	562
Other equity	18,259	16,213	15,746
Total equity	18,822	16,775	16,308
LIABILITIES			
Non-current liabilities			
Provisions	642	555	484
Deferred tax liabilities (net)	—	—	147
Total non-current liabilities	642	555	631
Current liabilities			
Financial Liabilities			
(a) Trade payables	1,321	1,190	850
(b) Other financial liabilities	67	74	42
Income tax liabilities (net)	45	38	38
Provisions	74	69	64
Other current liabilities	662	516	460
Total current liabilities	2,169	1,887	1,454
Total liabilities	2,811	2,442	2,085
Total equity and liabilities	21,633	19,217	18,393

Corporate information and significant accounting policies

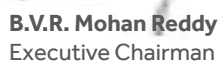
Accompanying notes form an integral part of the abridged financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants


Ganesh Balakrishnan
Partner

For and on behalf of the Board of Directors


B.V.R. Mohan Reddy
Executive Chairman
(DIN – 00058215)


Ajay Aggarwal
Chief Financial Officer


Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)


Sudheendhra Putty
Company Secretary
M.No. F5689

Place : Secunderabad
Date : April 20, 2017

Place : Hyderabad
Date : April 20, 2017

Abridged Statement of Profit and Loss for the year ended March 31, 2017

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

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Revenue from operations	12,920	12,456
Other income	816	1,135
Total income	13,736	13,591
EXPENSES		
Employee benefits expense	6,520	6,297
Finance costs	6	3
Depreciation and amortisation expense	540	684
Other expenses	3,599	3,657
Total expenses	10,665	10,641
Profit before exceptional item and tax	3,071	2,950
Exceptional item	201	72
Profit before tax	2,870	2,878
Tax expense		
Current tax	601	615
Deferred tax	(100)	(72)
Profit for the year	2,369	2,335
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of the net defined benefit liability	(26)	(7)
Income tax relating to items that will not be reclassified to profit or loss	6	2
Items that will be reclassified subsequently to profit or loss		
Effective portion of gains / (loss) on designated portion of hedging instruments in a cash flow hedge	362	(324)
Income tax on items that may be reclassified to profit or loss	(125)	112
Total other comprehensive income	217	(217)
Total comprehensive income for the year	2,586	2,118
Earnings per equity share		
(Equity shares, par value of ₹ 5 each)		
Basic (₹)	21.05	20.77
Diluted (₹)	21.03	20.73
Corporate information and significant accounting policies		
Accompanying notes form an integral part of the abridged financial statements		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Executive Chairman
(DIN – 00058215)

Ajay Aggarwal
Chief Financial Officer

Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)

Sudheendhra Putty
Company Secretary
M.No. F5689

Place : Secunderabad
Date : April 20, 2017

Place : Hyderabad
Date : April 20, 2017

Abridged Statement of changes in equity for the year ended March 31, 2017

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

a. Equity share capital

Particulars	Amount
Balance as at April 01, 2015	562
Issue of equity shares under Company's associate stock option plan	—
Balance as at March 31, 2016	562
Issue of equity shares under Company's associate stock option plan	1
Balance as at March 31, 2017	563

b. Other equity

Particulars	Share application money pending allotment	Reserves and Surplus				Items of other comprehensive income	Total other equity
		Securities premium reserve	General re-serve	Stock options reserve	Retained earnings	Cash flow hedge re-serve	
Balance as at April 01, 2015	—	3,810	5,292	8	6,335	301	15,746
Issue of shares under the Company's associate stock option plan	—	21	—	—	—	—	21
Stock option expense for the year	—	—	—	11	—	—	11
Effective portion of loss on designated portion of hedging instruments (net of tax ₹ 112)	—	—	—	—	—	(212)	(212)
Share application money received	1	—	—	—	—	—	1
Infotech Geospatial (India) Private Limited amalgamation adjustment	—	—	(3)	—	(57)	—	(60)
Impact on reinstatement loan given to Cyient japan KK	—	—	—	—	—	—	—
Remeasurement of net defined benefit liability (net of tax ₹ 2)	—	—	—	—	(5)	—	(5)
Dividend declared (including corporate dividend tax)	—	—	—	—	(1,624)	—	(1,624)
Profit for the year	—	—	—	—	2,335	—	2,335

b. Other equity

Particulars	Share appli- cation money pending allotment	Reserves and Surplus				Items of other com- prehensive income	Total other equity
		Securities premium reserve	General re- serve	Stock options reserve	Retained earnings	Cash flow hedge re- serve	
Balance as at March 31, 2016	1	3,831	5,289	19	6,984	89	16,213
Issue of shares under the Company's associ- ate stock option plan	(1)	19	—	—	—	—	18
Share based payments to employees	—	—	—	187	—	—	187
Effective portion of gain on designated portion of hedging instruments (net of tax ₹ 125)	—	—	—	—	—	237	237
Remeasurement of net defined benefit liability (net of tax ₹ 6)	—	—	—	—	(20)	—	(20)
Dividend declared (including corporate divi- dend tax)	—	—	—	—	(745)	—	(745)
Profit for the year	—	—	—	—	2,369	—	2,369
Balance as at March 31, 2017	—	3,850	5,289	206	8,588	326	18,259

Accompanying notes form an integral part of the abridged financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Executive Chairman
(DIN – 00058215)

Ajay Aggarwal
Chief Financial Officer

Place : Secunderabad
Date : April 20, 2017

Place : Hyderabad
Date : April 20, 2017

Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)

Sudheendhra Putty
Company Secretary
M.No. F5689

Abridged Cash Flow for the year ended March 31, 2017

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net cash flow from operating activities	2,357	2,577
Net cash (used in) investing activities	(297)	(762)
Net cash flow (used in) financing activities	(737)	(1,599)
Net increase in Cash and cash equivalents	1,323	216
Cash and cash equivalents at the beginning of the year	4,916	4,396
Effect of exchange differences on translation of foreign currency cash and cash equivalents	277	304
Cash and cash equivalents at the end of the year (Refer Note (i) below)	6,516	4,916
Notes:		
(i) Cash and cash equivalents comprises of:		
Balances with Banks		
in current accounts	476	833
in deposit accounts	4,535	4,039
Deposits with financial institutions	1,495	—
Remittances in transit	10	44
Total	6,516	4,916

Accompanying notes form an integral part of the abridged financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants


Ganesh Balakrishnan
Partner

Place : Secunderabad
Date : April 20, 2017

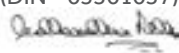
For and on behalf of the Board of Directors


B.V.R. Mohan Reddy
Executive Chairman
(DIN – 00058215)


Ajay Aggarwal
Chief Financial Officer

Place : Hyderabad
Date : April 20, 2017


Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)


Sudheendhra Putty
Company Secretary
M.No. F5689

Notes to the financial statements

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

1. Corporate Information

(Refer to Note 1A of the standalone financial statements)

Cyient Limited ('Cyient' or 'the Company') is engaged in providing global technology services and solutions specialising in geospatial, engineering design and IT solutions. The Company has its headquarters and development facilities in India and serves a global customer base through its subsidiaries in the United States of America (USA), United Kingdom (UK), Germany, Japan, Australia, Singapore and India. Cyient's range of services include digitisation of drawings and maps, photogrammetry, computer aided design/engineering (CAD/CAE), design and modelling, repair development engineering, reverse engineering application software development, software products development, consulting, analytics and implementation. Cyient specialises in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets.

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

2. Related Party Transactions

(Refer to Note 23 of the standalone financial statements)

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

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	Extent of holding (%) as at	Extent of holding (%) as at
		March 31, 2017	March 31, 2016	April 1, 2015
Cyient Europe Limited	UK	100%	100%	100%
Cyient Inc. (refer note (iii) below)	USA	100%	100%	100%
Cyient GmbH	Germany	100%	100%	100%
Infotech Geospatial (India) Private Limited	India	—	—	100%
Cyient KK	Japan	100%	100%	100%
Infotech Enterprises Information Technology Services Private Limited, (IEITS)	India	—	—	100%
Cyient Insights Private Limited	India	51%	51%	51%
Cyient Australia Pty Limited	Australia	100%	100%	100%
Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	India	74%	74%	74%
Cyient Singapore Private Limited	Singapore	100%	100%	—
Cyient Engineering (Beijing) Limited (refer note (i) below)	China	100%	100%	—
Cyient Israel India Limited (refer note (ii) below)	Israel	100%	—	—

Notes:

- On March 25, 2016, the Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China. There is no investment in the subsidiary till March 31, 2017 and the subsidiary is yet to commence commercial operations.
- On July 18, 2016, the Company incorporated a wholly owned subsidiary, Cyient Israel India Limited, in Israel. There is no investment in the subsidiary till March 31, 2017 and the subsidiary is yet to commence commercial operations.
- Cyient Inc., merged with itself Softential Inc., w.e.f. April 01, 2015.

Name of the Joint Venture Company	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Infotech HAL Limited	India	50%	50%	50%

Name of the Associate	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Infotech Aerospace Services Inc.,	USA	49%	49%	49%

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

Subsidiary of Cyient Inc.:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Cyient Canada Inc.	Canada	100%	100%	100%
Cyient Defense Services Inc. *	USA	100%	—	—
Certon Software Inc. **	USA	100%	—	—
Certon Instruments Inc. **	USA	100%	—	—

* The Company's wholly-owned subsidiary, Cyient Inc., USA, incorporated a wholly-owned step down subsidiary, Cyient Defense Services Inc., in USA, on September 23, 2016.

** The Company, through its wholly-owned subsidiary Cyient Inc., acquired 100% stake of Certon Software Inc., USA (and its wholly owned subsidiary Certon Instruments Inc., USA) on February 8, 2017.

Subsidiary of Cyient Europe Limited:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Cyient Benelux BV	Netherlands	100%	100%	100%
Cyient Schweiz GmbH	Switzerland	100%	100%	100%
Cyient SRO *	Czech Republic	100%	100%	—
Blom Aerofilms Limited **	UK	100%	—	—

* The Company's wholly-owned subsidiary, Cyient Europe Limited, UK, incorporated a wholly-owned step down subsidiary, Cyient SRO in Prague, Czech Republic on September 30, 2015.

** The Company's wholly-owned subsidiary, Cyient Europe Limited, UK, acquired 100% stake of Blom Aerofilms Limited, UK, on November 30, 2016.

Subsidiary of Cyient GmbH:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Cyient AB	Sweden	100%	100%	100%

Subsidiary of Infotech Enterprises Information Technology Services Private Limited:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Infotech Enterprises Information Technology Services GmbH (refer note 17.1)	Germany	—	—	100%

Subsidiary of Cyient Insights Private Limited:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Cyient Insights LLC (formerly Invati Insights LLC) #	USA	51%	51%	51%

Invati Insights LLC, USA was renamed as Cyient Insights LLC w.e.f November 18, 2015.

Subsidiary of Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited):

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Techno Tools Precision Engineering Private Limited	India	74%	74%	74%

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

Other related party:

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:

Name	Designation
B V R Mohan Reddy	Executive Chairman
Krishna Bodanapu	Managing Director & CEO
Ajay Aggarwal	Chief Financial Officer
M.M Murugappan	Independent Director
K. Ramachandran	Independent Director
Harsh Manglik	Independent Director
Som Mittal	Independent Director
Andrea Bierce	Independent Director
John Paul Paterson	Independent Director
Alain De Taeye	Non-Executive Director
Thomas W. Prete	Non-Executive Director

Relative of Executive Chairman & Managing Director & CEO

B. Ashok Reddy	President – Corporate Affairs
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Summary of the transactions and balances with the above related parties are as follows:

(a) Transactions during the year:

Nature of the transaction	Party name	For the year ended	
		March 31, 2017	March 31, 2016
Revenue from operations	Cyient Inc.	3,144	3,091
	Cyient Europe Limited	859	957
	Cyient Benelux BV	262	278
	Cyient Schweiz GmbH	99	65
	Cyient S.R.O	9	—
	Cyient GmbH	810	585
	Cyient AB	118	174
	Cyient Canada Inc.	81	117
	Cyient KK	201	150
	Infotech HAL Limited	9	15
	Cyient Australia Pty Limited	652	260
	Cyient Singapore Private Limited	35	—

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

cyient.com

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Nature of the transaction	Party name	For the year ended	
		March 31, 2017	March 31, 2016
Subcontracting charges	Cyient Inc.	238	265
	Cyient Europe Limited	17	36
	Cyient Benelux BV	13	12
	Cyient GmbH	13	45
	Cyient AB	3	6
	Cyient Canada Inc.	5	8
	Cyient Insights Private Limited	45	12
	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	22	—
	Infotech Enterprises Information Technology Services Private Limited	—	8
Reimbursement of Expenses (net)	Cyient Inc.	32	52
	Cyient Europe Limited	(19)	6
	Cyient Benelux BV	(1)	8
	Cyient S.R.O	(33)	—
	Cyient GmbH	2	6
	Cyient AB	1	(1)
	Cyient Canada Inc.	4	—
	Cyient KK	(1)	6
	Cyient Singapore Private Limited	(3)	(3)
	Cyient Australia Pty Limited	(55)	(1)
Software purchases	Cyient Inc.	23	—
Corporate guarantee given	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	—	3,210
	Cyient Inc.	570	401
	Cyient GmbH	319	—
	Cyient Europe Limited	476	—
	Cyient Australia Pty Limited	120	—
	Cyient Singapore Private Limited	—	637
Corporate guarantee liquidated	Cyient GmbH	305	—
	Cyient Europe Limited	146	—
	Cyient Singapore Private Limited	259	—
Other income on corporate guarantee given to subsidiary's bankers	Cyient Australia Pty Limited	1	—
	Cyient Europe Limited	2	—
	Cyient GmbH	2	—
	Cyient Inc.	8	—
	Cyient Singapore Private Limited	3	—
Investments in subsidiaries	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited) ^{#1}	—	(68)
	Cyient Singapore Private Limited	—	238
	Cyient Australia Pty Limited	—	0.04

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

Nature of the transaction	Party name	For the year ended	
		March 31, 2017	March 31, 2016
Disposal of investment in subsidiaries	Infotech Enterprises Information Technology Services Private Limited	—	—
Advance given / (recovered)	Infotech Enterprises Information Technology Services Private Limited	—	6
	Cyient KK	(3)	31
	Infotech HAL Limited	—	4
Loans given	Cyient Insights Private Limited	30	37
	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	150	150
Loans Recovered	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	(150)	—
Interest on Loans given	Cyient Insights Private Limited	8	4
	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	14	2
Rental Income	Infotech HAL Limited	1	1
	Cyient Insights Private Limited	3	3
CSR Expenditure	Cyient Foundation	57	48

1 Adjusted for an amount of ₹ 68 received from the promoters of Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited), by way of an indemnity claim, defined by the share purchase agreement.

Compensation to key managerial personnel as follows:

Nature of the transaction	Party name	For the year ended	
		March 31, 2017	March 31, 2016
Short-term benefits	Chairman, MD & CEO and Executive officers ^{#1}	141	140
Dividend paid during the year	Chairman and MD & CEO	90	197
Commission and other benefits	Non-executive and independent directors	10	10

#1 Executive officers includes Ajay Aggarwal (Chief Financial Officer) and Ashok Reddy (Relative of Chairman, MD & CEO).

(b) Balances at the year-end:

Nature of the balance	Party name	As at		
		March 31, 2017	March 31, 2016	April 1, 2015
Trade Receivables	Cyient Inc.	942	549	343
	Cyient Europe Limited	152	229	396
	Cyient Benelux BV	16	60	82
	Cyient Schweiz GmbH	7	—	—
	Cyient S.R.O	35	—	—
	Cyient GmbH	115	49	199
	Cyient AB	44	93	48
	Cyient Canada Inc.	20	77	99
	Infotech Geospatial (India) Private Limited	0	—	13

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

	Nature of the balance	Party name	As at		
			March 31, 2017	March 31, 2016	April 1, 2015
cyient.com		Cyient KK	83	102	96
		Infotech Enterprises Information Technology Services Private Limited	—	—	2
		Infotech HAL Limited	25	21	15
		Cyient Australia Pty Limited	82	161	—
		Cyient Insights Private Limited	5	—	—
		Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	17	—	—
		Cyient Singapore Private Limited	9	18	—
	Unbilled Revenue	Cyient Inc.	123	99	155
		Cyient Europe Limited	111	118	69
		Cyient Benelux BV	35	33	17
		Cyient Schweiz GmbH	—	1	4
		Cyient AB	—	20	—
		Cyient GmbH	153	98	87
		Cyient KK	—	3	—
		Cyient Australia Pty Limited	15	34	—
		Cyient Singapore Private Limited	8	—	—
2016-17	Trade payables	Cyient Inc.	224	320	91
		Cyient Europe Limited	58	28	—
		Cyient Benelux BV	40	24	—
		Cyient S.R.O	1	—	—
		Cyient GmbH	41	27	—
		Cyient KK	26	38	17
		Cyient Insights Private Limited	1	—	3
		Infotech Enterprises Information Technology Services Private Limited	—	—	4
		Cyient Canada Inc.	26	11	—
		Cyient Australia Pty Limited	11	—	—
	Other receivables	Cyient Inc.	44	4	2
		Cyient Canada Inc.	2	—	—
		Cyient Europe Limited	12	3	1
		Cyient Benelux BV	1	—	—
		Cyient GmbH	3	—	—
		Cyient AB	1	—	—
		Cyient KK	1	—	—
Annual Report		Cyient Australia Pty Limited	7	—	—
		Cyient Singapore Private Limited	2	—	—
	Corporate guarantee given to subsidiary's bankers	Cyient Inc.	2,000	1,463	1,001
		Cyient Europe Limited	476	172	167
		Cyient GmbH	319	330	297
		Infotech Geospatial (India) Private Limited	—	—	40

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

Nature of the balance	Party name	As at		
		March 31, 2017	March 31, 2016	April 1, 2015
	Cyient DLM Private Limited (formerly Rangsons Electronic Private Limited)	3,210	3,210	—
	Cyient Australia Pty Limited	120	—	—
	Cyient Singapore Private Limited	363	622	—
Commitments	Cyient Europe Limited	492	533	479
Advance to subsidiaries	Cyient KK	110	113	83
	Infotech Geospatial (India) Private Limited	—	—	31
	Infotech Enterprises Information Technology Services Private Limited	—	—	4
	Infotech HAL Limited	8	8	4
Outstanding loans	Cyient Insights Private Limited	106	63	26
	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	150	150	—
Interest on outstanding loans	Cyient Insights Private Limited	—	5	—
	Cyient DLM Private Limited (formerly Rangsons Electronic Private Limited)	1	2	—
Short-term benefits payable	Chairman and MD & CEO	73	58	53
Commission and other benefits payable	Non-executive and independent directors	10	10	7

3. Earnings per share

(Refer to Note 24 of the standalone financial statements)

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Profit after tax	2,369	2,335
Basic:		
Number of shares outstanding at the year end	112,566,340	112,483,377
Weighted average number of equity shares	112,536,208	112,442,098
Earnings per share (₹)	21.05	20.77
Diluted:		
Effect of potential equity shares on employee stock options and RSUs outstanding	89,451	184,478
Weighted average number of equity shares outstanding	112,625,659	112,626,576
Earnings per share (₹)	21.03	20.73

Note: EPS is calculated based on profits excluding the other comprehensive income

4. Segment information

(Refer to Note 29 of the standalone financial statements)

Segment information has been presented in the Consolidated Financial Statements by in accordance with Ind AS 108 notified under the Companies (Indian Accounting Standards) Rules, 2015.

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

5. Amalgamation of Infotech Geospatial (India) Private Limited:

(Refer to Note 25 of the standalone financial statements)

The Company amalgamated with itself Infotech Geospatial (India) Private Limited, a wholly owned subsidiary, w.e.f. April 01, 2015 ("Appointed Date") pursuant to Scheme of Amalgamation approved by the Hon'ble High Court of Judicature, Andhra Pradesh & Telangana vide its order dated March 02, 2016 and filed with Registrar of Companies on March 31, 2016. Consequently, all the Assets, Liabilities and Reserves stand transferred and vested in the Company retrospectively from April 01, 2015.

As Infotech Geospatial (India) Private Limited was a wholly owned subsidiary of the Company, no additional shares were issued to effect the amalgamation.

Value of assets and liabilities amalgamated:	As at March 31, 2016
Non current assets	24
Current Assets	10
Non current liabilities	—
Current liabilities	(50)
General reserve	
Adjusted against Surplus in Statement of Profit and Loss	57
Share Capital of Infotech Geospatial (India) Private Limited	41
Less : Carrying value of Investments in the Company	44
Difference considered as capital reserve*	(3)

*Capital reserve has been adjusted to the General reserve of the company on amalgamation as at appointed date

6. Contingent liabilities and commitments

(Refer to Note 21 of the standalone financial statements)

	March 31, 2017	As at March 31, 2016	April 1, 2015
(A) Contingent liabilities:			
(i) Claims against the Company not acknowledged as debt (note a, b, c, d and e)	468	434	356
(ii) Guarantees (note f)	6,488	5,797	1,505
	6,956	6,231	1,861
(B) Commitments:			
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	116	200	70
(ii) Financial support to a subsidiary Company	492	533	479
	608	733	549
Total	7,564	6,964	2,410

Notes:

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

- (a) The Company has disputed various demands raised by Income Tax authorities for the assessment years 1997-98 to 2014-15, which are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 189 (March 31, 2016 - ₹ 156, April 01, 2015 - ₹ 138). The Company is confident that these appeals will be decided in its favour.
- (b) The Company has disputed various demands raised by the Sales Tax authorities for the financial years 2004-05 to 2009-10 and 2012 - 13. The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 20 (March 31, 2016 - ₹ 20, April 01, 2015 - ₹ 20). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
- (c) The Company has disputed various demands raised by the Service Tax authorities for the financial years 2006-07 to 2015-16 (March 31, 2016-2006-07 to 2013-14) (April 01, 2015-2006-07 to 2012-13). The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 141 (March 31, 2016 - ₹ 140, April 01, 2015 - ₹ 172). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
- (d) During the financial year 2014 - 15, the Company received an order from Provident Fund (PF) authorities regarding PF payment on certain allowances given by the Company to its employees for the years 2010-11 to 2012-13. The Company appealed against the order and is pending before Provident Fund Appellate Tribunal. The Company paid ₹ 5 (March 31, 2016 - ₹ 5, April 1, 2015 - ₹ 5) under protest, being 20% of the total demand of ₹ 26 (March 31, 2016 - ₹ 26, April 1, 2015 - ₹ 26).
- (e) During the previous year, the Government of India notified an amendment to the Payment of Bonus Act, 1961 whereby the applicable slabs as well as coverage limit was enhanced. The said amendment was made effective April 1, 2014. The Company has contested the retrospective applicability of the amendment for the financial year 2014-15 in the High Court of Judicature at Hyderabad for the states of Telangana and Andhra Pradesh. The aggregate amount of liability pertaining to the financial year 2014-15, not provided for, is ₹ 92 (March 31, 2016 - ₹ 92, April 01, 2015 - ₹ Nil).
- (f) Corporate guarantee given to subsidiary's bankers to obtain line of credit ₹ 6,488 (March 31, 2016 - ₹ 5,797, April 01, 2015 - ₹ 1,505).
- (g) During the financial year 2014 - 15, the Company acquired 74% of the share capital of Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited) on February 4, 2015. According to conditions stipulated in the Investment Agreement, the Company has an option to acquire the balance 26% of the share capital, on or before seven years from the date of the acquisition. These balance shares are currently placed in an Escrow account with a registered escrow agent as the custodian.
- C** The Company has certain outstanding export obligations/commitments as at March 31, 2017, March 31, 2016 and April 1, 2015 and is confident of meeting these obligations/commitments within the stipulated period of time or obtain extensions as required.

7. Cash and Bank Balances

(Refer to Note 10 of the standalone financial statements)

7A. Cash and cash equivalents

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Balances with Banks			
in current accounts	476	833	611
in deposit accounts	4,535	4,039	3,785
Deposits with financial institutions	1,495	—	—
Remittances in transit	10	44	—
Total	6,516	4,916	4,396

7B. Other bank balances

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

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Unpaid dividend account	11	12	7
Deposits held as margin money/security for bank guarantees	12	28	22
Total	23	40	29

8. Employee benefits expense

(Refer to Note 18 of the standalone financial statements)

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Salaries and wages, including bonus	5,679	5,546
Contribution to provident and other funds	397	366
Social security and other benefits to overseas employees	35	72
Stock option expense	11	7
Staff welfare expenses	398	306
Total	6,520	6,297

9. Exceptional item:

(Refer to Note 28 of the standalone financial statements)

- a) The Company granted Restricted Stock Units (RSU) to eligible employees on March 31, 2017 on the occasion of its silver jubilee anniversary celebrations. Exceptional item for the year ended March 31, 2017 relates to stock expense aggregating ₹ 201 towards these RSUs which shall vest with the employees in March, 2018
- b) During the previous year the Company had made a provision towards bonus payable for the period of April to December 2015 of ₹ 72 consequent to the amendment to the Payment of Bonus Act, 1965 (i.e the Payment of Bonus (Amendment) Act, 2015). The liability for the year 2014 - 15 has been disclosed as contingent liability.

10. Expenditure for Corporate social responsibility

(Refer to Note 20 of the standalone financial statements)

The Company contributes towards Corporate Social Responsibility (CSR) activities through its trust, Cyient Foundation. As per Section 135 of the Companies Act, 2013, CSR committee has been formed by the Company. The areas for CSR activities are promoting education, adoption of schools, medical and other social projects. Expenses incurred on CSR activities through its Cyient Foundation and contributions towards other charitable institutions are charged to the Statement of Profit and Loss under 'Other expenses' ₹ 62 (2015-16 ₹ 48)

11. Disposal of Investment in Infotech Enterprises Information Technology Services Private Limited

(Refer to Note 17 of the standalone financial statements)

During the previous year, the Company disinvested its 100% stake in Infotech Enterprises Information Technology Services Private Limited, India, and its wholly-owned subsidiary, Infotech Enterprises Information Technology Services GmbH, Germany. An amount of ₹ 98, being excess of sale consideration over the investment, was recognised as gain on disposal of subsidiary, in 'other income'

12 (A). Transition to Ind AS

(Refer to Note 2A of the standalone financial statements)

The Company's financial statements for the year ended March 31, 2017 are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, First-time adoption of Indian Accounting Standards, using April 01, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the year ended March 31, 2017, be applied consistently and retrospectively for all financials years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under Ind AS and Indian GAAP as at the transition date have been recognised directly in equity at the transition date.

In preparing these financial statements, the Company has availed itself of certain exceptions and exemptions in accordance with Ind-AS 101, as explained below

a. Exceptions from full retrospective application:

- i. Estimates exception: Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS.

b. Exemptions from retrospective application:

- i. Business combination: As per Ind AS 101, the Company is allowed to elect not to apply Ind AS 103 retrospectively to the past business combinations that occurred before the date of transition to Ind AS (April 01, 2015). The Company has elected to avail this exemption and the amounts reported under Previous GAAP for the past business combinations that occurred before the date of transition to Ind AS had been carried forward as opening balances under Ind AS, subject to recognition and derecognition criteria of Financial assets and Liabilities under Ind AS 109 as at the date of transition.
- ii. Share-based payment: The Company has availed exemption available under Ind AS 101 on application of Ind AS 102 "Share Based Payment", to equity instruments that vested before the date of transition to Ind AS. Accordingly, fair value has been done only for the unvested options as at April 01, 2015.
- iii. Investment in subsidiaries, joint ventures and associates: The Company has elected to continue with the carrying value of all its investments in subsidiaries, joint venture and associate recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as at the transition date.

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

12 (B) First-time Ind AS adoption reconciliations:

(Refer to Note 2B of the standalone financial statements)

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

i. Effect of Ind AS adoption on the balance sheet of Cyient Limited as at March 31, 2016 and April 01, 2015

Particulars	Note	As at March 31, 2016			As at April 01, 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	e	2,584	(109)	2,475	2,648	(113)	2,535
Capital work-in-progress		6	—	6	24	—	24
Intangible assets		241	—	241	438	—	438
Intangible assets under development		9	(9)	—	9	(9)	—
Financial Assets							
(i) Investments		4,587	—	4,587	4,460	—	4,460
(ii) Loans		63	—	63	26	—	26
(iii) Other Financial Assets		229	(1)	228	171	—	171
Deferred tax assets (net)	b,d,f,i	57	(13)	44	6	(6)	—
Income tax assets (net)	f	489	(32)	457	306	(2)	304
Other non-current assets	e	705	104	809	601	109	710
Total non-current assets		8,970	(60)	8,910	8,689	(21)	8,668
Current Assets							
Financial Assets							
(i) Investments		790	—	790	335	—	335
(ii) Trade receivables		2,802	—	2,802	2,984	—	2,984
(iii) Cash and cash equivalents		4,916	—	4,916	4,396	—	4,396
(iv) Other bank balances		40	—	40	29	-	29
(v) Loans		154	—	154	5	—	5
(vi) Other Financial Assets	c	1,148	7	1,155	1,598	2	1,600
Other current assets	e	446	4	450	372	4	376
Total current assets		10,296	11	10,307	9,719	6	9,725
Total assets		19,266	(49)	19,217	18,408	(15)	18,393
EQUITY AND LIABILITIES							
Equity							
Equity share capital		562		562	562		562
Other equity	a,b,c,d	16,269	(56)	16,213	15,244	502	15,746
Total equity		16,831	(56)	16,775	15,806	502	16,308

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

Particulars	Note	As at March 31, 2016			As at April 01, 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
Non-current liabilities							
Provisions	b	550	5	555	473	11	484
Deferred tax liabilities (Net)	b,d,i	—	—	—	—	147	147
Total non-current liabilities		550	5	555	473	158	631
Current liabilities							
Financial Liabilities							
(i) Trade payables		1,190	—	1,190	850	—	850
(ii) Other financial liabilities		74	—	74	42	—	42
Income tax liabilities (net)		38	—	38	38	—	38
Provisions	a,b	67	2	69	739	(675)	64
Other current liabilities		516	—	516	460	—	460
Total current liabilities		1,885	2	1,887	2,129	(675)	1,454
Total liabilities		2,435	7	2,442	2,602	(517)	2,085
Total equity and liabilities		19,266	(49)	19,217	18,408	(15)	18,393

ii. Effect of Ind AS adoption on the total comprehensive income for the year ended March 31, 2016

	Note	Year ended March 31, 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations		12,456	—	12,456
Other income		1,135	—	1,135
Total income		13,591	—	13,591
Expenses				
Employee benefit expense	b, c	6,303	(6)	6,297
Finance costs		2	1	3
Depreciation and amortisation expense	e	688	(4)	684
Other expenses	e	3,653	4	3,657
Total expenses		10,646	(5)	10,641
Profit before exceptional item and tax		2,945	5	2,950
Exceptional item		72	—	72
Profit before tax		2,873	5	2,878
Tax expense:				
Current tax		615	—	615
Deferred tax	b	(76)	4	(72)
Profit for the year		2,334	1	2,335

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

		Year ended March 31, 2016		
	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the net defined benefit liability/asset	b	—	(7)	(7)
Income tax relating to items that will not be reclassified to profit or loss	b	—	2	2
Items that will be reclassified subsequently to profit or loss				
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	d	—	(324)	(324)
Income tax on items that may be reclassified to profit or loss	d	—	112	112
Total other comprehensive income, net of tax		—	(217)	(217)
Total comprehensive income for the year		2,334	(216)	2,118

iii. Reconciliation of total equity as at March 31, 2016 and April 01, 2015:

	Note	As at March 31, 2016	As at April 1, 2015
Equity under previous GAAP		16,831	15,806
Provision for dividend (including tax)	a	—	677
Re-measurement of defined benefit obligations	b	(6)	(10)
Fair valuation of share based payment	c	7	3
Fair valuation of loans and advances		(1)	-
Deferred tax on cash flow hedge	d	(47)	(159)
Others		(9)	(9)
Equity under Ind AS		16,775	16,308

- iv. There were no material adjustments between the cash flows prepared under Ind AS and those reported under previous GAAP.

v. Notes to the reconciliations

- a) Under previous GAAP, a liability is recognised in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Under Ind AS, liability for dividend is recognised in the period in which the obligation to pay is established, ie, when declared by the members in a General Meeting. The effects of this change is an increase in total equity as at March 31, 2016 of ₹ Nil (₹ 677 as at April 01, 2015), but does not affect profit before tax and total profit for the year ended March 31, 2016.
- b) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses that form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income. The actuarial gain for the year ended March 31, 2016 were ₹ 7 and the tax effect thereon ₹ 2. This change does not effect total equity as at March 31, 2016 and April 01, 2015, but there is an increase in profit before tax of ₹ 7 and in total profit of ₹ 5 for the year ended March 31, 2016.
- Under previous GAAP, compensated absences of the foreign branches of the Company were discounted considering the Company's discount rate, whereas Ind AS requires to consider the discount rate specific to the foreign branches for the valuation of the compensated absences liability. The effect of this change is a increase in total equity as at March 31, 2016 of ₹ 6 (₹ 10 as at April 01, 2015) and increase in profit before tax as well as total profit for the year ended March 31, 2016 of ₹ 6.

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

- c) Under previous GAAP, the cost of equity-settled employee share-based payments was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based payments is recognised based on the fair value of the options as on the grant date and has been recharged to subsidiaries relating to options granted to associates employed by them. The effect of this change is an increase in total equity as at March 31, 2016 of ₹ 7 (₹ 3 as at April 01, 2015) and decrease in profit before tax as well as total profit for the year ended March 31, 2016 of ₹ 7.
- d) Under previous GAAP, cash flow hedge reserve was recognised as a part of reserves & surplus. Under Ind AS, the effective portion of a cash flow hedge is recognised in other comprehensive income, net of the relevant tax effects. The consequent impact of income tax is a decrease in total equity as at March 31, 2016 of ₹ 47 (₹ 159 as at April 01, 2015). However, there is no impact on profit before tax and total profit for the year ended March 31, 2016.
- e) Under the previous GAAP, the land leases classified as operating leases were presented as a part of property, plant and equipment as leasehold land. Under Ind AS, such leases of land classified as operating leases are presented as a part of other assets (current and non-current) and amortised over the lease term. With this change, there is no impact on total equity as at March 31, 2016 and April 01, 2015, profit before tax and total profit for the year ended March 31, 2016. However, there is reclassification of depreciation expense to other expenses for the year ended March 31, 2016 of ₹ 4. Also, property, plant and equipment (PPE) has reduced by ₹ 109 as at March 31, 2016 (₹ 113 as at April 01, 2015) and corresponding increase in other current assets ₹ 4 as at March 31, 2016 (₹ 4 as at April 01, 2015) and other non-current assets ₹ 105 as at March 31, 2016 (₹ 109 as at April 01, 2015).
- f) Under previous GAAP, minimum alternate tax (MAT) credit was disclosed as a part of loans and advances. Under Ind AS, the same was regrouped under deferred tax assets, net. With this change, there is no impact on total equity as at March 31, 2016 and April 01, 2015, profit before tax and total profit for the year ended March 31, 2016. However, there is reclassification from income tax assets, net to deferred tax assets, net of ₹ 32 as at March 31, 2016 (₹ 2 as at April 01, 2015).
- g) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.
- h) Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are measured at fair value and classified as FVTPL. This change does not effect total equity as at March 31, 2016 and April 01, 2015, profit before tax as well as total profit for the year ended March 31, 2016.
- i) Under previous GAAP, deferred tax was computed under the profit and loss approach, whereas under Ind AS, deferred tax was computed under the balance sheet approach.

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Secunderabad
Date : April 20, 2017

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Executive Chairman
(DIN – 00058215)

Ajay Aggarwal
Chief Financial Officer

Place : Hyderabad
Date : April 20, 2017

Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)

Sudheendhra Putty
Company Secretary
M.No. F5689

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CYIENT LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Cyient Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its associate and its joint venture, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements")

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associate and Joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at 31st March, 2017, and their consolidated profit, consolidated total

comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial information of fourteen subsidiaries, whose financial information reflect total assets of ₹ 9,247 million as at March 31, 2017, total revenues of ₹ 13,361 million and net cash inflows / (outflows) amounting to ₹ _____ for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 123 million for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of one associate and one joint venture, whose financial information have not been audited by us. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on the reports of the other auditors.

(b) The comparative financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 in respect of thirteen subsidiaries, one associate and one joint venture included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the branch auditors and other auditors on separate financial statements and the other financial information of joint operations, subsidiaries, associate and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and joint venture company incorporated in India, none of the directors of the Group companies and joint venture company incorporated in India is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and jointly controlled company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary company's and jointly venture company's incorporated in India internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture.
- ii. The Group, its associate and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, and joint venture company incorporated in India.
- iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable; and such disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No. 008072S)

Ganesh Balakrishnan

Partner
(Membership No. 201193)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **CYIENT LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies and jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its jointly controlled company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and jointly controlled company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its jointly controlled company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors and other auditors referred to in the Other Matters paragraph below, the Holding Company/ Parent, its subsidiary companies, its associate companies and jointly controlled companies / joint ventures⁴, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies, and one jointly controlled company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No. 008072S)

Secunderabad
April 20, 2017

Ganesh Balakrishnan
Partner
(Membership No. 201193)

Consolidated Balance Sheet as at March 31, 2017

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

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	3,017	3,020	3,043
Capital work-in-progress		92	24	55
Goodwill	4	3,278	2,708	4,263
Intangible assets	5	1,215	844	465
Intangible assets under development	5	173	76	32
Financial assets				
(a) Investments	6	1,032	808	682
(b) Other financial assets	7	205	183	154
Deferred tax assets (net)	18	101	176	68
Income tax assets (net)	18	683	597	461
Other non-current assets	8	855	957	856
Total non-current assets		10,651	9,393	10,079
Current assets				
Inventories	9	935	979	606
Financial assets				
(a) Investments	6	925	790	336
(b) Trade receivables	10	6,496	6,145	5,333
(c) Cash and cash equivalents	11A	8,570	6,831	5,703
(d) Other bank balances	11B	211	118	525
(e) Other financial assets	7	2,660	2,177	2,305
Other current assets	8	916	875	886
Total current assets		20,713	17,915	15,694
Total assets		31,364	27,308	25,773
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	563	562	562
Other equity	13	20,610	17,743	17,650
Equity attributable to Shareholders of the Company		21,173	18,305	18,212
Non-controlling interests	14	26	67	122
Total equity		21,199	18,372	18,334
Non-current liabilities				
Financial liabilities				
(a) Borrowings	15	492	681	467
(b) Other financial liabilities	16	232	603	619
Provisions	17	813	717	591
Deferred tax liabilities (net)	18	302	179	320
Other non-current liabilities	19	35	88	197
Total non-current liabilities		1,874	2,268	2,194
Current liabilities				
Financial liabilities				
(a) Borrowings	20	1,159	1,147	813
(b) Trade payables	21	4,021	3,098	2,750
(c) Other financial liabilities	16	1,133	414	243
Income tax liabilities (net)	18	424	379	116
Provisions	17	235	202	166
Other current liabilities	19	1,319	1,428	1,157
Total current liabilities		8,291	6,668	5,245
Total liabilities		10,165	8,936	7,439
Total equity and liabilities		31,364	27,308	25,773

Corporate information and significant accounting policies 1 & 2

Accompanying notes forming an integral part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Ganesh Balakrishnan
Partner

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Executive Chairman
(DIN – 00058215)

Ajay Aggarwal
Chief Financial Officer

Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)

Sudheendhra Putty
Company Secretary
(M.No. F5689)

Place : Secunderabad

Date : April 20, 2017

Place : Hyderabad

Date : April 20, 2017

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

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

Particulars	Note	For the Year ended March 31, 2017	For the Year ended March 31, 2016
INCOME			
Revenue from operations	22	36,065	31,021
Other income	23	932	1,085
Total income		36,997	32,106
EXPENSES			
Employee benefits expense	24	20,490	18,125
Cost of materials consumed	25	2,852	1,881
Changes in inventories of finished goods and work-in-progress	26	(110)	6
Excise duty on sale of goods		207	80
Finance costs	27	172	164
Depreciation and amortisation expense	28	953	888
Other expenses	29	7,854	6,788
Total expenses		32,418	27,932
Profit before exceptional item, share in profit of associate, joint venture and tax		4,579	4,174
Exceptional item	38	261	87
Profit before share in profit of associate, joint venture and tax		4,318	4,087
Share in profit of associate		118	120
Share in profit of joint venture		5	5
Profit before tax		4,441	4,212
Tax expense			
Current tax	18	927	1,149
Deferred tax	18	118	(138)
Total tax expense		1,045	1,011
Profit for the year		3,396	3,201
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit liability		(29)	(8)
Gain on bargain purchase arising on business combination	35A(i)	41	-
Income tax relating to items that will not be reclassified to profit or loss	18	(5)	2
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(273)	226
Effective portion of gain / (loss) on designated portion of hedging instruments in a cash flow hedge	13	359	(320)
Income tax relating to items that may be reclassified to profit or loss	18	(124)	111
Total other comprehensive income		(31)	11
Total comprehensive income for the year		3,365	3,212
Profit for the year attributable to:			
- Shareholders of the Company		3,438	3,255
- Non-controlling interests		(42)	(54)
		3,396	3,201
Other comprehensive income for the year attributable to:			
- Shareholders of the Company		(33)	13
- Non-controlling interests		2	(2)
		(31)	11
Total comprehensive income for the year attributable to:			
- Shareholders of the Company		3,405	3,268
- Non-controlling interests		(40)	(56)
		3,365	3,212
Earnings per equity share			
(Equity shares, par value of ₹ 5 each)			
Basic (₹)	30	30.55	28.95
Diluted (₹)		30.53	28.90
Corporate information and significant accounting policies	1 & 2		

Accompanying notes forming an integral part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
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(DIN – 05301037)

Sudheendhra Putty
Company Secretary
M.No. F5689

Consolidated statement of changes in equity for the year ended March 31, 2017

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

A. Equity share capital

Particulars	Note	Amount
Balance at April 1, 2015		562
Issue of equity shares under Company's associate stock option plan	12A	-
Balance at March 31, 2016		562
Issue of equity shares under Company's associate stock option plan	12A	1
Balance at March 31, 2017		563

B. Other equity

Particulars	Note	Attributable to shareholders of the Company								Non-con- trolling Interests	Total	
		Reserves and Surplus					Items of other comprehensive income					
		Share appli- cation money pend- ing allot- ment	Secu- ri- ties pre- mium reserve	General reserve	Stock option re- serve	Re- tain- ed earn- ings	Gross obliga- tion lia- bility to acquire non-con- trolling interest	Cash flow hedge reserve	Foreign cur- ren- cy trans- lation Reserve			Capital reserve for bargain purchase business combina- tions
Balance at April 1, 2015		-	3,810	5,158	8	8,718	(616)	301	268	3	122	17,772
Issue of equity shares under Company's associate stock option plan	12	-	21	-	-	-	-	-	-	-	-	21
Stock option expense for the year	12	-	-	-	11	-	-	-	-	-	-	11
Exchange difference arising on translating the foreign operations	13	-	-	-	-	-	-	-	226	-	-	226
Effective portion of loss on designated portion of hedging instruments (net of tax ₹111)	36	-	-	-	-	-	-	(209)	-	-	-	(209)
Share application money received	12	1	-	-	-	-	-	-	-	-	-	1
Softential Inc. amalgamation adjustment	35	-	-	-	-	(1,535)	-	-	-	-	-	(1,535)
Infotech Geospatial (India) Private Limited amalgamation adjustment	35	-	-	(3)	-	(46)	-	-	-	-	-	(49)
Remeasurement of net defined benefit liability (net of tax ₹ 2)	13	-	-	-	-	(6)	-	-	-	-	-	(6)
Dividend declared (including corporate dividend tax)	41	-	-	-	-	(1,624)	-	-	-	-	-	(1,624)
Profit for the year		-	-	-	-	3,255	-	-	-	-	(54)	3,201
Other comprehensive income for the year attributable to non-controlling interests		-	-	-	-	-	-	-	-	-	(2)	(2)
Other adjustments		-	-	-	-	-	-	-	2	-	1	3
Balance at March 31, 2016		1	3,831	5,155	19	8,762	(616)	92	496	3	67	17,810

Consolidated statement of changes in equity (Contd.)

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

B. Other equity

Particulars	Note	Attributable to shareholders of the Company							Non-con- trolling Interests	Total	
		Share appli- cation money pending allot- ment	Reserves and Surplus					Items of other comprehensive income			
			Secu- rities pre- mium reserve	General reserve	Stock option re- serve	Re- tained earn- ings	Gross obliga- tion lia- bility to acquire non-con- trolling interest	Cash flow hedge reserve			Foreign cur- rency trans- lation Reserve
Issue of equity shares under Company's associate stock option plan	12	(1)	19	-	-	-	-	-	-	-	18
Stock option expense for the year	12	-	-	-	187	-	-	-	-	-	187
Gain on bargain purchase on business combination (net of tax ₹ 12)	35	-	-	-	-	-	-	-	-	29	29
Effective portion of gain on designated portion of hedging instruments (net of tax ₹ 124)	36	-	-	-	-	-	-	235	-	-	235
Exchange difference arising on translating the foreign operations	13	-	-	-	-	-	-	-	(273)	-	(273)
Remeasurement of net defined benefit liability (net of tax ₹ (7))	13	-	-	-	-	(22)	-	-	-	-	(22)
Dividend declared (including corporate dividend tax)	41	-	-	-	-	(745)	-	-	-	-	(745)
Profit for the year		-	-	-	-	3,438	-	-	-	-	3,396
Other comprehensive income for the year attributable to the non-controlling interests		-	-	-	-	-	-	-	-	-	2
Other adjustments		-	-	-	-	-	-	-	-	-	(1)
Balance at March 31, 2017		-	3,850	5,155	206	11,433	(616)	327	223	32	26
											20,636

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

For **Deloitte Haskins & Sells**
Chartered Accountants



Ganesh Balakrishnan
Partner

For and on behalf of the Board of Directors



B.V.R. Mohan Reddy
Executive Chairman
(DIN – 00058215)

Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)



Ajay Aggarwal
Chief Financial Officer

Sudheendhra Putty
Company Secretary
M. No. 55680

Consolidated Cash Flow Statement for the year ended March 31, 2017

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	3,396	3,201
Adjustments for :		
Tax expense	1,045	1,011
Share of profit of associate	(118)	(120)
Share of profit of joint venture	(5)	(5)
Depreciation and amortisation expense	953	888
Loss/(gain) on sale of fixed assets, (net)	2	(1)
Finance costs	172	164
Interest income	(376)	(331)
Dividend income	(31)	(25)
Liabilities no longer required written back	(145)	(77)
Stock option expense	278	11
Profit on sale of a subsidiary	-	(23)
Provision for doubtful debts, net	97	197
Bad debts written off	1	2
Translation differences	(166)	198
Effects of exchange difference on translation of foreign currency cash and cash equivalents	(277)	(304)
Unrealised forex (gain) / loss	3	(39)
Operating profit before working capital changes	4,829	4,747
Changes in operating assets and liabilities:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(307)	(1,049)
Other financial assets	(66)	(191)
Inventories	44	(373)
Other assets	15	(93)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	781	414
Other financial liabilities	-	1
Other liabilities	(209)	175
Provisions	108	173
Cash generated from operations	5,195	3,804
Income taxes paid	(996)	(1,024)
Net cash flow generated from operating activities (A)	4,199	2,780
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment towards purchase of property plant and equipment and intangible assets (refer note (i) below)	(1,080)	(1,283)
Proceeds from sale of property, plant and equipment	42	5
Payments to acquire financial assets		
- Investments in equity instruments	(101)	-
- Mutual funds	(2,142)	(1,185)
Proceeds from sale of financial assets - mutual funds	2,007	731
Interest income received	344	357
Dividend income received from mutual funds	31	26
Net cash outflow on acquisition of subsidiaries (refer note (ii) below)	(811)	-
Net cash inflow on disposal of a subsidiary (refer note (iii) below)	-	94
Movement in other bank balances	(93)	406
Net cash flow (used in) investing activities (B)	(1,803)	(849)

Consolidated Cash Flow Statement for the year ended March 31, 2017

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	15	21
Share application money received	-	1
Interest paid	(174)	(179)
Proceeds from non-current borrowings	268	737
Repayment of non-current borrowings	(309)	(402)
Movement in current borrowings (net)	12	334
Dividends paid	(620)	(1,344)
Corporate dividend tax	(126)	(275)
Net cash flow (used in) financing activities (C)	(934)	(1,107)
Net increase in cash and cash equivalents (A+B+C)	1,462	824
Cash and cash equivalents at the beginning of the year	6,831	5,703
Effect of exchange differences on translation of foreign currency cash and cash equivalents	277	304
Cash and cash equivalents at the end of the year*	8,570	6,831
*Cash and cash equivalents comprises of:		
Balances with Banks		
in current accounts	2,114	2,671
in deposit accounts	4,882	4,060
Deposits with financial institutions	1,495	-
Cheques on hand	25	1
Remittances in transit	54	99
	8,570	6,831

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

(ii) Net cash outflow on acquisition of subsidiaries (refer note 35)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Consideration paid in cash	(849)	-
Less: Cash and cash equivalent balances acquired on the acquisition	38	-
Net cash outflow on acquisition of subsidiaries	(811)	-

(iii) Net cash inflow on disposal of a subsidiary (refer note 35)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Consideration received in cash and cash equivalents, net	-	98
Less: Cash and cash equivalent balances disposed of	-	(4)
Net cash inflow on disposal of a subsidiary	-	94
Accompanying notes form an integral part of the consolidated financial statements		

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Secunderabad

Date : April 20, 2017

For and on behalf of the Board of Directors

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(DIN – 00058215)

Ajay Aggarwal
Chief Financial Officer

Place : Hyderabad

Date : April 20, 2017

Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)

Sudheendhra Putty
Company Secretary
M.No. F5689

Notes forming part of the Consolidated financial statements

1. Corporate information:

Cyient Limited ('Cyient' or 'the Company') and its subsidiaries, joint venture and associate (collectively referred to as 'the Group') is engaged in providing global technology services and solutions specialising in geospatial, engineering design, IT solutions and data analytics. The group also specialises in the areas of total electronics manufacturing solutions in the fields of medical, industrial, automotive, telecommunications, defence and aerospace applications, including manufacturing and machining of components for aerospace, automotive and defence industries. The Company is a public limited company incorporated in India and has its headquarters and development facilities in India and serves a global customer base through its subsidiaries, joint ventures and associates in the United States of America (USA), United Kingdom (UK), Germany, Japan, Australia, Singapore and India. Cyient Group's range of services include digitisation of drawings and maps, photogrammetry, computer aided design/engineering (CAD/CAE), design and modelling, repair development engineering, reverse engineering application software development, software products development, consulting, analytics and implementation. Cyient Group specialises in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets.

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

2A. 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, provisions of the Act to the extent notified and guidelines issued by the Securities and Exchange Board of India ("SEBI").

The financial statements of the group up to year ended March 31, 2016 were earlier prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("previous GAAP").

These financial statements are the first

financial statements of the group under Ind AS. The date of transition to Ind AS is April 1, 2015. Refer note 2B for an explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows.

The financial statements were approved by the Company's Board of Directors on April, 20 2017.

2.2 Basis of preparation & presentation

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.

2.3 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 consolidated financial statements and the reported amounts of income and expenditure for the periods presented.

The management believes that the estimates used in preparation of the 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 financial statements in the period in which results are known and, if material, are disclosed in the financial statements.

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

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

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. 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.

Entities controlled by the company are consolidated from the date control commences until the date control ceases.

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 Company 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, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.5 Business combination

The Group accounts for its business combinations under 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 consolidated statement of 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 from 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 fair value at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit or loss.

Acquisition of some or all of the non-controlling interest ("NCI") is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the parent company. No goodwill is recognised as a result of such transactions.

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 arising from entities that are under the common control are

accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the entity are recorded in other equity.

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 or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.7 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment.

After application of the equity method of accounting, the Group determines whether

there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

2.8 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 or 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) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is the functional and presentation currency of the Company. Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates.

ii) Transactions and balances

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-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 realized 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 foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency 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 or loss, as part of the gain or loss on sale.

2.9 Income taxes

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

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

income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income.

Deferred 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 consolidated 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 (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.

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 liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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.

Minimum alternate tax (MAT) credit is

recognised in accordance with laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Group reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

2.10 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 Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to consolidated statement of profit or 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.

2.11 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 Group 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 employees.

2.12 Provisions

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

Warranty costs

Post-sales client supports and warranty costs are estimated by the management on the basis of technical evaluation and past experience of costs. Provision is made for the estimated liability in respect of warranty costs in the year of recognition of revenue and is included in the Consolidated Statement of Profit and Loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made as and when required.

2.13 Share based payments

Stock options are granted to the associates of the Group under various stock option schemes established after June 19, 1999. These stock options are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the stock options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the original estimates, if any, is recognised in consolidated statement of profit or loss such that the cumulative expense reflects

the revised estimate, with a corresponding adjustment to the Stock options reserve.

The fair value of the amount payable to the employees in respect of Restricted Stock Units (RSU) which are settled in equity and cash are recognised as an expense with a corresponding increase in Stock options reserve and liabilities, in the period during which the employees become unconditionally entitled to payment.

The equity settlement component is not remeasured at each reporting date. The cash settlement component is remeasured at each reporting date and at settlement date based on the fair value of the RSUs. Any change in the liability is recognised in the consolidated statement of profit and loss.

2.14 Cash and cash equivalents

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

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

2.15 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 measured 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.

2.16 Inventories

Inventories are valued in accordance with the method of valuation prescribed under the

Accounting Standard and are as under:

- i) Raw Materials & Consumables – at cost or net realisable value whichever is less.
- ii) Stores and Spares – at cost.
- iii) Work in Process & Finished Goods – at cost or net realisable value whichever is less.

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

2.17 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below:

Income from services:

Revenue recognition depends on the arrangements with the customer which are either on "Time and material" or on a "Time bound fixed price" basis.

Revenue from software services performed on a "Time and material" basis is recognised as and when services are performed.

The Group also performs work under "Time bound fixed-price" arrangements, under which customers are billed, based on completion of specified milestones and/or on the basis of man days /man hours spent as per terms of the contracts. Revenue from such arrangements is recognised over the life of the contract using the percentage completion method. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses on such engagements is made in the year in which such loss becomes probable and can be reasonably estimated.

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

Revenues from fixed-price maintenance

contracts are recognised pro-rata over the period of the contract in which the services are rendered.

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

Amounts received or billed in advance of services performed are recorded as unearned revenue. Unbilled revenue represents amounts recognised based on services performed in advance of billings in accordance with contract terms and is net of estimated allowances for uncertainties and provision for estimated losses.

Sale of Products:

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

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

2.18 Other income

Income from interest is recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction using 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.

2.19 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and

impairment, if any. Costs directly attributable to the acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. Freehold land is not depreciated.

Type of asset	Useful life
Building	28 years
Plant and equipment	10 years
Tools & equipment	5 years
Computers	3 years
Leasehold improvements	Shorter of lease period or estimated useful lives

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 other income of the consolidated statement of profit or loss.

2.20 Intangible 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 amortisation and accumulated impairment losses.

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

Type of asset	Useful life
Software	3 years
Software purchased for use in the projects	Over the period of the respective project
Customer rights	5 years
Process knowhow	5 years
Other intangible assets	Over the period of the respective project
Technology/Intellectual property	2 years

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

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

2.21 Employee benefit plans

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

Post-employment obligations

Defined contribution plans

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

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

Contributions under the superannuation plan which is a defined contribution scheme, are made to a fund administered and managed by the Life Insurance Corporation of India and are charged as an expense based on the amount of contribution required to be made and when service are rendered by the employees.

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

Defined benefit plans

Gratuity

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

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

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 for the unutilised accrued compensated absence. The Group records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Group measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

Other short-term employee benefits

Other short-term employee benefits, 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.

2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director and Chief Executive Officer evaluates Cyient Group's performance and allocates resources based on analysis of various performance indicators by business verticals and geographical segmentation of customers.

2.23 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 assets or financial liabilities, as appropriate, on initial recognition. Transaction costs

directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(B) **Subsequent measurement**

a. **Non-derivative financial instruments:**

i) **Financial assets carried at**

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

ii) **Financial assets at fair value**

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

iii) **Financial assets at fair value**

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

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.

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, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their 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 or 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 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/expense is recognised in consolidated statement of profit or loss and is included in the "Other

income" line item.

c. Hedge accounting:

The Group designates derivative contracts in a cash flow hedging relationship by applying the hedge accounting principles designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions.

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 hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in consolidated statement of profit or loss, and is included in the 'other income' line item.

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

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 or loss.

(C) De-recognition of financial assets and liabilities

Financial assets:

The Group de-recognises 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 rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralised 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 consolidated statement of 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 recognising 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 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.

2.24 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 realised.

2.25 Impairment of assets

a. Financial assets:

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

For trade receivables only, 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.

b. Non-financial assets:

- (i) Intangible assets, Intangible assets under development and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable

amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

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.

2.26 Recent accounting pronouncements

a) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

Notes forming part of the consolidated financial statements

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

2B. Transition to Ind AS

The Group's consolidated financial statements for the year ended March 31, 2017 are prepared in accordance with Indian accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the year ended March 31, 2017, be applied consistently and retrospectively for all fiscal years presented. All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Previous GAAP as at the transition date have been recognised directly in equity at the transition date.

In preparing these consolidated financial statements, the Group has availed itself of certain exceptions and exemptions in accordance with Ind AS 101, as explained below:

(a). Exceptions from full retrospective application:

(i) Estimates:

Upon an assessment of the estimates made under Previous GAAP, the Group has concluded that there was no necessity to revise such Estimates under Ind AS.

(ii) Non-controlling interest: As per Ind AS 101, the Group is allowed to prospectively apply the requirements of attribution of total comprehensive income to the owners of parent and non-controlling interests, even if the results of the non-controlling interest show a deficit balance.

(b) Exemptions from retrospective application:

(i) Business combination: As per Ind AS 101, the Company is allowed to elect not to apply Ind AS 103 retrospectively to the past business combinations that occurred before the date of transition to Ind AS (April 01, 2015). The Company has elected to avail this exemption and the amounts reported under Previous GAAP for the past business combinations that occurred before the date of transition to Ind AS had been carried forward as opening balances under Ind AS, subject to recognition and derecognition criteria of financial assets and liabilities under Ind AS 109 as at the date of transition.

(ii) Share-based payment: The Company has availed exemption available under Ind AS 101 on application of Ind AS 102 "Share Based Payment", to equity instruments that vested before the date of transition to Ind AS. Accordingly, fair value has been done only on the unvested options as at April 01, 2015.

(iii) Deemed cost - Joint venture:

Infotech HAL limited was accounted for using the proportionate consolidation method under previous GAAP where as it needs to be accounted using the equity method under Ind AS. Accordingly, the Group has:

- on the transition date, recognised investment in Infotech HAL Limited by measuring it at the aggregate of the carrying amount of the assets and liabilities that the Group had proportionately consolidated under previous GAAP as of the transition date;
- this investment amount has been deemed to be the cost of investment at initial recognition and
- after initial recognition at the transition date, the Group has accounted for Infotech HAL Limited using the equity method in accordance with Ind AS 28.

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

2C.First-time Ind AS adoption reconciliations:

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

(i). Effect of Ind AS adoption on the Cyient Limited consolidated balance sheet as at March 31, 2016 and April 1, 2015

Particulars	Note	As at March 31, 2016		As at April 1, 2015			
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	e	3,129	(109)	3,020	3,156	(113)	3,043
Capital work-in-progress		24	-	24	55	-	55
Goodwill		2,708	-	2,708	4,263	-	4,263
Intangible assets	g	847	(3)	844	465	-	465
Intangible assets under development		85	(9)	76	41	(9)	32
Financial assets							
(a) Investments	h	796	12	808	675	7	682
(b) Other financial assets		183	-	183	154	-	154
Deferred tax assets (net)	b,d,f,j	187	(11)	176	65	3	68
Income tax assets (net)		630	(33)	597	464	(3)	461
Other non-current assets	e,f,h	854	103	957	749	107	856
Total non-current assets		9,443	(50)	9,393	10,087	(8)	10,079
Current assets							
Inventories		979	-	979	606	-	606
Financial assets							
(a) Investments	n	790	-	790	336	-	336
(b) Trade receivables		6,145	-	6,145	5,336	(3)	5,333
(c) Cash and cash equivalents	h	6,833	(2)	6,831	5,704	(1)	5,703
(d) Other bank balances		118	-	118	525	-	525
(e) Other financial assets	h	2,195	(18)	2,177	2,312	(7)	2,305

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

Particulars	Note	As at March 31, 2016			As at April 1, 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
Other current assets	e,h	867	8	875	880	6	886
Total current assets		17,927	(12)	17,915	15,699	(5)	15,694
Total assets		27,370	(62)	27,308	25,786	(13)	25,773
EQUITY AND LIABILITIES							
Equity							
Equity share capital		562	-	562	562	-	562
Other equity	a to j	18,537	(794)	17,743	17,879	(229)	17,650
Equity attributable to Shareholders of the Company		19,099	(794)	18,305	18,441	(229)	18,212
Non-controlling interests	i	128	(61)	67	122	-	122
Total equity		19,227	(855)	18,372	18,563	(229)	18,334
Non-current liabilities							
Financial liabilities							
(a) Borrowings		681	-	681	467	-	467
(b) Other financial liabilities	l	2	601	603	3	616	619
Provisions	b	654	63	717	582	9	591
Deferred tax liabilities (Net)	d,j	42	137	179	51	269	320
Other non-current liabilities		88	-	88	197	-	197
Total non-current liabilities		1,467	801	2,268	1,300	894	2,194
Current liabilities							
Financial liabilities							
(a) Borrowings		1,147	-	1,147	813	-	813
(b) Trade payables	h	3,108	(10)	3,098	2,753	(3)	2,750
(c) Other financial liabilities		414	-	414	243	-	243
Income tax liabilities (net)		379	-	379	116	-	116
Provisions	b	200	2	202	841	(675)	166
Other current liabilities		1,428	-	1,428	1,157	-	1,157
Total current liabilities		6,676	(8)	6,668	5,923	(678)	5,245
Total liabilities		8,143	793	8,936	7,223	216	7,439
Total equity and liabilities		27,370	(62)	27,308	25,786	(13)	25,773

(III). Effect of Ind AS adoption on the total comprehensive income for the year ended March 31, 2016

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

Particulars	Note	Year ended March 31, 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
INCOME				
Revenue from operations	k	30,956	65	31,021
Other income		1,085	-	1,085
Total income		32,041	65	32,106
EXPENSES				
Employee benefits expense	b & c	18,081	44	18,125
Cost of materials consumed		1,881	-	1,881
Changes in inventories of finished goods and work-in-progress		6	-	6
Excise duty on sale of goods	k	-	80	80
Finance costs	l	179	(15)	164
Depreciation and amortisation expense	e	893	(5)	888
Other expenses	e	6,780	8	6,788
Total expenses		27,820	112	27,932
Profit before exceptional item, share in profit of associate, joint venture and tax		4,221	(47)	4,174
Exceptional item		87	-	87
Profit before share in profit of associate, joint venture and tax		4,134	(47)	4,087
Share in profit of associate		120	-	120
Share in profit of joint venture	h	-	5	5
Profit before tax		4,254	(42)	4,212
Tax expense				
Current tax		1,149	-	1,149
Deferred tax	d,j	(163)	25	(138)
Total tax expense		986	25	1,011
Profit for the year		3,268	(67)	3,201
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the net defined benefit liability	b	-	(8)	(8)
Income tax relating to items that will not be reclassified to profit or loss	b	-	2	2
Items that will be reclassified subsequently to profit or loss				
Exchange differences in translating the financial statements of foreign operations		-	226	226
Effective portion of loss on designated portion of hedging instruments in a cash flow hedge		-	(320)	(320)
Income tax on items that may be reclassified to profit or loss	d	-	111	111

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

Particulars	Note	Year ended March 31, 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Total other comprehensive income		-	11	11
Total comprehensive income for the year		3,268	(56)	3,212
Profit for the year attributable to:				
- Shareholders of the Company	k,c,l,d,j	3,262	(7)	3,255
- Non-controlling interests	i	6	(60)	(54)
		3,268	(67)	3,201
Other comprehensive income for the year attributable to:				
- Shareholders of the Company		-	13	13
- Non-controlling interests	i	-	(2)	(2)
		-	11	11
Total comprehensive income for the year attributable to:				
- Shareholders of the Company		3,262	6	3,268
- Non-controlling interests	i	6	(62)	(56)
		3,268	(56)	3,212

III. Reconciliation of Equity attributable to the shareholders of the Company as at March 31, 2016 and April 1, 2015

Particulars	Note	As at March 31, 2016	As at April 1, 2015
Equity under previous GAAP		19,099	18,441
Provision for dividend (including tax)	a	-	677
Remeasurement of defined benefit obligation	b	(59)	(7)
Fair valuation of gross obligation liability to acquire non-controlling interest	l	(601)	(616)
Acquisition related expense on business combination	g	(3)	-
Attribution of loss to non-controlling interests	i	62	-
Deferred tax on cash flow hedge	d	(48)	(159)
Deferred tax on undistributed profits of associate	j	(136)	(115)
Others		(9)	(9)
Equity under Ind AS		18,305	18,212

IV. Effect of Ind AS adoption on the consolidated statement of cash flows for the year ended March 31, 2016

Particulars	Note	Year ended March 31, 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net Cash flows from Operating activities	e,g	2,785	(5)	2,780
Net cash flows from investing activities	g	(853)	4	(849)
Net cash flows from financing activities		(1,107)	-	(1,107)
Net increase in cash and cash equivalents		825	(1)	824

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

Cash and cash equivalents at the beginning of the year	5,704	(1)	5,703
Effect of exchange rate changes on the balance of cash held in foreign currencies	304	-	304
Cash and cash equivalents at the end of the year	6,833	(2)	6,831

V. Notes to the reconciliations

- a) Under previous GAAP, a liability is recognised in the period to which the dividend was recommended by Board of Directors, even though the dividend may be approved by the shareholders subsequent to the reporting date. Under Ind AS, liability for dividend is recognised in the period in which the obligation to pay is established, i.e. when declared by the members in a General Meeting. The effect of this change is an increase in total equity as at March 31, 2016 of ₹ Nil (₹ 677 as at April 1, 2015), but does not affect profit before tax and total profit for the year ended March 31, 2016.
- b) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses that form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income. The actuarial gain for the year ended March 31, 2016 were ₹ 8 and the tax effect thereon

₹ 2. This change does not effect total equity as at March 31, 2016 and April 1, 2015, but there is a increase in profit before tax of ₹ 8 and in total profit of ₹ 6 for the year ended March 31, 2016.

Under previous GAAP, compensated absences of the foreign branches and subsidiaries of the Company were discounted considering the Company's discount rate, whereas Ind AS requires to consider the discount rate specific to the foreign branches for the valuation of the compensated absences liability. The effect of this change is a decrease in total equity as at March 31, 2016 of ₹ 51 (₹ 10 as at April 1, 2015) and decrease in profit before tax as well as total profit for the year ended March 31, 2016 of ₹ 51.

- c) Under previous GAAP, the cost of equity-settled employee share-based payments was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based payments is recognised based on the fair value of the options as on the grant date. The effect of this change is decrease in profit before tax as well as total profit for the year ended March 31, 2016 of ₹ 11 and no change in equity.
- d) Under previous GAAP, cash flow hedge reserve was recognised as a part of reserves & surplus. Under Ind AS, the effective portion of a cash flow hedge is recognised in other comprehensive income, net of the relevant tax effects. The consequent impact of income tax is a decrease in total equity as at March 31, 2016 of ₹ 48 (₹ 159 as at April 1, 2015). However, there is no impact on profit before tax and total profit for the year ended March 31, 2016.
- e) Under the previous GAAP, the land leases classified as operating leases were presented as a part of property, plant and equipment as leasehold land. Under Ind AS, such leases of land classified as operating leases are presented as a part of other assets (current and non-current) and amortised over the lease term. With this change, there is no impact on total equity as at March 31, 2016 and April 1, 2015, profit before tax and total profit for the year ended March 31, 2016. However, there is reclassification of depreciation expense to other expenses for the year ended March 31, 2016 of ₹ 4. Also, property, plant and equipment (PPE) has reduced by ₹ 109 as at March 31, 2016 (₹ 113 as at April 1, 2015) and corresponding increase in other current assets ₹ 4 as at March 31, 2016 (₹ 4 as at April 1, 2015) and other non-current assets ₹ 105 as at March 31, 2016 (₹ 109 as at April 1, 2015).
- f) Under previous GAAP, minimum alternate tax (MAT) credit was disclosed as a part of loans and advances. Under Ind AS, the same was regrouped under deferred tax assets, net. With this change, there is no impact on total equity as at March 31, 2016 and April 1, 2015, profit before tax and total profit for the year ended March 31, 2016. However, there is reclassification from income tax assets, net to deferred tax assets, net of ₹ 33 as at March 31, 2016 (₹ 3 as at April 1, 2015).
- g) Under Ind AS, transaction costs incurred for business combinations have to be expensed off, while under the previous GAAP, was capitalised. The effect of this change is a decrease in total equity as at March 31, 2016 of ₹ 3 (₹ Nil as at April 1, 2015) and decrease in profit before tax as well as total profit for the year ended March 31, 2016 of ₹ 3.
- h) Under previous GAAP, interests in joint ventures are consolidated using proportionate consolidation method while under Ind AS, it is accounted under equity method. The effect of this change has no impact on total equity, profit before tax and total profit for the year ended March 31, 2016.
- i) Under Ind AS, the total comprehensive income is

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

attributed to the shareholders of the parent and non-controlling interests, even if the results of the non-controlling interests has a deficit balance. Under the previous GAAP, the non-controlling interests are not presented with deficit balance. The effect of this change has no impact on total equity as at March 31, 2016 (₹ Nil as at April 1, 2015). However, the equity attributable to the shareholders of the Company as at March 31, 2016 has increased by ₹ 62 and profit for the year ended March 31, 2016 increased by ₹ 60. j) Under Ind AS, deferred tax liability has been recognised on undistributed profits of associates, while under the previous GAAP, the same was not mandated. The effect of this change has no impact on profit before tax. However, the equity as at March 31, 2016 has decreased by ₹ 136 (₹ 115 as at April 1, 2015) and total profit has decreased for the year ended March 31, 2016 by ₹ 21.

- k) Under previous GAAP, revenue was disclosed net off excise duty, while under Ind AS, revenue is presented gross of excise duty based on a clarification from ICAI. The effect of this change has no impact on equity and profit after tax and total profit for the year ended March 31, 2016.
- l) Under Ind-AS, put option held by non-controlling interests has been recognised as a financial liability at the present value of the redemption amount, while under the previous GAAP, the same was not mandated. The effect of this change is decrease in total equity as at March 31, 2016 of ₹ 616 (₹ 616 as at April 1, 2015) and the profit for the year ended March 31, 2016 has increased by ₹15.
- m) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income, while under previous GAAP, there was no such requirement.
- n) Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are measured at fair value and classified as FVTPL. This change does not effect total equity as at March 31, 2016 and April 1, 2015, profit before tax as well as total profit for the year ended March 31, 2016.
- o) Under previous GAAP, deferred tax was computed under the profit and loss approach, whereas under Ind AS, deferred tax was computed under the balance sheet approach.

3. Property, plant and equipment

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Carrying amount of:			
Freehold land (refer note (a) below)	16	16	16
Buildings (refer note (b) below)	1,402	1,467	1,525
Leasehold improvements	37	34	39
Computers	244	245	235
Plant and equipment	570	597	614
Office equipment	234	160	151
Furniture and fixtures	305	270	228
Electrical installations	159	188	210
Vehicles	27	30	10
Tools and equipment	23	13	15
Total	3,017	3,020	3,043

Notes:

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

- (a). Includes ₹ 4 (March 31, 2016 - ₹ 4; April 01, 2015 - ₹ 4) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.
- (b). Includes ₹ 789 (March 31, 2016 - ₹ 780; April 01, 2015 - ₹ 780) relating to building constructed on leasehold land.

(c). Movement in the carrying amount of property, plant and equipment is as below:

Description of assets	Lease-								Tools and equip-ment	Vehi-cles	Electrical installa-tions	Furni-ture and fixtures	Office equip-ment	Plant and equip-ment	Com-puters	Lease- hold im-prove-ments	Build-ings	Free- hold land (refer note(d) below)	Total
I. Cost																			
Balance as at April 1, 2015	16	9	1,945	122	1,783	1,282	522	531	440	15	48	6,713							
Additions	-	-	15	3	140	81	66	97	22	23	4	451							
Disposals	-	-	(4)	(1)	(70)	(3)	(1)	(3)	-	(2)	-	(84)							
Derecognised on disposal of a subsidiary (refer note 35)	-	-	(1)	-	(10)	(1)	(7)	(5)	(2)	-	-	(26)							
Foreign currency translation adjustments	-	-	-	7	-	-	17	4	-	-	-	28							
Balance as at March 31, 2016	16	9	1,955	131	1,843	1,359	597	624	460	36	52	7,082							
Additions	-	-	4	16	164	73	99	77	12	5	17	467							
Disposals	-	-	-	(63)	(285)	(9)	(215)	(45)	(2)	(5)	-	(624)							
Acquisitions through business combination (refer note 35)	-	-	-	1	3	2	50	3	-	1	-	60							
Foreign currency translation adjustments	-	-	-	(3)	(37)	-	33	(6)	-	-	-	(13)							
Balance as at March 31, 2017	16	9	1,959	82	1,688	1,425	564	653	470	37	69	6,972							

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

Description of assets	Free- hold land	Lease- hold land (refer note(d) below)	Build- ings	Lease- hold im- prove- ments	Com- puters	Plant and equip- ment	Office equip- ment	Furni- ture and fixtures	Electrica installa- tions
Balance as at April 1, 2015	16	-	1,525	39	235	614	151	228	210
Balance as at March 31, 2016	16	-	1,467	34	245	597	160	270	188
Balance as at March 31, 2017	16	-	1,402	37	244	570	234	305	159

(d). Includes ₹ 9 (March 31, 2016 - ₹ 9; April 1, 2015 - ₹ 9) in respect of which land allocation letters has been received, pending completion of legal formalities relating to conveyance.

4. Goodwill

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at beginning of year	2,708	4,263
Additions on account of business combinations (refer note 35)	570	-
Derecognised on account of amalgamation (refer note 35)	-	(1,555)
Balance at end of the year	3,278	2,708

Goodwill of ₹ 2,578 (March 31, 2016: ₹ 2,578, April 1, 2015: ₹ 2,578) has been allocated to the DLM segment (refer note 32). The estimated value-in-use of this Cash Generating Unit (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 15.3 %. 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, 2016: ₹ Nil, April 1, 2015: ₹ Nil) has been allocated to the MI segment (refer note 32). 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 16.5 %. 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.

The remaining goodwill of ₹ 204 (March 31, 2016: ₹ 130; April 1, 2015: ₹ 1,685) (relating to different CGUs and allocated to MI & UGC Segments) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amount.

5. Intangible assets

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Carrying amount of:			
Computer software	529	338	432
Technology/ Intellectual Property	8	-	-
Customer contracts	303	-	-

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

			Process Knowhow	75	-	-
			Other intangible assets	300	506	33
			Total	1,215	844	465
			Intangible assets under development (refer note (i) below)	173	76	32
			Total	1,388	920	497

0 10 15

3 30 13

9 27 23

(i). Intangible assets under development:

(a) During the year, the Company entered into an agreement with a third party, wherein it was granted technology license to develop, test and commercially utilise the benefits from such testing and development activity. Accordingly, the initial consideration paid of ₹ 71 has been classified under 'intangible asset under development'.

(b) Amounts incurred by the Company's wholly owned subsidiary pursuant to an agreement with a customer towards efficiency improvement in certain equipment on a risk sharing model ₹ 102 (March 31, 2016: ₹ 76 ; April 1, 2015: ₹ 32)

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

Description of assets	Computer software	Technology/ Intellectual Property	Customer contracts	Process Knowhow	Other intangible assets	Total
I. Cost						
Balance as at April 1, 2015	2,313	-	-	-	148	2,461
Additions	237	-	-	-	20	257
Additions through business combination (refer note 35)	-	-	-	-	553	553
Derecognised on disposal of a subsidiary (refer note 35)	(2)	-	-	-	-	(2)
Foreign currency translation adjustments	12	-	-	-	-	12
Balance as at March 31, 2016	2,560	-	-	-	721	3,281
Additions	449	-	-	-	-	449
Additions through business combination (refer note 35)	10	16	337	78	-	441
Foreign currency translation adjustments	(30)	-	-	-	(6)	(36)
Balance as at March 31, 2017	2,989	16	337	78	715	4,135
II. Accumulated amortisation						
Balance as at April 1, 2015	1,881	-	-	-	115	1,996
Amortisation for the year	331	-	-	-	98	429

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Eliminated on disposal of a subsidiary (refer note 35)	(1)	-	-	-	-	(1)
Foreign currency translation adjustments	11	-	-	-	2	13
Balance as at March 31, 2016	2,222	-	-	-	215	2,437
Amortisation for the year	282	8	34	3	143	470
Foreign currency translation adjustments	(44)	-	-	-	57	13
Balance as at March 31, 2017	2,460	8	34	3	415	2,920
III. Carrying Amounts (I-II)						
Balance as at April 1, 2015	432	-	-	-	33	465
Balance as at March 31, 2016	338	-	-	-	506	844
Balance as at March 31, 2017	529	8	303	75	300	1,215

6. Investments

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
A. Investments - Non-current (refer note (i) below)			
Investment carried at equity method of accounting			
(i) Equity instruments of associate company (unquoted) (refer note 6(iv))	914	796	675
(ii) Equity instruments of joint venture company (unquoted) (refer note 6(v))	17	12	7
Investment carried at fair value through OCI			
(i) Equity instruments of other entities (unquoted)	101	-	-
	1,032	808	682
B. Investments - Current (refer note (ii) below)			
Investment carried at fair value through profit and loss			
(i) Investments in Mutual Funds (quoted)	925	790	336
Total	925	790	336

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity instruments of associate company (unquoted)						

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

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Infotech Aerospace Services Inc., USA - (refer note 6(iv))	490	914	490	796	490	675
Equity instruments of joint venture company (unquoted)						
Infotech HAL Limited, India (refer note 6(v))	2,000,000	17	2,000,000	12	2,000,000	7
Equity instruments of other entities (unquoted)						
Canesta Inc., USA	10,000	-	10,000	-	10,000	-
Traffic master Plc., United Kingdom	35,088	-	35,088	-	35,088	-
Cardiac Design Labs Private Limited, India	6,036	18	-	-	-	-
Vios Medical Inc., USA	781,250	83	-	-	-	-
Total		1,032		808		682

Note (ii): Details of investments - current

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Units	Amount	Units	Amount	Units	Amount
<u>Investments in Mutual Funds (quoted)*</u>						
IDFC Money Manager Fund - Investment Plan - Daily Dividend- (Regular Plan)	-	-	-	-	40,222	40
JM High Liquidity Fund - Daily Dividend Option (39)	-	-	-	-	3,857,933	40
Reliance Liquid Fund - Cash Plan - Daily Dividend Option Dividend Reinvestment	55,769	85	30,062	46	40,611	45
Taurus Liquid Fund - Existing Plan - Super Institutional Daily Dividend Reinvestment	-	-	-	-	44,999	45
Sundaram Ultra Short-term Fund Regular Daily Dividend Option Reinvestment	-	-	-	-	3,492,720	35
Baroda Pioneer Treasury Advantage Fund - Plan A Daily Dividend- Reinvestment	-	-	-	-	43,885	45
L&T Liquid fund - Daily Dividend Reinvestment Plan	44,416	45	47,951	48	39,581	41
Religare Invesco Liquid Fund - Daily Dividend	-	-	50,223	50	45,191	45
Birla Sun Life Cash Plus - Daily dividend - Regular plan	506,373	51	499,961	50	-	-
Axis Liquid Fund - Daily dividend Reinvestment	46,920	47	50,004	50	-	-
UTI-Liquid Cash Plan Institutional Daily Dividend Reinvestment	49,773	51	47,822	49	-	-
IDBI Liquid Fund Regular Plan Daily Dividend Reinvestment	-	-	45,942	46	-	-

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Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Units	Amount	Units	Amount	Units	Amount
ICICI Prudential Liquid Fund Regular Plan Daily Dividend	506,879	51	406,722	41	-	-
Baroda Pioneer Liquid Fund - Plan A Daily Dividend Reinvestment	70,057	70	45,766	46	-	-
IDFC Cash fund - Daily dividend Regular plan	50503	51	45,919	46	-	-
Sundaram Money Fund Regular Option Reinvestment	7,966,105	80	4,298,654	43	-	-
Kotak Floater Short Term Daily Dividend Regular Plan	37,064	45	40,391	41	-	-
HDFC Liquid Fund Dividend Daily Reinvestment	89,158	91	98,181	100	-	-
JM High Liquidity Fund Daily Dividend Option	-	-	3,917,754	41	-	-
DSP black liquid fund institutional plan daily dividend	80,535	81	45,050	45	-	-
LIC Nomura MF Liquid Fund Dividend Plan	42,302	46	43,629	48	-	-
SBI Premium Liquid Fund - Regular Plan - Daily dividend	50,377	51	-	-	-	-
DHFL Pramerica Insta Cash Plus Fund - Daily Dividend - Reinvestment	504,206	50	-	-	-	-
Tata Liquid Fund Regular Plan - Daily Dividend	30,246	30	-	-	-	-
Total aggregate quoted investment		925		790		336

* The market value of quoted investment is equal to its carrying value.

Note (iii). Carrying values:

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

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Aggregate amount of unquoted investments carried at equity method of accounting	931	808	682
Aggregate amount of Investment carried at fair value through OCI	101	-	-
Aggregate market value of quoted investments carried at fair value through profit and loss	925	790	336

(iv). Investments in associates

The company holds 49% of shareholding in Infotech Aerospace Inc. USA as at March 31, 2017, March 31, 2016 and April 1, 2015. The associate share of profit is accounted for in the consolidated financial statements using the equity method of accounting.

Summarised financial information:

The associate company follows calendar year as its reporting period. The consolidated financial statements include audited figures of the associate for the year ended March 31, 2017 after making adjustments for the three months ended March 31, 2017 and March 31, 2016.

Financial position:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non current assets	406	59	69
Current assets	2,254	2,358	1,916
Current liabilities	(363)	(308)	(240)
Impact of foreign currency translation	(432)	(485)	(367)
Net assets	1,865	1,624	1,378

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	4,491	3,689
Profit for the year	241	246
Total comprehensive income for the year	241	246

Reconciliation to carrying amounts:

Particulars	As at March 31, 2017	As at March 31, 2016
Opening net assets	1,624	1,378
Profit for the year	241	246
Closing net assets	1,865	1,624
Group's share %	49%	49%
Group's share in net assets of the associate	914	796

(v). Investments in Joint Ventures

The Company holds 50% of shareholding in Infotech HAL Limited as at March 31, 2017, March 31, 2016 and April 1, 2015. The share in profit of joint venture is accounted for using the equity method of accounting.

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

Summarised financial information:

Financial Position:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non current assets	6	7	4
Current assets	100	65	38
Non current liabilities	(2)	(2)	(1)
Current liabilities	(71)	(47)	(28)
Net assets	33	23	13

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	66	62
Profit for the year	10	10
Total comprehensive income for the year	10	10

Reconciliation to carrying amounts:

Particulars	As at March 31, 2017	As at March 31, 2016
Opening net assets	23	13
Profit for the year	10	10
Closing net assets	33	23
Group's share %	50%	50%
Group's share in net assets of joint venture	17	12

7. Other financial assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
Security deposits			
Unsecured, considered good	205	159	120
Doubtful	16	16	16
Less : Allowance for bad and doubtful deposits	(16)	(16)	(16)
	205	159	120
Advance to employees			
Unsecured, considered good	-	24	34
Total other non-current financial assets	205	183	154
Current			
Derivative financial asset (refer note 36)	499	175	463
Unbilled revenue	1,823	1,643	1,461

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

Interest accrued on deposits	149	117	142
Advance to employees	54	47	59
Security deposits	13	-	-
Other receivables*	122	195	180
Total other current financial assets	2,660	2,177	2,305
Total other financial assets	2,865	2,360	2,459

* Other receivables include advances of ₹ 8 (March 31, 2016: ₹ 8; April 1, 2015: ₹ 4) receivable from joint venture (refer note 34).

8. Other assets

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current (unsecured):			
Capital advances	17	62	48
Prepaid expenses	120	204	190
Balances with government authorities	713	686	611
Other advances	5	5	7
Total other non-current assets	855	957	856
Current (unsecured):			
Prepaid expenses	709	591	622
Balances with government authorities	80	90	87
Other advances, unsecured, considered good	127	194	177
Total other current assets	916	875	886
Total other assets	1,771	1,832	1,742

9. Inventories

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Inventories (lower of cost and net realisable value)			
Raw materials	655	807	440
Work-in-progress	164	80	40
Finished goods	94	68	114
Consumables & Stores	22	24	12
Total	935	979	606

Inventories are carried at lower of cost and net realisable value. Write down of inventories to net realisable value for the year ended March 31, 2017 aggregated to ₹ 4 (March 31, 2016: ₹ 13). These were recognised as expense during the year and included in changes in inventories of finished goods and work-in-progress in consolidated statement of profit & loss.

10. Trade receivables

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables			
Unsecured, considered good*	6,496	6,145	5,333
Doubtful	174	262	119

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

Less: Allowance for doubtful debts (expected credit loss allowance) (refer note below)	(174)	(262)	(119)
Total	6,496	6,145	5,333

* Trade receivables include an amount of ₹ 25 (March 31, 2016: ₹ 21; April 1, 2015: ₹ 15) receivable from joint venture (refer note 34).

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, 2017	March 31, 2016	April 1, 2015
Within the credit period	5,586	5,167	4,378
1-90 days past due	717	824	769
91-180 days past due	166	199	141
181-365 days past due	182	191	145
More than 365 days past due	19	26	19
	6,670	6,407	5,452

Movement in the expected credit loss allowance	As at	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	262	119
Provision for doubtful debts (net)	97	197
Reversal of provision for doubtful debts, net	(185)	(54)
Balance at the end of the year	174	262

11 Cash and Bank Balances

11A. Cash and cash equivalents

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Cash on hand (refer note 39)	-	1	-
Cheques on hand	25	-	-
Balances with banks			
in current accounts	2,114	2,671	1,872
in deposit accounts	4,882	4,060	3,791

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

Deposits with financial institutions	1,495	-	-
Remittances in transit	54	99	40
Total	8,570	6,831	5,703

11B. Other bank balances

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Unpaid dividend account	11	12	7
Deposits held as margin money/security for bank guarantees (refer note below)	200	106	518
Total	211	118	525

Deposits held as margin money includes amount placed in escrow ₹ 57 (March 31, 2016 - ₹ Nil; April 1, 2015 - ₹ 63) being part of the purchase consideration paid by Cyient Inc. towards purchase of Certon Software Inc. The amount of ₹ 63 outstanding as at April 1, 2015 in escrow for Softential Inc. acquisition was released to the promoters of Softential Inc. on fulfilment of specified terms and conditions during the previous year.

12. Equity share capital

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Authorised share capital:			
278,000,000 fully paid up equity shares of ₹ 5 each (March 31, 2016: 270,000,000; April 1, 2015: 270,000,000) (refer note below)	1,390	1,350	1,350
Issued and subscribed capital:			
112,566,340 fully paid up equity shares of ₹ 5 each (March 31, 2016 : 112,483,377; April 1, 2015: 112,361,065)	563	562	562
Total	563	562	562

Note:

The authorised share capital of the Company was increased from 270,000,000 equity shares of ₹ 5 each to 278,000,000 an equity shares of ₹ 5 each vide approval dated June 22, 2016, from the Ministry of Corporate affairs.

(A) Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Opening Balance	112,483,377	562	112,361,065	562	112,361,065	562
Issue of shares under the Company's employee share option plan	82,963	1	122,312	-	-	-
Balance	112,566,340	563	112,483,377	562	112,361,065	562

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

Name of the shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares						

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

Vineyard Point Software Private Limited	11,256,634	10.00%	fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2004 (ASOP - 2004)
BVR Mohan Reddy (refer note (i) below)	3,358,254	2.98%	14,614,888 12.99% 14,597,366 12.99%
B Sucharitha (refer note (ii) below)	912,883	0.81%	(v) 890,534 (March 31, 2016: 807,571; April 1, 2015: 685,259) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2008 (ASOP - 2008)
Carrier International Mauritius Ltd	15,292,960	13.59%	15,292,960 13.60% 15,292,960 13.61%
First Carlyle Ventures Mauritius	11,099,416	9.86%	11,099,416 9.87% 11,099,416 9.88%

Notes:

(E). Details of shares reserved for issue:

- Mr. BVR Mohan Reddy transferred 11,256,634 equity shares aggregating 10.00% of the paid up share capital of the company to Vineyard Point Software Private Limited as a part of the settlement contribution of a trust (viz. Saranam Family Private Trust), there is no cash consideration for this transaction. Subsequent to the transfer, Mr. BVR Mohan Reddy holds 3,358,254 equity shares constituting 2.98% of the paid up share capital of the Company.
- Mrs. B Sucharitha transferred 5,628,317 equity shares aggregating 5.00% of the paid up share capital of the Company to Infocad Enterprises Private Limited as a part of the settlement contribution of a trust (viz. Sairam Trust), there is no cash consideration for this transaction. Subsequent to the transfer, Mrs. B. Sucharitha Reddy holds 912,883 equity shares constituting 0.81% of the paid up share capital of the company.

- Shares aggregating 650,000 (March 31, 2016: Nil, April 1, 2015: Nil), reserved for issue under RSU scheme 2016.

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

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

(D). Details of shares allotted under Associate Stock Option Plans

- 80,900 (March 31, 2016: 80,900; April 1, 2015: 80,900) equity shares of ₹ 10 each fully paid-up was allotted to Infotech ESOP trust pursuant to the Infotech Employee Stock Offer Scheme - 1999 (ESOP - 1999)
- 1,650,630 (March 31, 2016: 1,650,630; April 1, 2015: 1,650,630) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2001 (ASOP - 2001)
- 2,123,507 (March 31, 2016: 2,123,507; April 1, 2015: 2,123,507) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2002 (ASOP - 2002)
- 3,296,545 (March 31, 2016: 3,296,545; April 1, 2015: 3,296,545) equity shares of ₹ 5 each

(F). (i). Associate Stock Option Plans

Infotech Employee Stock Offer Scheme 1999 (ESOP Plan)

In 1998-99, the Company set up the Infotech Employee Stock Offer Scheme (ESOP Plan) and allotted 80,900 equity shares of ₹10 each at a premium of ₹100 per share to the "Infotech ESOP Trust" ("Trust"). The Trust, on the recommendation of the Management and upon the receipt of full payment upfront transfers the equity shares in the name of selected employees. The Company modified the ESOP Plan and adjusted the number of options and exercise price on account of bonus issue and stock split cum bonus issue during 2002-03, 2006-07 and 2010-11 respectively. These equity shares are under lock-in period (i.e., the date of transfer of the shares from the Trust to the employee) and it differs from offer to offer. When the employee leaves the Company before the expiry of the lock-in-period the options allocated to such employee stands transferred to the Trust at a predetermined price. Hence, the lock-in-period has been considered as the vesting period. However, the Trust and the Company have a discretionary power to waive the restriction on selling such stock to the Trust.

As at March 31, 2017, March 31, 2016 & April 1, 2015, 80,900 equity shares of ₹ 10 each have been allotted to the Infotech ESOP trust.

Associate Stock Option Plan – 2001 (ASOP 2001)

The Company instituted ASOP 2001 in April 2001 and earmarked 225,000 equity shares of ₹ 10 each for issue to the employees under ASOP. The Company modified ASOP 2001 and adjusted the number of options and exercise price on account of stock split cum bonus issue during 2006-07. Under ASOP 2001, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

As at March 31, 2017, 1,650,630 (March 31, 2016: 1,650,630; April 1, 2015: 1,650,630) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2001 plan and there are no outstanding options to be exercised/vested by the employees.

Associate Stock Option Plan – 2002 (ASOP 2002)

The Company instituted ASOP 2002 in October 2002 and earmarked 575,000 equity shares of ₹ 10 each for issue to the employees under ASOP. The Company modified ASOP 2002 and adjusted the number of options and exercise price on account of stock split cum bonus issue during 2006-07. Under ASOP 2002, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

As at March 31, 2017, 2,123,507 (March 31, 2016: 2,123,507 and April 1, 2015: 2,123,507) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2002 plan and there are no outstanding options to be exercised/vested by the employees.

Associate Stock Option Plan – 2004 (ASOP 2004)

The Company instituted ASOP 2004 in October 2004 and earmarked 1,150,000 equity shares of ₹10 each for issue to the employees under ASOP. The Company modified ASOP 2004 and adjusted the number of options and exercise price on account of stock split cum bonus issue during 2006-07. Under ASOP 2004, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

As at March 31, 2017, 3,296,545 (March 31, 2016: 3,296,545 and April 1, 2015: 3,296,545) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2004 plan and there are no outstanding options to be exercised/vested by the employees.

Associate Stock Option Plan – 2008 (ASOP 2008)

The Company instituted ASOP 2008 in July 2008 and earmarked 1,000,000 equity shares of ₹ 5 each for issue to the employees under ASOP. Under ASOP 2008, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

Movements in stock options during the year ASOP 2008

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Options	Weighted average exercise price	No. of Options	Weighted average exercise price
Options outstanding at the beginning of the year	318,750	316	637,383	196
Granted	83,000	500	81,000	546
Forfeited	-	-	(277,321)	171
Exercised	(82,963)	189	(122,312)	172
Options outstanding at the end of year	318,787	361	318,750	316

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

Out of the total outstanding options, 121,387 (March 31, 2016: 132,500; April 1, 2015: 125,000) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2017, 890,534 (March 31, 2016: 807,571; April 1, 2015: 685,259) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2008 plan. Accordingly, options (net of cancellations) for a total number of 318,787 (March 31, 2016: 318,750; April 1, 2015: 637,383) equity shares of ₹ 5 each were outstanding as at March 31, 2017.

Associate Stock Option Plan – 2015 (ASOP 2015)

The Company instituted Associate Stock Option Plan 2015 for all eligible employees in pursuance of the resolution passed by the members of the Company at their meeting held on July 16, 2015. Company has got the in-principle approval from the stock exchanges. Under the said scheme, 1,200,000 equity shares of ₹ 5 each have been earmarked. The options are yet to be granted to eligible employees.

(ii). Restricted Stock Unit Scheme 2016 (RSU 2016)

The Company has instituted the RSU 2016 plan earmarking 650,000 equity shares of ₹ 5 each which provided for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended the establishment of the plan on October 13, 2016 and the shareholders approved the recommendation of the Board of Directors on December 12, 2016 through a postal ballot. The RSUs will vest over a period of one year from the date of grant. Under the scheme, eligible employees were given an option to choose the RSUs either in the form of equity shares or in cash.

On March 31, 2017, the Company made a grant of 637,476 restricted stock units to eligible employees out of which 423,892 RSUs will be settled in equity and 213,584 RSUs will be settled in cash. Accordingly, an amount of ₹ 174 has been presented under 'Stock options reserve' representing the equity settlement and ₹ 87 has been presented under 'trade payables' representing expected cash settlement.

Movements in stock options during the year:

RSU 2016 Plan

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of RSUs	Weighted average exercise price	No. of RSUs	Weighted average exercise price
RSU outstanding at the beginning of the year	-	-	-	-
Granted	637,476	5	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
RSU outstanding at the end of year	637,476	5	-	-

(iii) Fair value of share options granted during the year

The weighted average fair value of the share options and RSUs granted during the financial year is ₹ 233.7-₹ 455.4 (2015-16: ₹ 202.07 - ₹ 222.68). Options and RSUs were priced using Black Scholes pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past years.

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

The following assumptions were used for calculation of fair value of grants:

Particulars	Black-Scholes Model As at		
	March 31, 2017	March 31, 2016	April 1, 2015
a) ASOP 2008			
Exercise price (₹)	184 - 559	184 - 559	184 - 324
Grant date share price (₹)	185 - 531.5	185 - 531.5	185 - 325
Dividend yield (%)	1.53 - 2.64	1.53 - 2.64	1.53 - 2.64
Expected volatility (%)	40 - 65.53	40 - 58.29	40 - 47
Risk-free interest (%)	6.96 - 8.4	8.29 - 8.4	8.29 - 8.4
Expected term (in years)	3 - 4	3 - 4	3 - 4
b) RSU 2016			
Exercise price (₹)	5	-	-
Grant date share price (₹)	467.5	-	-
Dividend yield (%)	1.6	-	-
Expected volatility (%)	24.4	-	-
Risk-free interest (%)	6.3	-	-
Expected term (in years)	1	-	-

iv Share Options exercised during the year

Options series	Year	No. of options exercised	Exercise date*	Share price at exercise date
Associate Stock Option Plan – 2008 (ASOP 2008)	2016-17	82,963	May to December	478 - 507
Associate Stock Option Plan – 2008 (ASOP 2008)	2015-16	122,312	July to November	553 - 484

* Allotment happened at various dates during that period

13. Other equity

Particulars	As at	
	March 31, 2017	March 31, 2016
(a). General reserve		
(i) Opening balance	5,155	5,158
(ii) Infotech Geospatial (India) Private Limited Amalgamation Adjustment (Refer Note 35)	-	(3)
	5,155	5,155
(b). Securities premium account		
(i) Opening balance	3,831	3,810
(ii) Options exercised during the year	4	1
(iii) Premium received on allotment of shares	15	20

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

13. Other equity

Particulars	As at	
	March 31, 2017	March 31, 2016
	3,850	3,831
(c). Stock option reserve		
(i) Opening balance	19	8
(ii) Stock option reserve expense for the year	17	12
(iii) Equity component of RSU (refer note 12)	174	-
(iv) Options exercised during the year	(4)	(1)
	206	19
(d). Cash flow hedge reserve		
(i) Opening balance	92	301
(ii) Effective portion of gain / (loss) on designated portion of hedging instruments, net	235	(209)
	327	92
(e). Foreign currency translation reserve		
(i) Opening balance	496	268
(ii) Additions / (deductions) during the year (net)	(273)	228
	223	496
(f). Retained earnings		
(i) Opening balance	8,762	8,718
(ii) Softential Inc. amalgamation adjustment (refer note 35)	-	(1,535)
(iii) Infotech Geospatial (India) Private Limited amalgamation Adjustment (refer note 35)	-	(46)
(iv) Other Comprehensive Income arising out of remeasurement of defined benefit obligation (net of taxes)	(22)	(6)
(v) profit for the year	3,438	3,255
	12,178	10,386
Less: Appropriations		
(a) Dividend on equity shares	619	1,349
(b) Tax on dividend	126	275
	11,433	8,762
(g). Capital reserve		
(i) Opening balance	3	3
(ii) Gain on bargain purchase on business combination, net (refer note 35)	29	-

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

13. Other equity

Particulars	As at	
	March 31, 2017	March 31, 2016
	32	3
(h). Gross obligation liability to acquire non-controlling interest	(616)	(616)
(i). Share application money pending for allotment (refer note below)	-	1
Total	20,610	17,743

Note: The Company has received an amount of ₹ Nil (March 31, 2016- ₹ 1) (April 1, 2015- ₹ Nil) towards the share application money pending allotment. The share application money relates to money received from the associates pursuant to Associate Stock Option Plan (ASOP) 2008.

Nature of reserves

(a). General reserve

This represents appropriation of profit by the Company.

(b). Securities premium account

Amounts received on issue of shares in excess of the par value has been classified as securities premium.

(c). Stock option reserve

The Stock option reserve is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees.

(d). Cash flow hedge reserve

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

(e). Foreign currency translation reserve

Represents the exchange differences in translating the financial statements of 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.

(f). Retained earnings

Retained earnings comprises of prior years' undistributed earnings after taxes.

(g). Capital reserve

Represents the bargain purchase on business acquisitions.

(h). Gross obligation liability to acquire non-controlling interest

Represents the put option held by non-controlling interests recognised at present value of redemption amount.

(i). Share application money pending for allotment

Represents application money received pending allotment of shares

14. Non-controlling Interests

Particulars	As at	
	March 31, 2017	March 31, 2016
Balance at beginning of year	67	122
Share of loss for the year	(40)	(56)
Other adjustments	(1)	1
Balance at end of year	26	67

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

Details of subsidiaries with the non-controlling interests:

Name of the subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		
		March 31, 2017	March 31, 2016	April 1, 2015
Cyient Insights private limited	India	49%	49%	49%
Cyeint DLM Private Limited (formerly Rangsons Electronics Private Limited)	India	26%	26%	26%

Allocation of comprehensive income to non-controlling interests:

Name of the subsidiary	Total comprehensive income allocated to non controlling interests		Accumulated non controlling interests	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Cyient Insights private limited	(42)	(62)	(104)	(62)
Cyeint DLM Private Limited (formerly Rangsons Electronics Private Limited)	2	6	130	128
Other adjustments	-	-	-	1
	(40)	(56)	26	67

Summarised financial information:

Cyient Insights private limited

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non current assets	20	15	15
Current assets	20	10	9
Non current liabilities	(283)	(181)	(70)
Current liabilities	(17)	(18)	(4)
Net assets	(260)	(174)	(50)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	58	36
Expenses	(148)	(158)
Loss for the year	(90)	(122)
Loss attributable to shareholders of the Company	(46)	(62)
Loss attributable to the non-controlling interests	(44)	(60)
Loss of the year	(90)	(122)
Other comprehensive income attributable to shareholders of the Company	3	(1)
Other comprehensive income attributable to non-controlling interests	2	(2)
Other comprehensive income for the year	5	(3)
Total comprehensive income attributable to shareholders of the Company	(43)	(63)
Total comprehensive income attributable to non-controlling interests	(42)	(62)
Total comprehensive income for the year	(85)	(125)

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

Net cash (outflow) from operating activities	(97)	(105)
Net cash inflow from financing activities	101	107
Net cash inflow	4	2

Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non current assets	463	469	420
Current assets	2,275	2,080	1,584
Non current liabilities	(70)	(74)	(96)
Current liabilities	(2,264)	(2,073)	(1,438)
Net assets	404	402	470

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	3,726	2,675
Expenses	(3,720)	(2,743)
Profit/(loss) for the year	6	(68)
Profit/(loss) attributable to shareholders of the Company	4	(74)
Profit attributable to the non-controlling interests	2	6
Profit/(loss) for the year	6	(68)
Other comprehensive income attributable to shareholders of the company	(3)	(1)
Other comprehensive income attributable to non-controlling interests	-	-
Other comprehensive income for the year	(3)	(1)
Total comprehensive income attributable to shareholders of the company	1	(75)
Total comprehensive income attributable to non-controlling interests	2	6
Total comprehensive income for the year	3	(69)
Net cash inflow from operating activities	118	10
Net cash (outflow) from investing activities	(94)	(41)
Net cash (outflow)/inflow from financing activities	(158)	189
Net cash (outflow)/inflow	(134)	158

15. Non-current borrowings

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

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Unsecured - at amortised cost			
Term loans			
from other parties	40	36	33
Secured - at amortised cost			
Term loans			
from banks	452	645	434
Total non-current borrowings	492	681	467

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

Summary of borrowings arrangements

15.1 Term loans of Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited):

Nature of security & terms of Repayment :

(i) Nature of security:

Term loans are borrowed from State Bank of Mysore (SBM) & HDFC Bank Limited, and are secured by:

- i. First pari-passu charge on all existing and future fixed assets of the borrower, to be shared with existing term lenders.
- ii. Second pari-passu charge on current assets and other movable asset of the Company.
- ii. Guarantees: Corporate Guarantee of Cyient Limited

(ii) Terms of repayment:

a. Term loan of ₹ 60:

Repayable in 48 monthly variable installments commencing from May 2011. Last installment due in April 2015. Rate of interest 3.00% p.a. above base rate. Outstanding balance as at March 31, 2017: ₹ Nil (March 31, 2016: ₹ Nil; April 1, 2015: ₹ 2)

b. Term loan - ₹ 55 (SBM):

Outstanding balance as at March 31, 2017 is ₹ 13. Repayable in 60 monthly variable installments commencing from May 2013. Last installment due in April 2018. Rate of interest 9.80% p.a. Outstanding balance as at March 31, 2016 is ₹ 24, and outstanding balance as on April 1, 2015 is ₹ 34).

c. Term loan - ₹ 90 (SBM):

Outstanding balance as at March 31, 2017 is ₹ 48. Repayable in 60 monthly installments commencing from November 2014. Last installment due in Nov 2019. Rate of interest 9.80% p.a. Outstanding balance as at March 31, 2016 is ₹ 66 and outstanding balance as on April 1, 2015 is ₹ 84.

d. Term loan - ₹ 150 (HDFC):

Outstanding balance as at March 31, 2017 is ₹ 45. Repayable in 54 monthly equated installments commencing from March 2016. Rate of interest 9.50% p.a. Outstanding balance as at March 31, 2016 is ₹ 3 and Outstanding balance as at April 1, 2015 is ₹ Nil.

15.2 Term loan of Cyient Singapore Private Limited:

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

Cyient Singapore Private Limited availed a term loan of ₹ 238 (USD 3,600,000) taken from HSBC Bank on August 31, 2015 repayable in quarterly installments over a period of four years. Interest rate on the term loan is 3 months LIBOR p.a payable quarterly. Amount outstanding as on March 31, 2017 ₹ 195 (USD 3,000,000) (March 31, 2016: ₹ 218 ; April 1, 2015: ₹ Nil). To cover the fluctuations in LIBOR, Cyient Singapore Private Limited 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 1.35% per annum. This loan from HSBC Bank, Singapore is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited.

15.3 Term loan of Cyient Inc.:

- (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, 2017 ₹ 203 (USD 3,125,000) (March 31, 2016: ₹ 373 (USD 5,625,000)) (April 1, 2015: ₹ 509 (USD 8,125,000)). 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.
- (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, 2017 ₹ 152 (USD 2,350,000) (March 31, 2016: ₹ 275 (USD 4,150,000)) (April 1, 2015: ₹ Nil (USD Nil)). 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.
- (c) Cyient Inc. availed a term loan of ₹ 268 (USD 4,000,000) taken from HSBC Bank on Feb 08, 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, 2017 ₹ 259 (USD 4,000,000) (March 31, 2016: ₹ Nil (USD Nil)) (April 1, 2015: ₹ Nil (USD Nil)). 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.

15.4 Loan from others of Cyient Insights Private Limited:

Unsecured loans availed from others and outstanding as at March 31, 2017: ₹ 40 (March 31, 2016: ₹ 36; April 1, 2015: ₹ 33).

16. Other Financial Liabilities

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non - Current			
Security deposits	1	2	3
Liability towards acquisition of business (refer note (i) below)	231	-	-
Gross obligation liability to acquire non-controlling interests (refer note (ii) below)	-	601	616
Total	232	603	619
Current			
Current maturities of non-current borrowings	463	315	194
Security deposits	-	3	1
Payables on purchase of fixed assets	56	46	36
Derivative financial liability	1	36	3
Gross obligation liability to acquire non-controlling			

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

Interest accrued	3	2	2
Unpaid Dividends	11	12	7
Others	4	-	-
Total	1,133	414	243

- (i) As a part of the acquisition of Certon Software Inc., ("Certon") an amount of ₹ 231 (USD 3,563,479) is payable as contingent consideration to the selling shareholders of Certon which shall be payable after April 30, 2018 through May 31, 2020. These deferred payments consists of USD 968,630 of deferred purchase price payable on April 30, 2018 and USD 2,594,849 earn out payments payable based on the achievement of certain financial targets over the next three financials years (refer note 36).
- (ii) The Company acquired 74% of the share capital of Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited) on February 4, 2015. According to conditions stipulated in the Investment Agreement, the selling shareholders have "put option" over 26% shareholding at any time after March 31, 2017 until July 29, 2019 for a consideration equal to their proportion of the equity value of Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited). As at April 1, 2015, this option has been recognised as a financial liability at the present value of the redemption amount with a corresponding adjustment to other equity of ₹ 616. Subsequent changes to fair valuation of this liability has been recognised as a part of finance cost. (refer note 36)

17. Provisions

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Gratuity (refer note (i) below)	477	393	320
Compensated absences	566	514	416
Other provisions	5	12	21
	1,048	919	757
Non-current			
Gratuity	452	380	308
Compensated absences	361	328	268
Other provisions	-	9	15
	813	717	591
Current			
Gratuity	25	13	12
Compensated absences	205	186	148
Other provisions	5	3	6
	235	202	166
Total	1,048	919	757

Note:

Employee benefit plans:

The employee benefit schemes are as under:

Defined Benefit Plans

(i). Gratuity:

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

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

Principal assumptions used for the purposes of the actuarial valuation:

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

Particulars	Valuation as at March 31, 2017	Valuation as at March 31, 2016	Valuation as at April 1, 2015
Discount Rate (%)	6.68% - 7.00%	7.70% - 7.97%	7.80% - 7.81%
Salary Increase rate (%)	6.00% - 8.00%	5.00% - 9.00%	5.00% - 10.00%
Attrition (%)	8.00% - 17.00%	5.00% - 17.00%	5.00% - 17.00%
Mortality Table	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Retirement age	58 - 60 years	58 - 60 years	58 - 60 years

The following table sets out the Defined Benefit Plan as per actuarial valuation as at March 31, 2017 and March 31, 2016 for the Company and its subsidiaries in India:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Amounts recognised in consolidated statement of profit and loss in respect of these defined benefit plans are as follows:		
Current Service cost	77	71
Interest Expense on defined benefit obligation	36	34
Interest Income on plan assets	(10)	(12)
Net interest cost	26	22
Defined benefit cost recognised in consolidated statement of profit and loss	103	93
Remeasurement effects recognised in Other Comprehensive Income		
Actuarial (Gain) / Loss due to demographic assumptions change in DBO	(1)	-
Actuarial (Gain) / Loss due to Financial assumptions change in DBO	26	2
Actuarial (Gain) / Loss due to Experience on DBO	5	6
Return on plan assets (Greater)/Less than Discount rate	(1)	-
Defined benefit costs recognised in other comprehensive income	29	8
Net gratuity cost	132	101

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Present value of funded defined benefit obligation	619	524	467
Fair value of plan assets	(142)	(131)	(147)
Net liability arising from defined benefit obligation	477	393	320

Movement in the present value of the defined benefit obligation:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Projected benefit obligation at the beginning of the year	524	467
Current service cost	77	71
Interest cost	36	34
Actuarial loss/(gain)	29	8
Payments	(47)	(56)
Defined benefit obligation at the end of the year	619	524

Change in Plan assets

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Plan assets at the beginning of the year	131	147
Return on plan assets	10	12
Employer contribution	48	28
Payments	(47)	(56)
Plan assets at the end of the year	142	131

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

Composition of plan assets

Plan assets comprise of 100% insurer managed funds. Fund is managed by LIC as per IRDA guidelines, category wise composition of the plan assets is not available.

Sensitivity Analysis

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(25)	24	(26)	26
Future salary growth (1% movement)	26	(25)	6	(6)

Maturity profile of defined benefit obligation:

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Within 1 year	99	86	73
1-2 year	93	81	71
2-3 year	85	76	66
3-4 year	79	69	62
4-5 year	69	63	55
5-10 year	238	212	190

(ii). Assumptions for compensated absences

a) Compensated absences – India:

Actuarial assumptions for long-term compensated absences	Valuation as at March 31, 2017	Valuation as at March 31, 2016	Valuation as at April 1, 2015
Discount rate	6.90%	7.70%	7.80%
Salary escalation	6.00% - 8.00%	6.00% - 8.00%	6.00% - 8.00%
Attrition	17.00%	17.00%	17.00%

b) Compensated absences – Overseas branches and subsidiaries :

Actuarial assumptions for long-term compensated absences	Valuation as at March 31, 2017	Valuation as at March 31, 2016	Valuation as at April 1, 2015
--	--------------------------------	--------------------------------	-------------------------------

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

Discount rate	1.45% - 4.30%	1.20% - 4.25%	2.00%-4.3%
Expected return on plan assets	NA	NA	NA
Salary escalation	2.00% to 8.00%	2.00% to 9.00%	4.00% to 6.00%
Attrition	5.00%	5.00%	5.00%

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 of India securities as at the Balance Sheet date for the estimated term of the obligation.

c) Long Service Leave – Australia:

The regulations of long service leave are applicable to the associates of the Company employed at its Australia Branch and subsidiary. The accrual of long service leave is in addition to the compensated absences to which the associates are entitled to. These long service leaves are dependent on the tenure of the employee with the same employer and are regulated by respective state laws.

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, 2017	For the year ended March 31, 2016
Current tax		
In respect of the current year	932	1,139
In respect of prior years	(5)	10
	927	1,149
Deferred taxes expense/(benefit):		
In respect of the current year	176	(108)
MAT credit	(58)	(30)
	118	(138)
Total	1,045	1,011

B. Income tax expense/(benefit) recognised in other comprehensive income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Income tax expense/(benefit) recognised directly in equity consists of:		
Tax effect on actuarial gains/losses on defined benefit obligations	7	2
Tax effect on gain on bargain purchase on business combinations	(12)	-
Tax effect on effective portion of change in fair value of cash flow hedges	(124)	111

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

	(129)	113
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(5)	2
Items that may be reclassified to profit or loss	(124)	111

C. Reconciliation of effective tax rate

The following is the reconciliation of the Group's effective tax rate for the year ended March 31, 2017 and 2016:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit before tax	4,441	4,212
Enacted rate in India	34.61%	34.61%
Computed expected tax expense	1,537	1,458
Effect of exemptions/deductions for tax purposes	(557)	(505)
Effect of expenses that are not deductible in determining taxable profit	67	88
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	57	(27)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(35)	18
Others	(24)	(21)
Income tax expense	1,045	1,011
Effective tax rate	23.53%	24.00%

The difference between the tax rate enacted in India and the effective tax rate of the Group is majorly because of the benefit availed on the profits of the undertakings situated in Special Economic Zones (SEZ). The SEZ units of the Company which began to provide the services on or after April 1, 2005 are eligible for 100% deduction of profits and gains derived from export of services for a period of first five years from the year of commencement of provision of services. For the next five years, they are eligible for deduction of 50% of profits and gains derived from export of services. For further five years, they are eligible for deduction upto 50% of profits subject to fulfillment of certain conditions.

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, 2017	March 31, 2016	April 1, 2015
Deferred tax assets	101	176	68
Deferred tax liabilities	(302)	(179)	(320)

B. Movement in deferred tax assets and liabilities :

2016-17	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Acquisitions	Exchange difference	Closing balance
Deferred tax (liabilities)/assets in relation to :						
Cash flow hedges	(48)	-	(124)	-	-	(172)
Investments in associates	(136)	(20)	-	-	-	(156)
Property, plant and equipment & Intangible assets	(178)	(11)	-	-	1	(188)
Deferred revenue	(124)	(151)	-	-	7	(268)
Provisions	319	23	7	-	(3)	346
Provision for doubtful debts	76	(14)	-	-	(1)	61
Carry forward of tax losses	55	(3)	-	49	(4)	97
MAT credit entitlement	33	58	-	-	-	91
Gain on bargain purchase on business combinations	-	-	(12)	-	-	(12)
Others	11	1	-	-	-	12
Net deferred tax assets/(liabilities)	(3)	(118)	(129)	49	-	(201)

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

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2015-16	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Dispos
Deferred tax (liabilities)/assets in relation to :				
Cash flow hedges	(159)	-	111	
Investments in associates	(115)	(21)	-	
Property, plant and equipment & Intangible assets	(173)	(6)	-	
Deferred revenue	(143)	26	-	
Provisions	246	71	2	
Provision for doubtful debts	40	34	-	
Carry forward of tax losses	49	4	-	
MAT credit entitlement	3	30	-	
Net deferred tax assets/(liabilities)	(252)	138	113	
Gross deferred tax assets and liabilities are as follows:				
As at March 31, 2017 :	Assets	Liabilities	Net	
Deferred tax assets / (liabilities) in relation to:				
Cash flow hedges	(172)	-	(172)	
Investments in associates	-	(156)	(156)	
Property, plant and equipment & Intangible assets	(177)	(11)	(188)	
Deferred revenue	-	(268)	(268)	
Provisions	250	96	346	
Provision for doubtful debts	36	25	61	
Carry forward of tax losses	73	24	97	
MAT credit entitlement	91	-	91	
Gain on bargain purchase on business combinations	-	(12)	(12)	
Net deferred tax assets/(liabilities)	101	(302)	(201)	
As at March 31, 2016 :	Assets	Liabilities	Net	
Deferred tax assets / (liabilities) in relation to:				
Cash flow hedges	(47)	(1)	(48)	
Investments in associates	-	(136)	(136)	
Property, plant and equipment & Intangible assets	(177)	(1)	(178)	
Deferred revenue	(122)	(2)	(124)	
Provisions	358	(39)	319	
Provision for doubtful debts	76	-	76	
Carry forward of tax losses	55	-	55	
MAT credit entitlement	33	-	33	
Net deferred tax assets/(liabilities)	176	(179)	(3)	

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

	Exchange difference	Closing balance	As at April 1, 2015 :	Assets	Liabilities	Net
			Deferred tax assets / (liabilities) in relation to:			
			Cash flow hedges	-	(159)	(159)
-		(48)	Investments in associates	-	(115)	(115)
-	cyient.com	(136)	Property, plant and equipment & Intangible assets	(155)	(18)	(173)
1		(178)	Deferred revenue	(143)	-	(143)
-	(7)	(124)	Provisions	276	(30)	246
(5)	5	319	Provision for doubtful debts	40	-	40
-	2	76	Carry forward of tax losses	47	2	49
-	2	55	MAT credit entitlement	3	-	3
-	-	33				
(4)	2	(3)	Net deferred tax assets/(liabilities)	68	(320)	(252)

18.3. Income tax assets and liabilities

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Income tax assets, net.			
Income tax assets (net of provisions ₹ 3,441 (March 31, 2016 - ₹ 3,551; April 1, 2015 - ₹ 2,807))	683	597	461
Income tax liabilities, net.			
Income tax payable (net of advance ₹ 2,595) (March 31, 2016: ₹ 1,892; April 1, 2015: ₹ 1,668)	(424)	(379)	(116)

19. Other liabilities

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non - Current			
Unearned revenue	35	88	197
Total	35	88	197
Current			
Unearned revenue	262	370	499
Advance from customers	132	194	141
Statutory remittances	914	803	514
Others	11	61	3
Total	1,319	1,428	1,157

20. Current borrowings

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Unsecured - at amortised cost			
Loans from other parties (refer note (i) below)	-	-	44

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

Secured - at amortised cost

Loans from banks (refer note (ii) below)	1,159	1,147	769
Total	1,159	1,147	813

Notes:

(i) Unsecured loan of Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited):

Interest free loan from Directors of Cyient DLM Private Limited outstanding as on April 1, 2015 was due on July 31, 2015 and was fully repaid during the previous year.

ii) Loans from banks

Working capital loan of Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited):

(i) State Bank of Mysore:

Loan outstanding balance as on March 31, 2017 is ₹ 141 (March 31, 2016: ₹ 573 ; April 1, 2015: ₹ 600). This loan is secured by a corporate guarantee from Cyient Limited.

(ii) HDFC Bank :

Loan outstanding balance as on March 31, 2017 is ₹ 409 (March 31, 2016: ₹ 428 ; April 1, 2015: ₹ 168). This loan is secured by a corporate guarantee from Cyient Limited.

(iii) Citi Bank :

Loan outstanding balance as on March 31, 2017 is ₹ 221 (March 31, 2016: ₹ Nil ; April 1, 2015: ₹ Nil). This loan is secured by a corporate guarantee from Cyient Limited.

(iii) ICICI Bank :

Loan outstanding balance as on March 31, 2017 is ₹ 180 (March 31, 2016: ₹ Nil ; April 1, 2015: ₹ Nil). This loan is secured by a corporate guarantee from Cyient Limited.

Working capital facility of Cyient Singapore Private Limited:

Loan outstanding balance as on March 31, 2017 is ₹ Nil (March 31, 2016: ₹ 146 ; April 1, 2015: ₹ Nil) from HSBC . This loan is secured by a corporate guarantee from Cyient Limited.

Working capital facility of Cyient GmbH :

Working capital facility outstanding as on March 31, 2017 ₹ Nil (March 31, 2016: ₹ Nil ; April 1, 2015: ₹ 1) is secured by a stand by letter of credit from HSBC, India which in turn is secured by a corporate guarantee from Cyient Limited.

Loan of Cyient Inc.:

During the year Cyient Inc. borrowed short term loans aggregating ₹ 843 (USD 13,000,000) (March 31, 2016: ₹ 696 (USD 10,500,000); April 1, 2015: ₹ 1,055 (USD 17,250,000)) and repaid the same before the end of the financial year under a line of credit arranged with Citi Bank NA. This loan is secured by a stand by letter of credit from Citi Bank, India which in turn is secured by a corporate guarantee from Cyient Limited.

Loan of Cyient Europe Limited:

Working capital facility outstanding as on March 31, 2017 ₹ 79 (March 31, 2016: ₹ Nil ; April 1, 2015: ₹ Nil) is secured by a corporate guarantee from Cyient Limited

During the year Cyient Europe Limited borrowed short term loans aggregating ₹ 129 (March 31, 2016: ₹ Nil ; April 1, 2015: ₹ Nil) from Citi Bank. This loan is secured by a corporate guarantee from Cyient Limited.

21. Trade Payables

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015

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

Dues to micro enterprises and small enterprises (refer note 40)	1	3	4
Dues to others	4,020	3,095	2,746
Total	4,021	3,098	2,750

22. Revenue from operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of services	32,399	28,476
Sale of products (includes excise duty of ₹ 207; 2015-16: ₹ 80)	3,666	2,545
Total	36,065	31,021

23. Other income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income		
Interest income on financial assets carried at amortised cost:		
Bank deposits	364	322
Other financial assets	12	9
	376	331
Dividend income		
Dividend from mutual funds	31	25
	31	25
Other non-operating income		
Liabilities no longer required, written back	145	77
Miscellaneous income (net)	70	71
	215	148
Other gains and losses		
Net foreign exchange (losses) / gains	(132)	211
Exchange gain on foreign currency forward contracts (net)	444	346
Gain on disposal of investment in subsidiary (refer note 35)	-	23
(Loss) / gain on disposal of property, plant and equipment	(2)	1
	310	581
Total	932	1,085

24. Employee benefits expense

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and wages, including bonus	18,667	16,148
Contribution to provident and other funds (refer note (i) below)	412	383
Social security and other benefits to overseas employees (refer note (ii) below)	312	710
Stock option expense (refer note 12)	17	11
Staff welfare expenses	1,101	894
Less: Capitalised	(19)	(21)
Total	20,490	18,125

Notes:

(i). Contribution to provident fund and other funds

- Provident fund:

The Company and three of its subsidiaries makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the fund administered and managed by the Government of India. The Group's monthly contributions are charged to the consolidated statement of profit and loss in the period they are incurred. Total expense recognised during the year consolidated ₹ 287 (2015 - 16 : ₹ 267).

- Gratuity (funded):

Amount recognised in statement of profit and loss in respect of gratuity - ₹ 103 (2015-16: ₹ 93), (refer note 17).

- Superannuation fund - India:

The qualifying employees of the Company receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the employee has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administered by Life Insurance Corporation of India. The Company's 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 ₹ 22 (2015-16: ₹ 23).

(ii). Superannuation fund - Australia

The employees at the Australia branch & subsidiary of the Group are also covered under a superannuation scheme with various super funds. The Group contributes 9.5% of the basic salary of the employee. The Group's 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 ₹ 160 (2015-16: ₹ 100).

25. Cost of materials consumed

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening stock	807	440
Add: Purchases	2,700	2,248
Less: Closing stock	(655)	(807)
	2,852	1,881

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

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Stock:		
Finished goods	68	114
Work-in-progress	80	40
	148	154
Closing Stock:		
Finished goods	94	68
Work-in-progress	164	80
	258	148
Net (increase) / decrease	(110)	6

27. Finance costs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest expense		
Interest on bank overdrafts and borrowings	105	128
Other interest expense	67	36
Total	172	164

28. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of property, plant and equipment	483	459
Amortisation of intangible assets	470	429
Total	953	888

29. Other expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent including lease rentals (refer note (i) below)	659	502
Factory rent	23	21
Rates and taxes	160	107
Insurance	87	73
Stores and spares consumed	55	49
Freight outwards	26	12
Travelling and conveyance	1,260	1,094

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

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Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
Sub-contracting charges		2,382		1,654
Communication		201		178
Printing and stationery		42		43
Power and fuel		230		236
Marketing and advertising expenses		228		217
Repairs and maintenance				
- Buildings		19		10
- Machinery		784		689
- Others		101		95
Directors Remuneration				
- Non executive directors commission		10		10
Legal & professional charges		648		790
Expenditure for Corporate Social Responsibility (refer note (ii) below)		62		48
Provision for doubtful debts (net)		97		197
Trade receivables written off (net)	109		37	
Less: Reversal of provision for doubtful debts	(108)	1	(35)	2
Auditors' remuneration (refer note (iii) below)		48		40
Recruitment expenses		74		53
Training and development		73		48
Software charges		222		395
Miscellaneous expenses		362		225
Total		7,854		6,788

Notes:

(i) Operating leases:

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

Maximum obligations on long-term non-cancellable operating leases:	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year	516	406	372
Later than one year but not later than five years	1,011	476	687
Later than five years	206	120	138
Total	1,733	1,002	1,197

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

(ii) Corporate Social Responsibility:

The Company contributes towards Corporate Social Responsibility (CSR) activities through its trust, Cyient Foundation. As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, adoption of schools, medical and other social projects. Expenses incurred on CSR activities through its Cyient Foundation and contributions towards other charitable institutions are charged to the consolidated statement of profit and loss under "other expenses" ₹ 62 (2015-16: ₹ 48)

(iii) Auditors' remuneration (net of service tax) comprises of:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Company		
For statutory audit	7	7
For other services	5	4
For services rendered by affiliates of statutory auditors	13	7
Reimbursement of expenses	1	1
Subsidiaries		
For statutory audit	22	21
Total Auditors' remuneration	48	40

30. Earnings per share

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Profit for the year attributable to shareholders of the Company	3,438	3,255
Basic:		
Number of shares outstanding at the year end	112,566,340	112,483,377
Weighted average number of equity shares	112,536,208	112,442,098
Earnings per share (₹)	30.55	28.95
Diluted:		
Effect of potential equity shares on employee stock options and RSUs outstanding	89,451	184,478
Weighted average number of equity shares outstanding	112,625,659	112,626,576
Earnings per share (₹)	30.53	28.90

Note: EPS is calculated based on profits excluding the other comprehensive income

31. Disclosure required in terms of clause 13.5A of Chapter XIII on Guidelines for preferential issue, SEBI (Disclosure and Investor Protection) Guidelines, 2000

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
2,724,000 Compulsorily convertible preference shares (CCPS) of ₹ 360 each issued to GA Global Investments Limited, Cyprus (refer note (i) below)	981	981	981

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

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
4,417,277 equity shares of ₹ 5 each at premium of ₹ 355 per share issued to GA Global Investments Limited, Cyprus	1,590	1,590	1,590
1,166,420 equity shares of ₹ 5 each at a premium of ₹ 355 per share issued to Carrier International Mauritius Limited, Mauritius	420	420	420
Total amount received on preferential issue of shares (A)	2,991	2,991	2,991
Amounts utilised out of the above:			
Purchase of fixed assets	663	663	663
Payment of fee for increasing authorised capital	6	6	6
Investment in wholly-owned subsidiary in Cyient Inc.	509	509	509
Investment in wholly-owned subsidiary TTM (India) Private Limited	41	41	41
Investment in 10% stake in Kalyani Net Ventures Limited	26	26	26
Repayment of outstanding Term Loan with Tamilnad Mercantile Bank Limited	242	242	242
Investment in Rangsons Electronics Pvt Limited	1,331	1,331	1,331
Utilisation for Working Capital	173	173	0
Total amount utilised (B)	2,991	2,991	2,818
Balance (C) = (A) - (B)	-	-	173
Income from temporary investment of unutilised funds:			
Sale of Investment in 10% stake in Kalyani Net Ventures Limited	17	17	17
Dividend received on investments	231	231	231
Interest received on investments (Net)	1,056	1,056	1,016
Interest accrued but not received, included above	-	-	(86)
Total (D)	1,304	1,304	1,178
Total Net Balance (E) = (C) + (D)	1,304	1,304	1,351
Investment / Utilisation of balance funds			
Short-Term Deposits with various banks	-	-	1,351
Utilisation for Working Capital	1,304	1,304	-
Net Outstanding unutilised funds	-	-	1,351

Notes:

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

- (i) The Company had issued 2,724,000 Compulsorily Convertible Preference Shares ("CCPS") with a face value of ₹ 360 on July 6, 2007 to M/s. GA Global Investments Limited ("GA" or "the Allottee"). The terms and conditions of the issue of these CCPS including the right to convert the CCPS into Equity Shares were subject to the provisions of the Agreement entered into between the Allottee and the Company, dated June 28, 2007, the guidelines issued by SEBI, RBI etc., and the Special Resolution passed in the Extraordinary General Meeting of members of the Company held on June 23, 2007. The CCPS were to be converted into equal number of equity shares within a period of 18 months from the date of allotment at the option of the allottee and if no option is exercised, the same shall be automatically converted into equity shares at the end of 18 months. GA Global investments exercised the option to convert the CCPS and in pursuance of this exercise the Company allotted 2,724,000 equity shares of ₹ 5 each, at a premium of ₹ 355 each on December 9, 2008. As such, there are no preference shares in the Company post the above conversion. The Company altered the capital clause of the Memorandum of Association by deleting the reference to the clauses pertaining to Compulsorily Convertible Preference Shares (CCPS). The clauses were no longer relevant as the said CCPS were issued in 2007 and have since been converted into equity shares. Form 5 was filed with the Registrar of Companies, Andhra Pradesh, notifying the said alteration (as approved by the members through postal ballot) on June 1, 2010.
- (ii) The Company does not maintain a separate bank account to manage these funds received on a preferential basis. The above allocation is based on Management's information systems.
- (iii) During the previous year, the Company has utilised an amount of ₹ 1,477 from the proceeds of preferential issue for working capital purpose.

32. Segment Information

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

The Group's Chief Operating Decision maker, is the Managing Director and Chief Executive Officer 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.

During the current year, the Company renamed its Data & Network Operations (DNO) vertical as Utilities, Geospatial and Communications (UGC), Engineering, Manufacturing, Industrial Products (EMI) vertical as Manufacturing and Industrial Products (MI) and Product Realisation (PR) vertical as Design Led Manufacturing (DLM). There is no change on account of this reorganisation.

Geographic segments of the Cyient Group are India, North America, Europe and Rest of the world.

The Cyient Group has identified business segments as its primary segment and geographic segments as its secondary segment.

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.

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

Assets and Liabilities used in the Cyient 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 Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocable revenue /expenses /assets /liabilities".

B. Business Segment revenue and results

Particulars	Segment Revenue		Segment Profit	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
UGC	12,997	10,357	1,923	1,389
MI	19,419	18,011	2,676	2,635
DLM	3,649	2,653	(13)	-
Total	36,065	31,021	4,586	4,024
Unallocable income (net of unallocable expenses)			(268)	63
Share of profit from associate			118	120
Share of profit from JV			5	5
Profit before tax			4,441	4,212
Tax Expense			1,045	1,011
Profit after tax			3,396	3,201
Share of non-controlling interest			(42)	(54)
Profit for the year attributable to the shareholders of the Company			3,438	3,255

C. Segment assets and liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Segment assets			
DLM	5,185	5,012	4,138
UGC/MI	18,440	17,069	16,528
Total	23,625	22,081	20,666
Unallocated assets			
Tax Assets	784	773	529
Fixed deposits and margin money	6,577	4,166	4,309
Security deposits	218	159	120
Interest accrued on deposits	149	117	142
Earmarked balances for unpaid dividend	11	12	7
Consolidated total assets	31,364	27,308	25,773

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Segment liabilities			
DLM	1,718	1,502	1,210
UGC/MI	5,593	4,719	4,310
Total	7,311	6,221	5,520

Unallocated liabilities

Tax Liabilities	726	558	436
Borrowings	2,114	2,143	1,474
Interest accrued on borrowings	3	2	2
Unclaimed Dividend	11	12	7
Consolidated total liabilities	10,165	8,936	7,439

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

Geographic segments

Information regarding geographical revenue is as follows:

Geographic location	Year ended March 31, 2017	Year ended March 31, 2016
Segment Revenue		
India	8,859	8,340
North America	15,998	14,804
Europe	5,551	4,946
Rest of World	5,657	2,931
Total	36,065	31,021

Geographical non-current assets, (property , plant & equipment, capital work-in-progress, goodwill, intangible assets, intangible assets under development and other non-current assets) are allocated based on location of assets:

Geographic location	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Segment non-current assets			
India	6,561	6,520	6,776
North America	1,266	493	1,889
Europe	289	55	47
Rest of World	514	561	2
Total	8,630	7,629	8,714

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

33. List of Subsidiaries, associate and joint venture considered for consolidation:

Sl. No.	Name of the Company	Country of Incorporation	Extent of holding		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	<u>Subsidiaries</u>				
1	Cyient Europe Limited	UK	100%	100%	100%
2	Cyient Benelux BV ^{@1}	Netherlands	100%	100%	100%
3	Cyient Schweiz GmbH ^{@1}	Switzerland	100%	100%	100%
4	Cyient Inc.	USA	100%	100%	100%
5	Cyient Canada Inc. ^{@2}	Canada	100%	100%	100%
6	Softential Inc. ^{@3}	USA	-	-	100%
7	Cyient GmbH	Germany	100%	100%	100%
8	Cyient AB ^{@4}	Sweden	100%	100%	100%
9	Infotech Geospatial (India) Private Limited, (IGIL) ^{@5}	India	-	-	100%
10	Cyient KK	Japan	100%	100%	100%
11	Cyient Insights Private Limited	India	51%	51%	51%
12	Cyient Insights LLC ^{@6}	USA	51%	51%	51%
13	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited) ^{@7}	India	74%	74%	74%
14	Techno Tools Precision Engineering Private Limited ^{@8}	India	74%	74%	74%
15	Infotech Enterprises Information Technology Services Private Limited, (IEITS) ^{@9}	India	-	-	100%
16	Infotech Enterprises Information Technology Services GmbH (IEITS GmbH) ^{@9}	Germany	-	-	100%
17	Cyient Australia Pty Limited ^{@15}	Australia	100%	100%	100%
18	Cyient Singapore Private Limited ^{@10}	Singapore	100%	100%	-
19	Cyient SRO ^{@11}	Czech Republic	100%	100%	-
20	Cyient Defense Services Inc. ^{@12}	USA	100%	-	-
21	Blom Aerofilms Limited ^{@13}	UK	100%	-	-
22	Certon Software Inc. ^{@14}	USA	100%	-	-
23	Certon Instruments Inc. ^{@14}	USA	100%	-	-
24	Cyient Engineering (Beijing) Limited ^{@18}	China	100%	100%	-
25	Cyient Israel India Limited ^{@19}	Israel	100%	-	-
	<u>Associate</u>				
26	Infotech Aerospace Services Inc. ^{@16}	USA	49%	49%	49%
	<u>Joint Venture</u>				
27	Infotech HAL Limited ^{@17}	India	50%	50%	50%

Notes:

^{@1} Wholly owned by the Company through its wholly owned subsidiary Cyient Europe Limited.

^{@2} Wholly owned by the Company through its wholly owned subsidiary Cyient Inc.

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

- ③ Softential Inc. was merged with Cyient Inc. with effect from April 01, 2015 (refer note 35).
- ④ Wholly owned by Cyient Limited through its wholly owned subsidiary Cyient GmbH.
- ⑤ IGIL was merged with the Company with effect from April 1, 2015 (refer note 35).
- ⑥ Invati Insights LLC, USA was renamed as Cyient Insights, LLC w.e.f. November 18, 2015. Cyient Insights LLC was 51% owned by the Company through its subsidiary Cyient Insights Private Limited.
- ⑦ Rangsons Electronics Private Limited, India, was renamed as Cyient DLM Private Limited w.e.f. January 18, 2017.
- ⑧ 74% owned by the Company through its subsidiary Cyient DLM Private Limited.
- ⑨ The Company disinvested its 100% stake in Infotech Enterprises Information Technology Services Private Limited, India and its wholly-owned subsidiary, Infotech Enterprises Information Technology Services GmbH, Germany, on September 16, 2015. The Company ceased to consolidate this entity from its consolidated financial results w.e.f. September 1, 2015 for convenience as the transactions between September 1, 2015 and September 15, 2015 are not material.
- ⑩ On May 7, 2015, the Company incorporated a wholly owned subsidiary, Cyient Singapore Private Ltd, in Singapore.
- ⑪ On September 30, 2015, the Company incorporated a wholly owned subsidiary, Cyient SRO, in Czech Republic, through its wholly-owned subsidiary Cyient Europe Limited.
- ⑫ On September 23, 2016, the Company incorporated a wholly-owned subsidiary, Cyient Defense Services Inc., in USA, through its wholly-owned subsidiary Cyient Inc., USA.
- ⑬ On November 30, 2016, the Company acquired 100% shareholding in Blom Aerofilms Limited through its wholly owned subsidiary Cyient Europe Limited.
- ⑭ The Company, through its wholly-owned subsidiary Cyient Inc., acquired 100% equity shares of Certon Software Inc., USA (and its wholly owned subsidiary Certon Instruments Inc, USA) on February 8, 2017 and consolidated the same with effect from February 1, 2017 for convenience as the transactions between the period February 1, 2017 and February 8, 2017 are not material.
- ⑮ On September 5, 2014, the Company incorporated a wholly owned subsidiary, Cyient Australia Pty Limited, in Melbourne, Australia.
- ⑯ The Company's associate Infotech Aerospace Services Inc. follows calendar year as its reporting period. The consolidated financial statements include audited figures of the associate for the year ended March 31, 2017 after making adjustments for the operations for the three months ended March 31, 2016 and the three months ended March 31, 2017. The share of profits has been accounted for using equity method in accordance with the IND (AS) 28 Investments in Associates and Joint Ventures.
- ⑰ Infotech HAL Limited, a joint venture with 50% holding, has been accounted for using equity method in accordance with the IND (AS) 28 Investments in Associates and Joint Ventures.
- ⑱ The Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China on March 25, 2016. The subsidiary is yet to commence commercial operations and there are no financial transactions for the year ended March 31, 2017.
- ⑲ The Company incorporated a wholly owned subsidiary, Cyient Israel India Ltd, in Isreal on July 18, 2016. The subsidiary is yet to commence commercial operations and there are no financial transactions for the year ended March 31, 2017.

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

34. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Details of transactions between the Group and other related parties are disclosed below.

Joint Venture:

Name of the Joint Venture Company	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Infotech HAL Limited	India	50%	50%	50%

Associate:

Name of the Associate	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Infotech Aerospace Services Inc.	USA	49%	49%	49%

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
Krishna Bodanapu	Managing Director & CEO
Ajay Aggarwal	Chief Financial Officer
M.M Murugappan	Independent Director
K. Ramachandran	Independent Director
Harsh Manglik	Independent Director
Som Mittal	Independent Director
Andrea Bierce	Independent Director
John Paul Paterson	Independent Director
Alain De Taeye	Non-Executive Director
Thomas W. Prete	Non-Executive Director

Relative of Executive Chairman & Managing Director & CEO

B. Ashok Reddy

President – Corporate Affairs

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

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

(a) Transactions during the year:

Nature of transaction	Party name	For the year ended	
		March 31, 2017	March 31, 2016
Share of profits from joint venture	Infotech HAL Limited	5	5
Sale of services	Infotech HAL Limited	9	15
Subcontracting expenses	Infotech HAL Limited	-	16
Rental income	Infotech HAL Limited	1	1
Advance given / (recovered)	Infotech HAL Limited	-	4
Share of profits from associate	Infotech Aerospace Services Inc.	118	120
CSR expenditure	Cyient Foundation	57	48

Compensation to key management personnel as follows:

Nature of the transaction	Party name	For the year ended	
		March 31, 2017	March 31, 2016
Short-term benefits	Chairman, MD & CEO and Executive officers ^{#1}	141	140
Dividend paid during the year	Chairman and MD & CEO	90	197
Commission and other benefits	Non-executive/independent directors	10	10

^{#1} Executive officers includes Ajay Aggarwal (Chief Financial Officer) and Ashok Reddy (relative of Chairman, MD & CEO).

(b) Balances at the year end:

Nature of the balance	Party name	As at		
		March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables	Infotech HAL Limited	25	21	15
Advances receivable	Infotech HAL Limited	8	8	4
Short-term benefits payable	Chairman and MD & CEO	73	58	53
Commission and other benefits payable	Non-executive/independent directors	10	10	7

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

35. Business combinations

A. Business combinations during the year 2016-17:

(i) Business purchase of Optimal Design Solutions Pty Limited ('ODS')

The Company through its wholly owned subsidiary Australia Pty Limited, entered into a business purchase agreement with ODS, on April 4, 2016. With the acquisition, it provides access to the ongoing broad band expansion in Australian telecom market and penetration into top clients within that segment. The fair value of the purchase consideration of ₹138 comprised cash consideration of ₹29, contingent consideration of upto ₹ 109 payable in a year from the end of March 31, 2017 subject to the satisfaction of certain financial targets. During the year 2016-17 the Company has paid an amount of ₹ 11 upon achievement of certain financial targets. 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 4.9 % and probabilities of achievement of financial targets. The fair value of net assets acquired on the acquisition date amounted to ₹ 179. The excess of the fair value of the net assets acquired over purchase consideration has been attributed to gain on bargain purchase arising on business combination.

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	5
Intangible assets	174
Total	179
Gain on bargain purchase	(41)
Total purchase price	138

The intangible assets are amortised over a period of 2-6 years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realised. The Company has recognised a gain on bargain purchase of ₹ 41 which is largely derived from the customer relationships acquired through this acquisition as compared to the purchase price. The same was recognised in other comprehensive income for the year.

Results from this acquisition are grouped under UGC (Utilities, Geospatial and Communications) in the segmental reporting.

(ii) Acquisition of Blom Aerofilms Limited ('Blom')

On November 30, 2016, the Company acquired 100% of equity interest in Blom through its wholly owned subsidiary, Cyient Europe Limited, UK, thereby obtaining control. Blom, UK, is a leading provider of ground surveying, digital mapping, aerial photography, and laser scanning solutions. The acquisition of Blom will complement the Group's existing geospatial skills around software and data processing. The acquisition was executed through stock purchase agreement to acquire 100% of the equity interest in Blom. The total consideration was paid in cash for an amount of ₹ 299. The fair value of net assets acquired on the acquisition date amounted to ₹ 225. The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill.

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

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	61
Deferred tax asset	49
Intangible assets	77
Net current assets *	38
Total	225
Goodwill	74
Total purchase price	299

*includes cash and cash equivalents of ₹24.

The transaction costs relating to this acquisition amounting to ₹33 have been included under legal & professional charges in the consolidated statement of profit and loss for the year ended March 31, 2017 (refer note 29). The fair value and gross contractual amount for trade receivables acquired is ₹ 63 and is expected to be collectable. The intangible assets are amortised over a period of 5 years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realised. The goodwill amounting to ₹ 74 is attributable to the workforce and high profitability of the acquired business. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes. From the date of acquisition, Blom has contributed revenues amounting to ₹ 153 and profit amounting to ₹ 4 to the Group's performance for the year ended March 31, 2017. If the acquisition had occurred on April 1, 2016, management estimates that consolidated revenues and profits for the year would have been ₹ 778 and ₹ 88 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 UGC (Utilities, Geospatial and Communications) in the segmental reporting.

(iii) Acquisition of Certon Software Inc.

On Feb 8, 2017, the Group acquired 100% of equity interest in Certon Software Inc. and its wholly owned subsidiary Certon Instruments Inc. (together referred as 'Certon'), thereby obtaining control. Certon is an IP-led, innovative provider of full product life-cycle engineering services to companies seeking certification approval for safety-critical products. These solutions cater primarily to the Aerospace & Defence industry, but also in Medical and Transportation sectors. The acquisition of Certon will enhance Cyient's ability to significantly reduce risk and time-to-market for safety critical products for its clients in the Aerospace, Medical & Transportation industries. The fair value of the purchase consideration of ₹ 768 comprised cash consideration of ₹ 526, contingent consideration of upto ₹ 242 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 2.6% and probabilities of achievement of financial targets. The fair value of net assets acquired on the acquisition date amounted to ₹ 272. The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill.

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

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	197
Net current assets *	66
Total	272
Goodwill	496
Total purchase price	768

*includes cash and cash equivalents acquired of ₹ 14.

The transaction costs relating to this acquisition amounting to ₹11 have been included under legal & professional charges in the consolidated statement of profit and loss for the year ended March 31, 2017 (refer note 29). The intangible assets are amortised over a period of 5 years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realised. The fair value and gross contractual amount for trade receivables acquired is ₹ 64 and is expected to be collectable. The goodwill amounting to ₹ 496 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, Certon has contributed revenues amounting to ₹ 50 and losses amounting to ₹ 3 to the Group's performance for the year ended March 31, 2017. If the acquisition had occurred on April 1, 2016, management estimates that consolidated revenues and losses for the year would have been ₹ 333 and ₹ 10 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 MI (Manufacturing and Industrial Products) in the segmental reporting.

B. Business combinations during the year 2015-16

(i) Amalgamation of Softential Inc.

Softential Inc., a wholly owned subsidiary of Cyient Inc. was amalgamated with Cyient Inc. with effect from April 1, 2015. Consequently all the assets, liabilities and reserves stand transferred and vested in Cyient Inc. retrospectively from April 1, 2015. The amalgamation had been accounted for under "Pooling of Interests" method. Accordingly, the assets, liabilities and reserves have been taken over at their book values.

Value of assets and liabilities amalgamated:	As at March 31, 2016
Non current assets	22
Current assets	621
Non current liabilities	(4)
Current liabilities	(614)
General reserve	(57)
Share Capital of Softential Inc.	(32)
Less : Carrying value of Investments in the Company	1,503
Difference adjusted against retained earnings	(1,535)

(ii) Amalgamation of Infotech Geospatial (India) Private Limited (IGIL)

Infotech Geospatial (India) Private Limited (IGIL), a wholly owned subsidiary of Cyient Limited ("the Company") was amalgamated with the Company w.e.f. April 1, 2015 ("Appointed Date") pursuant to Scheme of Amalgamation approved by the Hon'ble High Court of Judicature, Andhra Pradesh & Telangana vide its order dated March 2, 2016 and filed with Registrar of Companies on March 31, 2016. Consequently, all the assets, liabilities and reserves stand transferred and vested in the Company retrospectively from April 1, 2015. As Infotech Geospatial (India) Private Limited was a wholly owned subsidiary of the Company, no additional shares were issued to effect the amalgamation.

Value of assets and liabilities amalgamated:	As at March 31, 2016
Non current assets	24
Current Assets	10
Non current liabilities	-
Current liabilities	(50)
P & L account	56
Amortisation of goodwill till March 31, 2015	(10)
Adjusted against Surplus in Statement of Profit and Loss	46
Share Capital of Infotech Geospatial (India) Private Limited	41
Less : Carrying value of Investments in the Company	44
Difference considered as capital reserve*	(3)

*Capital reserve has been adjusted to the general reserve of the Company on amalgamation as at Appointed date.

- (iii)** The Company incorporated a wholly-owned subsidiary in Singapore, Cyient Singapore Private Limited, on May 7, 2015. Cyient Singapore Private Limited acquired the business of "Global Services Engineering Asia"(GSE) on September 1, 2015 for a consideration of ₹ 528. Consequent to the acquisition, an amount of ₹ 528 were recognised as an Intangible Asset, to be amortised over a period of four years from the date of acquisition. There was no goodwill or bargain purchase recognised on this acquisition.

C Disposal of a subsidiary

The Company disinvested 100% of its investment in Infotech Enterprises Information Technology Services Private Limited, India, and its wholly-owned subsidiary, Infotech Enterprises Information Technology Services GmbH, Germany, on September 16, 2015. An amount of ₹ 23 million, being excess of sale consideration over the investment, was recognised as gain on disposal of subsidiary. The full consideration was received by the Company in cash.

Summary of assets and liabilities over which control was lost:

Particulars	As on the date of disposal
Current assets	65
Non-current assets	55
Current liabilities	(32)
Non-current liabilities	(13)
Net assets disposed of	75
Purchase consideration received	102
Incidental expenses	(4)
Gain on disposal of subsidiary	23

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

36. Financial Instruments

36.1 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 a net cash positive Group with cash and bank balances along with current financial assets which are predominantly investments in liquid and short term mutual funds.

Gearing ratio:

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings *	2,114	2,143	1,474
Cash and bank balances	(8,781)	(6,949)	(6,228)
Net debt	-	-	-
Total equity	21,199	18,372	18,334
Net debt to equity ratio	0.00%	0.00%	0.00%

* Borrowings consist of non-current, current maturities of long term and current borrowings (refer note 15,16 & 20)

36.2 Financial instruments by category

Particulars	Carrying value as at		
	March 31, 2017	March 31, 2016	April 1, 2015
Financial assets:			
Amortised cost			
Trade receivables	6,496	6,145	5,333
Cash and cash equivalents	8,570	6,831	5,703
Other bank balances	211	118	525
Other financial assets	2,366	2,185	1,996
FVTOCI			
Investments in other equity instruments (unquoted)	101	-	-
Derivative financial assets	499	175	463
FVTPL			
Investments in mutual funds	925	790	336
Total financial assets	19,168	16,244	14,356
Financial liabilities:			
Amortised cost			
Borrowings*	2,114	2,143	1,474
Trade payables	3,922	3,098	2,750
Other financial liabilities	75	65	49
FVTOCI			
Derivative financial liabilities	1	36	3
FVTPL			
Liability towards acquisition of business (refer note 16)	231	-	-
Contingent consideration**	99	-	-
Gross obligation liability to acquire non-controlling interests (refer note 16)	595	601	616
Total financial liabilities	7,037	5,943	4,892

* Borrowings include non-current, current matures of non-current and current borrowings (refer note 15,16 & 20)

** Included under trade payables

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

Investments in mutual funds, and derivative assets/ (liabilities) are mandatorily measured at fair value.

Liability towards acquisition of business, contingent consideration and gross obligation liability to acquire non-controlling interests are measured mandatorily at fair value through profit and loss.

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

36.3 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, 2017:

Particulars	Date of valuation	As at March 31, 2017	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
Assets					
Investment in unquoted equity instruments (refer note 6) *	March 31, 2017	101	-	-	101
Investment in mutual funds (refer note 6) **	March 31, 2017	925	925	-	-
Derivative financial assets (refer note 7) ***	March 31, 2017	499	-	499	-
Liabilities					
Derivative financial liabilities (refer note 16) ***	March 31, 2017	1	-	1	-
Liability towards acquisition of business (refer note 16) *	March 31, 2017	231	-	-	231
Contingent consideration (refer note 21) *	March 31, 2017	99	-	-	99
Gross obligation liability to acquire non-controlling interests (refer note 16) *	March 31, 2017	595	-	-	595
There have been no transfers among Level 1, Level 2 and Level 3 during the period.					

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

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016:

Particulars	Date of valuation	Fair Value	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
Assets					
Investment in mutual funds (refer note 6) **	March 31, 2016	790	790	-	-
Derivative financial assets (refer note 7) ***	March 31, 2016	175	-	175	-
Liabilities					
Derivative financial liabilities (refer note 16) ***	March 31, 2016	36	-	36	-
Gross obligation liability to acquire non-controlling interests (refer note 16)*	March 31, 2016	601	-	-	601

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 1, 2015:

Particulars	Date of valuation	Fair Value	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
Assets					
Investment in mutual funds (refer note 6) **	April 1, 2015	336	336	-	-
Derivative financial assets (refer note 7) ***	April 1, 2015	463	-	463	-
Liabilities					
Derivative financial liabilities (refer note 16) ***	April 1, 2015	3	-	3	-
Gross obligation liability to acquire non-controlling interests (refer note 16)*	April 1, 2015	616	-	-	616

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

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

* The fair values of the unquoted equity shares, liability towards acquisition of business, contingent consideration and gross obligation liability to acquire non-controlling interests 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 equity investments.

** The fair value of the mutual funds are based on price quotations at reporting date.

*** The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts and interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, etc. As at March 31, 2017, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedged relationships.

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

Fair value measurements using significant unobservable inputs (level 3)

The following table presents changes in level 3 items for the periods ended March 31, 2017 and March 31, 2016:

Particulars	Investments in other equity instruments (unquoted)	Liability towards acquisition of business and contingent consideration	Gross obligation liability to acquire non-controlling interests	Total
As at 1 April 2015	-	-	616	616
Acquisitions	-	-	-	-
(Gains) recognised in consolidated statement of profit or loss	-	-	(15)	(15)
As at March 31, 2016	-	-	601	601
Acquisitions	101	340	-	441
Losses / (gains) recognised in consolidated statement of profit or loss	-	1	(6)	(5)
Payments during the year	-	(11)	-	(11)
As at March 31, 2017	101	330	595	1,026

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, 2017	March 31, 2016	April 1, 2015			
Investments in other equity instruments (unquoted)	101	-	-	Earnings growth rate	Earnings growth factor for unlisted 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	231	-	-	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.

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

Particulars	Fair value as at			Significant unobservable inputs	Valuation process	Sensitivity of the inputs to fair value
	March 31, 2017	March 31, 2016	April 1, 2015			
				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.
Gross obligation liability to acquire non-controlling interests	595	601	616	Earnings growth rate	Earnings growth rate is based on forecasted sales and entity's knowledge of the business and how the current economic environment is likely to impact based on the market information of similar type of companies.	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.

36.4 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. 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. 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.

Market risk

The Group operates internationally and a major portion of the business is dominated in foreign exchange predominantly US Dollar, Pound Sterling and Euro currencies. Consequently the Company is exposed to foreign exchange risk through its services and purchases / import of services from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

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.

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

Foreign exchange risk

The Company monitors and manages its financial risks by analysing its foreign exchange exposures. The Company, in accordance with its Board approved risk management policies and procedures, enters into foreign exchange forward contracts to manage its exposure in foreign exchange rates.

The Company has applied the hedge accounting principles set out in Ind AS 109: Financial Instruments in respect of such derivative contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions. Accordingly, in respect of all such outstanding contracts as on March 31, 2017, that were designated and effective as hedges of the future cash flows, gain aggregating ₹ 327 (net of tax ₹ 172) (March 31, 2016: ₹ 92 (net of tax ₹ 48), April 1, 2015: ₹ 301 (net of tax ₹ 159)) have been recognised under the cash flow hedge reserve.

Derivative financial instruments:

Outstanding forward exchange contracts as on March 31, 2017:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
USD	24	71,500,000	5,023	Sell	Rupees
EURO	15	20,000,000	1,574	Sell	Rupees
GBP	18	8,400,000	775	Sell	Rupees
AUD	15	13,300,000	701	Sell	Rupees

Outstanding forward exchange contracts as on March 31, 2016:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
USD	24	72,500,000	5,081	Sell	Rupees
EURO	17	24,000,000	1,874	Sell	Rupees
GBP	12	5,800,000	614	Sell	Rupees
AUD	14	7,200,000	365	Sell	Rupees

Currency	No. of contracts	Amount in USD	Amount in Euro	Buy/Sell	Cross currency
USD	6	1,500,000	1,369,573	Sell	Euro

Outstanding forward exchange contracts as on April 1, 2015:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
USD	26	85,000,000	5,590	Sell	Rupees
EURO	12	24,000,000	2,006	Sell	Rupees
GBP	12	2,400,000	253	Sell	Rupees
AUD	12	7,200,000	403	Sell	Rupees

All outstanding forward exchange contracts as at March 31, 2017, March 31, 2016 and April 1, 2015 have maturity period of less than one year.

Sensitivity analysis:

In respect of the Company's forward contracts, a 5% decrease/increase in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

- * an approximately ₹ (365)/366 (decrease)/increase in the Company's other comprehensive income as at March 31, 2017;
- * an approximately ₹ (375)/375 (decrease)/increase in the Company's other comprehensive income as at March 31, 2016;

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

Foreign currency exposure

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

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	383	258	6	218	865
Trade receivables	2,020	715	169	778	3,682
Other financial assets	1,123	485	169	374	2,151
Trade payables	(1,241)	(677)	(264)	(1,073)	(3,255)
Other financial liabilities	(733)	(72)	(9)	(124)	(938)
Net assets/(liabilities)	1,552	709	71	173	2,505

* Others include currencies such as Singapore \$, Australian \$, Canadian \$, Japanese Yen, Malaysian Ringgit, Swedish krona, Swiss Frank, Czech Koruna etc

The following table analyses foreign currency risk from financial instruments as of March 31, 2016:

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	728	179	50	300	1,257
Trade receivables	2,221	405	233	590	3,449
Other financial assets	1,107	537	235	377	2,256
Trade payables	(476)	(542)	(264)	(758)	(2,040)
Other financial liabilities	(978)	(33)	(5)	(123)	(1,139)
Net assets/(liabilities)	2,602	546	249	386	3,783

* Others include currencies such as Singapore \$, Australian \$, Canadian \$, Japanese Yen, Malaysian Ringgit, Swedish krona, Swiss Frank, Czech Koruna etc

The following table analyses foreign currency risk from financial instruments as of April 1, 2015:

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	280	172	74	168	694
Trade receivables	1,741	779	398	566	3,484
Other financial assets	925	268	137	192	1,522
Trade payables	(630)	(516)	(173)	(615)	(1,934)
Other financial liabilities	(394)	(526)	(1)	(75)	(996)
Net assets/(liabilities)	1,922	177	435	236	2,770

* Others include currencies such as Singapore \$, Australian \$, Canadian \$, Japanese Yen, Malaysian Ringgit, Swedish krona, Swiss Frank, Czech Koruna etc

Sensitivity analysis:

For the year ended March 31, 2017 and March 31, 2016, every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by ₹ 145 / (₹145) and ₹199 / (₹ 199) respectively.

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

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 as at March 31, 2017	Fair Value of Interest Rate Swap as at March 31, 2016	Fair Value of Interest Rate Swap as at April 1, 2015	Coupon/Interest Rate	Fixed Interest Rate
Term loan from HSBC	1,497	1	(5)	(3)	Libor + 1% to 1.25%	1.35% - 2.503%

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.

In addition, the Company is exposed, to credit risk in relation to financial guarantees given to subsidiary's banks. The Company's exposure in this respect is limited to the maximum amount the Company could have to pay if the guarantee is called on (refer note 37 (A)(ii)(g)).

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.

The following table gives details in respect of percentage of receivables and unbilled revenue receivables from top customer and top five customers:

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Receivable from top customer	14.5	7.5
Receivable from top 5 customers	35.4	19.5

Investments

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

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Liquidity risk

The Group principal sources of liquidity are cash & bank balances, investments in mutual funds 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 ₹ 2079, ₹ 1,761 and ₹ 1,520 as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively

As of March 31, 2017, the Company had working capital of ₹ 12,422, including cash and bank balances of ₹ 8,781

As of March 31, 2016, the Company had working capital of ₹ 11,247, including cash and bank balances of ₹ 6,949

As of April 1, 2015, the Company had working capital of ₹ 10,449, including cash and bank balances of ₹ 6,228.

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding current and non-current borrowings) as at March 31, 2017:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	4,021	-	-
Other current financial liabilities (refer note 16)	670	-	-
Other non-current financial liabilities (refer note 16)	-	63	169
Total	4,691	63	169

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding current and non-current borrowings) as at March 31, 2016:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	3,098	-	-
Other current financial liabilities (refer note 16)	99	-	-
Other non-current financial liabilities (refer note 16)	-	603	-
Total	3,197	603	-

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding current and non-current borrowings) as at April 1, 2015:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	2,750	-	-
Other current financial liabilities (refer note 16)	49	-	-
Other non-current financial liabilities (refer note 16)	-	3	616
Total	2,799	3	616

* The Group's obligation towards payment of borrowings has been included in note 15 & 20.

37. Contingent liabilities and commitments

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
(A) Contingent liabilities:			
(i) Claims against the Company not acknowledged as debt (refer note a, b, c, d, e & f below)	602	588	491

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

(ii)	Guarantees (refer note g below)	6,488	5,797	1,505
(iii)	Other money for which the Group is contingently liable (refer Note (h) below)	-	-	24
		7,090	6,385	2,020

(B) Commitments:

(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	179	200	86
	Total	7,269	6,585	2,106

Notes:

- (a) The Company has disputed various demands raised by Income Tax authorities for the assessment years 1997-98 to 2014-15, which are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 189 (March 31, 2016 : ₹ 156; April 1, 2015: ₹ 138). The Company is confident that these appeals will be decided in its favour.

A subsidiary Company has disputed income tax liabilities raised by Income Tax authorities for the assessment years 2008-09 to 2009-10. The aggregate amount of disputed tax not provided for is ₹ Nil (March 31, 2016 : ₹ Nil; April 1, 2015: ₹ 4)

- (b) The Company has disputed various demands raised by the Sales Tax authorities for the financial years 2004-05 to 2009-10 and 2012 - 13. The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 20 (March 31, 2016: ₹ 20; April 1, 2015: ₹ 20). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.

- (c) The Company has disputed various demands raised by the Service Tax authorities for the financial years 2006-07 to 2015-16 (March 31, 2016 -2006-07 to 2013-14) (April 1, 2015 -2006-07 to 2012-13). The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 141 (March 31, 2016: ₹ 140; April 1, 2015: ₹ 172). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the company.

A subsidiary Company has disputed service tax demands raised by the Service Tax authorities for the financial years 2011-12. The aggregate amount of disputed tax not provided for is ₹ 1 (March 31, 2016 : ₹ 1; April 1, 2015: ₹ 1)

- (d) During the financial year 2014-15, the Company received an order from Provident Fund (PF) authorities regarding PF payment on certain allowances given by the Company to its employees for the years 2010-11 to 2012-13. The Company appealed against the order and is pending before Provident Fund Appellate Tribunal. The Company paid ₹ 5 (March 31, 2016: ₹ 5; April 1, 2015: ₹ 5) under protest, being 20% of the total demand of ₹ 26 (March 31, 2016: ₹ 26; April 1, 2015: ₹ 26).

- (e) Differential amount of Customs Duty (excluding interest) in a subsidiary Company in respect of machinery imported under various export promotion schemes is ₹ 133 (March 31, 2016: ₹ 153; April 1, 2015: ₹ 130)

- (f) During the previous year, the Government of India notified an amendment to the Payment of Bonus Act, 1961 whereby the applicable slabs as well as coverage limit was enhanced. The said amendment was made effective April 1, 2014. The Company has contested the retrospective applicability of the amendment for the financial year 2014-15 in the High Court of Judicature at Hyderabad for the states of Telangana and Andhra Pradesh. The aggregate amount of liability pertaining to the financial year 2014-15, not provided for, is ₹ 92 (March 31, 2016: ₹ 92; April 1, 2015: ₹ Nil).

- (g) Corporate guarantee given to subsidiary's bankers to obtain line of credit ₹ 6,488 (March 31, 2016: ₹ 5,797; April 1, 2015: ₹ 1,505). The amount outstanding against such guarantees is ₹ 2,878 (March 31, 2016 : ₹ 2,818)

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

- (h) Cyient Inc 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, 2016: ₹51; April 1, 2015: ₹16 net of ₹24) had been provided during the year 2015-16 in the books towards adjustment of any liabilities pertaining towards such obligation.
- (C) The Company has certain outstanding export obligations/commitments as at March 31, 2017, March 31, 2016 and April 1, 2015 and is confident of meeting these obligations/commitments within the stipulated period of time or obtain extensions as required.

38. Exceptional item:

- a) The Company granted Restricted Stock Units (RSU) to eligible employees on March 31, 2017 on the occasion of its silver jubilee anniversary celebrations. Exceptional item for the year ended March 31, 2017 relates to stock option expense aggregating an amount ₹261 towards these RSUs which shall vest with the employees in March, 2018 (refer note 12).
- b) During the previous year, the Company had made a provision towards bonus payable for the period of April to December 2015 of ₹ 87 consequent to the amendment to the Payment of Bonus Act, 1965 (i.e. the Payment of Bonus (Amendment) Act, 2015) in relation with the Company and two of its subsidiaries. The liability for the year 2014-15 was disclosed as contingent liability (refer note 37).

39. In accordance with the MCA notification GSR 308 (E) dated March 30, 2017, details of Specified Bank Notes (SBN) and Other Denomination notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

Particulars	In ₹		
	SBNs	ODNs	Total
Closing cash in hand as on November 08, 2016	17,000	40,215	57,215
Add: Permitted receipts	46,500	468,959	515,459
Less: Permitted payments	-	(433,533)	(433,533)
Less: Amount deposited in banks	(63,500)	-	(63,500)
Closing cash in hand as on December 30, 2016	-	75,641	75,641

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

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1	3	4
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-

41. Dividends

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

Dividends paid during the year ended March 31, 2017 include an amount of ₹ 3 per equity share towards interim dividend for the year ended March 31, 2017 and an amount of ₹ 2.5 per equity share towards special dividend to commemorate the Company's silver jubilee anniversary. Dividends paid during the year ended March 31, 2016 include an amount of ₹ 5 per equity share towards final dividend for the year ended March 31, 2015 and an amount of ₹ 7 per equity share towards interim dividend for the year ended March 31, 2016.

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As at March 31, 2017, income available for distribution were ₹ 8,588. On April 20, 2017, the Board of Directors of the Company have proposed a final dividend of ₹ 5 per share in respect of the year ended March 31, 2017 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 677 inclusive of corporate dividend tax of ₹ 115.

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

42. Research and Development Expenses :

Revenue expenditure pertaining to research and development charged to the Consolidated Statement of Profit and Loss amounts to ₹ 24 (2015-16: ₹ 56) has been classified under other expenses.

43. Disclosure of additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(A). As at and for the year ended March 31, 2017

Sl No.	Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company									
	Cyient Limited	83.49%	17,698	69.29%	2,353	193.55%	(60)	68.14%	2,293
Subsidiaries									
Indian									
1	Cyient Insights Private Limited	-0.73%	(155)	-1.35%	(46)	-9.68%	3	-1.28%	(43)
2	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	0.27%	57	0.12%	4	9.68%	(3)	0.03%	1
Foreign									
1	Cyient Inc.	4.99%	1,057	14.93%	507	0.00%	-	15.07%	507
2	Cyient Europe Limited	1.96%	416	4.86%	165	0.00%	-	4.90%	165
3	Cyient GmbH	3.99%	845	3.03%	103	6.45%	(2)	3.00%	101
4	Cyient Japan	-0.24%	(50)	1.00%	34	0.00%	-	1.01%	34
5	Cyient Australia Pty Limited	1.62%	343	4.71%	160	-93.55%	29	5.62%	189
6	Cyient Singapore Private Limited	0.15%	31	1.03%	35	0.00%	-	1.04%	35
Non- controlling interests in:									
1	Cyient Insights Private Limited	-0.49%	(104)	-1.30%	(44)	-6.45%	2	-1.25%	(42)

2	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	0.61%	130	0.06%	2	0.00%	-	0.06%	2
Associates									
Foreign									
	Infotech Aerospace Services Inc;	4.31%	914	3.47%	118	0.00%	-	3.51%	118
Joint Ventures									
Indian									
	Infotech HAL Limited	0.08%	17	0.15%	5	0.00%	-	0.15%	5
Total		100%	21,199	100%	3,396	100%	(31)	100%	3,365

43. Disclosure of additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(B). As at and for the year ended March 31, 2016

Sl No.	Name of the entity in the Group	Net assets, i.e., total as- sets minus total liabilities		Share of profit or loss		Share of other comprehen- sive income		Share in total comprehensive income		
		As % of consoli- dated net assets	Amount	As % of consolidat- ed profit or loss	Amount	As % of consolidated other com- prehensive income	Amount	As % of consolidated total com- prehensive income	Amount	
Parent Company										
	Cyient Limited	85.95%	15,791	73.58%	2,355	81.82%	9	73.60%	2,364	
Subsidiaries										
Indian										
1	Cyient Insights Private Limited	-0.60%	(111)	-1.94%	(62)	-9.09%	(1)	-1.97%	(63)	
2	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	1.03%	189	-2.31%	(74)	-9.09%	(1)	-2.34%	(75)	
Foreign										
1	Cyient Inc.	2.51%	461	12.93%	414	-27.27%	(3)	12.80%	411	
2	Cyient Europe Limited	1.45%	266	8.50%	272	90.91%	10	8.78%	282	
3	Cyient GmbH	4.40%	808	1.47%	47	-9.09%	(1)	1.43%	46	
4	Cyient Japan	-0.45%	(82)	0.87%	28	0.00%	-	0.87%	28	
5	Cyient Australia Pty Limited	0.90%	165	4.72%	151	0.00%	-	4.70%	151	
6	Cyient Singapore Private Limited	0.05%	10	-0.03%	(1)	0.00%	-	-0.03%	(1)	

Non- controlling interests in:

1	Cyient Insights Private Limited	(61)	-1.87%	(60)	-18.18%	(2)	-1.93%	(62)
2	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	128	0.19%	6	0.00%	-	0.19%	6
Associates								
Foreign								
	Infotech Aerospace Services Inc;	796	3.75%	120	0.00%	-	3.74%	120
Joint Ventures								
Indian								
	Infotech HAL Limited	12	0.16%	5	0.00%	-	0.16%	5
Total		18,372	100%	3,201	100%	11	100%	3,212

44. The Company acquired the rights to perform GIS and Field validation services to a Telecom Services Company in Australia. During the previous year, the Company paid ₹26 to acquire rights from another Company in Australia which was already providing the services to this customer. The service agreement was effective from December 18, 2015. The Company recognised the said amount as an Intangible asset and fully amortised during the year.

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Executive Chairman

Krishna Bodanapu
Managing Director and CEO

(DIN - 00058215) (DIN - 05301037)

Ajay Aggarwal
Chief Financial Officer

Sudheendhra Putty
Company Secretary
M.No. F5689

Place : Hyderabad
Date : April 20, 2017

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 – AOC II)

Part "A": Subsidiaries

Name of the subsidiary	Cyient Inc., April to March	Cyient Europe Limited April to March	Cyient GmbH April to March	Cyient KK April to March	Cyient Australia Pty Limited April to March	Cyient Singapore Private Limited April to March	Cyient Insights Private Limited April to March	Cyient DLM Private Limited April to March
Reporting period for the subsidiary concerned, if different from the holding company's reporting period								
Reporting currency	USD	GBP	EUR	JPY	AUD	SGD	INR	INR
Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries.	64.82	80.87	69.25	0.58	49.54	46.37	1	1
Equity share capital	21,450,000	1,850,000	600,000	9,000,000	1,000	5,085,360	19,994,784	13,670,000
Other equity	11,559,518	5,583,296	13,282,862	(87,483,808)	6,919,932	717,836	(279,469,041)	391,114,307
Total assets	92,836,038	34,722,100	27,465,727	288,033,055	20,261,904	12,360,453	40,486,361	2,738,425,060
Total Liabilities	59,826,521	27,288,803	13,582,865	366,516,863	13,340,972	6,557,257	299,960,622	2,333,640,753
Investments	1,253,491	1,949	-	-	-	-	-	-
Turnover	242,409,313	44,856,186	24,169,129	710,456,241	60,809,857	14,740,353	55,058,962	3,660,057,654
Profit before taxation	11,507,950	2,115,820	1,539,660	63,494,133	4,836,712	1,049,022	(90,168,498)	18,126,678
Provision for taxation	4,619,847	767,599	385,571	11,285,500	1,724,738	282,531	(476,436)	12,221,491
Profit after taxation	6,888,103	1,348,222	1,154,089	52,208,633	3,111,974	766,491	(89,692,062)	5,905,187
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	51%	74%

Notes:

1. Cyient Engineering (Beijing) Limited, China was incorporated during the year 2015-16. It has not yet started commercial operations.
2. Cyient Israel India Limited, Israel was incorporated during the year 2016-17. It has not yet started commercial operations.

Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures		Infotech Aerospace Services Inc., USA	Infotech HAL Limited , India
		March 31, 2017	March 31, 2017
1.	Latest audited Balance Sheet Date		
2.	Shares of Associate/ Joint Ventures held by the company on the year end i. No. ii Amount of Investment in Associates/Joint Venture iii Extend of Holding %	i) 490 ii) 11,172,000 (INR) iii) 49%	i. 2,000,000 ii. 20,000,000 iii. 50%
3.	Description of how there is significant influence	There is significant influence to the extent of shareholding	There is significant influence to the extent of shareholding
4.	Reason why the associate/ joint venture is not consolidated	NA	NA
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	17,357,970 (USD)	₹ 16,668,734
6.	Profit / Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation	i) ₹ 118,046,395 ii) -	i) ₹ 5,008,846 ii) -

1. Names of associates or joint ventures which are yet to commence operations – None.

2. Names of associates or joint ventures which have been liquidated or sold during – None.

A 10 Year Historical Prespective

Particulars	I GAAP										Ind AS	
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	(₹ Millions)	
For the year												
Total Revenue	4,540.86	5,438.11	6,079.50	6,774.24	9,173.78	10,888.66	12,769.19	13,969.46	13,591	13,736		
EBITDA	1,091.92	1,123.29	1,960.04	1,667.73	2,645.64	3,196.24	3,967.31	4,053.64	3,637	3,617		
Finance charges	28.70	35.14	4.71	0.80	5.65	0.85	3.61	5.12	3	6		
Depreciation & Amortization	343.03	426.64	407.07	375.48	411.59	563.23	648.66	618.05	684	540		
Provision for Income Tax	94.30	110.00	125.70	125.78	714.59	699.14	763.12	706.92	615	601		
Deferred Tax	25.02	(174.10)	154.92	9.76	(72.15)	71.45	2.77	11.96	(72)	(100)		
Fringe Benefit Tax	15.29	17.00	-	-	-	-	-	-	-	-		
Profit Before Exceptional item	585.57	708.62	1,267.65	1,155.91	1,585.96	1,861.56	2,549.15	2,711.59	2,407	2,570		
Exceptional items	-	-	-	(22.89)	-	18.12	-	-	72	201		
Profit after tax from ordinary activities	585.57	708.62	1,267.65	1,178.80	1,585.96	1,843.45	2,549.15	2,711.59	2,335	2,369		
Dividend	62.55	82.84	222.00	138.97	278.54	585.50	559.26	898.79	787	1,307		
As at the end of the year												
Share capital	1,241.28	276.15	277.50	556.38	557.08	558.01	559.82	561.81	562	563		
Reserves and surplus	5,014.97	6,622.86	7,760.85	8,523.12	9,792.34	11,108.27	13,298.26	15,244.29	16,213	18,259		
Net Worth	6,256.25	6,899.01	8,038.35	9,079.50	10,349.42	11,666.28	13,858.09	15,806.09	16,775	18,822		
Share application money pending allotment	-	-	-	-	-	3.92	1.43	-	-	-		
Loan funds	380.54	186.67	-	-	-	-	-	-	-	-		
Gross block	3,703.78	4,542.28	4,836.26	5,350.39	5,976.23	6,810.10	7,226.05	7,806.43	8,013	8,251		
Capital investment	1,380.27	838.50	293.99	514.12	625.84	833.87	415.95	580.38	207	238		
Net Current assets	1,766.40	3,203.98	2,651.53	4,495.57	5,438.16	6,230.26	8,523.76	7,589.22	8,420	10,510		
Debt - equity ratio	0.061	0.027	-	-	-	-	-	-	-	-		
Per share data												
Bonus / Capital History *	-	-	1:1	-	-	-	-	-	-	-		
Basic earnings from ordinary activities (Rs.) (EPS)	11.54	13.30	11.45	10.60	14.24	16.53	22.81	24.17	20.77	21.05		
Dividend Per Share (Rs.) (DPS)	1.20	1.50	2.00	1.25	2.50	4.50	5.00	8.00	7.00	10.50		
Dividend (%)	24.0%	30.0%	40.0%	25.0%	50.0%	90.0%	100.0%	160.0%	1.40	2.10		
Dividend Pay-out (%)	10.7%	11.7%	17.5%	11.8%	17.6%	27.2%	21.9%	33.1%	0.34	0.55		
Book Value (₹)	120	125	72	82	93	105	124	141	149.13	167.21		
Face Value(₹)	5	5	5	5	5	5	5	5	5	5		

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from the "transition date" of April 01, 2015. Financial state-ments for the year ended and as at March 31, 2016, already reported under the Previous GAAP, have been restated to conform to Ind AS.

* The Company sub divided it Rs.10 share into 2 shares of Rs.5 each. Post that 1 Bonus share was issued for every 2 shares held.

Financial Analysis - Standalone Balance Sheet

(₹ Million and percentage)							
	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015		Ind AS %
		%		%		%	
ASSETS							
Non-current assets							
Property, plant and equipment	2,313	10.7%	2,475	12.90%	2,535	13.8%	
Capital work-in-progress	92	0.4%	6	0.03%	24	0.13%	
Intangible assets	243	1.1%	241	1.3%	438	2.4%	
Intangible assets under development	71	0.3%	-		-		
Financial assets							
(a) Investments	4,605	21.3%	4,587	23.87%	4,460	24.25%	
(b) Loans	106	0.5%	63	0.33%	26	0.14%	
(c) Other financial assets	270	1.2%	228	1.19%	171	0.93%	
Deferred tax assets (net)	26	0.1%	44	0.23%	-	0.00%	
Income tax assets (net)	392	1.8%	457	2.38%	304	1.65%	
Other non-current assets	836	3.9%	809	4.21%	710	3.86%	
Total Non - Current Assets	8,954	41.3%	8,910	46.4%	8,668	47.2%	
Current assets							
Financial Assets							
(a) Investments	925	4.3%	790	4.11%	335	1.82%	
(b) Trade receivables	2,950	13.6%	2,802	14.58%	2,984	16.22%	
(c) Cash and cash equivalents	6,516	30.2%	4,916	25.58%	4,396	23.90%	
(d) Other bank balances	23	0.1%	40	0.21%	29	0.16%	
(e) Loans	153	0.7%	154	0.80%	5	0.03%	
(f) Other financial assets	1,611	7.5%	1,155	6.01%	1,600	8.70%	
Other current assets	501	2.3%	450	2.34%	376	2.04%	
Total Current Assets	12,679	58.7%	10,307	53.6%	9,725	52.8%	
Total Assets	21,633	100%	19,217	100%	18,393	100%	
EQUITY AND LIABILITIES							
Equity							
Equity share capital	563	3%	562	2.92%	562	3.06%	
Other equity	18,259	84%	16,213	84.37%	15,746	85.61%	

Total equity	18,822	87%	16,775	87.3%	16,308	88.7%
LIABILITIES						
Non-current liabilities						
Provisions	642	3%	555	2.89%	484	2.63%
Deferred tax liabilities (net)	-		-		147	0.80%
Total Non - Current Liabilities	642	3%	555	2.89%	631	3.43%
Current liabilities						
Financial Liabilities						
(a) Trade payables	1,321	7%	1,190	6.1%	850	4.62%
(b) Other financial liabilities	67	0%	74	0.39%	42	0.23%
Income tax liabilities (net)	45	0%	38	0.20%	38	0.21%
Provisions	74	0%	69	0.36%	64	0.35%
Other current liabilities	662	3%	516	2.69%	460	2.50%
Total Current Liabilities	2,169	10%	1,887	9.8%	1,454	7.9%
Total liabilities	2,811	13%	2,442	12.7%	2,085	11.3%
Total Equity and Liabilities	21,633	100%	19,217	100%	18,393	100%

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from the "transition date" of April 01, 2015.

Financial statements for the year ended and as at March 31, 2016, already reported under the Previous GAAP, have been restated to conform to Ind AS.

Financial Analysis - Standalone

Statement of Profit and Loss Summary

	Ind AS				IGAAP			
	2016-17	%	2015-16	%	2014-15	%	2013-14	%
(₹ Million and percentage)								
INCOME								
Revenue from operations	12,920	94.06	12,456	91.65	12,940	92.63	12,245	95.89
Other Income	816	5.94	1,135	8.35	1,029	7.37	524	4.11
Total Income	13,736	100.00	13,591	100.00	13,969	100.00	12,769	100.00
Employee Benefits Expense	6,520	47.47	6,297	46.33	6,439	46.10	5,716	44.77
Operating, Administration And Other Expenses	3,599	26.20	3,657	26.91	3,476	24.89	3,085	24.16
Finance Costs	6	0.04	3	0.02	5	0.04	4	0.03
Depreciation And Amortisation Expenses	540	3.93	684	5.03	618	4.42	649	5.08
Total Expenditure	10,665	77.64	10,641	78.29	10,539	75.44	9,454	74.04
Profit before exceptional items and tax	3,071		2,950		3,430		3,315	
Exceptional items	201	1.46	72	0.53	-	-	-	-
Profit after exceptional items and before tax	2,870	20.89	2,878	21.18	3,430	24.56	3,315	25.96
Provision for Income Tax	601	4.38	615	4.53	707	5.06	763	5.98
Deferred Tax	(100)	(0.73)	(72)	(0.53)	12	0.09	3	0.02
Profit after tax	2,369	17.25	2,335	17.18	2,712	19.41	2,549	19.96
Total other comprehensive income, net of tax	217	1.58	(217)	(1.60)	-	-	-	-
Total comprehensive income for the year	2,586	18.83	2,118	15.58				

Rs million and Percentage

	As at March 31, 2017	%	Ind AS As at March 31, 2016	%	As at April 01, 2015	%
ASSETS						
Non-current assets						
Property, plant and equipment	3,017	9.6%	3,020	11.1%	3,043	11.8%
Capital work-in-progress	92	0.3%	24	0.1%	55	0.2%
Goodwill	3,278	10.5%	2,708	9.9%	4,263	16.5%
Intangible assets	1,215	3.9%	844	3.1%	465	1.8%
Intangible assets under development	173	0.6%	76	0.3%	32	0.1%
(a) Investments	1,032	3.3%	808	3.0%	682	2.6%
(b) Other financial assets	205	0.7%	183	0.7%	154	0.6%
Deferred tax assets (net)	101	0.3%	176	0.6%	68	0.3%
Income tax assets (net)	683	2.2%	597	2.2%	461	1.8%
Other non-current assets	855	2.7%	957	3.5%	856	3.3%
Total Non - Current Assets	10,651	34.1%	9,393	34.5%	10,079	39.0%
Current Assets						
Inventories	935	3.0%	979	3.6%	606	2.4%
Financial assets						
(a) Investments	925	2.9%	790	2.9%	336	1.3%
(b) Trade receivables	6,496	20.7%	6,145	22.5%	5,333	20.7%
(c) Cash and cash equivalents	8,570	27.3%	6,831	25.0%	5,703	22.1%
(d) Other bank balances	211	0.7%	118	0.4%	525	2.0%
(e) Other financial assets	2,660	8.5%	2,177	8.0%	2,305	8.9%
Other current assets	916	2.8%	875	3.1%	886	3.6%
Total Current assets	20,713	65.9%	17,915	65.5%	15,694	61.0%
Total Assets	31,364	100%	27,308	100%	25,773	100%
EQUITY AND LIABILITIES						
Equity						

Equity share capital	563	1.8%	562	2.1%	562	2.1%
Other equity	20,610	65.7%	17,743	65%	17,650	68.5%
Equity attributable to owners of the Company	21,173	67.5%	18,305	67.1%	18,212	67.6%
Non-controlling interests	26	0.1%	67	0.2%	122	0.4%
Total Equity	21,199	67.6%	18,372	67.3%	18,334	71.2%
Non-current liabilities						
Financial Liabilities						
(a) Borrowings	492	1.6%	681	2.5%	467	1.8%
(b) Other financial liabilities	232	0.7%	603	2.2%	619	2.4%
Provisions	813	2.6%	717	2.7%	591	2.3%
Deferred tax liabilities (net)	302	1.0%	179	0.7%	320	1.2%
Other non-current liabilities	35	0.1%	88	0.3%	197	0.8%
Total Non-current liabilities	1,874	6.0%	2,268	8.4%	2,194	8.5%
Current liabilities						
Financial liabilities						
(a) Borrowings	1,159	3.7%	1,147	4.2%	813	3.2%
(b) Trade payables	4,021	12.8%	3,098	11.3%	2,750	10.7%
(c) Other financial liabilities	1,133	3.6%	414	1.5%	243	0.9%
Income tax liabilities (net)	424	1.4%	379	1.4%	116	0.5%
Provisions	235	0.6%	202	0.7%	166	0.6%
Other current liabilities	1,319	4.3%	1,428	5.2%	1,157	4.4%
Total Current liabilities	8,291	26.4%	6,668	24.3%	5,245	20.3%
Total liabilities	10,165	32.4%	8,936	32.7%	7,439	28.8%
Total Equity and liabilities	31,364	100%	27,308	100%	25,773	100%

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from the "transition date" of April 01, 2015. Financial statements for the year ended and as at March 31, 2016, already reported under the Previous GAAP, have been restated to conform to Ind AS.

Consolidated Financial Analysis - Statement of Profit and Loss

₹. million and Percentage

	Ind AS			I GAAP						
	2016-17	%	2015-16	%	2014-15	%	2013-14	%	2012-13	%
INCOME										
Revenues from operations	36,065	97.48	31,021	96.62	27,359.33	95.74	22,064.33	99.24	18,730.63	98.01
Other Income	932	2.52	1,085	3.38	1,217.66	4.26	169.40	0.76	381.10	1.99
Total Income	36,997	100.00	32,106	100.00	28,576.99	100.00	22,233.73	100.00	19,111.73	100.00
EXPENDITURE										
Employee benefits expenses	20,490	55.38	18,125	56.45	16,756.05	58.63	13,677.78	61.52	11,405.99	59.68
Cost of materials consumed	2,852	7.71	1,881	5.86	291.10	1.02	-	-	-	-
Changes in inventories of finished goods and work in progress	(110)	(0.30)	6	0.02	167.54	0.59	-	-	-	-
Excise duty on sale of goods	207	0.56	80	0.25	-	-	-	-	-	-
Other expenses	7,854	21.23	6,788	21.14	6,136.43	21.47	4,284.27	19.27	3,901.05	20.41
Finance costs	172	0.46	164	0.51	57.56	0.20	13.67	0.06	2.87	0.02
Depreciation and amortisation expenses	953	2.58	888	2.77	712.78	2.49	719.98	3.24	635.50	3.33
Total Expenditure	32,418	87.62	27,932	87.00	24,121.45	84.41	18,695.71	84.09	15,945.41	83.43
Profit before exceptional items and tax	4,579	12.38	4,174	13.00	4,455.54	15.59	3,538.02	15.91	3,166.33	16.57
Exceptional Items	261	0.71	87	0.27	-	-	-	-	18.12	0.09
Profit after exceptional items and before tax	4,318	11.67	4,087	12.73	4,455.54	15.59	3,538.02	15.91	3,148.21	16.47
Provision for Income Tax	927	2.51	1,149	3.58	1,046.12	3.66	1,037.77	4.67	930.83	4.87
Deferred Tax	118	0.32	(138)	-0.43	50.15	0.18	(7.72)	-0.03	35.84	0.19
Profit before share of profits from associate and joint Venture	3,273	8.85	3,076	9.58	3,359.27	11.76	2,507.97	11.28	2,181.54	11.41
Share of Profit in Associate Company and Joint venture	123	0.33	125	0.39	150.37	0.53	152.05	0.68	129.05	0.68
Non-controlling interest / minority interest	42	0.11	54	0.17	22.39	-	-	-	-	-
Profit for the year	3,438	9.29	3,255	10.14	3,532.04	12.36	2,660.02	11.96	2,310.59	12.09
Total other comprehensive income, net of tax	(33)	(0.09)	13	0.04	-	-	-	-	-	-
aTotal comprehensive income for the year	3,405	9.20	3,268	10.18	-	-	-	-	-	-

Ratio Analysis - Standalone

	Ind AS		I GAAP		
	2017	2016	2015	2014	2013
Ratio analysis for the year ended March 31					
Ratio - Financial Performance					
Revenue from Operations / Total revenue (%)	94.06	91.65	92.63	95.89	96.57
Other Income / Total revenue (%)	5.94	8.35	7.37	4.11	3.43
Employee cost / Total revenue (%)	47.47	46.33	46.10	44.77	45.87
Administration expenses / Total revenue (%)	26.20	26.91	24.89	24.16	24.78
Operating expenses / Total revenue (%)	73.67	73.24	70.98	68.93	70.65
Depreciation / Total revenue (%)	3.93	5.03	4.42	5.08	5.17
Finance Charges / Total revenue (%)	0.04	0.02	0.04	0.03	0.01
Tax / Total revenue (%)	4.38	4.53	5.06	5.98	6.42
TAX / PBT (%)	17.47	18.87	20.61	23.02	26.75
EBIDTA / Total revenue (%)	24.87	26.23	29.02	31.07	29.19
Net Profit (PAT) / Total revenues (%)	17.25	17.18	19.41	19.96	16.93
Net Profit (PAT) / Average net worth (%)	13.31	14.33	18.28	19.97	16.75
ROCE (PBIT / Average capital employed) (%)	17.29	17.69	23.16	26.00	23.92
Ratios- Balance sheet					
Debt-equity ratio	-	-	-	-	-
Debtors turnover (Days)	83	82	84	79	63
Current ratio	5.85	5.46	4.56	5.23	4.39
Cash & cash equivalents / Total assets (%)	30.12	25.58	24.04	35.81	30.69
Cash & cash equivalents / Total revenue (%)	50.43	39.47	31.67	45.48	39.01
Depreciation / Average gross block (%)	6.72	8.76	8.22	9.24	8.81
Total Revenue / Average Net Fixed Assets	5.21	4.78	4.45	3.92	3.40
Total Revenue / Average Total Assets	0.67	0.72	0.81	0.85	0.84
Ratios - Growth					
Revenue from Operations (%)	3.73	(3.74)	5.68	16.45	21.74
Total Income (%)	1.07	(2.71)	9.40	17.27	18.69
Operating expenses (%)	1.66	0.39	12.66	14.42	17.83
EBIDTA (%)	(4.18)	(12.05)	2.18	24.83	20.81
Net Profit (%)	1.46	(13.89)	6.37	38.28	16.24
Per Share Data					
Basic earnings per share (₹)	21.05	20.77	24.17	22.81	16.53
Cash Earnings per share (₹)	25.84	26.84	29.63	28.56	21.56
Book value (₹)	167.21	149.13	140.67	123.77	104.53
Price / Earning, end of year	22.21	20.54	20.86	14.28	10.29
Price / Cash Earning, end of year	18.09	15.90	17.02	11.41	7.89
Price / Book value, end of year	2.80	2.86	3.58	2.63	1.63
Share price as on March 31 (National Stock Exchange)	467.50	426.70	504.27	325.80	170.15
No. of Share Outstanding as on March 31, (in Millions)	112.57	112.48	112.36	111.96	111.60
Dividend Per Share (₹)	10.50	7.00	8.00	5.00	4.50
Dividend (%)	210%	140%	160%	100%	90%

Consolidated Ratios

		Ind AS			I GAAP	
Ratio analysis for the year ended March 31		2017	2016	2015	2014	2013
cyient.com	Ratio - Financial Performance					
	Other Income / Total Revenue (%)	2.52	3.38	4.26	0.76	1.99
	Employee cost / Total Revenue (%)	55.38	56.45	58.63	61.52	59.68
	Operating & Administration expenses / Total Revenue (%)	21.23	21.14	21.47	19.27	20.41
	Depreciation & Amortization / Total Revenue (%)	2.58	2.77	2.49	3.24	3.33
	Finance Charges / Total Revenue (%)	0.46	0.51	0.20	0.06	0.02
	TAX / PBT (%)	23.53	24.00	24.60	29.11	30.71
	EBIDTA / Total Revenue (%)	14.71	16.01	18.29	19.21	19.91
	Net Profit / Total Revenue (%)	9.29	10.14	12.36	11.96	12.09
	Net Profit / Average Net Worth (%)	17.42	17.83	20.58	18.28	18.64
2016-17	ROCE (PBIT / Average capital employed)	22.75	23.28	26.30	24.41	25.56
	Ratios- Balance sheet					
	Debt-equity ratio	0.02	0.04	0.03	-	-
	Debtors turnover (Days)	74	79	83	87	95
	Current ratio	2.50	2.69	2.57	4.47	4.57
	Cash & Cash Equivalents / Total Assets (%)	27.32	25.01	24.15	35.35	30.95
	Cash & Cash Equivalents / Total Revenue (%)	23.16	21.28	21.80	31.09	26.08
	Depreciation & Amortization / Average gross block (%)	6.83	6.65	6.67	9.26	8.77
	Revenue / Average Net Fixed Assets	4.99	4.27	6.84	6.29	5.32
	Revenue / Average Total Assets	1.23	1.17	1.21	1.24	1.24
Annual Report	Ratios - Growth					
	Operating Revenue (%)	16.26	0.92	24.00	17.80	20.60
	Operating Expenses (%)	16.42	15.11	28.11	17.16	19.80
	EBIDTA (%)	15.70	4.41	22.34	12.27	32.74
	Net Profit (%)	5.62	(17.97)	32.78	15.12	43.18
	Per Share Data					
	Basic earnings per share (₹)	30.55	28.95	31.48	23.80	20.72
	Cash Earnings per share (₹)	39.01	36.83	37.78	30.19	26.40
	Book value (₹)	188.09	162.74	164.12	141.86	118.47
	Price / Earning, end of year	15.30	14.74	16.02	13.69	8.21
	Price / Cash Earning, end of year	11.98	11.59	13.35	10.79	6.45
	Price / Book value , end of year	2.49	2.62	3.07	2.30	1.44
	Share price as on March 31 (National Stock Exchange)	467.5	426.7	504.27	325.80	170.15
	No. of Share Outstanding as on March 31, (in Millions)	112.57	112.48	112.36	111.96	111.60
	Bonus Issue					
	Dividend Per Share (₹)	10.5	7.00	8.00	5.00	4.50
	Dividend (%)	210%	140%	160.00%	100.00%	90.00%

Significant Milestones in the history of the Company

cyient.com	1991	August	Infotech Enterprises was incorporated as a private limited company
	1995	August	The company received its first ISO 9002 certification from BVQI London for its conversion services
	1997	March	Re-organized as a public limited company; IPO of Equity shares at ` 20 per share and listed in all major stock exchanges in India
		April	Acquisition of SRG Infotech, a 16-year-old local software company providing software services in Oracle and Visual basic client server environments. The acquisition brought into the company the assets, customers, technologies, employees and over 500 person years of expertise
		October	Partner in Development with IBM for developing Enterprise wide Information System. Infotech Enterprises diversifies into Business software development by adding 50 developers, creating an independent profit centre
	1998	December	Infotech Enterprises signs a break-through contract to provide GIS conversion, Consulting and Mapping services worth US\$ 5.5 million to Analytical Surveys, Inc. (ASI)
	1999	January	Infotech Enterprises enters into an agreement with Navionics Italy the world leader in seamless marine electronic charts for digitization and Conversion services
		June	Infotech and ASI sign a long term contract for ASI to source US\$ 33 million in conversion and software services from Infotech Enterprises
		July	Infotech Enterprises establishes a wholly owned subsidiary Infotech Software Solutions Inc. in the United states of America in the state of California. The Corporation is primarily engaged in the business of supplying computer software and related services
		August	Infotech Enterprises announces acquisition of Europe based GIS software solution company- Dataview Solutions Limited. The company acquired Dataview with an upfront cash payment of US \$ 1.80 million and issue of stock of Infotech for US \$1.80 million over the next two years
		September	Infotech Enterprises acquires Cartographic Sciences Pvt. Mumbai- India from Analytical Surveys Inc. - US
		September	Infotech Enterprises receives an ISO 9001 for its software development services
		September	Infotech Enterprises earned the coveted Fast Track Award from Smallworld Pte. Ltd. U.K. for completion of a prestigious GIS project at Bharti Telenet Limited in a record time of five months
		November	Infotech Enterprises signed a shareholder agreement with Walden Nikko and GE Capital for issue of equity/optionally convertible debentures aggregating to 11,50,000 equity shares of ` 10 each at a price of ` 350 each
	2000	January	Inauguration of the state-of-the-art software development centre spread across 130,000 sq.ft. area in Infocity - Hyderabad. The state-of-the-art development centre built at an approximate cost of ` 12 crore and can accommodate 4,000 software engineers
		April	Merger of Cartographic Sciences with the Company
2016-17	2000	May	Infotech Enterprises enters into a Master Services Agreement with Pratt & Whitney, a division of United Technologies Corporation, a Fortune 100 company
		October	Infotech Enterprises announces the acquisition of a German company, Advanced Graphics Software GmbH (AGS). AGS is nine-year-old mechanical engineering software and services company specializing in 3D CAD/CAM
		November	Infotech Enterprises wins a multimillion dollar GIS project from the Dutch multi-national group, FUGRO
	2001	April	Infotech Europe acquires European GIS distributor Map Centric - a leading independent GIS distributor in Europe
		May	Infotech Enterprises bags a contract worth US \$ 7 million to provide Photogrammetry service to Triathlon, a leading full fledged geomatics company in Canada
		May	Infotech Enterprises ranks 5th among Top Ten Exporters from Andhra Pradesh for the Year 2000-2001
		June	Infotech Enterprises acquires 10-acres of land to set up a software development campus at Manikonda, Hyderabad.

	July	Infotech Enterprises achieves the ISO 9001:2000 from BVQi and joins the list of top few companies in India and the first company in the GIS sector
	August	Infotech Enterprises attains the coveted SEI CMM LEVEL 4 certification for its software development centre at Infocity, Hyderabad
	November	Infotech Enterprises receives ISO 9001:2000 for Software and Engineering Services lines of business by BVQi London
	December	Infotech Enterprises announces the opening of the state-of-the-art Engineering services facility in Bangalore, India
2002	February	Infotech Enterprises Announces strategic business relationship with Pratt & Whitney Division of UTC. Pratt & Whitney to participate with up to ~18% equity stake in Infotech, demonstrating long term partnering intent and endorsing Infotech Business competence
	April	Infotech Enterprises achieves SEI CMM Level 5 for its Software Development & Services Division
	April	Infotech Enterprises' Board recommends issue of Bonus Shares at 1:1 ratio
	August	Infotech Enterprises bags a major GIS contract from KPN Telecom, the largest telecommunications company in the Netherlands, to provide spatial data management services.
	September	Company bags the Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI) Award for Best Information Technology (IT) Company in the state of Andhra Pradesh (2001-2002)
2003	April	Infotech Enterprises attains the best process improvement model- "The Level 5 of the CMMi Version 1.1 for the SW/SE/SS disciplines"
	September	Infotech Enterprises announces the inauguration of a new development center in Puerto Rico to provide engineering design services
	September	Infotech Enterprises signs long term outsourcing contact with Bombardier Transportation to provide Engineering Services in India
2004	January	Infotech Enterprises acquires VARGIS - a GIS Company in the US
	July	Change in Business Model. Verticalization brought into place
	September	Infotech Enterprises divests 51% of its stake in Infotech Aerospace Services Inc. in favour of United Technologies Corporation
	September	Infotech Enterprises conferred with BS 7799 standards
2005	March	Infotech Enterprises acquires Tele Atlas India Pvt. Ltd. Tele Atlas (Netherlands) joins as a strategic partner with preferential allotment of shares
	March	Infotech Enterprises opens branch office in Singapore
	April	Infotech Enterprises opens branch office in Melbourne, Australia
	May	Inaugurated Geospatial production facility at Frostburg, Maryland, USA
	July	Infotech Enterprises opens branch office in Dubai
	September	Wins a landmark GIS contract from KPN Telecom and also signs a 5-year major Engineering Design Agreement with Alstom Transport
	October	Completed 5 years of relationship with Pratt & Whitney
	October	Completed 5 years of relationship with Pratt & Whitney
2006	March	Signs a major GIS contract with GE for Swisscom
	December	Infotech Enterprises opens branch office at Canada
2007	June	Acquires 74% stake in Geospatial Integra and renamed the company as Infotech Geospatial (India) Limited
	July	Preferential allotment of shares to GA Global Investments Limited & Carrier International Mauritius Limited
	August	Set up Infotech HAL Limited, a Joint Venture Company with HAL, a Navaratna PSU under the Ministry of Defence, at Bangalore
2008	October	Acquired TTM (India) Private Limited and TTM Inc; made foray into Hitech Vertical
	December	Established wholly owned subsidiary in Japan

2009	December	Infotech Enterprises opens branch office in Malaysia
2010	January	Infotech Enterprises signs a long term engineering services contract with Hamilton Sundstrand
	January	Acquired Daxcon Engineering Inc., USA (Step down subsidiary)
	August	Acquired Wellsco Inc., USA (Step down subsidiary)
2011	May	Awarded 'Supplier of the year' by Boeing
	November	IGIL becomes a wholly owned subsidiary
2012	October	Set up branch in South Korea
	October	Won Golden Peacock Award for excellence in Corporate Governance
2013	January	Inaugurated New Development Centre in SEZ at Kakinada
	April	Opened office in Silicon Valley
	September	Set up branch in Taiwan
	November	Set up branch in South Africa
2014	March	Acquired Softential Inc.,
	March	Commenced process for name change and re-branding
	April	Mr. Krishna Bodanapu appointed Managing Director & CEO
	May	Re-branding completed, new logo launched and Company's name changed to Cyient
	August	Acquired 51% stake in Invati Insights Pvt. Ltd., Hyderabad
	October	Set up subsidiary in Australia.
	December	Won the 14 th ICSI National Award for Excellence in Corporate Governance
2015	January	Acquired 74% stake in Rangsons Electronics Pvt. Ltd., Mysore
	April	Mr. B.V.R. Mohan Reddy elected Chairman of National Association of Software Services Companies (NASSCOM)
	July	Acquired Pratt & Whitney Global Services Engineering Asia, Singapore
	August	Divested entire stake in Infotech Enterprises Information Technology Services Private Limited, a wholly owned subsidiary Launched Digital Library Initiative Launched National Digital Literacy Mission Centre
	September	R&D Unit recognised by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India
	October	Set up step down subsidiary in Czech republic
	October	Set up step down subsidiary in Czech republic
2016	February	Established state of the art development centre in Warangal, Telangana
	March	'Lifetime Achievement Award' conferred on Mr. B.V.R. Mohan Reddy by Hyderabad Management Association Set up a subsidiary in China
	May	Awarded 2015 Supplier of the Year by Boeing
	June	Inaugurated Global Design Center in Bengaluru for SMEC
	July	Set up subsidiary in Israel
	August	Marked its 25 th Anniversary by enabling large scale inclusive 'Digital Literacy' Mission
	October	Mr. B.V.R Mohan Reddy appointed as the Honorary Consul of the Federal Republic of Germany
	December	Zinnov Zones 2016 Rates Cyient in the Leadership Zone in Four Industry Verticals
	December	Zinnov Zones 2016 Rates Cyient in the Leadership Zone in Four Industry Verticals
2017	January	Secured Prestigious Pratt & Whitney 2016 Supplier Innovation and Productivity Savings Awards Mr. B. V. R. Mohan Reddy awarded the Padma Shri Award, 2017 for distinguished and exceptional achievement in Trade & Industry.
	March	New facility set up at Pune, Maharashtra

Shareholders' Handbook

When was the company founded?

The company was incorporated as Infotech Enterprises Private Limited - a Private Limited company on August 28th, 1991 under the Companies Act, 1956. The Company was converted into a Public Limited company vide resolution dated 21 April 1995. In May 2014 the company changed its name to Cyient Limited.

What is the company's area of operations?

Cyient is an acknowledged leader in geospatial services, engineering design services, design-led manufacturing, networks and operations, data transformation, and analytics. We collaborate with our clients to help them achieve more and together shape a better future. We call it Designing Tomorrow Together.

Our industry focus includes Aerospace & Defense, rail transportation, off-highway & industrial, power generation, mining, oil & gas, communications, utilities, infrastructure, geospatial and Navigation, semiconductor and medical technology & Healthcare. We align closely with the business needs, goals, culture, and core values of our clients. This reflects in the deep, long-standing relationships we have developed and sustained with some of the leading names in these industries.

We employ over 14,000 people across 48 locations in North America, Europe, and the Asia-Pacific region. Our stock is publicly traded, and we have a sound track record of growth and profitability. We are committed to developing a sustainable society and actively promote education and inclusive growth initiatives in communities around us.

Who are the founder members of the company?

The founder members of the company are: Mr. B.V.R. Mohan Reddy, Mrs. B. Sucharitha, and Mr. K. Rajan Babu.

When did the Company have its Initial Public Offer (IPO) and at what price?

The company made its maiden public offer in March 1997 at a price of ₹10 each for cash at a premium of ₹10 per share. The issue was lead managed by Industrial Development Bank of India (IDBI), Madras. The issue was oversubscribed by 1.56 times.

What is the Vision Statement of the company?

Designing Tomorrow Together. This is our vision and the basis of our brand promise. Three simple words that describe our unique approach of working with you to improve your business and the lives of your customers.

What are the values of the company?

In our relationships with our clients, stakeholders, and associates, we are guided by our Values FIRST - Fairness, Integrity, Respect, Sincerity and Transparency.

What is the Quality Policy of the company?

At Cyient, we are committed to delight our Clients by consistently providing sustainable solutions complying with the applicable requirements to improve human lives.

We at Cyient understand and are committed to live up to our brand promise of "Designing Tomorrow Together".

What are the Quality Objectives of the company?

Aspire to achieve best-in-class levels of Client, Quality and Delivery performance metrics for the industries we serve as per the respective roadmaps

Improve or sustain stakeholder's engagement scores

Focus on building skills and capabilities to keep abreast with the demands of the changing business

Where is the company located?

The company is headquartered in Hyderabad, India and has a global presence across 38 locations. Full details of the locations are published elsewhere in this Annual Report.

What is the address of the company's registered office?

The Registered Office of the company is located at
4th Floor, 'A' Wing
Plot No. 11, Software Units Layout,
Infocity, Madhapur, Hyderabad - 500 081, Telangana

What is the company's financial year?

The Company follows a financial year that begins on April 1 and ends on March 31.

Who are the company's auditors and consultants?

Internal Auditors: Ernst & Young LLP

Statutory Auditors: Deloitte Haskins & Sells

Tax advisor: G.P. Associates

Following are the legal consultants:

Mr. Hanumanth Reddy

Mr. DhayanChinnappa, Crest Law Partners

Mr. C. Niranjan Rao

C.R.Sridharan& Associates

Adv. Rose Gupta

What is the history of Bonus issue of Shares at the Company?

Year	1994-95	1995-96	1996-97	2002-03	2006-07	2010-11
Bonus issue ratio	7 : 5	1 : 1	1 : 1	1:1	1:2	1:1

What is the Dividend History of the Company for last five years?

Year	2013		2014		2015		2016		2017		
	Interim	Final	Interim	Final	Interim	Final	1st Interim	2nd Interim	Special*	Interim^	Final#
Dividend (%)	40	50	40	60	60	100	60	80	50	60	100

* On 28 August 2016, in commemoration of Silver Jubilee of the Company, the Board of Directors declared and paid Special Dividend of 50% during the year 2016-17.

^ On 13 October 2016, the Board of Directors declared and paid Interim Dividend of 60% for the financial year 2016-17.

The Board recommended Final Dividend for the year ended 2016-17

What is the number of shareholders in the company in the last five years?

Year ended 31March	2017	2016	2015	2014	2013	2012
No. of Shareholders	20,087	17,756	15,028	9,520	9,977	11,723

Is nomination facility available to the shareholders?

Yes. Nomination facility is available to the Shareholders. Shareholders are advised to make use of the nomination facility. For further details, investors may contact the R&T Agents of the Company.

How does a Shareholder go about transferring his shares/having related correspondence?

To transfer shares in physical form and general correspondence regarding shares, shareholders may write to the Company's Registrars/the Company -

Karvy Computershare Private Limited

Unit: Cyient Limited

Karvy Selenium Tower B, Plot 31-32,

Financial District, Gachibowli, Nanakramguda, Hyderabad - 500 032.

Tel : +91-40-6716 1562

Email : mohsin.mohd@karvy.com; einward.ris@karvy.com

Website : www.karvycomputershare.com

Transfer of shares in electronic form are effected through your depository participant. Please note that the Securities and Exchange Board of India has issued directives that trading in the scrip of the Company would be in compulsory demat form by all investors w.e.f. August 28, 2000.

In which stock exchanges are the company's shares listed and what are the codes?

The company's equity shares are listed in India on the National Stock Exchange (NSE: CYIENT) and the Bombay Stock Exchange (BSE: 532175).

What is the company's ISIN code?

Cyient's ISIN code is INE136B01020

How many shares are outstanding?

As of March 31, 2017, the company had 112,566,340 shares outstanding.

What is the record date and payment date of the interim/final dividend?

You can find the record date/payment date for the last announced dividend in the Announcements section of the Investor page on our website. These details are also notified to the stock exchanges on the same day of the announcement of the dividend and available on the BSE and NSE websites.

Does the company have a quiet period? When is that?

The quiet period at the company begins 14 days before the date of the board meeting and lasts until the day after the quarter's earnings release. During this period, the company's management refrains from communicating with market participants.

When is the AGM held?

The Annual General Meeting (AGM) is typically held in mid-July. The formal announcement will be published on the Investors page of our website, closer to the event. If you are a shareholder, you will receive a formal notice of the meeting, containing details of the date, time and venue, alongside the Annual Report.

How does a person buy the company's shares?

The company's shares can be purchased in the open market in India through either a stock broker or any financial institution that provides brokerage services at the BSE or NSE.

How can a shareholder access information about the company?

Information about the company is available on its website. Further, all information that is material in nature is notified to stock exchanges and appropriate advertisements are also issued in the newspapers.

Does the company accept fixed deposits from the public?

The Company does not accept fixed deposits.

How does a shareholder record a change in the address?

For physical holdings, please send a letter, duly signed by the first holder, stating the new address and folio numbers of the shares you own to our R & T agents. An acknowledgement will be sent to your new address confirming the up-dation of the change in our records.

In the case of dematerialized holdings, please write to your Depository Participant (DP) intimating them of the change and ask for a confirmation that their records reflect the new address.

If dividend cheque is lost/was never received/has expired, how to get a fresh cheque re-issued?

Please write to our R&T Agent, with details of folio numbers (in the case of physical holdings) or the DP ID and Client ID in the case of dematerialized holdings. After verification, they will issue a fresh instrument.

To avoid this problem in the future, you can use the ECS facility in which the dividend amount is automatically credited to the bank account of your choice. To avail of this facility, give your request to our R&T agent in writing.

Also, you might consider dematerializing your holdings through a Depository Participant. This would not only eliminate the issues of storage and risk of loss of paper certificates but also ensure automatic crediting of dividends to your bank account.

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Electronic Clearing Services (ECS) Mandate Format

To
Karvy Computershare Limited
Unit : Cyient Limited (Infotech Enterprises Limited)
Plot No. Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.

Dear Sir,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND please fill-in the information in CAPITAL LETTERS and in ENGLISH ONLY.

Please TICK ☒ a wherever applicable.

For shares held in physical form

Regd.
Folio No.

-----For Office Use Only-----

ECS
Ref.No.

For shares held in electronic form

DP. ID
Client Id

Note: On de-materialization of existing physical shares, for which you have availed ECS facility, this form needs to be re-submitted to your Depository Participant.

Name of
First Holder:
Bank Name
Branch Name
Branch Code

(9 Digit Code Number appearing on the MICR band of the cheque supplied by the Bank) Please attach a photo copy of a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.

Account type

Savings

Current

Cash Credit

A/c No. (as appearing
in the chequebook)

Effective date of this
Mandate

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Karvy Computershare Limited, will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI/Company.

I further undertake to inform the Company any change in my Bank/branch and account number.

Date:

(Signature of First holder)

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Cyient Limited

CIN : L72200TG1991PLC013134

Regd. Office: 4th Floor, A Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081

Tel: 91 40 67641322 Fax: 91 40 66624368

Website : www.cyient.com, Email: company.secretary@cyient.com

ATTENDANCE SLIP

(To be presented at the entrance)

26th ANNUAL GENERAL MEETING

I hereby state that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on Thursday, the 13th day of July, 2017 at 3:00 p.m. at L&D Centre (company's campus) , Plot No. 2, IT Park, Manikonda, Hyderabad - 500 032, India, or/any adjournment thereof

Name of the attending shareholder: _____
(in block letters)

Name of the proxy: _____
(to be filled in if proxy attends)

Signature of shareholder: _____

Signature of proxy: _____

Regd. Folio Number: _____
DP/Client ID No. _____

Number of shares held: _____

- Note:
1. Shareholders/proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the gate, affixing their signature on them.
 2. Shareholders are informed that no duplicate attendance slips will be issued at the venue of the meeting.

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Cyient Limited

CIN : L72200TG1991PLC013134

Regd. Office: 4th Floor, A Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081

Tel: 91 40 67641322 Fax: 91 40 66624368

Website : www.cyient.com, Email: company.secretary@cyient.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name and Address of the Shareholder(s)

E-mail id : Folio No./ Dp Id & Client Id :

I/We being the member(s) of Shares of Cyient Limited, hereby appoint

1. Name : Email id :

Address :

Signature :

Or failing him

2. Name : Email id :

Address :

Signature :

Or failing him

3. Name : Email id :

Address :

Signature :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the company on Thursday, 13 July 2017 at 3.00 p.m. at L&D Centre (company's campus), Plot No. 2, IT Park, Manikonda, Hyderabad - 500 032, any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. To receive, consider and adopt, the audited statements of profit and loss for the financial year ended on 31 March 2017 and the balance sheet as at that date (standalone and consolidated) and the reports of the board of directors and auditors thereon.
2. To confirm the first and special interim dividends paid on equity shares for and during the year and declare final dividend on equity shares for the financial year 2016-17.
3. To appoint a Director in place of. Mr. Alain De Taeye, (DIN 03015749), who retires by rotation and offers himself for re-appointment.
4. To appoint a Director in place of Mr. Thomas W. Prete (DIN 06634086), who retires by rotation and does not offer himself for re-appointment.
5. To ratify the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors.
6. To appoint Mr. Vinai Thummalapally (DIN 07797921) as an independent director for a period of five years.
7. To determine the fees for service of documents by a particular mode to the shareholders of the company.

Signed this day of 2017

Signature of Shareholder Signature of Proxyholder(s)

Affix
Revenue
Stamp

NOTE: The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

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Global Presence

cyient.com

Global Headquarters

Cyient Ltd.
Plot No. 11,
Software Units Layout
Infocity, Madhapur
Hyderabad - 500 081
Telangana, India
Tel: +91 40 6764 1000

Asia Pasific

Australia

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Cyient Ltd.
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Brisbane, Queensland 4000

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Blacktown NSW 2148
Sydney
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Cyient Ltd.
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West Perth, WA 6005
Tel: +61 8 9429 8812

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Manukau, Level 2, 65 Upper
Queen Street, Auckland
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21 F Seoul Finance Center
136 Sejong-daero, Jung-gu
Seoul 100-768
Tel: + 82 2 3782 4936

Taiwan

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County 30264
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Japan

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Mid Valley City
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Philippines

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Le Metropole Building
326 De La Costa Street
Corner Tordesillas Street
Salcedo Village
Makati City, 1227
Tel: +63 2 817 9704

Singapore (High Street)

Cyient Ltd.
1 North Bridge Road
#19-04/05
High Street Center
Singapore 179 094
Tel: +65 6 337 2472

Singapore (Seletar)

Cyient Singapore Private
Limited
61 Seletar Aerospace View
Singapore 797560

Europe, Middle East, and Africa

Europe

London, UK

Cyient Europe Ltd.
High Holborn House
52-54 High Holborn
London WC1V 6RL
Tel: +44 20 7404 0640

Cyient Schweiz GmbH
C/o AAA services Meier +
Franzelli
Güterstrasse 22
3008 Bern
Switzerland
Tel: +41 31 382 5082

Cyient BV Minervum 7491
4817 ZP Breda Oost, Breda
The Netherlands
Tel: +31 76 572 2966

2016-17

Annual Report

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Cyient GmbH France
18, Rue Saint Vincent
78100
Saint-Germain-en-Laye
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Czech Republic
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Cyient Europe Ltd.
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Reading
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Tel: + 44 11 8903 6124

South Africa
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255 Anna Wilson Street
Kilnerpark
Pretoria - 0186

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Authority (DAFZA)
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Israel
Cyient Israel India Ltd.
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Bnei Brak
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North America

United States of America
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San Dimas CA 91773
Tel: +1 909 321 3760

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Minneapolis, MN 55401
Tel: +1 612 351 3972

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Bloomington, IL 61704
Tel: +1 309 664 6991

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Dulles, VA 20166

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Jupiter, FL 33478
Tel: +1 860 310 3758

Cyient Defense Services Inc.
15300 Park of Commerce Blvd
Jupiter, FL 33478
Tel: +1 860 310 3758

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A Cyient Company
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Melbourne, FL 32934
Tel: +1 321 674 2155

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Suite 310
Milpitas, CA 95035

Cyient, Inc.
520 Central Parkway East
Suite 101
Plano, TX 75074

Cyient, Inc.
23133 Hawthorne Blvd
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Tel: +1 310 378 5994

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7575 Trans-Canada Hwy.
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India

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Cyient Ltd.
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Nanakramguda,
Gachibowli
Hyderabad - 500032
Telangana
Tel: +91 40 6748 9100

Cyient Ltd.
NSL SEZ Arena Town
Center
Block No. 1
Plot No. 6, Survey No. 1
IDA Uppal
Hyderabad - 500039
Telangana
Tel: +91 40 6704 3434

Cyient Ltd.
Plot No: 1, 2, 3, 4 & 5A
IT SEZ, Sarpavaram
Kakinada Rural Mandal
East Godavari District
Kakinada - 533005

Andhra Pradesh
Cyient Ltd.
B-11, Sector 63
Noida - 201307
Tel: +91 120 416 1000

Cyient Ltd.
Survey No: 410
Plot No: 14, SEZ Unit
Hill No: 3
Madhurawada(V)
Rushikonda, Vizag - 530045
Andhra Pradesh

Cyient Ltd.
IT Incubation center,
TSIIC, Industrial estate
Madikonda (SEZ),
Hanmakonda(M)
Warangal-506142

Cyient DLM Pvt. Ltd.
Plot No. 347 - D1 & D2,
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Tel: +91 821 428 0000

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6th Floor, Mundhwa
Pune - 411036
Maharashtra

Business India

Designed to engineer

Mr. BVR Mohan Reddy's stellar journey in creating a world class entity – Cyient. The story is interspersed with interesting anecdotes from the initial days of Cyient's inception, significant milestones during the 25 years of the company, and the direction in which the company is headed.



Scan the QR code or visit
go.cyient.com/cyient_corporate_report
 to read more



cyient.com

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