

# CYIENT

16 July 2018

BSE Limited  
PJ Towers  
25<sup>th</sup> Floor, Dalal Street  
Mumbai – 400 001  
Scrip Code: 532175

The National Stock Exchange of India Ltd  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (E)  
Mumbai – 400 051  
Scrip Code: CYIENT

Dear Sir/ Madam,

Sub: Submission of Annual Report for the year ended 31 March 2018

Please find enclosed a copy of the Annual Report for the financial year 2017-18, in pursuance of the Regulation 34 of SEBI (LPDR) Regulations, 2015.

This is for your information and records.

Thanking you,  
For Cyient Limited



N. Ravi Kumar  
Dy. Company Secretary

Cyient Ltd.

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Formerly Infotech Enterprises Limited

# ENGINEERING POSSIBILITIES





### LEVERAGE

**Leveraging our rich experience to our strategic advantage**

Our strong global presence and domain experience has helped us develop a deep understanding of distinct markets and industries. Our ecosystem of business partners, suppliers, and internal teams backed by our robust financial system, provides us with a solid foundation to continuously innovate and stay competitive.



### GROW

**Growing by aligning our strategy with evolving market dynamics**

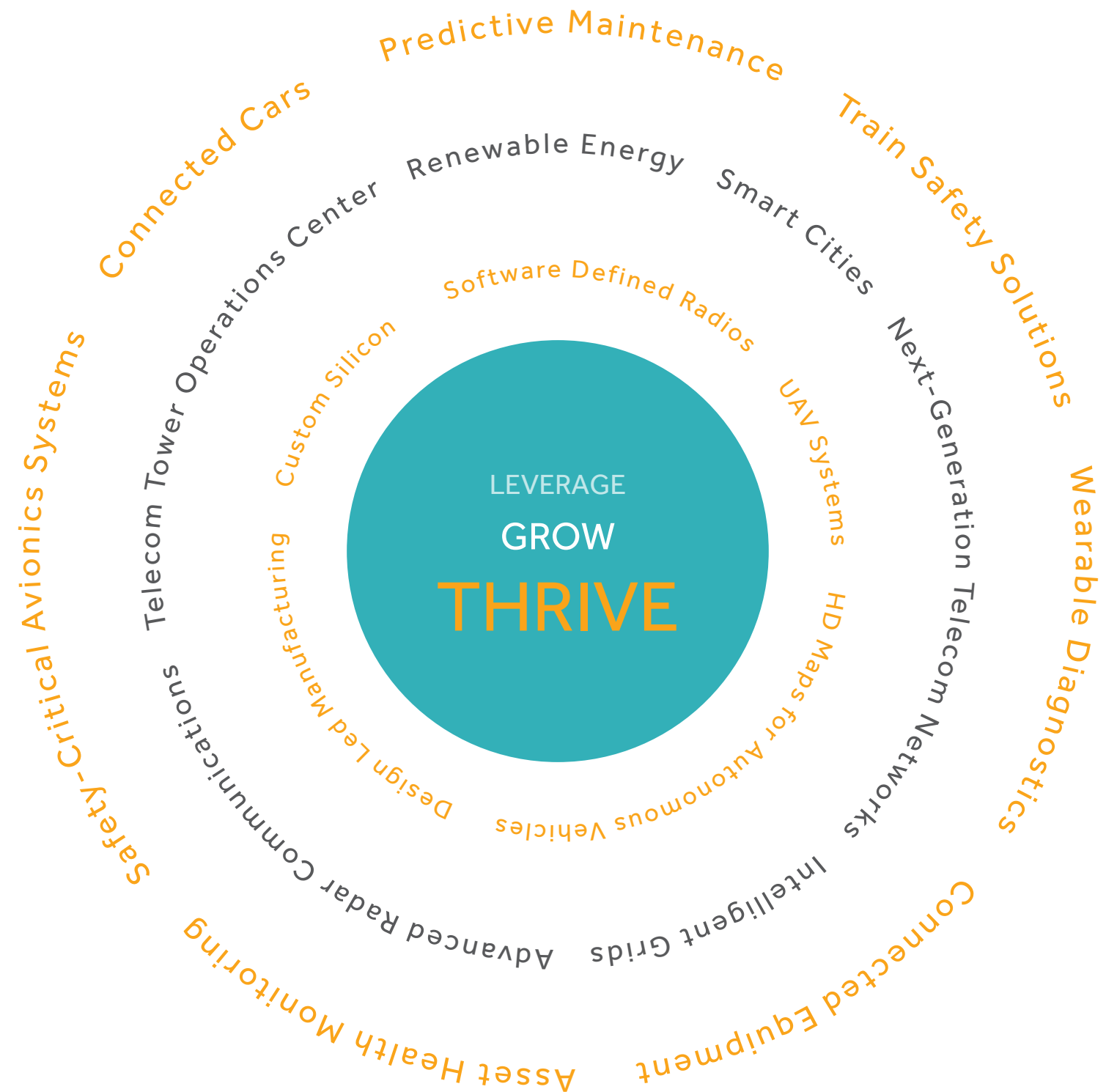
We consciously adjust our service and solution offerings to reflect emerging and disruptive industry trends. Our growth strategy is based on a balanced emphasis on expansion and exploration—leveraging our existing capabilities and continuously scoping newer markets, solutions, and partnerships.



### THRIVE

**Thriving by being focused on our vision**

With a long-term perspective in mind, we apply technology to achieve and even disrupt, existing industry trends. Cyient strives to be a front-runner by innovatively deploying technology, setting new industry standards and benchmarks, and solving problems that matter.



Scan the QR code to see how we apply technology imaginatively to solve problems that matter.





# DIFFERENTIATING THROUGH "SHARED VALUE"

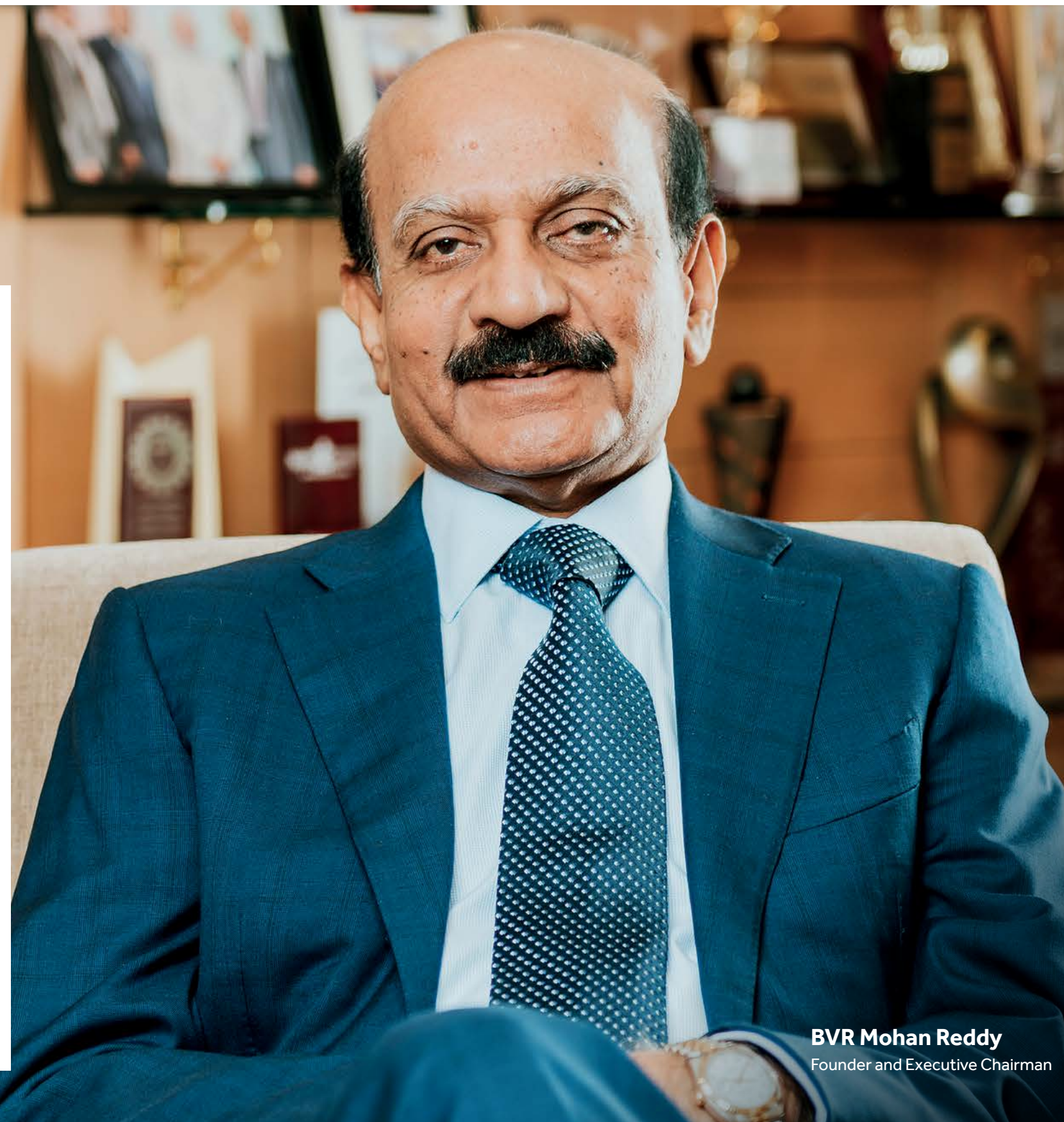
Dear Shareholders,

Today, thanks to technology advances, more people are healthier, are better educated, and have improved living standards. Technology has been a great catalyst and an enabler in bringing about economic growth and equity in society. Having said that, there is a lot of work-in-progress to fulfill unmet societal needs and there lies a challenge, an economic opportunity, and our collective responsibility. Let me elaborate my thoughts.

In the first phase of the digital era, commercial Internet brought about an information revolution, expanding both the richness and the reach of information. The advances in communication technologies enabled the movement and access to information at speeds previously unimagined. The increasing computing powers and the declining costs of computing and storage further scaled the benefits of the Internet. This era marked the beginning of the information economy.

These technological advancements deconstructed several traditional value chains, leading to the emergence of new products, service lines, and business models. Organizations began using information in multiple ways and started seeing a positive influence on manufacturing throughput and service efficiencies. Information proliferation accelerated globalization, making the world one single, competitive marketplace.

The second phase, characterized by Web 2.0, gave rise to interesting applications such as social media, open source movement, and open innovation. Hardware found its replacement in software, accelerating the speed of innovation and consequently shrinking the life cycle of products and services. In parallel, Moore's Law enabled the miniaturization of sensors, giving rise to mobile technology, and ubiquitous sensing. Data started becoming the 'infrastructure' of the world, supporting a variety of activities. In an interconnected world, companies began sharing platforms, sharing data, and evolving collaborative business models. Data and technology began getting democratized in their access, accuracy, simplicity, and affordability.



**BVR Mohan Reddy**  
Founder and Executive Chairman



The economic value of data is in its application, and so data began to be applied through new methods of analytics, machine learning, and artificial intelligence techniques, seeking insights and actionable intelligence in the third and the current phase. The ability to bring sensing, connectivity, and analytics into an intelligent system is fundamentally transforming the way we produce, manage, and govern our resources. This transformation is heralding the most potent phase of digital disruption, opening doors to the knowledge/value economy.

For a business to become a true differentiator in this backdrop, it is imminent to create value with solutions and services that positively impact its customers' triple bottom-line. While the conventional corporate vision of sustainability centers around profitability and of shareholder wealth maximization, businesses of the future will have to redefine their purpose as creating shared value—generating economic value in a way that also produces value for society and preserves our environment.

**Cyient—Differentiating through "Shared Value"**

Cyient's vision of "applying technology imaginatively to solve problems that matter" greatly reinforces our belief in "shared value." Our vision is built on our awareness of the unmet needs, the competitive advantages that will be available by fulfilling them, and our responsibility to serve the aspirations of the markets and society. Furthermore, our vision is reflected in our strategy to differentiate Cyient as a Design, Build, Operate & Maintain partner for clients in our focus industries, spurring us to invest in innovation, develop talent and leadership, nurture a diverse and inclusive culture, and ensure strong corporate governance. Simultaneously, we strive to

give back to society through our commitment to education and digital literacy.

**Strategy**

Cyient has always kept an eye on the future. Having built a robust organization over the first two decades, in 2014, we articulated our growth strategy of transforming "from services to systems and solutions" to fulfill the evolving needs of our clients' value chain. To further strengthen our commitment to this vision, Cyient created the AGILE framework (Ambition, Growth, Investment, Leadership, Execution) which defines the actions and outcomes that will purposefully drive the organization towards the goal of being among the top 100 industrial brands by 2030.

Be it greener buildings, quieter aircrafts, high-throughput trains, leading-edge 5G networks, wearable medical diagnostics, software-defined radios, intelligent grids, smart cities, autonomous surveillance, or our support to renewable energy, our aspiration is to help clients deliver performance, reliability, safety, affordability, quality of experience, and sustenance through our solutions.

**Technology Innovation**

Technology innovation underpins the long-term success of any company. We launched the New Business Accelerator (NBA) initiative in FY18 to nurture internal innovation, something we believe is vital to the organization's future success. The NBA is currently incubating around 15 technology concepts that range from radar technology and wearable medical devices to IoT platforms and grid analytics. Simultaneously, the NBA is cultivating design thinking, incorporating best-in-class processes, creating an optimal work environment, developing a culture of business excellence, and fostering entrepreneurship within the organization.

To provide further momentum to our services to systems and solutions strategy and support long-term revenue and financial goals, Cyient is also making corporate venture investments to gain access to new sources of technology and innovation that are relevant to our future. By proactively engaging with the start-up ecosystem, Cyient is identifying and investing in early-stage start-ups that can become potential partners, suppliers, or even future acquisitions.

Pushing the innovation envelope further through open innovation, Cyient organized India's first UAV hackathon in February 2018 in partnership with DJI, Microsoft, and the Government of Telangana. From over 600 proposals for industrial and commercial applications, the Hackadrone judged seven finalists on the uniqueness, demonstrability, and scalability of their solutions over the five-day competition. An all-women team won the hackathon with an application that promotes women's safety.

**Skills & Leadership Development**

In our world of technology disruption, where skill requirement is changing rapidly, human capital is the true differentiator for an organization's success. We need to reskill and upskill our current workforce and invest in developing deep domain knowledge to be in sync with fast-changing technologies and client expectations.

Cyient is aggressively investing in our people to make sure that they develop a culture of design thinking, calculated risk-taking, and customer delight. We are skilling and reskilling them with future technologies to create the right value for our clients.

The business environment today is quite complex, unpredictable and volatile. The skills needed for

leadership have also changed, requiring more adaptive thinking abilities. Cyient is developing strong leadership in-house at various levels—execution, functional, and business leadership—through carefully designed programs that balance the needs of individuals and the business.

**Diversity & Inclusion**

Fairness, and creating equal opportunities for everyone is fundamental to Cyient's core values. Evidence also suggests that a culture of diversity and inclusion in an organization leads to more innovation, improved productivity and a greater competitive edge, which ultimately contributes to the bottom-line. To expand our "diversity dividends," we launched a Diversity & Inclusion (D&I) program in early FY18. Our global D&I initiatives are bringing about parity with respect to gender, age, and physical abilities in recruitment, retention, and talent development. We introduced a paternal leave policy and set up resource groups to readdress employee issues. In order to develop a diverse, high-performing workforce, we are investing in a mentoring program for top women talent. In parallel, an organization-wide awareness and communication program ensures that all stakeholders (clients, associates, investors, partners, and society) are amply informed about D&I policies, practices, and procedures.

FY18 also saw the launch of MagnifiCyient, a rewards and recognition platform to nurture the culture of appreciation and recognition across the organization. Several features under the program, such as peer-to-peer rewarding, geo-rewards, and social features, are creating an atmosphere of inclusion and mutual admiration, building camaraderie, and encouraging learning and development across Cyient.

**Corporate Social Responsibility (CSR)**

While we create value for our clients and engage with our associates, we have always been conscious of our responsibility to contribute to society. Consistent with the new digital world, our CSR initiatives are also aligned towards digital. Cyient now supports primary to high school education across several schools in four Indian states. For schools, we created digital classrooms, libraries, and laboratories. For adults who are not fortunate enough to experience the digital world, we support the "National Digital Literacy Mission," an adult digital literacy program sponsored by the Government of India.

Our relentless CSR efforts significantly improved girl student metrics in Cyient adopted schools in FY18. A number of these schools have received government awards and accolades from the parent community and local administration. Our CSR interventions are going beyond education to include IT literacy, health, and community development. Under the "Smart Village-Smart Ward Program," we adopted a village and are ensuring provisions of drinking water, sanitation, roads, and water storage facilities to over 3,000 households.

"Engineering the Eye" is Cyient's eye-care initiative that meets at the intersection of business and social innovation. Our partnership with LV Prasad Eye Institute (LVPEI) in Hyderabad has led to the development of low-cost devices for refractive error screening and early-age blindness prevention in low-resource schools and remote areas.

**Compliance & Corporate Governance**

Integrity is a core Cyient value, and we have always believed that compliance and good governance

play a crucial role in shaping an organization's culture and its engagement with employees, shareholders, clients, and investors. In FY18, Cyient obtained CGR2+ by ICRA for its corporate governance practices, an indication that Cyient has adopted and follows such practices, conventions, and codes that provide financial stakeholders with a high level of assurance on the quality of corporate governance.

**Conclusion**

In an era where the average life of an organization is declining quickly, Cyient today is a mature 27-year-old, built with resilience, responsiveness, and reflection. With Values FIRST (an acronym for Fairness, Integrity, Respect, Sincerity and Transparency) as our foundation and client-centricity as our philosophy, Cyient has forged a very distinctive and successful path in the engineering and technology services industry, earned enormous credibility and trust from clients, investors and society, and stands tall in the corporate world today.

As we take a moment to reflect with pride on what we have achieved, we also recognize that to succeed in the rapidly changing and disruptive world, we need to execute our systems and solutions focused growth strategy rigorously. We need to differentiate our value to clients through technology and business model innovation, create more wealth for shareholders, make our people our success partners, and unceasingly give back to the societies that nurture us around the world.

Thank you.

  
**BVR Mohan Reddy**  
Founder and Executive Chairman

## CYIENT POSITIONED IN THE 2017 WINNER'S CIRCLE OF HfS BLUEPRINT FOR AEROSPACE ENGINEERING SERVICES



Cyient has earned a place in the 2017 Winner's Circle of the HfS Blueprint for Aerospace Engineering Services. HfS Research, a leading independent analyst firm, recognized Cyient for its end-to-end solutions portfolio, successful acquisition strategy, innovation credentials, and client quality in the aerospace industry.

“ Cyient was built based on its capabilities in the aerospace sector, with a focus on support for the most complex aircraft engines in operation. It is remarkable how the company has diversified and developed the requisite domain depth in other portfolios as well. They are among leaders in innovation and digital solutions in the A&D sector and continue to make investments in developing capabilities centered around high-value, complex solutions. The company's client-centric value proposition is strengthened by the acquisitions it has made in the areas of testing and certification, MRO, and manufacturing over the last few years. Cyient has become a global player in A&D solutions by serving as a trusted partner to the largest OEMs in the sector and providing integrated design, build, and maintain capabilities. ”

– **Pareekh Jain**, Senior Vice President, HfS Research, and Lead Analyst for A&D Engineering Blueprint

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# KEY PERFORMANCE HIGHLIGHTS

## Maintained strong growth and a positive outlook

Cyient saw continued growth in FY18, registering a 12.9% YoY increase in dollar revenue and a 16.1% increase in net profit. This growth was primarily driven by the Communications, Transportation, and Aerospace & Defense business units. We gained momentum in strategy execution, resulting in the acquisition of B&F Design Inc. in line with our Design, Build, Operate & Maintain strategy. We also signed a joint venture with Israel-based Bluebird Aero Systems Ltd. to expand into unmanned aerial vehicle (UAV) opportunities.

The dividend payout for FY18 increased to 41% delivering maximum value to our shareholders and signaling a growth momentum at Cyient. This thrust will continue through FY19, driven by our focus on progress through organic and inorganic investments, improvement in operating margin, and cash generation. We are well-positioned to achieve higher shareholder return in the coming years.

### Revenue Growth

12.9%

At \$607 Mn  
(Rupee growth at 8.6% at ₹39,175 Mn)

### Dividend Payout

41%

Highest ever at ₹13 per share

### Key Acquisitions & Partnerships

- B&F Design
- BlueBird Aero Systems
- EA Technology
- Kii Corporation
- Elpis Squared

### Operating Profit Increase

13.3%

At ₹5,492 Mn (\$85 Mn)

### Net Profit Increase

16.1%

At ₹4,296 Mn (\$67 Mn)

### Cash Balance

\$168 Mn

Highest ever with continued healthy cash generation

### Regional Growth

22%

YoY for EMEA

### Regional Growth

16%

YoY for APAC

OPERATING FROM 47 LOCATIONS,  
WITH 14,000+ ASSOCIATES ACROSS  
21 COUNTRIES, CYIENT ENSURES GLOBAL  
DELIVERY TO OUR 300+ CLIENTS

We take pride in hiring talented, experienced, and enthusiastic associates, and providing them with opportunities for personal and professional growth. Our human resources practices and initiatives focus on the continuous development of our workforce, and are critical to the long-term success of the company.

Talent Acquisition

We achieved an 86% on-time fill rate for open positions with a 40% YoY increase in regular hiring. We initiated a "Train and Hire" model for specific entry-level skills that allow early-career hires to undergo basic training while still at a campus.

Employee Engagement

We strive to be the employer of choice by offering an environment in which all of our associates can thrive. This is evident in our FY18 employee engagement score of 60%, which is above the industry average of 58%.

Learning and Development

We provide associates with opportunities for continuous learning to improve skills and leadership development. Toward this effort, our teams clocked more than 26,000 hours of digital learning and over 100,000 hours of instructor-led training in FY18.

In FY18, our headcount increased to 14,762 associates. Our global workforce spans across three major regions: Asia Pacific (84%), North America (12%), and Europe, the Middle East and Africa (4%).



# GIVING BACK: EMPOWERING THE COMMUNITY

As a responsible corporate citizen, Cyient has been committed to enabling education, digital literacy, community development, and social innovation. We are guided by our belief that sustained development of society is vital to the growth of the businesses that exist within it. To that end, we have invested more than 2% of our net profits toward our CSR initiatives.

The Cyient Foundation has adopted a three-pronged approach focused on health, IT literacy, and community development with education and innovation at the core. We support school education in four of the states in which we have our operations.

### Digital Literacy

We currently operate 57 Cyient Digital Centers (CDCs), providing more than 24,300 children and adults with access to IT education. The digital classrooms and libraries provide students with high-quality digital educational resources and content.

### Social Innovation

Our latest, social innovation is for the Eye Lens Project, a low-cost vision screening device from the Srujana Center for Innovation at LVPEI. Using our data-driven approach, we have calibrated this device on the most commonly observed refractive error ranges. The product is easy to understand and intuitive to use.

## EDUCATION, COMMUNITY DEVELOPMENT, IT LITERACY, AND SOCIAL CHANGE ALIGNED TO BUSINESS INNOVATION



The Cyient Digital Center at a Cyient-adopted school



As part of the Swachh Telangana program, we provide sanitation and hygiene facilities at all Cyient-adopted schools.



25

Schools supported



15,000

Children enrolled



1:30

Teacher-student ratio



57

Cyient Digital Centers across communities



9,000

Students completed L1 & L2 IT literacy programs



70%

Students found IT education useful



Scan the QR code to watch how we are creating a lasting change



We have ensured 54% girl child enrollment across Cyient-adopted schools.



3,800+ enthusiastic Cyient volunteers are contributing to our CSR initiative.



The President of India,  
**Shri Ram Nath Kovind**, at  
a Cyient-adopted school in  
Hyderabad, August 2017.

The school building includes  
21 smart classrooms, a  
Cyient Digital Library, and a  
Cyient Digital Center.







## INDIA'S FIRST UAV HACKATHON

Cyient organized Hackadrone, India's first UAV hackathon, in February 2018, at our Hyderabad campus, in partnership with DJI, Microsoft, and the Government of Telangana. The event was organized to develop innovative drone solutions for industries such as utilities, telecom, energy & natural resources, transportation, and agriculture.

**5,000+**  
Registrations

**600**  
Teams applied

**120**  
Teams shortlisted

**21**  
Partners

**7**  
Finalists

**3**  
Winners



Cyient is engaged in a rigorous transformation to become a value-delivery partner for our clients. We have concentrated our efforts on pursuing innovative industry solutions and enhancing efficiency for profitable and sustainable growth.



## REDEFINING TOWER MANAGEMENT FOR ALWAYS-ON NETWORKS

The dynamic mobile telecom environment requires effective management of cell towers, as it has a direct impact on the top and bottom line of communication service providers (CSPs). Efficient tower monitoring results in attracting new tenants and increasing tenancy ratio and profitability. Hence, the need to address issues like escalating energy costs, lack of visibility on asset health, increasing tower downtime, unsecured remote sites, and fuel pilferage is critical. Cyient's IoT-enabled Tower Operation Center helps better manage and monitor passive cell tower infrastructure.

### The Cyient Edge

#### Leverage

20+ years of experience in the telecom industry  
Partnered with 40% of global telecom end customers and businesses worldwide

#### Grow

Integrated plan, build, operate and transform framework  
Remote-monitored and managed assets using an IoT platform

#### Thrive

Deliver scalable solutions with cloud and analytics capabilities  
Increase uptime and ROI on cell tower assets

## IoT-Based Tower Operations Management

### Reduce OPEX

Ensure 25% to 30% reduction in energy consumption; efficient management of contracts and tower inventory; and improve field force productivity and quality of task time

### Asset Management

Manage and monitor all passive assets; streamline workflows for task handoffs; and ensure real-time incident management and reporting

### Connectivity & Security

Improve 24x7 security; receive event-based alerts; and take proximity-based preventive actions

### Agility & Automation

Automate alerts and escalations; implement rule-based operation management; and ensure remote configuration and updates

Enhance safety, security, and service reliability

Support building network models for a holistic view of the grid, as well as a robust data governance model.

Increase operational efficiency

Save up to 60% effort on visual inspection.

Increase productivity

Improve data accuracy and turn underutilized capital into productive resources.

More OPEX-driven

Help utilities transition data cleaning costs from CAPEX to OPEX.

OPTIMIZE ADMS AND OPERATIONAL ANALYTICS PERFORMANCE FOR UTILITIES

Cyient's Intelligent Data Management Solution (iDMS) is a configurable and cloud-based solution that purifies, validates, establishes, and governs data quality for Advanced Distribution Management Systems (ADMS), enabling utilities to efficiently undertake grid modernization.

The Cyient Edge

Leverage

- 20+ years of experience in the U&G industry
- Domain knowledge of electrical network data models
- Comprehensive machine learning and data analytics capabilities

Grow

- Ensure high-quality data available to the ADMS, saving up to 60% on effort and making the process 2x faster
- SaaS-based solution enables utilities to transition data purification costs from capital budget to operational expense

Thrive

- Boost Cyient's revenue share significantly through IP sales
- Increase Cyient's advantage over competitors through a unique capability of data validation and assurance using comprehensive rule library





## RE-ENVISIONING ASSET MANAGEMENT FOR 24/7 CONNECTED EQUIPMENT OPERATIONS

Today, oil and gas companies face a variety of challenges that threaten operational efficiency, including safety risks, unplanned downtime, increasing operational costs, and lack of visibility on asset health. Cyient has re-imagined asset management for around-the-clock operations by focusing on reducing OPEX and extending asset life. We connect oil and gas equipment to create a digital foundation and build on that to deliver edge-enabled analytics, predictive maintenance, and real-time asset condition monitoring.

### The Cyient Edge

#### Leverage

- 20+ years of experience in the Oil and Gas and Industrial industries
- End-to-end product development and IoT-enabled solutions
- Expert system knowledge and data science capabilities

#### Grow

- Implement an integrated plan, build, operate and maintain framework
- Enable remote asset health monitoring and management with an IoT platform

#### Thrive

- Deliver scalable solutions with cloud and analytics capabilities
- Enhance ROI from asset integrity management and improved uptime

Develop a foundation for prioritization of critical vs. non-critical maintenance and inspection requirements while reducing personnel safety risks.



Increase Productivity

Increase availability of assets through individual asset and system-level monitoring and analytics, while decreasing unplanned downtime through predictive maintenance and prescriptive resolution.

Reduce OPEX

Achieve Global Scale

Embed intelligence across global assets to deliver unique, site-specific insights on asset health. Utilize data to transition from costly scheduled maintenance to condition-based monitoring and predictive asset integrity management programs.





## DELIVERING DESIGN ENGINEERING SOLUTIONS FOR ON-SCHEDULE PROJECT DELIVERY

Our clients, including major rail OEMs and operators, have leveraged their longstanding partnership with Cyient for high-impact and large-scale global projects. We have helped design next-generation trains, enabled complex signaling upgrades, and improved operational efficiency. Our engineers have successfully delivered projects on-time and on schedule—a significant accomplishment for an industry marred by delivery delays.

### The Cyient Edge

#### Leverage

15+ years and 15 million+ hours of engineering experience

Engineering capabilities across rolling stock, signaling, infrastructure, and operations

#### Grow

Focus on making the passenger journey more comfortable and reliable

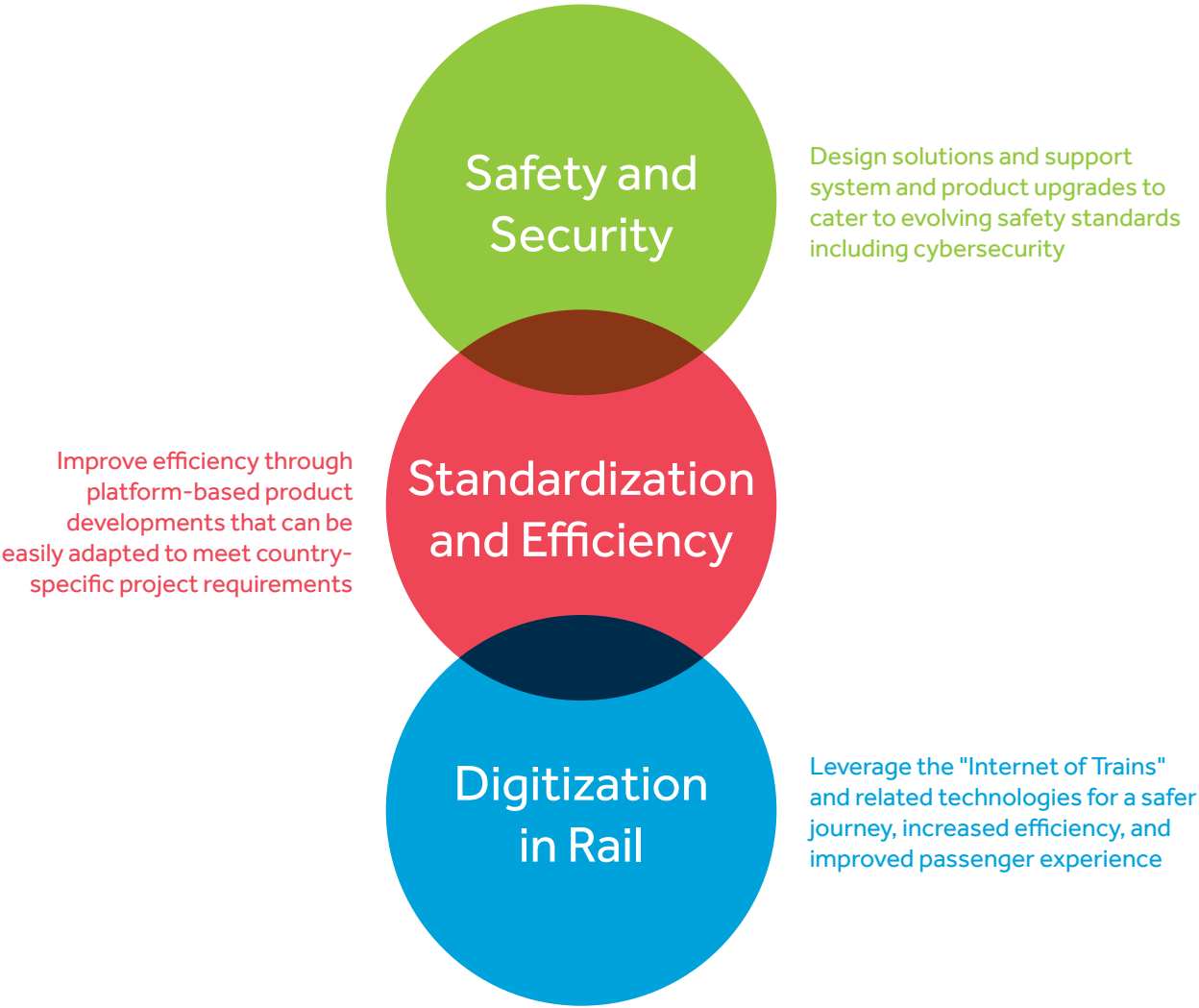
Minimize asset downtime and improve efficiency with our predictive equipment maintenance solutions

Gain insights into regulations of major rail systems and industry best practices

#### Thrive

Collaborate with rail OEMs and operators to integrate more value and innovation into their products and services

## Engineering Design Solutions for Rail OEMs







# DESIGN-LED MANUFACTURING— A CRITICAL SUCCESS FACTOR TO OFFER SOLUTIONS ACROSS THE VALUE CHAIN

## The Cyient Edge

### Leverage

Decade-long partnerships with industry leaders

Robust sales system that results in a larger pool of potential projects and manufacturing contracts

### Grow

Integrate Cyient's DLM manufacturing strategy with Cyient's business strategy to drive performance

Improve manufacturing capabilities and vertical integration to include SCM

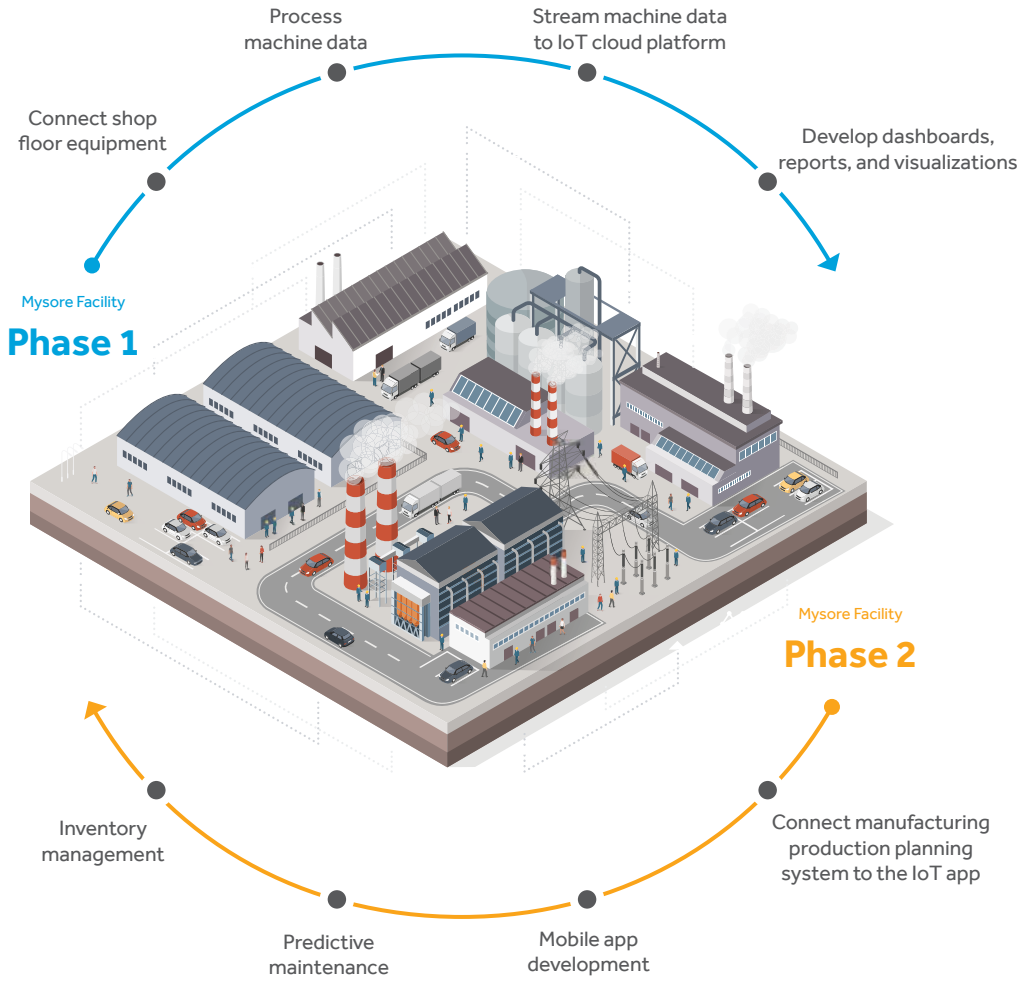
Provide end-to-end DLM manufacturing capabilities for value-based relationships

### Thrive

Adopt a balanced investment approach for manufacturing facilities in low-cost markets

Deliver high-tech, high-mix and low-volume manufacturing facilities

Provide value with high-innovation, low-cost, and high-variation manufacturing trends



Our phased approach to the connected factory merges information and operations, thereby boosting operational efficiency, increasing productivity, and reducing process complexity.

# Cyient Acquires Semiconductor Firm AnSem N.V

Cyient expands its capabilities to offer turnkey, custom, and smart analog front-end chips and sensors that will enable clients to collect and collate IoT data for industrial, automotive, and medical applications.



## SENSING AND CONNECTING THE REAL WORLD WITH ANALYTICS FOR A POSITIVE IMPACT ON TOMORROW'S WORLD



## SUCCESS STORIES

### Power Management for Cochlear Implants\*

AnSem developed a highly efficient 24V power management system for Cochlear that generates the internal low- and high-voltage power supplies the cochlear implant requires to perform high-voltage nerve stimulation.

\*Cochlear implants convert sound waves to electrical impulses and transmit them to the inner ear, providing people with the ability to hear sounds and potentially better understand speech without reading lips.

### AnSem Smart Contact Lens Diagnoses, Monitors, and Treats Glaucoma

AnSem developed an ASIC for Sensimed\* to mount directly within the contact lens. The ASIC digitizes the MEMS sensor reading and transmits the measurements back to the recorder via the same RF link used to power the device using load modulation techniques. AnSem manages the complete ASIC life cycle for Sensimed, including design, prototyping, industrialization, and supply chain for volume production.

\*Sensimed AG, a Swiss company, developed a soft hydrophilic single-use contact lens called SENSIMED Triggerfish®. The patient wears the lens for up to 24 hours and undertakes normal activities, including sleep periods. When the patient returns to the doctor, the data is transferred from the recorder to the practitioner's computer via Bluetooth technology for immediate analysis.

### AnSem Global Wildlife Tracking Solution

AnSem has powered the ARGOS\* satellite system to ensure it reaches its full potential, through the highly integrated, low-power, small-size, single-chip ARGOS 2/3/4 transceiver radio called ARTIC. The ARTIC chip allows users to connect any remote sensing device with a satellite.

\*The ARGOS satellite system enables biologists and scientists around the world to improve their understanding of animal behavior, including their movements, foraging strategies, reproduction, and the way they adapt to their surrounding environments. Thousands of animals are tracked with ARGOS transmitters, including birds and marine and land mammals. Climate change is tracked on land and in the ocean with thousands of sensors that send the data to a satellite for data analytics. This chip development was done with the support of ESA (European Space Agency).



Scan the QR code to learn more or visit us at <https://www.ansem.com/success-stories>.




# Cyient Enters into a Joint Venture with Bluebird Aero Systems

The joint venture, named Cyient Solutions & Systems (CSS), addresses the needs of the Indian defence forces to effectively undertake intelligence, surveillance, target acquisition, and reconnaissance missions




A joint venture between CYIENT & BlueBird Aero Systems




SpyLite Mini UAV

9.5 Kg	Takeoff weight
4 Hr	Endurance
80 Km	Extended control range



ThunderB Small Tactical UAV

32 Kg	Takeoff weight
24 Hr	Endurance
150 Km	Extended control range



MicroB UAV System

2.2 Kg	Takeoff weight
2 Hr	Endurance
10 Km	Control range

FIELD-PROVEN  
UAV SYSTEMS  
DESIGNED TO  
REDUCE LIFE  
CYCLE COSTS,  
ENHANCE  
SAFETY OF USE,  
AND DELIVER  
EXCEPTIONAL  
OPERATIONAL  
PERFORMANCE

## THE CYIENT SOLUTIONS & SYSTEMS ADVANTAGE

**Leverage**

BlueBird's 15+ years of experience and track record in advanced UAS technology

Cyient's 26+ years of engineering, avionics, and manufacturing experience

**Grow**

Deliver solutions that are aligned with the "Make in India" initiative to address unique client needs in defence and civilian markets

**Thrive**

Provide comprehensive UAV solutions—from indigenous manufacturing through full life cycle support

Invest in new IP development that addresses evolving client expectations



Scan the QR code to watch the CSS overview video.





**Krishna Bodanapu**  
Managing Director & CEO

## CEO'S MESSAGE

Dear Shareholders,

The business landscape today is continuously changing and companies need to constantly change and evolve in order to stay relevant.

At Cyient, we often reassess what it means to be a strategic partner for our clients. While we strive to deliver more value to our clients, we also ask ourselves how we can leverage the expanding opportunities in front of us to further enhance our value proposition.

### Vision 2030 and the AGILE Framework

Cyient's Vision 2030 and the AGILE framework speak to the opportunities of the future. Vision 2030 which is to **"apply technology imaginatively to solve problems that matter"** expresses our growth aspiration and our larger purpose as a global and sustainable organization.

Cyient's vision can be further articulated around the themes of "Leverage", "Grow" and "Thrive":

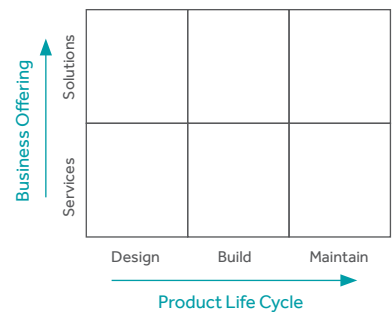
- Apply technology (**LEVERAGE** our competence)
- Imaginatively (**GROW** through intellect and innovation)
- To solve problems that matter (**THRIVE** by creating impact)

We articulated the AGILE framework as the basis to guide us through our journey and to achieve our wider organizational goals. This framework focuses on five strategic pillars:

- **Ambition:** Transform from services to solutions
- **Growth:** Deliver industry-leading earnings growth
- **Investment:** Prioritize investments to maximize ROCE
- **Leadership:** Build talent for 2030
- **Execution:** Develop a winning culture

The S3 strategy defines our ambition to transform from a services to solutions business. We have a two-pronged approach to achieving S3

transformation across the value chain. The first focuses on building capability across the product life cycle of Design-Build-Operate-Maintain. The second focuses on leveraging key technology drivers to move up the value continuum—from services to solutions.



In FY18, we worked across all the five strategic pillars to progress towards our vision. Strengthened by what we achieved during the year, we are confident that we have a well laid out and sustainable strategy that is supported throughout our organization and is aligned with the overall vision. In line with our strategy, we made two noteworthy decisions. The first was to start a new business initiative named the “New Business Accelerator (NBA).” It is focused on identifying and commercializing new solutions internally within the organization with a strong emphasis on emerging technology and innovation. A percentage of our revenue has been budgeted for NBA and we are currently developing solutions as part of this initiative. While this involves significant investment in the short-term, we are confident that this will help us accelerate our revenues in the future.

The second decision was to roll out our Diversity and Inclusion (D&I) initiative that we see as being an important part of developing a “winning culture.” for Cyient. D&I further enhances our values and is a strong enabler for innovation.

We have taken a number of actions on D&I and will continue to strengthen our focus in this area in the coming years with more concrete actions that create significant change and outcomes.

Our Progress and Results

FY18 was a very positive year for Cyient. We delivered strong financial performance, recording our highest ever revenue at \$607 million—a growth of 12.9% YoY. This growth was led by the Communications, Rail Transportation, and Aerospace & Defense businesses. Our operating margin grew by 60 bps to 14%, and net profit grew by 16.1% over FY18. Our DLM business grew by 13.2% over the year with broad-based growth across its customer base. We closed the year with the highest-ever cash balance at \$168 million despite making an acquisition and enhancing dividend payout.

Stakeholder Engagement

We recognize the importance of stakeholder engagement in driving growth and innovation and hence focus on continuously improving stakeholder satisfaction. For FY18, our Customer Satisfaction score was 58.1 against the industry average of 55.2. While we fared well on the services side, we have an opportunity to improve the score for the DLM business.

Our associate engagement score saw a dip from 63% last year to 60% this year. Despite this our ASAT score remains within the industry benchmark range. We witnessed a positive shift across key parameters of customer focus and HR practices but fared lower on other key metrics of rewards and recognition, talent and staffing.

Investments

Our acquisition strategy helps to complement Cyient’s growth by bringing new domain expertise and strengthening our presence in emerging technology areas. To reinforce our Design-Build-Maintain value proposition, we made two key acquisitions namely, B&F Design Inc. and AnSem N.V.

B&F Design Inc. is a Connecticut-based tooling and precision engineering company that focuses on the aerospace and defense industry. Their expertise in design and manufacturing of engine assembly equipment, repair and tooling, engine factory modernization and automation equipment will help us create a differentiated value proposition centered on tooling and precision engineering.

AnSem N.V. specializes in advanced analog, radio frequency, and mixed-signal integrated circuit design. The company provides custom ASICs for global clients across key industries including automotive, medical, industrial, smart home, and smart grid, with long-life applications of five to ten years. Their capability allows us to offer turnkey ICs—from concept circuit to final production. With this acquisition, Cyient can help clients develop smart analog sensors to capture data while leveraging our IoT and analytics capabilities.

We also signed a definitive agreement to acquire 100% ownership of Cyient Insights Private Limited (Cyient Insights), a data science company whose 51% stake had been acquired in 2014. The complete integration of Cyient Insights will allow us to create a unique ecosystem of engineering services, IoT, and analytics, and provide more comprehensive system solutions to our clients.

This year we also formed a joint venture named Cyient Solutions & Systems Private Limited with Israel-based BlueBird Aero Systems. BlueBird Aero Systems is a leader in design, development, and production of micro, mini, and small tactical Unmanned Aerial Systems (UAS). Cyient Solutions & Systems will indigenize, manufacture, assemble, integrate, and test advanced UAV systems at our production facilities in Hyderabad by leveraging BlueBird’s technology and manufacturing know-how.

We also signed a partnership with Xynteo, an international advisory firm, as a partner organization in India2022, a business-led coalition committed to creating a new model of growth by the 75th year of India’s independence. As part of this coalition, Cyient will lead the healthcare impact track with focus on incubating and scaling projects aimed at delivering technology-enabled healthcare solutions, primarily focused on the diagnostics space in India. We also signed an agreement to sell our 49% stake in Infotech Aerospace Services, Inc. (IASI) to Pratt & Whitney, a division of United Technologies Corporation. The divestment of IASI will enable us to

sharpen the focus on our Design-Build-Maintain strategy by exiting non-core minority investments.

Recognitions

Awards and accolades are a reflection of our commitment to create value for our clients.

During the year we also won two awards from Pratt & Whitney: the “Productivity Savings and Cost Avoidance Award” and the “Supplier Productivity Innovation Award.” This is the fifth year in a row that Cyient has won the Supplier Productivity Innovation Award. We also won the Boeing “Supplier of the Year” award for the fourth time in six years. Both awards testify to our focus on nurturing an innovation-driven culture and developing disruptive, solutions. This year, we were also recognized as a “Leader in Corporate Innovation” at the 13th Indo-American Corporate Excellence Awards. The award recognizes our ability to apply innovative techniques to optimize cost and operations and for promoting the concept of innovation among employees. We received the CII Industrial Innovation Awards 2017 for being one of the “Top 26 Innovative Organizations” in India.

Finally, this year we were also awarded the prestigious Golden Peacock Award for Risk Management (GPARM) by the Institute of Directors. The award is a recognition of our commitment in taking proactive, risk-mitigating measures to safeguard the interest of our business and stakeholders.

Looking Forward: An Expansive Opportunity

I am pleased that the company has maintained its growth momentum over the past two years. Cyient’s Design-Build-Operate-Maintain value proposition is finding greater resonance with our clients and is driving our transformation from services to solutions. I am confident that our S3 strategy will continue to make us even more distinctive and successful, move us closer to our aspirations and help us achieve the larger purpose we envision for Cyient.

Thank you.



Krishna Bodanapu  
Managing Director & CEO



# BOARD OF DIRECTORS



**BVR Mohan Reddy**  
Executive Chairman  
Committee Position - I & R



**Krishna Bodanapu**  
Managing Director & CEO  
Committee Position - I & R



**John Paterson**  
Independent Director  
Committee Position - D & S



**MM Murugappan**  
Lead Independent Director  
Committee Position - A & L



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



**Vinai Thummalapally**  
Independent Director  
Committee Position - D & L



**Som Mittal**  
Independent Director  
Committee Position - A & S



**Andrea Bierce**  
Independent Director  
Committee Position - D & S



**Alain De Taeye**  
Non-Executive Director  
Committee Position - S

Cyient is guided by our strong, active, and experienced Board of Directors who provide the foundation for our corporate governance practices. The Board is responsible for ensuring that Cyient meets its corporate objectives while maintaining integrity and protecting the long-term general interests of all our stakeholders. Our Board members bring in diversity in knowledge and expertise to lead us into the next phase of business growth.

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

# SENIOR LEADERSHIP



**Krishna Bodanapu**  
Managing Director & CEO



**B Ashok Reddy**  
President - Corporate Affairs & Infrastructure



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



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



**Ajay Aggarwal**  
President & Chief Financial Officer



**PNSV Narasimham**  
Sr. VP - Global Human Resources



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



**Prabhakar Atla**  
Sr. VP - Rail Transportation Business Unit



**NJ Joseph**  
Sr. VP - Corp. Strategy & Marketing and MD & CEO - Cyient Solutions & Systems



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



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



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



**Anand Parameswaran**  
Sr. VP - Aerospace & Defense Business Unit



**Tom Edwards**  
Sr. VP - UTC Accounts and President - North America



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



**Jan Radtke**  
VP & Head - New Business Accelerator (NBA)



# Corporate Information

## Registered Office

**Cyient Limited**  
4<sup>th</sup> Floor, 'A' Wing  
11, Software Units Layout  
Infocity, Madhapur  
Hyderabad – 500081  
Tel: +91 40 6764 1000

## Auditors

**Deloitte Haskins & Sells**  
KRB Towers, Plot no 1 to 4 & 4A,  
1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> Floor, Jubilee Enclave,  
Madhapur, Hyderabad,  
Telangana – 500 081  
Tel: +91 (0)40 7125 3600  
Fax: +91 (0)40 7125 3601

## Internal Auditors

**Ernst & Young LLP**  
Oval Office, 18  
iLabs Center, Madhapur  
Hyderabad – 500081  
Tel: +91 40 6736 2000

## Secretarial Auditor

**S Chidambaram**  
#6-3-855/10/A, Flat No. 4A  
Sampathji Apartments, Ameerpet  
Hyderabad – 500016  
Tel: +91 40 2341 3376

## Tax Advisors

**GP Associates**  
Flat No. 603, 6<sup>th</sup> Floor  
'Cyber Heights', Plot No. 13  
HUDA Layout, Road No. 2, Banjara Hills  
Hyderabad – 500033  
Tel: +91 40 2354 0822

## Bankers

**The Hongkong and Shanghai Banking Corporation Limited**  
6-3-1107 & 1108,  
Raj Bhavan Road, Somajiguda  
Hyderabad – 500082  
Tel: +91 40 6616 2077

**Citibank NA**  
'Queens Plaza', 1<sup>st</sup> Floor  
Sardar Patel Road  
Secunderabad – 500003  
Tel: +91 40 4000 5720

**Oriental Bank of Commerce**  
9-1-129/1, 'Oxford Plaza'  
Sarojini Devi Road  
Secunderabad – 500003  
Tel: +91 40 2770 4935

## Company Secretary & Compliance Officer

**Sudheendhra Putty**  
4<sup>th</sup> Floor, 'A' Wing,  
11, Software Units Layout  
Infocity, Madhapur  
Hyderabad – 500081  
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 – 500032  
Tel: +91 40 6716 1562



## CYIENT COLLABORATES WITH XYNTEO AND INDIA2022 COALITION TO DEVELOP DIAGNOSTIC HEALTHCARE SOLUTIONS

As a partner organization in India2022, a business-led coalition committed to creating a new model of growth by the 75<sup>th</sup> year of India's independence, Cyient announced that it will lead the Healthcare Impact Track to develop high-quality, technology-enabled, and patient-centric healthcare solutions for the Indian market. Recognizing the need for better preventive healthcare for all people, Cyient will work to ensure people from all demographic and geographic backgrounds have access to affordable diagnostic care solutions. To achieve these objectives, Cyient will work collaboratively with Xynteo, a platform for connecting ideas, talent and capital fusing them into new growth opportunities that are fit for the future, the India2022 coalition and the healthcare sector to advance innovative business models that will help to maximize the reach of these solutions.



India2022 coalition and advisory board



# AWARDS AND ACCOLADES



## Supplier of the Year

The Boeing Company, 2017, 2015, 2012, 2010

## Strategy Award

IFC and Times Network, 2017

## Leaders in Corporate Innovation

Indo-American Chamber of Commerce (IACC), 2017



## Supplier Innovation Award

Pratt & Whitney, 2017, 2016, 2015, 2014, 2013, 2011

## Industrial Innovation Award

Confederation of Indian Industry (CII), 2017

## Golden Peacock Award for Risk Management

Institute of Directors, 2017

## Leader in Energy & Utilities, Construction & Heavy Machinery, and Rail Transportation

Zinnov Consulting, 2017, 2016, 2015, 2014, 2013

## Winner's Circle, Aerospace Engineering Services Blueprint

HfS Research, 2017



## CYIENT CENTER OF EXCELLENCE, HYDERABAD

As part of our growth and expansion plans, Cyient launched a Center of Excellence in Hyderabad. This facility is dedicated to building complex, next-generation solutions for the MedTech, Semiconductor, and Geospatial industries.

## Notice of Annual General Meeting

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the shareholders of the company will be held on **Thursday, 12 July 2018 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:

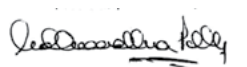
### Ordinary Business:

1. To receive, consider and adopt:
  - a. the audited financial statements of the company for the financial year ended 31 March 2018, together with the reports of the board of directors and the auditors thereon; and
  - b. the audited consolidated financial statements of the company for the financial year ended 31 March 2018, together with the report of the auditors thereon.
2. To confirm the first and second interim dividends and declare the final dividend on equity shares for the financial year 2017-18.
3. To appoint a director in place of Mr. B.V.R. Mohan Reddy (DIN 00058215), who retires by rotation and offers himself for re-appointment.
4. 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 section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, 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 23<sup>rd</sup> Annual General Meeting (AGM), to hold office until the conclusion of the 28<sup>th</sup> AGM of the company to be held in the year 2019 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

5. 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 section 143 (8) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the board be and is hereby authorized to appoint branch auditors for any branch office of the company, whether existing or which may be opened/ acquired hereafter, outside India, in consultation with the company's Auditors, any person(s) qualified to act as branch auditors and to fix their remuneration."

By order of the Board



**Sudheendra Putty**  
Company Secretary  
M. No. F5689

Place: Hyderabad  
Date :19 April 2018

**Registered Office**  
4<sup>th</sup> 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 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 no t 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. Corporate shareholders intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the board resolution to the company authorizing them to attend and vote on their behalf at the AGM.

3. The Register of Members and the Share Transfer Books of the company will remain closed from **9 July 2018 to 12 July 2018** (both days inclusive) in connection with the AGM and for the purpose of dividend.

4. An explanatory statement pursuant to provisions of section 102 of the Companies Act, 2013 ('Act') is annexed hereto in respect of item number 5.

5. The Board of Directors of the company had declared first interim dividend of ₹ 5 per share i.e., at the rate of 100% on face value of ₹ 5 on 12 October 2017. The same was paid on 3 November 2017. The Board of Directors of the company had declared a second interim dividend of ₹ 4 per share i.e., at the rate of 80% on face value of ₹ 5 on 18 January 2018. The same was paid on 8 February 2018. The interim dividends are to be confirmed at the AGM.

6. Final dividend of ₹ 4 per share, i.e., at the rate of 80% on face value of ₹ 5 each for the year ended 31 March 2018, 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 6 July 2018. Dividend will be paid on 20 July 2018.

7. 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 director seeking re-appointment under Item No. 3 above is annexed hereto.

8. 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.
9. 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.

10. 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.

11. 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.

12. 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 124 and 125, and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividends for a period of seven years from the date they become due for payment are required to be transferred to the Investor Education Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, shareholders are requested to claim the dividend from the company within the stipulated timeline.

13. The certificates 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.

14. 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.

15. 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 and other details to the company's R&T Agents in accordance with SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April 2018.*

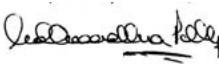
16. Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the R&T Agent of the company for assistance in this regard.

17. 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. SH-13, to the R&T Agent of the company. Further, shareholders 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.
18. Shareholders holding shares in physical form, in identical order of names, in more than one folio are requested to send to the R&T Agent of the company, the details of such folios together with the share certificates for consolidating their holdings into one folio. A consolidated share certificate will be issued to such shareholders after making requisite changes.

19. In case of joint holders attending the AGM, the shareholder whose name appears as the first holder in the order of names as per the Register of Members of the company will be entitled to vote.

20. 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 27<sup>th</sup> AGM of the company.

21. Route map to the venue of the AGM is published elsewhere in the Annual Report.
- By order of the Board

  
**Sudheendhra Putty**  
Company Secretary  
M. No. F5689

Place: Hyderabad  
Date :19 April 2018

Guidelines for 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 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 **9 July 2018** (09:00 am IST) and ends on **11 July 2018** (05:00 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 6 July 2018, 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. **6 July 2018**, 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 6 July 2018.
- 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 the 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.

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  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'

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

Item No.5: Appointment of branch auditors

The company has several branches outside India and considering the expansion of the business, may open more branches/ offices outside India. According to the provisions of the Act, those branches may need to be audited.

None of the Directors/Key Managerial Personnel of the company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 above.

Your Directors recommend the approval of this resolution.

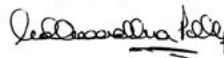
BRIEF PROFILE OF DIRECTOR SEEKING RE-APPOINTMENT

Item No. 3: Re-appointment of director retiring by rotation

Pursuant to provisions of section 152 of the Act, and in accordance with the Articles of Association of the company,

- 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 [REDACTED] 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



Sudheendhra Putty  
Company Secretary  
M. No. F5689

Place: Hyderabad  
Date :19 April 2018

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

Mr. B.V.R. Mohan Reddy, Executive Chairman and whole time director, retires by rotation at the ensuing AGM and offers himself for reappointment.

As Executive Chairman, Mr. B.V.R. Mohan Reddy focuses on the long-term future of the company. He is involved in leadership development, innovation, and corporate social responsibility.

Mohan Reddy founded Cyient in 1991, with the vision of providing engineering services to global markets. Since then, he has established the 'Engineered in India' brand, providing design engineering services to global industry leaders.

He is credited with pioneering the Computer-aided Design/ Computer-aided Manufacturing (CAD/CAM) culture in India, introducing computer systems for design and manufacturing applications, as far back as 1982.

He served as the Chairman of NASSCOM (National Association of Software & Service Companies) from 2015 to 2016, as Vice Chairman between 2014 and 2015, and as a member of the Executive Council, since 2003. He has also served as the Chairman of the Confederation of Indian Industry (CII), Southern Region between 2008 and 2009. He is associated with the councils of various academic and industrial forums and has led several initiatives benefitting industrial companies. He was appointed Director on the Board of National Skill Development Corporation (NSDC), and Member of Court of Governors of Administrative Staff College of India (ASCI).

He was appointed as the Honorary Consul of the Federal Republic of Germany for the states of Telangana and Andhra Pradesh, and is also the Chairman of the Board of Governors of IIT, Hyderabad.

In 2017, he received the prestigious Padma Shri award, the fourth highest civilian honor from the Hon'ble President of India, for his contribution to Trade and Industry.

He was also honored with the esteemed American Society of Mechanical Engineers (ASME) Leadership Award in 2011, for outstanding leadership in advancing the use of computers and information in engineering. It is the industry's most prestigious global award for engineering, and he was the first Indian and the seventh recipient, globally. In recognition of his leadership in expanding the US-India trade partnerships, the US Department of Commerce presented him with a Certificate of Appreciation.

His passion for social responsibility inspired him to establish the Cyient Foundation (formerly Infotech Enterprises Charitable Trust). As part of its Adopt-a-School initiative, the Cyient Foundation adopted 14 government primary schools and is providing financial, infrastructural, and social support to over 10,000 underprivileged children. Cyient also focuses on promoting digital literacy in India and has established 54 Cyient Digital Centers (CDCs), aimed to empower more than 20,000 children and 50,000 community members.

Mohan Reddy holds a graduate degree in mechanical engineering from the College of Engineering, Kakinada, India, and postgraduate degrees from the Indian Institute of Technology in Kanpur and the University of Michigan. He has also received an Honorary Doctorate (Ph.D.) from the Jawaharlal Nehru Technological University, Honorary Degree of Doctor of Science from the Andhra University, and Doctor of Science Honoris Causa from KL University in India. Mohan Reddy is a Fellow of The Institute of Engineers (India).

The names of companies and the committees in which Mr. B.V.R. Mohan Reddy is a director/member, and related documents are available for inspection at the registered office of the company during normal business hours.

Except Mohan Reddy and Krishna Bodanapu and their relatives, none of the other Directors/Key Managerial Personnel of the company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 above.

Your Directors recommend the resolution for your approval.

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, 12 July 2018 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 9 July 2018 (by 6.00 pm) at the following number:

Cell: +91-9246536439

You may also send your requests by email to [AGM@cyient.com](mailto:AGM@cyient.com). Your requests must reach us latest by 9 July 2018.

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.

CYIENT RECOGNIZED AS A LEADER IN ENGINEERING R&D, MECHANICAL ENGINEERING, AND THREE KEY INDUSTRIES BY ZINNOV ZONES 2017 PRODUCT ENGINEERING SERVICES REPORT



Cyient has been recognized as an “Expansive” and “Established” player in the overall engineering R&D and mechanical engineering services categories by Zinnov, a global consulting and advisory firm, in its 2017 Product Engineering Services Report.

The report also rated Cyient in the “Leadership” zone across three industry verticals:



Construction and Heavy Machinery



Energy and Utilities



Transportation

“Cyient continues to consolidate its position in the engineering services space. Besides maintaining its leadership ratings in three industries, Cyient has also seen incremental improvement in the ratings across other industries and areas. Innovative business models, client centricity, and the right investments have established its leadership position in the industry.”

– Siddhant Rastogi, Partner and Practice Head, Zinnov



Directors’ Report

Dear Shareholders,

Your directors have pleasure in presenting their 27<sup>th</sup> Report on the business and operations of the company, for the financial year ended 31<sup>st</sup> March 2018.

1. FINANCIAL HIGHLIGHTS

(Amount in ₹ Million)

Particulars	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Total Income	40,694	36,997	16,320	13,736
EBIDTA	6,873	5,704	5,671	3,617
Finance Cost	204	172	6	6
Depreciation	1,052	953	508	540
Exceptional item	50	261	(103)	201
Profit before Tax	5,567	4,318	5,260	2,870
Current Tax	1,493	927	1,285	601
Deferred Tax	(113)	118	(43)	(100)
Share of (loss)/profit in associate company	(160)	118	-	-
Joint Venture	4	5	-	-
Non-controlling Interest	(23)	(42)	-	-
Profit after Tax	4,054	3,438	4,018	2,369
Basic Earnings per share (₹)	36.00	30.55	35.69	21.05
Diluted Earnings per share (₹)	35.85	30.53	35.54	21.03
Special Dividend per share (₹)	-	2.50	-	2.50
Interim dividend paid (₹/Share)	9.00	3.00	9.00	3.00
Final dividend recommended (₹/Share)	4.00	5.00	4.00	5.00
Paid up Equity Share Capital	563	563	563	563
Reserves	22,876	20,610	20,051	18,259

2. STATE OF AFFAIRS/COMPANY’S PERFORMANCE

On a consolidated basis, the revenue from operations for FY 2018 at ₹ 39,175 million was higher by ₹ 3,110 million over the last year. The profit for the year attributable to shareholders and non-controlling interests was ₹ 4,031 million, recording an increase of ₹ 635 million over FY 2017. The profit after tax attributable to shareholders of the company was ₹ 4,054 million, 17.92% higher than that of the previous year ₹ 3,438 million.

On a stand-alone basis, the revenue from operations for FY 2018 at ₹ 14,397 million, was higher by 24.07% over the last year ₹ 12,920 million in FY 2017. The profit for the year was ₹ 4,018 million, registering a growth of 69.61% over the PAT of ₹ 2,369 million in FY 2017.

3. DIVIDEND

Your directors have recommended a final dividend of ₹ 4.00 per share (80%) on par value of ₹ 5.00 per share. During the year, the Company declared two Interim Dividends of ₹ 5.00 per equity share [100%] and ₹ 4.00

[80%] on par value of ₹ 5.00 per share on 12 October 2017 and 18 January 2018 respectively. Total dividend (including dividend distribution tax) as a percentage of profit after tax were 47.21% as compared to 60% in the previous year. In terms of regulation 43A of SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015, the company has formulated and published dividend policy on the corporate website (www.cyient.com/investors/corporate-governance)

4. TRANSFER TO RESERVES

Your company has not transferred any amount to reserves during the year under review and proposes to retain the entire amount of ₹ 4,018 million in its Statement of Profit and Loss.

5. LIQUIDITY

Your company continues to be debt-free and maintains sufficient cash reserves to meet its operations and strategic objectives. As at 31 March 2018, Your Company had liquid assets of ₹ 8,396 million as against ₹ 7,464 million at the previous year end. These funds

have been invested in short term deposits and mutual funds with scheduled banks, financial institutions and debt based mutual funds.

6. PUBLIC DEPOSITS

Your company has not accepted any deposits falling within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review.

7. SHARE CAPITAL

Your company has allotted 29,662 equity shares of ₹ 5.00 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 11,25,66,340 equity shares of ₹ 5.00 each to 11,25,96,002 equity shares of ₹ 5.00 each.

8. SUBSIDIARIES

Cyient, Inc. (CI)

Headquartered in East Hartford, Connecticut, Cyient Inc. provides engineering, manufacturing, geospatial, network, and operations management services to customers in North America. Cyient Inc. has over 30 offices across the US and Canada, with over 1,800 associates sourced primarily from within country.

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 US \$260M working across 40 states and 6 Canadian provinces. CI leverages both the local and global delivery capability of Cyient while executing projects across North America. CI is also principal unit for executing the acquisition strategy in North America.

During the year, CI acquired B&F Design Services, a Connecticut based company, engaged in the design and manufacturing of tools, which will focus on machining development hardware for the aerospace and defense industry .

Cyient Europe Limited (CEL)

Incorporated in London as Dataview Solutions Limited in 1992, it became a part of the Infotech Group in1999.

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, 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 and has now grown to a team of over 120 associates.

The November 2016 acquisition of Blom Aerofilms Ltd, the UK subsidiary of NRC Group from Norway is progressing well. The business bought a team with complementary skills of around 40 associates, mostly based out of their offices in Cheddar, Somerset, who have now been fully integrated into Cyient’s European operations.

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. Growth in recent months has included an expansion of our Telecom Plan and Design services in Germany as well as of our semi-conductor design and verification business. We will be moving our offices from Leonberg to Stuttgart to reflect this growth and expansion.

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 2014, Cyient Australia 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. Melbourne is the APAC headquarter.

Cyient Singapore Pte Limited (CSPL)

Established in 2015, Cyient Singapore is the South East Asia headquarters. 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 in 2017. 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 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.

**Cyient DLM Private Limited (CDLMPL)**

Cyient acquired Cyient DLM Pvt Ltd (erstwhile Rangsons Electronics Private Limited) in 2014. 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 is responsible 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.

Effective April 01, 2017, Techno Tools Precision Engineering Private Limited, CDLMPL's wholly owned subsidiary, has been merged with its holding company, Cyient DLM Private Limited, pursuant to the order dated April 02, 2018 from National Company Law Tribunal.

**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.

Cyient Insights enables its customers to derive end to end business excellence and derive quantifiable business results through gamut of machine learning and deep learning capabilities and associated actionable insights. Cyient Insights stands apart from its peers with its capability to acquire, manage and analyse 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. Cyient Insights brings in domain specialists through Cyient's decades of work with verticals such as Aerospace & Defence, Heavy Engineering, Transportation, Medical, Telecommunications, Utilities, Energy & Natural Resources and marries it to its data science capability to execute projects.

**Cyient Solutions and Systems Private Limited (CSSPL)**

In April 2017, Cyient Solutions and Systems Pvt. Ltd. (CSS) was established to focus exclusively on business in the Indian Defence Sector. CSS underlines Cyient's commitment to the Make in India initiative that reflects the nation's aspirations for increased self-reliance in Defence. Cyient has been actively investing in technology IP, design, development, manufacturing and system integration capabilities to address critical technology requirements of the Defence sector.

CSS signed a collaboration agreement with BlueBird Aero Systems Israel to design, manufacture, and maintain UAV Systems for Indian defence, paramilitary and homeland security agencies. BlueBird's world-class technology combined with Cyient's manufacturing, aftermarket capabilities and local presence offers exceptional value to the rapidly expanding market for UAV solutions in India.

**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 ceased to be an associate pursuant to the disinvestment of 49% stake in the entity with effect from 8 December 2017.

**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.

A statement showing the contribution of each subsidiary has been published as part of consolidated financial statements. Further, pursuant to the provisions of section 129 (3) of the Act, a statement showing the salient features of the financial statements of the subsidiaries in Form AOC-1 is published elsewhere in the report.

**9. QUALITY**

The company is committed to creating and delivering engineering services and solutions that exceed customer expectations and enhance the level of business profitability.

The company's quality implementation efforts are all pervasive, beginning with a stated goal.

True to the image as a global player, the company has developed a reputation for providing its clients with world-class quality; the clients trust the strength of quality processes that have always assured them of timely defect-free deliverables. The quality management system (QMS) is a testimony derived and optimized with experiences and best practices that are aligned with the internationally renowned quality standards and models like ISO 9001:2015, ISO 27001:2013, AS 9100 D, ISO 13485:2003, ISO 22163: 2017 (IRIS), TL 9000 R 5.5, ISO 14001:2015, BS-OHSAS 18001-2007 and CMMI-DEV Version 1.3 Level 5. Quality policy and objectives are mentioned elsewhere in the annual report.

**10. 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'.

**11. 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'.

**12. 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 the provisions of section 152 of the Act, read with applicable rules and regulations thereunder, Mr. B.V.R. Mohan Reddy (DIN: 00058215) retires by rotation at the ensuing Annual General Meeting (AGM) and offers himself for re-appointment.

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 director proposed to be appointed/ re-appointed are provided as an annexure to the notice convening the AGM.

Mr. Thomas Prete and Mr. Harsh Manglik retired at the previous AGM. Your directors appreciate their valuable contribution to the company during their tenure.

Amb. Vinai Thummalapally was appointed as Independent Director at the 26th AGM held on 13 July 2017.

Apart from the above, there has been no change in the key managerial personnel during the year.

**13. 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.

**14. NUMBER OF BOARD MEETINGS DURING THE YEAR**

During the year, 4 meetings of the board were held, the details of which form part of the report on corporate governance.

**15. 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 improves.

In order to facilitate the same, the board undertook a formal board assessment and evaluation process during 2017-18. 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.

16. 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.

17. 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 Annexure 'C'.

18. EMPLOYEE STOCK OPTION PLANS

During the year, the company had granted options/ RSUs under two ASOP schemes and Restricted Stock Units scheme to the associates of the company and its subsidiaries, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Disclosure pursuant to the said regulations is enclosed as Annexure 'D'.

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

The details are enclosed as Annexure 'E'.

20. 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'.

21. 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 respective reports.

22. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

23. 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'.

24. 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'.

The extract of the annual return of the company is also hosted on the company's website at [www.cyient.com/investors/financial-information/](http://www.cyient.com/investors/financial-information/)

25. 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	129.59
Krishna Bodanapu	165.88
Independent Directors	
M.M. Murugappan	1.73
K. Ramachandran	1.73
Som Mittal	1.73
John Paterson	5.18
Andrea Bierce	5.18
Vinai Kumar Thummalapally	5.18

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	44.2
Krishna Bodanapu	52.4
Ajay Aggarwal	53.3
Sudheendhra Putty	20.3

c. The percentage increase in the median remuneration of employees in the financial year: 8%

d. The number of permanent employees on the rolls of Company: 11,677

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

On an average, employees received an annual increase of 8% in India. The individual increments varied from 2% to 20%, based on individual performance.

Employees outside India received wage increase varying from 1 % to 4.50%. 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 FY18	49
Revenue	14,397
Remuneration of KMPs (as % of revenue)	0.3%
Profit before Tax (PBT)	5,260
Remuneration of KMP (as % of PBT)	0.9%

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, 2018*	March 31, 2017	% of change
Market Capitalization (₹ Million)	78,237	52,625	48.66
Price Earnings Ratio	19.58	22.21	-11.84

\*28 March 2018 was the last trading day for FY 2017-18



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, 2018 (₹)	IPO date	IPO Price (₹)	Adjusted IPO price by considering CA* (₹)	% of change
Market Price (BSE)	688.80	September 25, 1997	87.7	7.31	9325
Market Price (NSE)	694.85	September 30, 1998	124.3	10.36	6608

\* 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 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 49%

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

(Amount in ₹ Million)

Particulars	B.V.R. Mohan Reddy Executive Chairman	Krishna Bodanapu MD & CEO	Ajay Aggarwal Chief Financial Officer	Sudheendhra Putty Company Secretary
Remuneration	75	96	23	3
Revenue	14,397			
Remuneration as % of revenues	0.52%	0.67%	0.16%	0.02%
Profit before Tax (PBT)	5,260			
Remuneration (as % of PBT)	1.43%	1.83%	0.44%	0.06%

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.

o. **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 60% of the associates have accessed the portal

4. Have made POSH MODULE as Mandatory in the digital induction.

5. Registered one case under the POSH Act (At Kakinada location)

Both the cases have been closed within the stipulated time limits in accordance with the law

6. Nominated the POSH panel (across India locations) to attend related sessions on POSH being conducted by various organizations such as IWN, NHRD and CII for better understanding of the Act and its requirements

7. Nominated associates to attend women safety sessions (One session as part of women leadership programme) organized by IWN in March 2017

8. Devised plan of action for financial year 2018.

26. **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.

27. **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 elsewhere in the report. The auditors' certificate regarding compliance of conditions of corporate governance is annexed as Annexure 'I'.

28. **POSTAL BALLOT**

During the year the company conducted a postal ballot and obtained shareholder approval for two special resolutions pertaining to:

- a. Adoption of a new set of Articles of Association
- b. Reduction of aggregate investment limits of non-residents from the existing 100% to 49% of the paid up share capital of the company of foreign investors:

29. **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>).

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'.

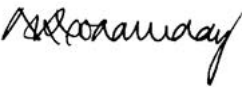
The CEO/CFO certification to the board pursuant to Regulation 17 of the SEBI (LODR) Regulations, 2015 is enclosed as an Annexure 'K'.

29. **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, the Depositories and others and look forward to their support in all future endeavors.

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 : 19 April 2018

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

Business Responsibility Report

Annexure-A

At Cyient, we strongly believe in our foundation principle of ‘Designing Tomorrow Together.’ Innovation lies at the heart of all our activities supplementing creation of our diversified business portfolios. We consistently design innovative products, carry out cost-optimization for research & development, ensure time-to-market reduction, operational efficiency increase while maximizing our returns on investment.

Through our consistent efforts in utilizing technology and adapting to evolving global scenarios, we strive forth to positively impact our value chain, employees, suppliers, customers, stakeholders and local communities. We encourage sustainable practices within and outside the organization by participating in social innovation programmes like healthcare, reducing environmental impact like carbon footprints by encouraging employees for car-pooling and re-using water at workplace.

We encourage our employees to participate in initiatives to inculcate a culture of sustainability in our organisation. Such initiatives include floor-wise competition son energy efficiency, waste management drives and CSR activities of the organisation. In order to reduce vehicular pollution, we consistently motivate our employees to get their vehicles tested for emissions and adopt less carbon-intensive modes of transport.

In line with our commitment to adopting national and international standards for sustainability, our organisation has adopted National Voluntary Guidelines (NVG)on Social, Environmental and Economic Responsibilities of Business, issued by the Ministry of Corporate Affairs, Government of India. We have also in the process of adopting the GRI standard for sustainability reporting. The Global Compact Network India - the Indian arm of the United Nations’ Global Compact is yet another guiding force which steers our sustainability initiatives.

Our key initiatives and polices as of financial year 2017-18 based on the NVG principles are described in this report.

Section A: General Information about the Company

1	Corporate identification number (CIN)	L72200TG1991PLC013134
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	<a href="http://www.cyient.com">www.cyient.com</a>
5	Email address	<a href="mailto:company.secretary@cyient.com">company.secretary@cyient.com</a>
6	Financial year reported	1 <sup>st</sup> April 2017- 31 <sup>st</sup> March 2018
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	62099-Other information technology & computer service activities
8	Three key products/services manufactured/ provided by the Company	<ul style="list-style-type: none"><li>Engineering services addressing engineering solutions manufacturing &amp; infrastructure verticals</li><li>Geospatial services to the utilities and telecom sectors</li><li>Data transformation and analytics services to the utility and transportation segments for public and private realm &amp; product realization</li></ul>
9	Total number of locations where business activity is undertaken by the Company	Full list provided elsewhere in the Annual Report
9a	Number of International Locations (Provide details of major 5)	East Hartford - USA; London -UK; Leonberg -Germany; Melbourne -Australia; Singapore – Singapore
9b	Number of National Locations	8 locations
10	Markets served by the Company- Local/State/ National/International	International

Section B: Financial Details of the Company

1	Paid up capital (INR)	563
2	Total turnover(INR)	14,397 (including foreign branches revenue)
3	Total profit after tax(INR)	4018
4	Total spending on CSR as percentage of profit after tax	1.82% (73/4, 018) (2% of average of 3 preceding financial years)
5	List of the activities in which expenditure in 4 above has been incurred	<ol style="list-style-type: none"><li>Improve the Quality Education through – Adopting Schools</li><li>Community Development – Village Adoption – Smart Village and Swachh Pathashala</li><li>IT Literacy to Community through Digital Literacy Mission</li><li>Social Innovation aligned to business innovation – LVPEI Srujana Innovation center.</li></ol>

Section C: Other Information

1	Does the Company have any Subsidiary Company/ Companies?	Yes, 11 Subsidiaries
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, 11 Subsidiaries
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%]	30% -60%

Section D: BR Information

1. Details of Director/s responsible for BR

a) Details of the director responsible for implementation of BR policies

1	DIN number	00058215
2	Name	B.V.R. Mohan Reddy
3	Designation	Executive Chairman

b) Details of BR head:

1	DIN number	01848553
2	Name	B. Ashok Reddy
3	Designation	President - Corporate Affairs & Infra
4	Contact number	+91-40-67641000
5	Email	<a href="mailto:Ashok.Reddy@cyient.com">Ashok.Reddy@cyient.com</a>

2. Principle-wise (as per NVGs) BR Policy/policies

Principles	Description	Company's Policy
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Codes of Conduct, Whistle Blower, Anti Corruption Policy
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	EOHS & information security policy
Principle 3	Businesses should promote the well-being of all employees	POSH, EOHS, Maternity, Medical and Leave policy
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	CSR Policy, POSH
Principle 5	Businesses should respect and promote human rights	Modern Slavery, POSH & CSR Policy
Principle 6	Business should respect, protect and make efforts to restore the environment	EOHS Policy
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Codes of conduct, Anti-bribery/ Anti-corruption
Principle 8	Businesses should support inclusive growth and equitable development	Modern Slavery Statement
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Procurement Guidelines



Details of compliance (Reply in Y/N)

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy confirm to any national/ international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by the MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online? (see legend below)	1	2	2	1	2	2	1	2	2
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Legend: 1-www.cyient.com 2-Available on the company's intranet

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Not applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

2. Governance related to BR

1	<b>Governance related to BR</b>	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 : <a href="http://www.cyient.com/investors/financial-information/">www.cyient.com/investors/financial-information/</a> The company is in the process of adopting sustainability reporting guidelines
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Section E: Principle wise Performance

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. The company has been working diligently to put in place a new data privacy framework necessitated by GDPR including: improved procedures, policies, communications and training materials in line with the guidance received and is committed to ongoing improvements in the area of data privacy.

Governance Awards & Recognition

ICRA, the leading rating agency (A Moody's Investors Service Company) assigned a rating of CGR2+ (pronounced C G R two plus) for the Corporate Governance practices of the company. The rating of CGR2 implies that, in ICRA's current opinion, the rated company has adopted and follows such practices, conventions and codes as would provide its financial stakeholders a high level of assurance on the quality of corporate governance. The “+” sign suffixed to the rating symbol indicates a relatively higher standing within the category. This was a pioneering and voluntary initiative of the company. The company also won the Golden Peacock Award for Risk Management in December 2017.

In recognition of its exemplary and laudable corporate governance practices, the company was awarded the14th National Award for Excellence in Corporate Governance by the Institute of Company Secretaries of India in December, 2014.

Grievance Management

During the financial year, 67 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.

Cyient's end-to-end solutions include product design, manufacture and maintenance in accordance with global design and safety norms. Our services contribute to several benefits for our customers such as increased life-cycle of our customers' equipment or products, improved productivity, time-saving features, light-weighting, automation and connectivity. Many examples of such solutions and their contribution to our customer's business sustainability are readily available on our official website.

We relentlessly promote environmental and safety awareness among all the associates, vendors and contractors. Our aim is to procure material from agencies lying in close proximity to the operations of the company which includes transport service providers, canteen services and janitorial services. This helps in encouraging local entrepreneurship and reducing environmental pollution by minimizing transportation. In this way we also encourage the growth and capability of local and small vendors leading to local development via creation of more employment opportunities.

Principle 3 Businesses should promote the wellbeing of all employees.

We, at Cyient believe the ultimate growth of any organisation is in the hands of its human resource. People are the most valuable asset of our company. Talent is a key component of the company's strategy for sustainable growth. We consistently



strive forth to align our human resources with our business goals leading our employees to feel a sense of belongingness and sheer accountability towards the organisation. 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	11,567		
Total number of employees hired on temporary/ contractual/casual basis	Most of our employees work as full-time, permanent employees		
Number of permanent women employees	2,441		
Number of permanent employees with disabilities	Being an equal opportunity employer, we do not mandate the disclosure of disability.		
Do you have an employee association that is recognized by management	We recognize the right to freedom of association through collective bargaining agreements in accordance with the guidelines and compliance frameworks put forth by governments in countries where we have our operations.		
Percentage of your permanent employees part of recognized employee association	NA		
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	Our anti-discrimination and anti-harassment policies apply to everyone involved in the operations of the Company. There are forums to deal with any issues and concerns raised by our employees.		
	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
	Child labour/forced labour/involuntary labour	NIL	NIL
	Sexual harassment	1 (One)	NIL
	Discriminatory employment	NIL	NIL
	The details of workplace sexual harassment complaints in India, reported as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Ministry of Women and Child Development notification dated December 9, 2013 are as follows (Fiscal 2018) :		
Percentage of employees were given safety & skill up-gradation training in the last year: <ul style="list-style-type: none"><li>● Permanent Employees</li><li>● Permanent Women Employees</li><li>● Casual/Temporary/Contractual Employees</li><li>● Employees with Disabilities</li></ul>	Our training programs cover all our employees irrespective of race, gender, or physical disability. Our Learning and Development group offers industry-benchmarked learning programs to ensure talent enablement for the safety and security of the employees , awareness sessions, mock drills, classroom sessions and periodic demonstrations related to safety, security and wellbeing are regularly conducted		
Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Yes, all subsidiaries of Cyient are covered by the policy		
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	We have various grievance redressal channels to deal with issues related to discrimination, retaliation and harassment. The complainants are assured of complete anonymity and confidentiality		

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

We are driven by the investment of time, money and efforts of our stakeholders and hence, value their support, respect their interests and the concerns that they have towards the company. The company ensures rigorous stakeholder engagement in order to assess their requirements. We also ensure timely response 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. We have already mapped the internal stakeholders (Associates) for volunteering as part of our CYIENT CSR Initiatives. Associates will participate in organizing and executing the CSR programs. External Stakeholders (Customers/Clients) participate in CYIENT CSR Activities through funding to develop the facilities in CYIENT Adopted Schools. Various surveys like customer satisfaction survey, associate engagement survey and investor satisfaction survey are conducted at regular intervals every year in order to assess and gauge the feedback of the respective stakeholders. Thorough analysis on the information gathered is then assessed carefully to ensure further improvement.

We pay close attention to the society and its inhabitants within which we operate. We ensure our proactive behaviour while engaging with and responding to disadvantaged, vulnerable and marginalized sections of our society. We assess the needs of local stakeholders and carries out various CSR initiatives to address societal needs via our structured and well curated programmes.

**Principle 5 Businesses should respect and promote human rights.**

We abide by the spirit of the Fundamental Rights and Directive Principles of State Policy of the Indian Constitution which acts as our guiding framework for promoting human rights. We strictly adhere to the human rights laws and guidelines of the International Bill of Human Rights.

**Mechanisms to promote human rights**

An efficient grievance redressal system is our core mechanism for addressing human rights in our organisation, supplemented by various organisational policies. We also have an efficient whistle blower mechanism which enables 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, we have also set up an Internal Complaints Committee, as required to be constituted by law, at all the locations in India. The company, within its sphere of influence, also promotes the awareness and realization of human rights across its value chain including external stakeholders including suppliers and contractors.

**Policy on Sexual harassment**

We as a company are an equal employment opportunity provider and are 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 and respect. Sexual harassment at

the work place or other than work place if involving associates is a grave offence and hence, 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).

Cyient has also published a Modern Slavery Statement on the corporate website, which outlines the steps that the company has taken to ensure that there is no modern slavery in our business and supply chains. In addition to ensuring compliance with the applicable laws, this demonstrates Cyient's commitment to transparent business practices and commitment to protection of workers' rights.

**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:

- Reducing the consumption of electrical energy, chemicals and natural resources.
- Promoting the use of alternative or renewable energy resources.
- Ensuring compliance with applicable legal requirements and other requirements related to environmental aspects.
- Preventing pollution to air, water and land by using environment friendly chemicals (where applicable) and continuous reduction of hazardous material in the processes.
- Reducing waste generation.
- Promoting& adopting of environmental friendly and non-hazardous materials, components and processes
- Setting, maintaining and monitoring the environmental objectives & targets

Further, 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 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.

Over the previous financial year, we have carried out several initiatives for improved management of our environmental footprint. GHG emission reductions initiatives we have carried out in the last year include the use of light sensors, LED and solar energy. The company has procedures in place for promoting less carbon-intensive modes of transportation includes buses and car-pooling. We also carry out more than 10% of recycling of waste generated in our operations. We have adopted methods to carry out identification and assessment of potential environment risks, based on which various mitigation actions are planned.

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 within our management framework. We conduct Risk Assessment Audits are with the help of external auditors to help identify environmental risks. We also work 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.

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

Our cordial relations with prestigious 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 broadens our horizons of business responsibility. 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: Governance, Economic Reforms, Inclusive Development Policies.

Principle 8 Business should support inclusive growth and equitable development.

Cyient has a structured CSR program focused on education, digital literacy and social innovation. 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, government polytechnic colleges and improving the digital literacy in communities around the adopted schools has greatly helped in bringing equitable and inclusive growth.

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. We have involved the local community members in the execution of our initiatives by making them part of Steering and Execution Committee. We have also involved government in our community development programs through Public Private Partnership model.

The total CSR expenditure of the company for the financial year FY 2017-18 amounted to INR 7.30 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 consistently strive to ensure higher customer satisfaction by delivering value for money via our efforts in product innovation, R&D activities and ensuring enhanced life-cycle of the product. 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 which is what explains our hunger for excellence in whatever we do. 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. In last six financial years, there has been no instances of cases filed by customers or by any other stakeholders regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour. We do not have any product labels and price fixing. There are no unresolved customer complaints pending as of the end of financial year 2017-18.

Annual Report on CSR Activities

Annexure-B

1. The company believes in the philosophy of returning the benefits 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.

CSR vision:

- To help underprivileged children to access the quality of education and
- To participate in projects with business aligned innovation

CSR mission:

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>

2. 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.
3. Average net profit of the company for last three financial years: ₹ 3,090 Million
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): ₹ 62 Million
5. Details of CSR spent during the financial year.
- (a) Total amount to be spent for the financial year: ₹ 74 Million
- (b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

CSR Amount spent during the year 2017 -18							
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 (₹) Million	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs. (2) Overheads: (₹) Million	Cumulative expenditure upto the reporting period (₹) Million	Amount Spent: Direct or through implementing agency
1	Improve Quality of Education	Promoting education, including special education and employment enhancing vocation skills and livelihood enhancement projects;	With in 20 Kilometers radius from the CYIENT Offices located in Hyderabad - Telangana, Kakinada - Andhra Pradesh	31.50	32.50	32.50	Direct
2	Community Development	<ul style="list-style-type: none"><li>• Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water</li><li>• Rural development projects.</li></ul>	Village Adopted is located 350 Kilometers from CYIENT Hyderabad Office, Prakasam District - Andhra Pradesh. Swachh Pathashala activities are with in 20 Kilometers radius from the CYIENT Offices located in Hyderabad - Telangana, Kakinada - Andhra Pradesh	11.00	11.90	11.90	Direct

(Contd.)




CSR Amount spent during the year 2017-18


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 (₹) Million	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs. (2) Overheads: (₹) Million	Cumulative expenditure upto the reporting period (₹) Million	Amount Spent: Direct or through implementing agency
3	IT literacy to community	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	National Digital Literacy Mission Centers are located with in 20 Kilometers radius from the CYIENT Offices located in Hyderabad - Telangana, Kakinada - Andhra Pradesh Digital Libraries are in the CYIENT Adopted Schools located with in 20 Kilometers radius from the CYIENT Offices located in Hyderabad - Telangana, Kakinada - Andhra Pradesh.	17.50	18.50	18.50	Indirect - Through NASSCOM Foundation
4	Healthcare to the Needy	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government	With in 20 Kilometers radius from the Cyient offices located in Hyderabad - Telangana	5.00	5.00	5.00	Indirect - Through Hyderabad Eye Research Foundation
5	Skill development initiative	Employment enhancing vocational skills	Skill Development Initiatives for the unemployed youth in the communities around our facilities.	3.50	5.10	5.10	Direct
6	Administrative expenditure	Cyient Foundation		1	1	1	Direct
				69.50	74.00	74.00	

7. 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

8. 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 : 19 April 2018

  
**K. Ramachandran**  
(Chairman - CSR Committee)

  
**Krishna Bodanapu**  
(Managing Director & CEO)

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018

[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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018 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, as amended from time to time;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time;
- (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.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

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


Place : Hyderabad  
Date : 16 April 2018



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.

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

Place : Hyderabad  
Date : 16 April 2018

**Details of Stock Options pursuant to SEBI regulations**

Annexure-D

Sl. No.	Description	Associate Stock Option Plan 2008	Associate Stock Option Plan 2015	Restricted Stock Units Scheme- 2016
1.	Number of options outstanding at the beginning of the period	318,787	-	637,476
2.	Options granted during the year	108,000	146,200	-
3.	Pricing formula	Market price as defined in SEBI (Share Based Employee Benefits) Regulations, 2014	Market price as defined in SEBI (Share Based Employee Benefits) Regulations, 2014	Grant price is the face value of the equity shares of the Company, i.e., ₹ 5.00
4.	Options vested	223,237	Nil	Nil
5.	Options exercised	29,662	Nil	Nil
6.	Total no. of shares arising as a result of exercise of options	29,662	Nil	Nil
7.	Options lapsed	13,500	Nil	81,144
8.	Variation of terms of options	Nil	Nil	Nil
9.	Money realized by exercise of Options (₹)	9,000,308	Nil	Nil
10.	Total no. of options outstanding at the end of the period	383,625	146,200	566,332
11.	Total no. of options exercisable at the end of the period	193,575	Nil	566,332
12.	Employee wise details of options granted to			
	i) Senior Managerial Personnel:			
	Ajay Aggarwal	15,000	Nil	168
	Anand Parameswaran	5,000	Nil	168
	Brian Wyatt	5,000	Nil	168
	John Renard	10,000	Nil	252
	P.N.S.V. Narasimhan	5,000	Nil	Nil
	Rajendra Velagapudi	5,000	Nil	224
	Katie Cook	5,000	Nil	168
	Tom Edwards	5,000	Nil	168
	N.J. Joseph	5,000	Nil	224
	Sanjay Krishnaa	5,000	Nil	224
	Sunil Kumar Makkena	5,000	Nil	252
	Suman Narayan	23,000	Nil	Nil
	Prabhakar Atla	5,000	Nil	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	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	Nil
13.	Diluted EPS (₹)	35.54		

(Contd.)

Sl. No.	Description	Associate Stock Option Plan 2008	Associate Stock Option Plan 2015	Restricted Stock Units Scheme- 2016
14.	i) Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the fair 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	Nil		
	iii) The Impact of this difference on profits and on EPS of the Company	Not Applicable		

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
30/03/17	5.00	455.40	474.35
11/10/17	518.00	518.05	518.90
17/01/18	583.00	528.60	590.20

v)	Description of the method and significant assumptions used 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.
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vi) The main assumptions used in the Black Scholes option-pricing model during the year were as follows:

Particulars	Stock Options	RSUs
Risk free interest rate (%)	6.41 - 8.40	6.3
Expected life of options from the date(s) of grant	3 - 4 years	1 Year
Expected volatility (%)	28.66 - 65.53	24.4
Dividend yield (%)	1.53 - 2.64	1.6

On behalf of the Board of Directors



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

Place : Hyderabad  
Date : 19 April 2018

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS & 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 at its Manikonda location. Also, as part of energy conservation, company has replaced the existing conventional lighting with LED lighting fixtures with motion sensors, creating awareness amongst the 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 related assets (old systems, hard disks, printers etc.) 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 in order to make recycled products. At the Bangalore Facility, the company has installed stage-wise lighting sensors in common areas like elevator lobbies and rest rooms to avoid manual intervention during off shift time.

The company also took initiatives to reduce the consumption of power and has been able to save over 6.2 lakh units in the financial year 2017-18 over the previous year.

More information is available in the Business Responsibility Report.

### 2. Research & Development and Benefits thereon

2017-2018 has been a great year for your company for its significant achievements in the Innovation. Company has organized a first of its kind open innovation challenge across India, Hackadrone-2018 on the commercial UAV use cases in various industries viz, smart cities, security, utilities, communications, aerospace, transportation, inspection, maintenance, medical, agriculture and others. Received significant participation from students, corporates, and developers across India which resulted in development and demonstration of 7 applications by the competing participants at company's Manikonda campus. The event had audience from govt., corporate, media etc. This has led to tie-ups with Government and other corporate bodies in the development of various applications using Drones in the fields of security, agriculture, maintenance.

In the areas of AR/VR, company has done a joint project with one of top 3 eye hospitals in India for development of an education module for the medical students.

The company has conducted IoT challenge to solve social challenges, resulted in the prototype development of 7 ideas.

Established an Idea Management platform across the organization which helps associates at various geographies to collaborate and solve challenges within CoE or even take Clients challenges and run campaigns at Cyient.

Cyient is continuously thriving for strong knowledge management and this year its focus is on re-usability of knowledge across business units. Code reuse is one of major differentiator and helping to reduce the footprint of actively managed code. In addition, this will improve consistency, software quality, business agility and also substantially reduce code maintenance cost. We launched a platform 'Reusable Source Code Portal' as a home for re-usable libraries; components; widgets; knowledge documents etc. powered with intelligent search. Developer community will be glued with portal to reuse and measure the benefits. Portal has inherent capability to measure ROI for each BU. Company conducted an internal survey to measure the knowledge sharing index and current standing is at ~55% which is highly competitive as per KM industry. We are raising the bar by setting the next year target to ~75% for knowledge sharing index.

(₹ in million)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Capital Expenditure	Nil	Nil
Total R&D Expenditure	65	24
R&D Expenditure as per-centage of Total Revenue	0.45%	0.19%

### 3. Technology Absorption, Adaptation and Innovation

Information technology continues to remain a key lever in driving productivity across the company. FY2018 saw successful launch of several transformative initiatives. We have implemented 'SAP Concur' for travel & expense management system for all the associates across the globe. This implementation reduced back office processing costs and errors, which has led to improved efficiency and productivity. Also 'SAP Ariba Sourcing & Contract', solutions were implemented to streamline the sourcing & contract process, which helped to optimize the overall procurement spend and to maintain various contracts & agreements in central repository with controlled contract life cycle process.



We have created BOTs that use artificial intelligence to interface between various HR, Finance, Business applications and to strengthen internal controls.

We have enhanced our computing infrastructure by adopting state of the art technologies to provide high availability of application services with improved performance to global workforce.

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. Deployed Data Leak Prevention (DLP) tool to protect organization & customer intellectual property.

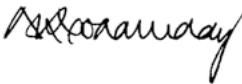
4. Foreign Exchange Earnings and Outgo

Most of your company's earnings are from the export of Engineering and Software Services. During the year, export earnings accounted for 93.4% 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:

Particulars	(₹ in million)	
	Year ended March 31, 2018	Year ended March 31, 2017
Foreign Exchange Earning	13,266	12,071
Foreign Exchange Outgo	1,765	2,293

On behalf of the Board of Directors



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

Place : Hyderabad  
Date : 19 April 2018

# THE BUSINESS LEADER PROGRAM

The Business Leader Program (BLP) is a flagship program conducted by the Learning & Development team that focuses on enhancing capabilities of associates who have displayed immense potential to handle responsibilities at strategic levels across the organization.

BLP participants receive in-depth training focused on instilling intrapreneurship abilities, inculcating a global perspective to lead across boundaries, create a culture enabling high performance teams, design thinking and change management. With a duration ranging from eight to ten months, the BLP program in FY18 included 28 leaders from multiple business units and functions who were selected for the program after a rigorous selection round.



CEO & MD, Krishna Bodanapu, with participants at the Business Leader Program, 2018



## Management Discussion and Analysis

### Global Economy

2017 has been a tumultuous year marked by geopolitical tensions, and deep political divisions in many countries and natural disasters and accidents.

However, on the economic front the year ended on a strong note with GDP showing the broadest cyclical upswing since start of the decade. The global economy grew by 3.8 percent in 2017. The US economy grew by 2.3 percent in 2017, an upswing from 1.5 percent in 2016. Eurozone witnessed a growth of 2.5 percent the fastest growth since 3 percent in 2007. Emerging economies witnessed a growth of 4.5% through the year. The economic upstick in 2017 was a result of multiple factors and unique events, from stabilizing energy and commodities prices, improved business confidence based on hopes for fiscal stimulus and tax reforms by the Trump administration and cyclical recovery in Europe and policy driven growth stimulus in China.

In FY 19, the growth is expected to move upto 3.9 percent supported by strong momentum, favorable market situation and favorable financial conditions and due to expansionary fiscal policy in the United States.

### Aerospace and Defense

Aerospace and Defence industry is expected to grow by 10% driven by strong commercial aircraft order backlog. With Boeing and Airbus ramping up their narrow body production we expect to continue to witness risk of supply chain disruptions. Defense spending both in the U.S. and Europe is expected to continue to support demand.

Aerospace and Defence Business Unit (BU) witnessed a moderate growth through the year driven by growth in emerging accounts. We also continued to witness strong rise in demand for risk sharing business models from our clients.

Also, to further strengthen our Design- Build- Maintain strategy we acquired B&F design Inc. B&F is a Connecticut based tooling and precision manufacturing company. Their expertise in design and manufacturing of engine assembly equipment, repair and tooling, engine factory modernization, and automation equipment will help us create a differentiated value proposition centered on tooling and precision engineering.

As a testimony of our focus on continuous improvement and innovation we were awarded with the two prestigious awards from Pratt & Whitney: the "Productivity Savings and Cost Avoidance Award" and the "Supplier Productivity Innovation Award." This is the fifth year in a row that Cyient has won the Supplier Productivity Innovation Award. **This year we also won the "Boeing Supplier of the Year Award" fourth time in six years.** We were also placed in the "Winner's Circle" in the HfS A&D Engineering Services Blueprint 2017.

For FY19, we expect a robust growth backed by strong order backlog and a healthy pipeline in Manufacturing, Aftermarket and Avionics. We also see significant opportunities in our DLM

business. As part of our S3 strategy, we continue to invest in digital technology and are building solutions to address specific business problems.

### Transportation

Rail Transportation industry has outperformed the industry growth forecasts, supported by strong growth in Rolling Stock and Signaling. With these segments as our core focus areas, the general long term outlook for Transportation BU remains very positive. Our value proposition continues to resonate quite well with the key industry trends of internationalization, consolidation and digitization.

The Transportation BU witnessed a strong growth in FY 18 driven by growth in key clients and new wins. We won the prestigious 'Rail & Road Transport Award (earlier Land Transport Award) and 'Best Railway Signalling Design Company 2018' during the year. Zinnov Zones for Product Engineering Services positioned Cyient in the "Leadership Zone" in Transportation industry in 2017. This is the sixth time in a row that we have been placed in the leadership zone.

Backed by strong industry performance, long-term client engagements and healthy opportunity pipeline, we expect strong growth through the year in FY 19. Our engagements with leading OEMs remain strong with continued growth forecast. In addition, our emerging engagements are expected to contribute to our future growth and strategic expansion. Strategy execution continues to be a key focus area with investments earmarked to exploit opportunities across segments. We will further accelerate our investments in the emerging areas of Digitalization and Design Led Manufacturing which we believe will consolidate our leadership position in this industry. FY'19 will also see us invest significantly in strengthening our leadership layers, broadening our offerings and exploring new business models.

### Industrial, Energy and Natural Resources

The oil and gas industry is expected to continue its slow recovery as upstream companies increase production. The outlook for drilling and oil field services companies is also positive as upstream capital spending and the global rig count continue to increase. On the mining front there is expected to be an upturn in the next one to two years despite weak commodity prices. A large number of big projects and expansions are expected to go live from 2020. Exploration is expected to grow in emerging countries and even in the US.

The Industrial, Energy and Natural Resources BU witnessed a business growth of 2.9% in FY18. The growth in the business was driven by strong performance in key accounts across Oil and Gas, Mining and Off Highway Equipment's.

We expect a broad based growth in FY 19 driven by continued focus on executing our strategy. We will focus on key strategic offerings around connected equipment, asset management, plant engineering and digital twin solutions for capital projects. We also see opportunities in predictive analytics, manufacturing engineering and connected equipments.

### Semiconductor

The global Semiconductor industry is expected to grow by 7.5% driven by growth in the memory sector, adoption of AI, 5G and Autonomous vehicles. With increasing costs of new chip-fabrication plants and need for efficiencies at scale the trend of consolidation is expected to continue.

The Semiconductor, IoT and Analytics BU witnessed a growth of 11.6% in FY18 driven by growth in key accounts. Over the year we made good progress in setting up verification and validation lab for key clients. We also started working with a number of new clients.

This year we made two key investments. First was the acquisition of Ansem N.V. which specializes in advanced analog, radio frequency and mixed-signal integrated circuit design.

AnSem N.V. specializes in advanced analog, radio frequency, and mixed-signal integrated circuit design.

This acquisition will allow us to offer turnkey ICs- from concept circuit to final production. With this acquisition, Cyient can help clients develop smart analog sensors to capture data while leveraging our IoT and analytics capabilities.

We also signed a definitive agreement to acquire 100% ownership of Cyient Insights Private Limited (Cyient Insights), we earlier owned 51% stake in the company. This investment will allow us to provide integrated engineering and analytics solutions for our clients.

Our outlook for FY19 continues to be positive based on various opportunities in the Semiconductor space. We also continue to build and attract a strong talent pipeline in these areas to bolster our mixed signal solutions offerings. Our strategic focus in FY19 continues to be to make progress in our solutions business with focus on turnkey smart analog solutions for automotive, industrial, medial, smart home, smart grid etc., embedded systems for connected cars, and design services for automotive, industrial, consumer.

### Medical Technology and Healthcare

The global Healthcare industry is forecasted to register a stable growth rate of 4.8% during FY 2018. The industry will witness adoption of popular digital health technology solutions such as artificial intelligence (AI), Internet of Medical Things (IoMT), Big Data analytics, and robotics across select healthcare segments.

The Medical and Healthcare BU witnessed a growth of 20.7% in FY18. The growth in the business was driven by manufacturing services as part of our Design Build maintain strategy. Over the year the BU has enhanced rigor on solutions by focusing on key industry segments of diagnostic imaging, orthopedics, in-vitro diagnostics, and cardiology. This year we also added one large orthopedic client and continue to see similar opportunities across other prospective clients. We are also developing two innovative products in solutions the cardiology and diagnostics segments both of these products directly support our vision of advancing technology to make high-quality healthcare solutions accessible and, affordable.

We also signed a partnership with Xynteo, an international advisory firm, as a partner organization in India 2022, a

business-led coalition committed to creating a new model of growth by the 75th year of India's independence. As part of this coalition, we will focus on incubating and scaling projects aimed at delivering technology-enabled healthcare solutions, primarily focused on the diagnostics space in India.

Our outlook for FY 19 looks strong with focus on building new clients and developing solutions across the industry.

### Communications

The Communications industry is witnessing a strong growth. Mobile data traffic is growing by more than 50% per year and wireline traffic is increasing by about 20% adding to the growth of the industry. Along with this demand for real-time voice, data and video is manifold and is encouraging telecom service providers to under take large network extensions and upgrading networks. Our strategy to provide a end to end solution with PBOT framework has been received very well

The strategy to provide a end to end solution with the PBOT framework has been received very well with our clients globally. With this framework, we have expanded our service portfolio to design, build, operate and transform. This helped us achieve leadership position with some of our key clients globally.

We have invested on developing solutions around IOT, RPA and Open Source technologies to ensure the processes are automated and network works efficiently. We play significant role in supporting major programs globally for most of CSP's worldwide around fibre design and roll out, small cell design and deployments, cloud infrastructure and analysing network data for better business decision making.

We expect the grow momentum to continue through the year and we intend to continue to invest in key technologies and skills to evolve into an integral part of CSP's transformation journey.

### Utilities and Geospatial

The Utilities industry continues to witness growth, as utility companies make large investments in grid modernization, distributed generation, field force automation, and Advanced Metering Infrastructure (AMI) to support their operations. The global geospatial market also continues to grow as location data is becoming critical for many diverse businesses and applications. There is increasing focus on mobile solutions as well as AR/ VR, 3D, and indoor-mapping.

The Utilities & Geospatial BU witnessed a growth of 8.1% in FY18 driven by growth across key geographies. Our IP based solutions for the Utility market is generating strong interest in clients. To compliment our analytics capabilities, we have partnered with Elpis Squared, a U.S.-based startup software company, providing innovative machine learning meter and voltage signature technology. Our joint solutions will enhance the role of data in supporting electric utilities Advanced Distribution Management Systems and Asset Management Programs.

As part of our S3 strategy, we continue to invest in digital technology and are building IP-based solutions for the Utility market. For FY19, we expect growth to be driven by new clients in Utilities and through solution selling.

New Business Accelerator

To leverage new technology and to drive non linearity in our business we started a new business unit called the “New Business Accelerator (NBA).” This group focuses on identifying and commercializing new solutions with an emphasis on emerging technology and innovation. NBA operates as an internal incubator and offers an intensive, startup-like environment to develop technology led solutions. NBA invests in and collaborates with academia, enterprise, and expert networks to bring compelling, innovative ideas to life. It is an endeavor to consistently improve the brand’s competitiveness and its value for stakeholders. As part of this initiative we are currently working on a number of solutions projects.

Business Outlook for FY 19

The business landscape is continuously changing with increasing focus on innovation and technology. This transition lays before us immense opportunities. As an organization we will strive towards our aspirations without compromising on our core values.

We are confident of delivering a strong year of performance in FY 19 with double digit growth across our services and the DLM business.

Threats, Risks and Concerns

Risk description	Risk impact	Risk mitigation
Moving up the value stack-	We will need to move up the value stack by refining the space we play in to remain relevant in the increasingly competitive market	Have well defined ambition to move from being a services provider to a solutions driven partner for our clients. To drive this transition we have layout a framework (AGILE framework) to drive
Employee upskilling	With rampant technological changes and focus on innovation there is a need to upskill associates to be able to compete and meet our clients expectations	There is a continuous focus on reskilling/upskilling employees through emphasis on trainings and development and motivation through rewards and recognitions.
Competition risks	In this highly competitive environment, there may be severe impact on margins due to pricing pressures	There is focus on providing higher value and differentiated services We are also getting into new business models.
Integration risks in Mergers & Acquisitions	Inappropriate acquisitions or mismanaged integration may result in failure to achieve the strategic objectives of the acquisition	There is a dedicated team monitoring the post-merger integration with well laid out plans. There is a periodic review of the activities and the same are reported to the Board
Data privacy and cyber security	With increasing emphasis on data privacy and new data privacy policies across the world (such as GDPR) we need to strenthen our data security processes and policies	The Company has a stringent Cyber Security policy. Also as a company, we have in place firewalls, data encryption, data backup mechanism, patches etc. We are also making internal process changes to adhere to new policies.
Compliance risks	Being a global company, we are exposed to laws and regulations of multiple countries	The Company has an in-house compliance team which monitors global compliances. The team receives updates on changes in regulations from specialist consultants and circulates the same internally.

Human Resources

We strive to maintain our position as the employer of choice. Our human resources (HR) team, is aligned with the company’s vision of ‘Designing Tomorrow Together’ works towards attracting, retaining, and nurturing high-quality talent. We consistently try to incorporate healthy (appropriate/competitive) talent management practices across all HR functions, from recruiting the best talent to providing new learning, and growth opportunities. Our continued focus is to create an environment with high employee engagement that, in turn, leads to improved client experience and success.

Cyient’s HR strategy for FY18 concentrated on four key pillars: (1) building organisational capabilities, (2) talent acquisition, (3) talent mobility, and (4) systems. The HR team is supporting the successful acquisition and integration of B&F, New Tech, and Polo. In addition, the team increased the number of associates participating in our corporate leadership programs.

Headcount and Retention

In FY2018, Cyient’s headcount grew to 14,762 associates, including the addition of Jan Radtke Vice President and Head - New Business Accelerator (NBA) and Andrew Smith, Vice President, Transportation – EMEA. Cyient recently initiated the New Business Accelerator (NBA), wherein the organization will invest in emerging technologies, focus on fostering innovation, and develop IP to improve positioning with customers. Jan Radtke Vice President and Head - New Business Accelerator (NBA), will lead this new business unit and spearhead the journey to innovation and business excellence.

We added around 3,736 new associates to our workforce. With our focus on nurturing and retaining quality talent, we achieved a retention rate of 83.94%.

Our global workforce is spread across three regions: 84% in the Asia Pacific, 12% in North America, and 4% in Europe and the Middle East. Cyient has always had a good mix of local hires in our countries of operation and we will continue to accelerate this focus in the coming years, to achieve hiring more than 80% of new talent locally.

Attrition Voluntary

2015-16 19.55%

2016-17 20.51%

2017- 18 16.06 %

Talent Acquisition

Highlights of our talent acquisition process:

Cyient initiated a “Train and Hire” model for certain entry-level skills to allow the early career hires to undergo basic training, while they are still at campus and ensure that they are job ready.

We introduced and validated online aptitude and psychometric assessments to help optimize quality of talent intake.

Our recruiting team achieved an 86% on-time fill rate for open positions with a 40% increase in the regular hiring process as compared to FY17.

Employee referrals contributed to over 13% of the new hires, which reflects the strong engagement and commitment of our associates towards the organization. Filled 23% positions through Internal Job Posting.

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Employee Engagement

At Cyient, employee engagement is at the heart of our vision and we are focused on creating a culture that fosters innovation and collaboration. We strive to be the employer of choice by offering an environment in which all our people can thrive.

Engagement Score

2016 61%

2017 63%

2018 60%

Global Industry Average: 58%

We engage our associates through a variety of activities and some of the changes made in our methods of engagement are highlighted below:

MagnifiCyient: Rewards and Recognition Platform that promotes a culture of peer recognition through non-monetary rewards. Enthusiastically embraced by the associates, this platform has,

82% unique users on the Platform

GEO Reward saturation trend positive

High usage of non-monetary appreciation notes -

On-demand Analytics and MIS access, enabled to all budget owners for faster and quicker decision making

Social features allow other members in team to like/comment on each reward, which are now posted on the dashboard as soon as they are awarded. These rewards and recognition posts can also be shared on external social media platforms like Facebook, Twitter, and LinkedIn.

Numerous coveted monetary awards like Most Valuable Performer Bronze, Silver, and Gold for Individuals and Teams; and the Star Performer awards recognize exceptional and organization-wide contribution by associates were introduced. These monetary awards offer recognition to associates in the form of redeemable points, which make it easy to use for associates across GEOs without the currency conversion barrier.

Increased Focus on Wellness

The health and well-being of our associates has always been an area of significant focus for Cyient. In FY2018, several new health and wellness initiatives were launched to foster the well-being of our associates.

India -

E-Kincare App: Wellness app launched in collaboration with Ekincare in January 2018, for our associates in India, which offers

Health risk assessment

Digitized medical records

Customized fitness challenges and Diet plan based on HRA

Access to free online Doctor Consultation

Marathon participation: Cyient sponsored two marathons across India, with participation from over 600 associates, located in Vizag, and Hyderabad.

APAC

Cyient Singapore participated in the Corporate Challenge of the National Steps Challenge, a physical activity campaign initiated by the Health Promotion Board to encourage Singapore residents to be more physically active every day, anytime and anywhere.

Cyient Singapore participated in the SIA Charity Run 2017 The Float at Marina Bay, on October 8, 2018.



NAM  
EMEA

Learning and Development

Learning and Development was merged as a HR function in 2014, and our focus on leader-led learning and building a learning organization has been reflecting over the years, and continued even in 2017.

We are exploring new channels of learning and to ensure a unified onboarding experience to all our associates, we launched the Digital Induction Platform in December 2017. Providing ease of access and uniform training material, ensures that the vision of One Cyient is achieved.

Mandatory compliance trainings for all the new joining associates are made available to them in the initial period of joining at convenience

More than 26,000 hours of digital learning and 100,000+ Instructor led training (ILT) hours were recorded over the past year.

Talent Review

Succession planning (Talent Review) focuses on fostering leadership development to meet the growing leadership needs of the organization. It involves identifying potential roles that promising individuals can grow into and lay a path for progression. This ensures that we elevate our existing associates to a leadership role within the organization, when the need arises, rather than having to bring in an external resource.

Leadership Programs

Business Leader Program (BLP) and Emerging Leader Program (ELP)“The Business Leader Program (BLP) and Emerging Leader Program (ELP) are Leadership development flagship program for enabling the development of associates who have displayed the potential to handle responsibilities at strategic levels in the organization. The Business Leader Program (BLP) and the Emerging Leader Program (ELP) received over 400 nominations globally for high-performance associates in FY2018. Duration of the programs ranges from 8 to 10 months, including week-long training workshops, Action Learning Projects, and Coaching support.

Selected participants were immersed in a five-day offsite residential program aimed at honing their management skills and gaining a strategic view aligned to their role requirements. Each day comprised of interaction with the Executive Leader at Cyient. The trainer-led sessions on design thinking, entrepreneurship and intrapreneurship, stakeholder management, and solution thinking for BLP and Business modeling, Innovation and Change Management for ELP provided food for thought to participants whereas group activities aimed at improving networking and team bonding.

The “Leader-as-a-Coach” model is being used to provide coaching/mentoring support to ELP and BLP participants on the execution of their respective development plans. Action learning projects, which can help participants put their workshop learnings to practice and generate great value for the organization.

New Leader Program (NLP)

The First Time Manager program was rebranded as New Leader Program (NLP) and the sessions extended to beyond India in the past year. A series of NLP sessions were organized in Australia, EMEA, and North America, to ensure all our qualifying associates receive the leadership training they need.

Awards and Recognitions

Singapore -

TAFEP Recognized and awarded Cyient Singapore as an Organization that has adopted the Tripartite Standards for term contract employees, flexible work arrangements, grievance handling and, recruitment practices.

East Hartford –

Cyient won two prestigious awards from Pratt & Whitney for 2017: the ‘Productivity Savings and Cost Avoidance Award’ and the ‘Supplier Productivity Innovation Award.’ This is the fifth year in a row that Cyient has won the Supplier Productivity Innovation Award, a testimony of the company’s focus on nurturing an innovation-driven culture and developing disruptive, cutting-edge solutions.

India –

Cyient was honored with the Golden Peacock Award for Risk Management (GPARM) by the Institute of Directors. The award came as a recognition for developing a robust risk management process based on industry standards and proven best practices.

Cyient was recognized by the CII Industrial Innovation Awards 2017 as one of the ‘Top 26 Innovative Organizations’ in India. CII Industrial Innovation Awards recognize and celebrate innovative Indian enterprises and budding start-ups across industry segments on an annual basis.

Cyient recognized as ‘Leaders in Corporate Innovation’ by Indo-American Chamber of Commerce (IACC). The ‘Leaders in Corporate Innovation’ award recognises businesses that have developed and employed innovative techniques for optimization of cost and operations. Cyient demonstrated excellence in all the parameters including promoting the concept of innovation among its associates and achieving business objectives.

Australia –

Cyient Receives 2017 Acomm Award for Services to Industry – Professional Services. This award recognizes Cyient's commitment to develop communication technology engineers of tomorrow. Cyient was nominated for its community development platform, the Cyient Graduate Program & Western Sydney University Partnership in Blacktown, Australia, which is an exclusive engineering program that was established in 2015. The partnership's aim is to up-skill engineering graduates with on-the-job training, while sharing practical industry knowledge with the Greater Western Sydney community.

D&I

Diversity and Inclusion

At Cyient, we believe that only by making our organization diverse and inclusive can we achieve our brand promise of Designing Tomorrow Together.

As a workplace that is home to a diverse group of individuals from different backgrounds and experiences, Cyient is able to effectively market to all groups of consumers, from a wide range of racial and ethnic backgrounds, gender, age and sexual orientation. In turn, we are able to gain a competitive edge, by offering more solutions to customers because of new skills, ideas and processes.

Our mission is to create and ensure organizational policies, practices, procedures, and behaviors are conducive to recruiting, retaining, and developing a diverse, high-performing workforce that draws from all segments of society and values fairness, diversity and inclusion. As part of this mission, we will also ensure that all stakeholders (clients, associates, investors, partners, and society) are inclusive of the above policies, practices, and procedures.

**D&I Resource Groups:** With representation throughout the regions we serve, our D&I Resource Groups are driving focus on key areas of diversity, including gender, disability, veterans affairs, cultural awareness, and health and wellness. Our D&I groups are working hard to increase diversity awareness at Cyient, plan educational events, and drive important policy and program changes.

**Mentorship Program for Female Leaders:** Mentorship is an effective way to develop individuals and provide them with the tools necessary to perform at their highest capability. At Cyient, we are investing in the development and advancement of female leaders through a formal mentorship program.

**Recruiting:** Our global recruiting teams are setting recruiting and hiring baselines to ensure a higher number of diverse candidates and associates. They have implemented a policy to provide candidate resumes that mask name, gender, age and any other demographic information for senior managerial roles. In addition, our recruiters are investing in tools and developing relationships with organizations to better target diverse populations (e.g., tools that connect to veteran's pools and local disabilities groups).

**Development:** To further educate our associates on the importance of diversity and inclusion, we are investing in awareness training for all associates. Additional D&I trainings on disability, mental health, speaker series and female leadership will also be created. Furthermore, by March 31, 2019, 75 managers will go through a rigorous management training that will focus on building more inclusive leaders.

Internal Controls and adequacy

The Company's global presence across multiple countries and large associate strength makes it imperative for us to have a robust internal controls framework. The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial

and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. The Company has a well-defined manual for delegation of authority for approving revenue and expenditure. The Company uses SAP system, globally, to record data for accounting, consolidation and management information purposes, which connects to different locations for exchange of information.

M/s Ernst & Young LLP carried out the internal audit for the financial year 2017-18 based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors (M/s Deloitte Haskins & Sells) and the Audit Committee. The internal audit process is designed to review the adequacy of internal control checks and covers all significant areas of the company's global operations.

The Company has an Audit Committee of the Board of Directors, the details of which have been provided in the corporate governance report.

The Audit Committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the audit committee follows up on the implementation of corrective actions. The committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the board of directors informed of its key observations from time to time.

The statutory auditors have also independently audited the internal financial controls over financial reporting as on March 31, 2018 and have opined that adequate internal controls over financial reporting are existing and that such controls were operating effectively.

Enterprise Risk Management (ERM)

The Company has an organization-wide ERM framework. The framework is based on best-in-class standards and covers various operations of the Company as well as key criteria like Financial risks, Reputation risks, Regulatory risks, Employee risks and Customer risks. The audit of ERM is periodically carried out by Ernst & Young LLP, the company's internal auditors and a report is presented to the Audit Committee. The risk management practices include risk assessment, monitoring, reporting, mitigation and integration with Company's planning.

Investor Engagement

The Company communicates the business outlook, strategies and new initiatives to its investors in a regular and structured manner. We believe that communication with the investor community is as important as timely and reliable financial performance. We engage multiple communication channels for this purpose. The Company's dedicated investor relations department, along with the company's senior management team, participate in various road shows and investor conferences. The Company hosts an annual Investor Day at its premises. The Company also engages an external agency to carry out an independent Investor Satisfaction Survey and the results of the survey are analysed and improvements are implemented. There has been an improvement in the survey results over last year.

### Whistle-blower policy

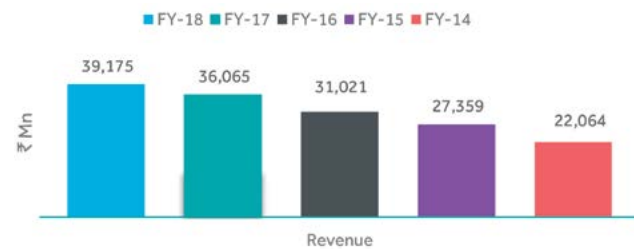
Cyient firmly believes in Values FIRST (FIRST = Fairness, Integrity, Respect, Sincerity, Transparency) and the organization-wide Whistle-Blower policy is a step towards ensuring transparency and accountability. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. This allows stakeholders to expose any kind of information or activity that is deemed illegal, unethical, or not correct within the company that is either private or public. The stakeholder can approach the Ombudsman, without fear, to report any wrong-doing, impropriety or malpractice within the company.

### Shareholder Value Creation

As a result of our significant growth in revenue and profit over the last 6 years, dividend payout has substantially improved from 17.2% in FY 13 to 41% in FY18. The Company has consistently generated free cash flow (FCF) for the business in last 3 years with an increased focus on working capital management, tax optimization and prudent capex strategy. These improvements in business performance also resulted in increase in market capitalization. Our market capitalization has shown CAGR of ~44% in last 5 years.

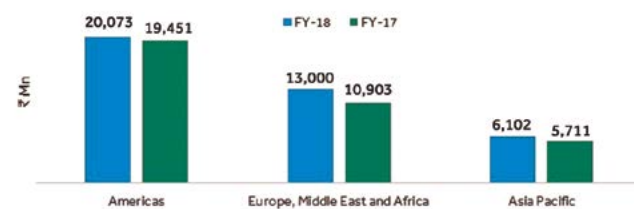
### Revenue Growth

The Company has witnessed strong revenue growth of 12.9% Y-o-Y in \$ terms and 11.7% in constant currency basis. It has also sustained robust revenue growth momentum in the last 5 years with an impressive compounded annual growth rate (CAGR) of 26%. The revenue for the Company is driven by focus on a well-diversified business and geography portfolio.



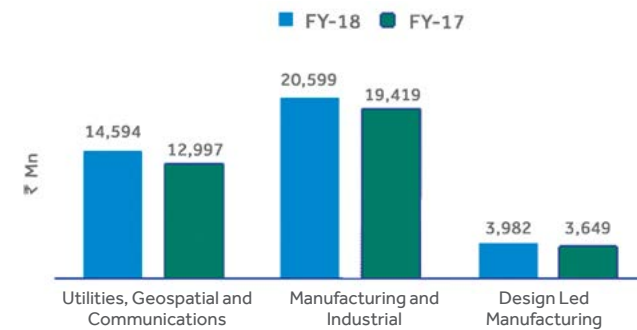
### Revenue by Geography

The Company has delivered robust growth across all geographies. Asia Pacific (APAC) has recorded significant growth of 16% in \$ terms and EMEA has grown by 22% in \$ terms due to Cyient' sustained investment in market development.



### Revenue by Operating Segments

The Company had been operating by three different Operating Segments and each of the unit have grown strongly across all the geographies and industry segments.

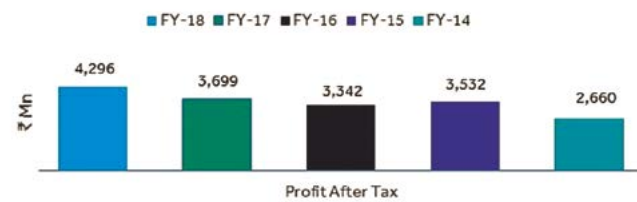
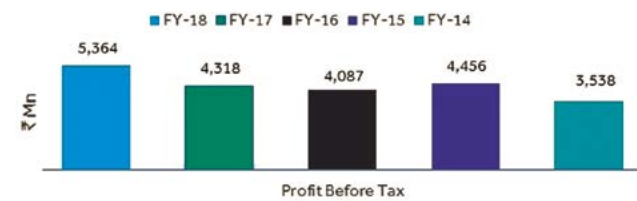
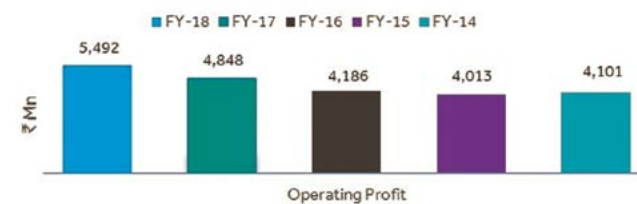


### Better Client Mining

The Company will continue to focus on improving revenue per customer by focusing on strategic customers and generating more up-sell and cross-sell opportunities.

### Profits Trend

The Company achieved significant growth on all measures of profitability. Net profit has shown double digit growth of 16%. 5 year CAGR stands at 23%.



### Business Free Cash Flow (FCF) Generation

The Company has achieved consistent generation in free cash flow (FCF) capabilities of the business in last 3 years.

In FY'18, the Company generated Free Cash Flow (FCF) at ₹ 2,706 Mn (FY'17 ₹ 3,712 Mn).

The Company's FCF as % of operating profit decreased from 65% in FY'17 to 39% in FY'18, due to consumption of cash in DLM business and increase in DSO. The Company is confident of continued improvement in FCF with specific focus on days sales outstanding, achieving better working capital and optimizing the capital expenditure.

### Days Sales Outstanding (DSO)

The Company's DSO is inline with the best in the industry and stands at 80 days in FY 18 compared to 73 days in FY 17. The Company is confident of reduction in DSO in the coming years.

\*DSO Calculation: Total receivables at the end of quarter/ (Quarterly Annualized Revenue\*90)

### Tax Rate

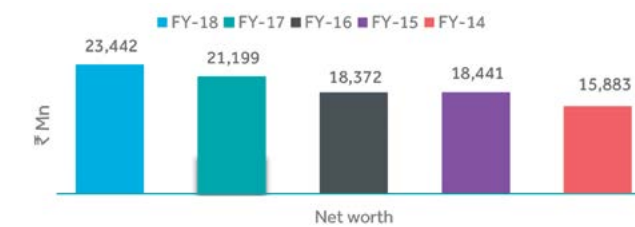
The effective tax rate for the organization has increased by 150 bps from 24.2% in FY'17 to 25.7% in FY'18, mainly due to phase-off of some units in Special Economic Zone (SEZ) from 100% to 50% tax bracket.

### Capex

The Company ended the FY'18 with capital expenditure of ₹ 1,271 Mn, which is 3.2% of total revenue.

### Net worth

Net worth of the Company has grown by 48% in last 5 years from ₹ 15,883 Mn to ₹ 23,442 Mn mainly attributed to the profitable growth in each of the last years, driven by both organic and inorganic initiatives.



### Return to investors

Dividend payment trend for the Company has improved substantially in last 5 years. The dividend payout for the Company stands at 41%. The dividend for the full year at ₹ 13/ share- highest ever.

### Market Capitalization

Market capitalization of the Company has improved significantly in last 5 years. The market capitalization of the Company has grown from ₹ 36,478 Mn in FY 2014 to ₹ 78,237 Mn in FY 2018.



### FINANCIAL PERFORMANCE FOR THE YEAR 2017-18 (CONSOLIDATED)

The financial results of Cyient Limited under Indian AS discussed below are for the Consolidated results of Cyient Limited and its subsidiaries, which includes the performance of its subsidiaries, joint venture and associate. Preparation and presentation of such consolidated financial statements depicts comprehensively the performance of the Cyient group of companies and is more relevant for understanding the overall performance of Cyient. Standalone results of Cyient excludes the performance of its subsidiaries, joint venture and associate. This part of the Management Discussion and Analysis refers to the consolidated financial statements of Cyient ("the Company") and its subsidiaries, joint venture and associate referred to as "the Group". The discussion should be read in conjunction with the consolidated financial statements and related notes to the consolidated accounts of Cyient for the year ended March 31, 2018.

### FINANCIAL RESULTS (CONSOLIDATED)

Particulars	₹ Mn	% of Revenue	₹ Mn	% of Revenue
Revenue from operations	39,175	100%	36,065	100%
Other income	1,519	3.9%	932	2.6%
<b>Total income</b>	<b>40,694</b>		<b>36,997</b>	
Expenses				
Employee benefits expense	21,877	55.8%	20,490	56.8%
Cost of materials consumed	3,272	8.3%	2,852	7.9%
Changes in inventories of finished goods & work in progress	-201	-0.5%	-110	0.3%
Excise duty on sale of goods	36	0%	207	0.6%
Operating, administration and other expenses	8,837	22.6%	7,854	21.8%
Finance Costs	204	0.5%	172	0.5%
Depreciation	1,052	2.7%	953	2.6%
<b>Total expenses</b>	<b>35,077</b>	<b>89.5%</b>	<b>32,418</b>	<b>89.9%</b>



Particulars	₹ Mn	% of Revenue	₹ Mn	% of Revenue
<b>Profit before tax, share of profit of associate and minority interest</b>	<b>5,617</b>	<b>14.3%</b>	<b>4,579</b>	<b>12.7%</b>
Exceptional Items	50	0.1%	261	0.7%
<b>Profit after exceptional items and before tax</b>	<b>5,567</b>	<b>14.2%</b>	<b>4,318</b>	<b>12.0%</b>
Tax expense	1,380	3.5%	1,045	2.9%
<b>Profit after tax, before share of profit in associate company and minority interest</b>	<b>4,187</b>	<b>10.6%</b>	<b>3,273</b>	<b>9.1%</b>
Share of profit from associate company & Joint Venture	-156	-0.3%	123	0.3%
Share of non-controlling interest	23	0.05%	42	0.1%
<b>Net Profit attributable to the shareholders</b>	<b>4,054</b>	<b>10.3%</b>	<b>3,438</b>	<b>9.5%</b>

## ANALYSIS

### Revenue

Revenue grew by 8.63% in rupee terms and by 12.9% in US\$ terms. The growth in constant currency is 11.7%. Growth was recorded across all geographies and we witnessed highest ever contribution by our Top 20 customers.

### Other income

Other income for FY 18 was at ₹ 1,519 Mn as compared to ₹ 932 Mn in FY 17. Increase in other income is primarily on account of increase in treasury income and gains on foreign exchange forward contracts.

The movement of Rupee against major currencies was as follows:

	YE March 2018		YE March 2017	
USD	65.10	64.50	64.82	67.04
EUR	80.09	75.43	69.25	73.59
GBP	91.32	85.51	80.87	87.70

### Employee benefits expense

Employee benefits expense includes salaries which have fixed and variable components, contribution to retirement and other funds and staff welfare expenses.

Employee benefits expense as % of revenue from operations stands at 55.8% for FY18 as compared to 56.8% in FY17. Despite the increase in headcount we have been able to control the cost approximately.

### Operating, administration and other expenses

	YE March 2018		YE March 2017	
	₹ Mn	% of Revenue	₹ Mn	% of Revenue
Rent	796	2.1	682	1.9
Travel	1,337	3.4	1,260	3.5
Subcon-tracting charges	2,825	7.2	2,382	6.6
Repairs and maintenance	972	2.5	904	2.5
Others	2,907	7.4	2,626	7.3
<b>Total</b>	<b>8,837</b>	<b>22.6</b>	<b>7,854</b>	<b>21.8</b>

Other operating expenses have been flat as percentage of revenue.

### Finance costs

Finance costs has remained constant at 0.5% as a percentage of revenue.

### Depreciation

Depreciation remained constant as a percentage of revenue at 2.7% for FY18 compared to 2.6% for FY17.

### Exceptional item

Exceptional item for FY 18 relates to loss on divestment of its investment of 49% shareholding in Infotech Aerospace Services Inc., Puerto Rico, an associate Company.

Exceptional item for FY 17 relates to stock compensation expense towards issue of Restricted Stock Options (RSU) to eligible employees on the occasion of the company’s silver jubilee anniversary.

### Tax expense

The effective tax rate (“ETR”) has increased from 24.2% in FY 2017 to 25.7% in FY 2018 mainly due to phase-off of some units in Sepcial Economic Zone (SEZ) from 100% to 50% tax bracket.

The “Tax Cuts and Jobs Act”, also known as the “US Tax Reforms” was signed into a law on December 22, 2017. The most significant change brought by this law is the reduction of US corporate tax rates from 35% to 21%.

This will help in bringing down the ETR in the coming years, apart from other initiatives.

### Share of profit from associate company & Joint Venture

The Share of profit from associate company and joint venture has decreased from ₹ 123 Mn in FY 17 to ₹ (156) Mn in FY 2018.

During FY 18, the Company has recognized a loss of ₹ 160 Mn as ‘share of loss from associate’ incurred up to the date of divestment in Infotech Aerospace Services Inc. due to hurricane in Puerto Rico.

During FY 18, the Company has recognized ₹ 4 Mn as a share of profit from joint venture.

### Net Profit attributable to the shareholders

The net profit has increased by 18% Y-oY. It stands at ₹ 4,054 Mn for FY 18.

### BALANCE SHEET AS AT MARCH 31, 2018 (CONSOLIDATED)

	₹ Mn	
	31-Mar-18	31-Mar-17
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders’ funds</b>		
Share capital	563	563
Reserves and surplus	22,879	20,636
<b>Total - Shareholders’ funds</b>	<b>23,442</b>	<b>21,199</b>
<b>Non-current liabilities</b>		
Long-term borrowings and lia-bilities	1,009	759
Long-term provisions	898	813
Deferred tax liabilities (net)	356	302
<b>Total - Non-current liabilities</b>	<b>2,263</b>	<b>1,874</b>
<b>Current liabilities</b>		
Short-term borrowings	1,780	1,159
Trade payables	3,813	3,922
Other current liabilities	2,483	2,551
Short-term provisions	545	659
<b>Total - Current liabilities</b>	<b>8,621</b>	<b>8,291</b>
<b>TOTAL - EQUITY AND LIABIL-ITIES</b>	<b>34,326</b>	<b>31,364</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,941	4,497
Goodwill	3,549	3,278
Non-current investments	298	1,032
Deferred tax assets (net)	321	101
Other non-current assets	1,761	1,766
<b>Total - Non-current assets</b>	<b>10,870</b>	<b>10,674</b>
<b>Current assets</b>		
Inventories	1,312	935
Current investments	1,130	925
Trade receivables	6,913	6,496
Cash and cash equivalents	9,807	8,781
Other current assets	4,294	3,553
<b>Total - Current assets</b>	<b>23,456</b>	<b>20,690</b>
<b>TOTAL ASSETS</b>	<b>34,326</b>	<b>31,364</b>

### Share capital

The Company has only one class of shares – equity shares of par value of ₹ 5 each. The Authorised share capital of the Company was 278,000,000 equity shares.

During the year ended March 31, 2018, the Company allotted 29,662 equity shares of ₹ 5/- each, consequent to the exercise of the stock options by the associates of the Company under the Associate Stock Option Plan.

During the previous year, the Company granted Restricted Stock Units (RSU) to its eligible associates on the occasion of the Company’s silver jubilee anniversary celebrations. These RSU’s were vested on March 30, 2018.

### Reserves and Surplus

Reserves and surplus as at March 31, 2018 stood at ₹ 22,879 Mn as compared to ₹ 20,636 Mn as at March 31, 2017.

Securities premium account increased by ₹ 13 Mn on account of premium on issue of ASOPs.

Balance in profit and loss, after appropriation of dividend, stood at ₹ 13,584 Mn (₹ 11,433 Mn as at March 31, 2017).

Foreign currency translation reserve increased from ₹ 223 Mn as at March 31, 2017 to ₹ 549 Mn as at March 31, 2018, due to movement in exchange rates of currencies during the year. Use of different exchange rates for translation (income & expenses at average rates and assets & liabilities at closing rates) gives rise to exchange difference which is accumulated in foreign currency translation reserve.

### Borrowings

The long term borrowings increased from ₹ 759 Mn as at March 31, 2017 to ₹ 1,009 Mn as at March 31, 2018.

The short-term borrowings increased from ₹ 1,159 Mn as at March 31, 2017 to ₹ 1,780 Mn as at March 31, 2018.

The borrowings have increased mainly due to acquisitions during the year to facilitate better arbitrage and lower cost of capital.

### Trade payables

Trade payables consist of payables towards purchase of goods and services and stood at ₹ 3,813 Mn as at March 31, 2018 (₹ 3,922 Mn as at March 31, 2017).

### Short-term provisions

Short term provisions decreased from ₹ 659 Mn as at March 31, 2017 to ₹ 545 Mn as at March 31, 2018 due to payment of advance taxes against the tax provision.

### Property, plant and equipment

Increase of ₹ 444 Mn in property, plant and equipment is primarily attributable towards the additions of computer software, infrastructure facilities and assets acquired from an acquisition. Further, Company has 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. Development costs incurred during the year ended March 31, 2018 was ₹ 180 Mn and the same are included in ‘intangible assets under development’.

Goodwill

Goodwill represents the excess of purchase consideration over net assets of acquired subsidiaries.

On January 24, 2018, the Company acquired 100% of equity interest in B&F Design Inc.(B&F) through its wholly owned subsidiary Cyient Defense Services Inc. B&F has an area of expertise in design and manufacturing of precision engine assembly equipment, repair tooling, machining of fixtures and gauges, and engine factory modernization services primarily for aerospace and defense industry.

Goodwill as at March 31, 2018 stood at ₹ 3,549 Mn (₹ 3,278 Mn as at March 31, 2017) and the increase is due to acquisition of B&F Design Services Inc.

Non-current investments

During the year, the Company entered into a definitive agreement to divest its entire 49% shareholding in its associate company, Infotech Aerospace Services Inc. ("IASI") Puerto Rico for a consideration of ₹ 114 Mn. The closing conditions for the divestment were concluded on December 08, 2017. Upon divestment, the resultant loss of ₹ 50 Mn was recognized in the consolidated financial statements and disclosed as an 'exceptional item'. Further, the Company also received ₹ 589 Mn from IASI towards dividend pertaining to earlier years.

During the year, the entire shareholding of VIOS Medical Instruments Inc. ("VIOS") was acquired by Murata Manufacturing Co. Limited ("Murata"), Japan, as part of a plan of its merger. The Company received shares of Murata on October 13, 2017 as consideration in lieu of its shares held in VIOS and accordingly recognized the gain of ₹ 166 Mn as a part of its investment.

Decrease in non-current investments is mainly on account of disposal of associate company, Infotech Aerospace Services Inc. of ₹ 914 Mn.

Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017
Cash and bank balances	9,807	8,781
Investment in Mutual funds	1,130	925
Total	10,937	9,706

Cash and bank balances have increased from ₹ 8,781 Mn as at March 31, 2017 to ₹ 9,807 Mn as at March 31, 2018, mainly due to generation of cash during the year.

Investment in mutual funds, have increased from ₹ 925 Mn as at March 31, 2017 to ₹ 1,130 Mn as at March 31, 2018. The company deploys its surplus funds in investments in debt-based mutual funds in line with an approved policy.

This was the highest ever cash position with continued healthy cash generation despite one acquisition and increased dividend payout.

Trade receivables

The trade receivables have increased from ₹ 6,496 Mn as at March 31, 2017 to ₹ 6,913 Mn as at March 31, 2018 mainly due to increase in business.

Other current assets

Other current assets have increased from ₹ 3,553 Mn as at March 31, 2017 to ₹ 4,294 Mn as at March 31, 2018, primarily due to increase in unbilled revenue during the year. The Company regularly monitors unbilled revenue, separately as well as collectively along with trade receivables.

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 2017-18.

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

Sl. No.	Name of the Company	Relationship
1	Cyient Europe Limited	Subsidiary
2	Cyient Benelux BV	Step down subsidiary
3	Cyient Schweiz GmbH	Step down subsidiary
4	Cyient SRO	Step down subsidiary
5	Blom Aerofilms Limited	Step down subsidiary
6	Cyient Inc.	Subsidiary
7	Cyient Canada Inc.	Step down subsidiary
8	Cyient Defense Services Inc.	Step down subsidiary
9	Certon Software Inc.	Step down subsidiary
10	Certon Instruments Inc.	Step down subsidiary
11	B&F Design Inc.	Step down subsidiary
12	Cyient GmbH	Subsidiary
13	Cyient AB	Step down subsidiary
14	Cyient KK	Subsidiary
15	Cyient Insights Private Limited	Subsidiary
16	Cyient Insights LLC	Step down subsidiary
17	Cyient DLM Private Limited	Subsidiary
18	Techno Tools Precision Engineering Private Limited	Step down subsidiary
19	Cyient Australia Pty Limited	Subsidiary
20	Cyient Singapore Private Limited	Subsidiary
21	Cyient Israel India Limited	Subsidiary
22	Cyient Solutions and Systems Private Limited	Subsidiary
23	Cyient Engineering (Beijing) Limited	Subsidiary
24	Infotech Aerospace Services Inc.	Associate
25	Infotech HAL Limited	Joint Venture

(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 on behalf of the Board



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

Place : Hyderabad  
Date : 19 April 2018



Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31 MARCH 2018  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration)Rules, 2014]

Annexure-H

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	4 <sup>th</sup> 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	62099	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Country of Incorporation	Extent of holding (%)	
			As at March 31, 2018	As at March 31, 2017
	<b>Subsidiaries</b>			
1	Cyient Europe Limited	UK	100%	100%
2	Cyient Benelux BV <sup>Ⓐ1</sup>	Netherlands	100%	100%
3	Cyient Schweiz GmbH <sup>Ⓐ1</sup>	Switzerland	100%	100%
4	Cyient SRO <sup>Ⓐ1</sup>	Czech Republic	100%	100%
5	Blom Aerofilms Limited <sup>Ⓐ7</sup>	UK	-	100%
6	Cyient Inc.	USA	100%	100%
7	Cyient Canada Inc. <sup>Ⓐ2</sup>	Canada	100%	100%
8	Cyient Defense Services Inc. <sup>Ⓐ6</sup>	USA	100%	100%
9	Certon Software Inc. <sup>Ⓐ8</sup>	USA	100%	100%
10	Certon Instruments Inc. <sup>Ⓐ8</sup>	USA	100%	100%
11	B&F Design Inc. <sup>Ⓐ13</sup>	USA	100%	-
12	Cyient GmbH	Germany	100%	100%
13	Cyient AB <sup>Ⓐ3</sup>	Sweden	100%	100%
14	Cyient KK	Japan	100%	100%

Sl. No.	Name of the Company	Country of Incorporation	Extent of holding (%)	
			As at March 31, 2018	As at March 31, 2017
15	Cyient Insights Private Limited	India	51%	51%
16	Cyient Insights LLC <sup>Ⓐ4</sup>	USA	51%	51%
17	Cyient DLM Private Limited	India	74%	74%
18	Techno Tools Precision Engineering Private Limited <sup>Ⓐ5</sup>	India	-	74%
19	Cyient Australia Pty Limited	Australia	100%	100%
20	Cyient Singapore Private Limited	Singapore	100%	100%
21	Cyient Israel India Limited <sup>Ⓐ12</sup>	Israel	100%	-
22	Cyient Solutions and Systems Private Limited <sup>Ⓐ14</sup>	India	100%	-
23	Cyient Engineering (Beijing) Limited <sup>Ⓐ11</sup>	China	-	-
	<b>Associate</b>			
24	Infotech Aerospace Services Inc. <sup>Ⓐ9</sup> (untill December 08, 2017)	Puerto Rico	-	49%
	<b>Joint Venture</b>			
25	Infotech HAL Limited <sup>Ⓐ10</sup>	India	50%	50%

Notes:

- <sup>Ⓐ1</sup> Wholly owned by the Company through its wholly owned subsidiary Cyient Europe Limited.
- <sup>Ⓐ2</sup> Wholly owned by the Company through its wholly owned subsidiary Cyient Inc.
- <sup>Ⓐ3</sup> Wholly owned by the Company through its wholly owned subsidiary Cyient GmbH .
- <sup>Ⓐ4</sup> Majority owned by the Company through its subsidiary Cyient Insights Private Limited.
- <sup>Ⓐ5</sup> Majority owned by the Company through its subsidiary Cyient DLM Private Limited. Effective April 01, 2017, Techno Tools Precision Engineering Private Limited has been merged with its holding company, Cyient DLM Private Limited, pursuant to the order from National Company Law Tribunal dated April 02, 2018. (refer note 34)
- <sup>Ⓐ6</sup> 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.
- <sup>Ⓐ7</sup> On November 30,2016, the Company acquired 100% shareholding in Blom Aerofilms Limited through its wholly owned subsidiary Cyient Europe Limited. Effective April 01, 2017, Blom Aerofilms Limited was merged into Cyient Europe Limited. (refer note 34)
- <sup>Ⓐ8</sup> 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.
- <sup>Ⓐ9</sup> 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 period ended November 30, 2017. The Company divested its 49% stake in Infotech Aerospace Services Inc. on December 08, 2017 (refer note 6(iv)). The share of profits has been accounted for using equity method in accordance with the Ind AS 28 Investments in Associates and Joint Ventures.
- <sup>Ⓐ10</sup> Infotech HAL Limited, India has been accounted for under equity method in accordance with the Ind AS 28 Investments in Associates and Joint Ventures.
- <sup>Ⓐ11</sup> The Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China on March 25, 2016. The share capital in the subsidiary is yet to be infused and the subsidiary is yet to commence commercial operations.
- <sup>Ⓐ12</sup> The Company incorporated a wholly owned subsidiary, Cyient Israel India Limited, in Israel on July 18, 2016. Cyient Israel India Limited commenced commercial operations during the year.
- <sup>Ⓐ13</sup> The Company, through its wholly-owned step down subsidiary Cyient Defense Services Inc., acquired 100% equity shares of B&F Design Inc., USA on January 24, 2018 and consolidated the same with effect from February 1, 2018.
- <sup>Ⓐ14</sup> During August 2017, the Company subscribed to 49% share capital in Cyient Solutions and Systems Private Limited, which was accounted as an associate under Ind AS 28 'Investments in Associates and Joint Ventures'. Subsequently on March 26, 2018, the Company acquired the balance 51% share capital in Cyient Solutions and Systems Private Limited and accordingly consolidated with effect from that date as a wholly owned subsidiary.

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 2017)				No. of shares held at the end of the year (31 March 2018)				% 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	8,084,897	0	8,084,897	7.18	8,088,085	0	8,088,085	7.18	0.00
(b)	Central Government/State Government(s)	0	0	0	0	0	0	0	0.00	0
(c)	Bodies Corporate	16,884,951	0	16,884,951	15.00	16,884,951	0	16,884,951	15.00	0.00
(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) :	24,969,848	0	24,969,848	22.18	24,973,036	0	24,973,036	22.18	0.00
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)	24,969,848	0	24,969,848	22.18	24,973,036	0	24,973,036	22.18	0.00
(B)	PUBLIC SHAREHOLDING									
1	INSTITUTIONS									
(a)	Mutual Funds/UTI	8,159,406	0	8,159,406	7.25	20,905,093	0	20,905,093	18.57	11.32
(b)	Financial Institutions/Banks	17,164	0	17,164	0.02	18,295	0	18,295	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	7,998,732	0	7,998,732	7.10	7.10
(f)	Foreign Institutional Investors	47,352,080	200	47,352,080	42.06	45,515,730	0	45,515,730	40.42	-1.64
(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) :	55,528,650	200	55,528,850	49.33	74,437,850	0	74,437,850	66.0	16.78
2	NON-INSTITUTIONS									
(a)	Bodies Corporate	5,244,561	1,500	5,246,061	4.66	665,802	1,500	667,302	0.59	-4.07
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	4,528,871	357,463	4,886,334	4.34	5,476,103	317742	5,793,845	5.15	0.81
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	1,337,673	0	1,337,673	1.19	1,237,762	0	1,237,762	1.10	-0.09

(Contd.)

Sl. No	Category of Shareholder	No. of shares held at the beginning of the year (1 April 2017)				No. of shares held at the end of the year (31 March 2018)				% 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	
(c)	Others									
	NBFCs registered with RBI	110	0	110	0	75,210	0.07	75,210	0.00	0.00
	Foreign Nationals	320,043	16,050	336,093	0.30	288,893	16,050	304,943	0.27	-0.03
	Foreign Collaborators	16,792,960	0	16,792,960	14.92	1,500,000	0	1,500,000	1.33	-13.59
	Foreign Bodies	0	0	0	0	0	0	0	0	0.00
	Clearing Members	152,544	0	152,544	0.14	152,758	0	152,758	0.14	0.00
	Non Resident Indians	2,736,147	417,000	3,153,147	2.80	2,757,559	417,000	3,174,559	2.82	0.02
	Trusts	600	162,120	162,720	0.14	54,375	162,120	216,495	0.19	0.05
	IEPF	0	0	0	0	62,242	0	62,242	0.06	0.06
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
	Sub-Total B(2) :	31,113,509	954,133	32,067,642	28.49	12,270,704	914,412	13,185,116	11.7	-16.77
	Total B=B(1)+B(2) :	86,642,159	954,333	87,596,492	77.82	86,708,554	914,412	87,622,966	77.8	-0.06
	Total (A+B) :	111,612,007	954,333	112,566,340	100.00	111,681,590	914,412	112,596,002	99.9	-0.06
(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) :	111,612,007	954,333	112,566,340	100.00	111,681,590	914,412	112,596,002	100.00	

Note: i. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder

ii) Shareholding of Promoters

Sl. No.	Shareholder's name	Shareholding at the beginning of the year (1 April 2017)			Shareholding at the end of the year (31 March 2018)		
		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	3,358,254	2.98	0	3,358,254	2.98	0
2	B. Sucharitha	912,883	0.81	0	912,883	0.81	0
3	Krishna Bodanapu	1,850,760	1.64	0	1,850,760	1.64	0
4	B. Sri Vaishnavi	1,790,400	1.59	0	1,793,008	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	3,100	0.00	0	3,680	0.00	0
9	B. Ashok Reddy	300	0.00	0	300	0.00	0
10	Vineyard Point Software Private Limited	11,256,634	10.00	0	11,256,634	10.00	0
11	Infocad Enterprises Private Limited	5,628,317	5.00	0	5,628,317	5.00	0
	Total	24,969,848	22.18	0	24,973,036	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	3,358,254	2.98		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			3,358,254	2.98
2	B. Sucharitha	912,883	0.81		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			912,883	0.81
3	Krishna Bodanapu	1,850,760	1.64		
	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	2,608	Nil		
	At the end of the year			1,793,008	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
8	A. Amala Reddy	3,100	0.01		
	Increase/Decrease during the year	580	Nil		
	At the end of the year			3,680	0.00
9	B. Ashok Reddy	300	0.00		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			300	0.00
10	Vineyard Point Software Private Limited	11,256,634	10.00		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			11,256,634	10.00
11	Infocad Enterprises Private Limited	5,628,317	5.00		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			5,628,317	5.00

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	Amansa Holdings Private Limited	4,155,404	3.69	7,235,341	6.43
2	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Balanced 95 Fund	1,103,973	0.98	6,096,318	5.41
3	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	847,226	0.75	5,851,927	5.20
4	ICICI Prudential Life Insurance Company Limited	4,807,155	4.27	4,895,072	4.35
5	Franklin India Balanced Fund	1,034,906	0.92	4,662,015	4.14
6	T. Rowe Price International Discovery Fund	2,700,773	2.40	4,349,392	3.86
7	Government Pension Fund Global	288,318	0.26	4,114,502	3.65
8	First State Investments ICVC- Stewart Investors Asia Pacific Fund	3,848,615	3.42	3,848,615	3.42
9	Fiam Group Trust for Employee Benefit Plans - Fiamemerging Markets Commingled Pool	-	0	2,391,337	2.12
10	RBC Emerging Markets Small - Cap Equity Fund	-	0	1,916,675	1.70

**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	3,358,254	2.98		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			3,358,254	2.98
2	Krishna Bodanapu — Managing Director & Chief Executive Officer	1,850,760	1.64		
	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	0.03		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			30,000	0.03
4	Ajay Aggarwal — Chief Financial Officer	18,850	0.02		
	Increase/Decrease during the year	1,525	0		
	At the end of the year			20,375	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	18,064,909	14,883,724	32,948,633
	(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	51,669,961	77,504,941	129,174,902
	(b) Others, Specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total (A)</b>	<b>74,594,870</b>	<b>96,276,665</b>	<b>170,871,535</b>
	Ceiling as per the Act	264,700,904	264,700,904	529,401,808

B. Remuneration to other directors: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Commission
<b>1</b>	<b>Independent Directors</b>	
i	M.M. Murugappan	1,200,000
ii	K. Ramachandran	1,200,000
iii	Harsh Manglik*	480,000
iv	Som Mittal	1,200,000
v	John Paterson	2,590,962
vi	Andrea Bierce	2,590,962
vii	Vinai Kumar Thummalapally	2,590,962
	<b>Total (1)</b>	<b>11,852,886</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	
i	Alain De Taeye	Not claimed
	<b>Total (2)</b>	<b>Nil</b>
	<b>Total (B) =(1+2)</b>	<b>11,852,886</b>
	Overall Ceiling as per the Act	582,341,989
	Total Managerial Remuneration (A+B)	<b>182,724,421</b>

\*Mr. Harsh Manglik retired on 13 July 2017.

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	21,505,455	2,727,469	24,232,924
	(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	1,553,609	172,193	1,725,802
2	No. of Stock Options exercised	14,375#	Nil	14,375#
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
	<b>Total (A)</b>	<b>23,059,065</b>	<b>2,899,661</b>	<b>25,958,726</b>

# No. of options.

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

Annexure-I

To  
The Members of Cyient Limited

- 1. This certificate is issued in accordance with the terms of our engagement letter dated July 24, 2017.
- 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 March 31, 2018, 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, 2018.
- 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)

  
P.R. Ramesh  
Partner  
(Membership No. 70928)

Place : Hyderabad  
Date : April 19, 2018

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

Annexure-K

The Board of Directors  
Cyient Limited  
Hyderabad.

16 April 2018

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 2017-18 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 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

Managing Director & 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, 2015 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 2018.

For Cyient Limited,

  
Krishna Bodanapu  
Managing Director & CEO

Place: Hyderabad  
Date : 16 April 2018

Report on Corporate Governance

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner. Corporate governance is a set of processes, customs, policies, laws and institutions affecting the way a company is directed, administered or controlled. It is a system of structuring, operating and controlling a company with a view to achieve long-term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers.

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 benchmark 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, Investor 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
- Board committee on Diversity and inclusion.

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
- 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-corruption policy
- Policy on preservation of documents
- Dividend payment policy
- Criteria of Payment of Remuneration to Non-Executive Directors of the Company
- Familiarization Programme for Non-Executive Directors

The above policies are available on the website of the company ([www.cyient.com/investors/corporate-governance](http://www.cyient.com/investors/corporate-governance))

Global compliance initiatives

In order to meet the requirements of General Data Protection Regulations (GDPR), the company has been working diligently to put in place a new data privacy framework including: improved procedures, policies, communications and training materials in line with the guidance received from the regulator and is committed to ongoing improvements in the area of data privacy both within Europe and its operations globally.

The company published a Modern Slavery Statement outlining the steps that it has taken to ensure that there is no modern slavery in its business and supply chains. In addition to ensuring compliance with the applicable laws,

this demonstrates company's commitment to transparent business practices and to protection of workers' rights.

Ratings and recognitions

ICRA, the leading rating agency (A Moody's Investors Service Company) assigned a rating of CGR2+ (pronounced C G R two plus) for the Corporate Governance practices of the company. The rating of CGR2 implies that, in ICRA's current opinion, the rated company has adopted and follows such practices, conventions and codes as would provide its financial stakeholders a high level of assurance on the quality of corporate governance. The "+" sign suffixed to the rating symbol indicates a relatively higher standing within the category. This was a pioneering and voluntary initiative of the company.

The company's legal and governance team won the 'Legal 500 GC Powerlist India:Teams' accolade awarded by Legalease, a UK based research and publishing company. Selection to the Powerlist is a recognition on an international level as one of the leading in-house corporate legal teams and followed a research process conducted over many months. The Powerlist recognises the ability of the legal team to utilize their knowledge strategically alongside keen business insight to make a positive impact towards the company's success.

The company was awarded the Golden Peacock Award for Risk Management in recognition of its commitment towards taking proactive, risk-mitigating measures to safeguard the interests of its business and stakeholders. The award was presented in Singapore.

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.

Compliance with SEBI Regulation on Corporate Governance

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.



- v. Exercise of ownership rights by all shareholders, including institutional investors.
- vi. Adequate mechanism to address the grievances of the shareholders.
- vii. 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

- i. The company recognises the rights of its stakeholders and encourages co-operation:
- ii. The company respects the rights of stakeholders that are established by law or through mutual agreements. 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 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 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.

The Board's decisions and actions are aligned with the company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The board critically evaluates the company's strategic direction, management policies and their effectiveness. It 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.

As on 31 March 2018, the board has 9 directors, comprising (i) 6 Independent (ii) 2 Executive and (iii) 1 Non-Executive. The composition of the board is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Following are the details of composition of mandatory committees of the company:

Name	DIN	Designation	Audit and Risk Management Committee	Stakeholders Relationship Committee	Leadership, Nomination & Remuneration Committee	Corporate Social Responsibility Committee
M.M. Murugappan	00170478	Lead Independent Director,	Chairman		Member	
K. Ramachandran	00193357	Independent Director	Member	Chairman	Chairman	Chairman
Som Mittal	00074842	Independent Director	Member			
John Paterson	07102549	Independent Director				
Andrea Bierce	06997266	Independent Director				
Vinai Kumar Thummalapally	07797921	Independent Director			Member	
Alain De Taeye	03015749	Non-Executive, Non-Independent Director				
B.V.R. Mohan Reddy	00058215	Promoter, Executive Chairman		Member		Member
Krishna Bodanapu	05301037	Promoter, Managing Director & CEO		Member		Member

Additional details of the composition of board/committees is available on the website of the company i.e. <http://www.cyient.com/investors/corporate-governance/>.

Each director informs the company on an annual basis about the board and board committee positions he/she occupies in other companies including Chairmanships and notifies changes as and when they occur during the term of their directorship in the company. None of the directors on the board is a member of more than ten committees or chairperson of more than five committees across all the public companies in which they are Directors.

The number of directorships, committee chairmanships/memberships held in other companies by each of the Directors is tabled below:

Name	No. of other Directorships and Committee Membership / Chairmanship			
	Board		Committee**	
	Chairmanship	Directorships*	Chairmanship	Membership
B.V.R. Mohan Reddy	Nil	4	Nil	1
Krishna Bodanapu	Nil	Nil	Nil	Nil
M.M. Murugappan	7	2	4	3
K. Ramachandran	Nil	1	1	Nil
Som Mittal	Nil	3	2	Nil
Andrea Bierce	Nil	Nil	Nil	Nil
John Paterson	Nil	Nil	Nil	Nil
Vinai Kumar Thummalapally	Nil	Nil	Nil	Nil
Alain de Taeye	Nil	Nil	Nil	Nil

\* Other directorships do not include section 8 companies, private limited companies and companies incorporated outside India.

\*\* Chairmanships / memberships of board committees include only in Audit and Stakeholders Relationship committees as required under regulation 26(1)(b) of SEBI (LODR) Regulations, 2015.

Meetings of the Board

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.

During the financial year 2017-18, the Board met 4 times on the following dates:

Quarter	Date of meeting
First Quarter (1 April 2017 to 30 June 2017)	20 April 2017
Second Quarter (1 July 2017 to 30 September 2017)	13 July 2017
Third Quarter (1 October 2017 to 31 December 2017)	12 October 2017
Fourth Quarter (1 January 2018 to 31 March 2018)	18 January 2018

The necessary quorum was present at all the meetings.

Apart from the said meetings,

- Resolutions by circulation were passed on 21 February 2018
- A meeting by WebEx was held on 29 March 2018.

The below table gives the composition of the Board, their attendance at the board meetings held during the year and at the previous Annual General Meeting held on 13 July 2017 and also the shareholding.

Name	Category and Designation	Attendance particulars		No. of Equity shares held
		Board meetings	Last AGM	
B.V.R. Mohan Reddy	Promoter, Executive Chairman	4	Yes	33,58,254
Krishna Bodanapu	Promoter group, MD & CEO	4	Yes	18,50,760
M.M. Murugappan	Independent, Non-Executive	3	Yes	30,000
K. Ramachandran	Independent, Non-Executive	4	Yes	Nil
Harsh Manglik®	Independent, Non-Executive	2	Yes	Nil
Som Mittal	Independent, Non-Executive	4	Yes	Nil
John Paterson	Independent, Non-Executive	3	No	Nil
Andrea Bierce	Independent, Non-Executive	4	Yes	Nil
Alain De Taeye	Non - Independent, Non-Executive	2	Yes	Nil
Thomas W Prete®	Non - Independent, Non-Executive	0	No	Nil
Vinai Kumar Thummalapally*	Independent, Non-Executive	4	Yes	Nil

\* The board of directors appointed Vinai Kumar Thummalapally as an additional director on 20 April 2017. The shareholders of the company regularized his appointment as an Independent Director on 13 July 2017 at the 26<sup>th</sup> AGM.

® Tom Prete and Harsh Manglik retired by rotation on 13 July 2017 at 26<sup>th</sup> AGM.

Information given to the Board

The company mandatorily provides the following information to the board and the board committees as required under regulation 17(7) of SEBI (LODR) Regulations, 2015. Such information is submitted as part of the agenda papers either in advance of the meetings or by way of presentations and discussion materials during the meetings.

- Annual operating plans and budgets, capital budgets, updates and all variances;
- Quarterly, Half yearly, Nine months and Annual results of the company and its subsidiaries;
- Detailed presentations on the business performance of the company, its BUs and its material subsidiaries;
- Minutes of meetings of the Audit Committee and other committees;
- Contract in which Directors and Senior Management Personnel are interested, if any;
- Update on the significant legal cases of the Company;
- Subsidiary company's minutes, financial statements and significant investments;
- Reviews the compliance reports of all laws applicable to the Company;
- Evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices; and
- Any other matter that requires the attention and intervention of the Board.

Code of Conduct

The company has adopted a code of conduct for all board members and Designated Senior Management. The duties of Independent Directors as laid down in the Companies Act, 2013, are incorporated in the Code of Conduct. The Code of Conduct is available on the website of the Company i.e. <http://www.cyient.com/investors/corporate-governance/>.

All Board members and senior management personnel have affirmed compliance with the code of conduct.

A declaration signed by the CEO to this effect is annexed to this report.

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
- Implements 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.

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 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.

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 Leadership, Nomination and Remuneration 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 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 expected not 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 improves.

In order to facilitate the same, the board undertook a formal board assessment and evaluation process during 2017-18 which was administered by means of an online tool. 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 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. Those items that are strategic in nature are given sufficient time for cogitation and decision making. 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 remote 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.

*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.

**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. 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.

#### Declaration by Independent Directors

All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Section 149(6) of the Act.

During the financial year 2017-18, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements), 2015, has been placed before the Board for its consideration.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at <http://www.cyient.com/investors/corporate-governance/>

#### Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on 19 April 2017, to discuss, *inter alia*:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

#### 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:

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

#### Committees of the Board

The Board Committees focus on specific areas and make informed decisions within the authority delegated. The committees also make specific recommendations to the board on various matters, within the scope delegated to them, whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

The company has six board-level committees four of them mandatory (M) and two of them non-mandatory (NM), namely:

1. Audit & Risk Management Committee (M)
2. Leadership, Nomination & Remuneration Committee (M)
3. Stakeholders Relationship Committee (M)
4. Corporate Social Responsibility Committee (M)
5. Strategy & Client Engagement Committee (NM)
6. Diversity & Inclusion Committee (NM)

#### Audit & Risk Management Committee

The management is responsible for the company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audit of the company's financial statements in accordance with generally accepted auditing practices and for issuing report based on such audit. The Board of Directors has constituted and entrusted the Audit and Risk Management Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit and Risk Management Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Audit and Risk Management Committee comprises entirely of Independent Directors. All members of the Audit and Risk Management Committee are financially literate and bring in expertise in the fields of finance, economics, strategy and management.



During the financial year 2017-18, the Committee met four times viz., on 19 April 2017, 12 July 2017, 11 October 2017 and 17 January 2018. The below table gives the composition and attendance re cord of the Committee.

S. No.	Name	Category and Position	Number of meetings during the financial year	
			Held	Attended
1	M.M. Murugappan	Chairman, Independent Director	4	3*
2	K. Ramachandran	Member, Independent Director	4	4
3	Som Mittal	Member, Independent Director	4	4

\*He participated by call in the fourth meeting.

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.

*Financial Review:*

- 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;
- Reviewing with the management, the annual and quarterly financial statements and auditor's report thereon before submission to the board for approval;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- 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;
- To review the functioning of the Whistle Blower mechanism

*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

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 Audit and Risk Management Committee invites such executives, as it considers appropriate, statutory auditors and internal auditors to be present at its meetings.

The company secretary acts as the Secretary to the Audit and Risk Management Committee.

On an annual basis, the members of the audit committee meet and interact with both the statutory auditors and internal auditors without the presence of the management. Further, on an annual bais, the key stakeholders within the company share their feedback on their interaction with the statutory and internal auditors. The audit committee is suitably apprised of the same.

**Leadership, Nomination & Remuneration Committee**

The Board has constituted Leadership, Nomination and Remuneration Committee consisting of three Independent Directors. The terms of reference of the committee include

- evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), Key Managerial Personnel,
- Framing of policies and systems of the Employee Stock Option Scheme and
- Reviewing and resolving issues relating to major HR policies.

- During the financial year 2017-18, the Committee met three times viz., on 19 April 2017, 11 October 2017 and 17 January 2018. The below table gives the composition and attendance record of the Committee.

S. No.	Name	Category and Position	Number of meetings during the financial year	
			Held	Attended
1	K. Ramachandran	Chairman, Independent Director	3	3
2	M.M. Murugappan	Member, Independent Director	3	2
3	Vinai Kumar Thummalapally	Member, Independent Director	3	3

**Remuneration policy**

The Leadership, Nomination and Remuneration Committee has adopted a Charter, which, *inter alia*, deals with the manner of selection of Board of Directors and CFO & Managing Director and their remuneration.

This Policy is accordingly derived from the said Charter.

**1. Criteria of Selection Of Non-Executive Directors**

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- In case of appointment of independent directors, the committee shall satisfy itself with regard to the criteria of independence of the directors vis-à-vis the company so as to enable the board to discharge its function and duties effectively.
- The committee shall ensure that the candidate identified for appointment as a director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The committee shall consider the following attributes / criteria, whilst recommending to the board the candidature for appointment as director:
  - Qualification, expertise and experience of the directors in their respective fields;
  - Personal, professional or business standing;
  - Diversity of the board.
  - In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**2. Remuneration**

The Non-Executive Directors shall not be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the board / committee meetings and commission. The independent directors of the company shall not be entitled to participate in the Stock Option Scheme of the company. The aggregate commission paid to the Non-Executive Directors is within the statutory limit of 1% of the stand-alone net profits of the company.

**3. Criteria for selection/appointment of CEO, CFO & Managing Director**

For the purpose of selection of the CEO/CFO & Managing Director, the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013, or other applicable laws.

**4. Remuneration for the CEO, CFO & Managing Director**

- At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and the CEO & Managing Director, within the overall limits prescribed under the Companies Act, 2013;
- The remuneration shall be subject to the approval of the members of the company in General Meeting;
- The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits. The variable component comprises performance bonus; as mutually agreed.
- In determining the remuneration (including the fixed increment and performance bonus) the committee considers the relationship of remuneration and performance benchmarks, the balance between fixed and variable pay reflecting short and long term performance objectives, appropriate to the working of the company and its goals; the responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends and company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

### 5. Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMP and Executive Committee Members) the Committee shall ensure / consider the following:

- i. clarity on the relationship of remuneration and performance benchmark;
- ii. the balance between fixed and variable pay reflecting short and long term performance objectives, appropriate to the working of the company and its goals, as mutually agreed;
- iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- iv. The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual bud get achievement, individual performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market as mutually agreed.

### 6. Directors Remuneration

#### a) Executive Directors

The remuneration paid/payable to the Executive Directors is given below: (Amount in ₹)

S. No.	Name of the Director	Salary	Commission	PF	Superannuation	Total
1	B.V.R. Mohan Reddy	1,80,64,909	5,16,69,961	21,60,000	27,00,000	7,45,94,870
2	Krishna Bodanapu	1,48,83,724	7,75,04,941	17,28,000	21,60,000	9,62,76,665

- a. None of the directors have exercised/ been granted stock options/RSUs during the year.
- b. 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.
- c. The terms and conditions including remuneration is as per the resolution passed by the shareholders at their meeting held on 17 July 2014.

#### b) Non-Executive Directors

The commission payable to the Non-Executive Directors during the year under review is in conformity with the applicable provisions of the Companies Act, 2013, and duly considered and approved by the board and the shareholders (vide postal ballot resolution passed on 30 October 2014).

Payment of sitting fees was discontinued from the FY 2015-16 onwards. The details of remuneration paid to non-executive directors is as follows:

Name of the Director	Commission
M.M. Murugappan	12,00,000
K. Ramachandran	12,00,000
Harsh Manglik*	480,000
Som Mittal	12,00,000
John Paterson	25,90,962
Andrea Bierce	25,90,962
Vinai Kumar Thummalapally	25,90,962
Alain De Taeye®	-
<b>TOTAL</b>	<b>1,18,52,886</b>

\*Mr. Harsh Manglik retired on 13 July 2017.

® Mr. Alain De Taeye has waived the amount.

Other than above, there is no pecuniary or business relationship between the Non-Executive directors and the company. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

### Stakeholders' Engagement Committee

The Stakeholders Engagement Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. It primarily focuses on:

- 1. consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
- 2. Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- 3. Provide guidance and make recommendations to improve investor service levels for the investors.

The Committee consists of three Directors viz.,

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

During the financial year 2017-18, the Stakeholders' Engagement Committee met on 19 April 2017 and all the members were present for the meeting.

### Details of Shareholder Complaints received during the year 2017-2018

Particulars	Number of complaints
Number of Shareholder complaints received	67
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

There were no complaints pending at the beginning of the year. The Company Secretary of the Company act as the secretary of the Committee and also designated as Compliance Officer.

### 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.

### Name, designation and address of Compliance Officer:

Sudheendhra Putty  
Company Secretary & Compliance Officer  
Telephone No: 040-67641322  
E-mail: company.secretary@cyient.com

### Corporate Social Responsibility Committee

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

- (a) 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 2017-18 is as follows:

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

A detailed overview of the CSR initiatives of the company is published elsewhere in the Annual Report.

### Strategy & Client Engagement Committee

During the financial year 2017-18, the reconstituted Strategy and Client Engagement committee reviewed strategy execution at both organization and business unit levels. It monitored the company's performance in the context of Cyient's "Design-Build-Operate-Maintain" strategy and the long-range financial plan that it diligently tracks every quarter. As always, the committee shared valuable perspectives on the macro environment that encouraged some of the businesses to rethink certain elements of strategy execution by taking into account the impact of economic and geopolitical changes.

The committee assessed various acquisition targets pursued by the company and its feedback ensured a more robust evaluation of business and financial metrics on these transactions. It also reviewed annual CSAT and ASAT results and the actions being taken to improve customer and associate satisfaction.

In January 2018, the company organised a strategy offsite with the board of directors and leadership team. The focus was on Cyient's articulation of Vision 2030 and the AGILE framework (Ambition, Growth, Investment, and Leadership & Execution) that provides the basis to deliver the vision. The Board brought global experience and insights to the team's deliberations around business transformation, prioritizing investments, building new talent and developing a winning culture of the company. The offsite produced a set of short-term AGILE actions that the company has started to execute.

The composition of the Strategy & Client Engagement Committee as on 31 March 2018 is as follows:

Name of the Member	Position
Andrea Bierce	Chairperson
Som Mittal	Member
Harsh Manglik	Member (part of the year, retired from Board)
Alain De Taeye	Member
John Paterson	Member

The committee met four times during the year.



Diversity & Inclusion Committee

The board continues with the Diversity and Inclusion (D and I) Committee to focus on the following areas:

- Drive D and I values into key business processes;
- Link organizational D and I strategy to business strategy;
- Develop initiatives to create awareness of diversity and inclusion benefits and metrics to measure progress;
- Measure D and I impact through metrics;
- Communicate internally and externally D and I as part of the Cyient brand;
- Suggest policy changes to operation council when needed.

Composition of the committee is as follows:

Name of the Member	Position
Andrea Bierce	Chairperson
John Paterson	Member
Vinai Kumar Thummalapally	Member

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.

STATUTORY AND REGULATORY DISCLOSURES

General Body Meetings

(a) Annual General Meeting:

Year(s)	Date of AGM	Time	Venue	No. of special resolutions passed
2016-17	13 July 2017	3.00 PM	L&D Centre (company's campus), Plot No. 2, IT Park, Manikonda, Hyderabad - 500 032, Telangana	1
2015-16	29 August 2016	3:00 PM	-do-	0
2014-15	16 July 2015	2:30PM	-do-	3

(b) Extraordinary General Meeting

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

(c) Postal Ballot

During the year, the shareholders of the company passed two special resolutions through postal ballot. The special resolutions were passed on 26 March 2018.

Mr. S. Chidambaram, Company Secretary in Practice was appointed as scrutineer for the Postal Ballot.

A snapshot of the Voting results is given below:

a. Adoption of new set of articles of association in substitution of existing Articles	Number of e-Votes/postal ballots
Total postal ballot forms/ e-votes received	8,60,39,203
Votes in favour of the Resolution	8,13,10,825
Votes against the Resolution	47,28,369
Invalid/neutral votes	9
b. Diminution of investment limits of composite non-resident investors	Number of e-Votes/postal ballots
Total postal ballot forms/ e-votes received	8,60,39,203
Votes in favour of the Resolution	8,11,11,049
Votes against the Resolution	47,28,493
Invalid/neutral votes	1,99,661

(d) 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.

At present, there are no postal ballots proposed to be held.

(e) 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. 33 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.

- (e) 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. During the year the company received no such notices.

- (f) 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.

- (g) 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.

- (h) No penalties or strictures were imposed on the company by the Stock Exchanges, SEBI or other statutory authorities during the last three years.

- (i) The company is compliant with the provisions of applicable laws and the SEBI (LODR) Regulations, 2015.

- (j) The senior management have affirmed to the board of directors that there are no material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the company.

- (k) 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.

- (l) The company is preparing its financial statements in line with the accounting standards issued by the Institute of Chartered Accountants of India, notified by the Ministry of Corporate Affairs.

- (m) The company has not raised any fresh funds from the public or through Rights or Preferential Issue.

(f) Whistle blower policy

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), 2015 for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The Whistle blower Policy is available on the website of the Company *i.e.* [www.cyient.com](http://www.cyient.com). The company has complied with all mandatory

requirements of SEBI (Listing Obligations and Disclosure Requirements), 2015. The company implemented a web based/online mechanism under the whistle blower policy. This mechanism encompasses the entire trail from the login of a complaint to its eventual redressal. The system also affords a dial-in facility to associates in various languages across the countries where the company has its operations.

(g) Subsidiary Companies

The board of directors has reviewed the financial statements and minutes of the board meetings of all the subsidiary companies. According to the policy of the company and applicable regulations under LODR, the company does not have any materially unlisted subsidiary company.

(h) Disclosure of commodity price risks and commodity hedging activities:

Please refer to the Management Discussion and Analysis Report for the same.

(i) Details of compliance with mandatory and non-mandatory requirements

Mandatory

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

Non-Mandatory

a. Audit qualification

The Company is in the regime of unqualified financial statements.

b. Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

c. Separate posts of chairperson and chief executive officer

The offices of Executive Chairman and Managing Director & CEO are different.

d. Shareholder Rights

The company sends a quarterly investor update to the shareholders comprising key financial, business and operations update. This is sent in the electronic mode and hosted on the company's website.

(j) CEO and CFO Certification

The Chief Executive Officer and the Chief Financial Officer of the company have given certification on financial reporting and internal controls for the financial year 2017-18 to the Board of Directors at their meeting held on 19 April 2018, as required under regulation 17(8) of SEBI (LODR), Regulations, 2015.

(k) Means of Communication

(i) Publication of results in newspapers

The quarterly, half-yearly & nine months un-audited financial results and annual audited results of the company are generally published in Business Standard or Financial Express, at national level in english language as well as Navatelangana at regional level in telugu language circulating in the state of Telangana.

(ii) Website and News Release

The quarterly, half-yearly & nine months un-audited financial results and annual audited results of the company are available on the website of the company i.e. [www.cyient.com](http://www.cyient.com). Official news releases, detailed presentations made to media, analysts, institutional investors, etc are available on the website of the company i.e. [www.cyient.com](http://www.cyient.com). Official media releases are sent to BSE Limited and National Stock Exchange of India Limited. Your company also makes timely disclosure of necessary information to BSE Limited and National Stock Exchange of India Limited in terms of the SEBI (LODR) Regulations, 2015 and other rules and regulations issued by the Securities and Exchange Board of India.

Further following information is available on the website of the company i.e. [www.cyient.com](http://www.cyient.com):

- Details of business of the Company;
- Terms and conditions of appointment of Independent Directors;
- Composition of various Committees of Board of Directors;
- Code of Conduct for Board of Directors and Senior Management Personnel;
- Details of establishment of vigil mechanism/ Whistle Blower policy;
- Criteria of making payments to Non-Executive Directors;
- Policy on dealing with Related Party Transactions;
- Policy for determining 'material' subsidiaries;
- Details of familiarization programmes imparted to Independent Directors;
- Policy for determination of materiality of events.

(iii) Channels of Communication with the investors

NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

(l) E-voting

Pursuant to the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), 2015, company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings.

(m) Additional Shareholders' Information

Annual General Meeting:

Date: 12 July 2018

Time: 3:00 PM

Venue: L&D Centre (company's campus), Plot No. 2, IT Park, Manikonda, Hyderabad - 500 032, Telangana

Financial Calendar

Financial Year - 1 April 2017 to 31 March 2018

Tentative calendar for declaration of financial results in financial year 2018-19

Results for the quarter ended	On or before
30 June 2018	12 July 2018
30 September 2018	18 October 2018
31 December 2018	17 January 2019
31 March 2019	25 April 2019

Book Closure dates

The dates for book closure are from 9 July 2018 to 12 July 2018 (both days inclusive).

Date of Payment of Dividend

Your Directors have recommended a final dividend of ₹ 4.00 per equity share of ₹ 5.00 (80%) each for the financial year ended March 31, 2018. Subject to the approval of the shareholders, the date of payment is 20 July 2018.

Code of Conduct for prohibition of Insider trading

Your company has adopted a Code of conduct as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. All Directors, Senior Management Personnel, person forming part of Promoter(s)/Promoter(s) Group(s) and such other Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. During the year under review, the Company had made due compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The code of conduct is available on the website of the Company i.e. [www.cyient.com](http://www.cyient.com). Company Secretary of the Company is appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

Listing on Stock Exchanges

The Company's shares are listed on BSE Limited (BSE), and The National Stock Exchange of India Limited (NSE).

The listing fee for the financial year 2018-19 has been paid to both the stock exchanges.

Stock Code:

- Trading scrip code on BSE: 532175
- Trading scrip code on NSE: CYIENT/EQ
- ISIN of the company: INE136B01020

Market Price Data

The Monthly high and low prices of your company's share at BSE and NSE for the year ended 31 March 2018 are as under: (in ₹)

Month	NSE		BSE	
	High	Low	High	Low
Apr-2017	559.00	464.00	558.95	459.00
May-2017	564.90	475.20	564.40	476.50
Jun-2017	552.00	481.05	549.95	482.00
Jul-2017	548.10	503.25	555.00	502.75
Aug-2017	538.40	485.10	536.55	481.60
Sep-2017	539.00	474.00	542.00	475.20
Oct-2017	582.00	502.50	578.25	501.00
Nov-2017	597.70	522.25	596.00	520.00
Dec-2017	605.75	536.60	605.25	544.00
Jan-2018	686.00	562.65	685.00	570.00
Feb-2018	651.90	591.10	652.00	595.00
Mar-2018	699.00	617.05	698.00	617.30

Share price performance in comparison to broad-based indices

Particulars	Share price v/s NSE		Share price v/s BSE	
	Share Price (in ₹)	Nifty	Share Price (in ₹)	BSE Sensex
As on 3 April 2017	465.35	9237.85	466.55	32,968.68
As on 28 March 2018	694.85	10113.70	688.80	29,910.22
Changes (%)	49.32	9.48	47.64	10.23

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.

All queries and requests relating to share transfers/transmissions may be addressed to our Registrar and Transfer Agent:

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, Email: mohsin.mohd@karvy.com

Grievance Redressal

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:+91-40-6764 1696 / 1537, E-mail : Company.Secretary@cyient.com / Piyush.Parekh@cyient.com.

Secretarial Audit

Secretarial audit for the financial year 2017-18 was done by Mr. S Chidambaram, a Company Secretary in practice. It, *inter alia*, includes audit of compliances with the Companies Act, 2013, and the rules made under the Act, Listing Regulations and applicable regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standard issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of the Annual Report.

As stipulated by SEBI, a Practising Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

Dematerialization of Shares and liquidity

Dematerialization of shares is done through M/s. Karvy Computershare Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with



the relevant documents. As on 31 March 2018, 99.19% of the total shares have been dematerialized.

Total equity share capital as on 31 March 2018 was ₹ 56,29,80,010 comprising of 11,25,96,002 equity shares (previous year INR 56,28,31,700 comprising of 11,25,66,340 equity shares) of Rs.5/- each.

Particulars	No. of Shares	%
National Securities Depository Limited (NSDL)	10,94,45,390	97.20
Central Depository Services (India) Limited (CDSL)	22,36,200	1.99
Physical Shares	914,412	0.81
<b>Total</b>	<b>11,25,96,002</b>	<b>100.00</b>

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

Distribution Schedule as on 31 March 2018

No. of shares	No. of Shareholders	% of total shareholders	No. of shares	% to Total Capital
Upto – 500	23,847	93.94	24,71,845	2.20
501 - 1000	628	2.47	8,84,509	0.79
1001 - 2000	393	1.55	11,41,890	1.01
2001 - 3000	111	0.44	5,65,299	0.50
3001 - 4000	55	0.22	3,94,159	0.35
4001 - 5000	42	0.17	3,83,615	0.34
5001 - 10000	79	0.31	11,77,098	1.05
10001 and above	230	0.91	10,55,77,587	93.77
<b>Total</b>	<b>25,385</b>	<b>100.00</b>	<b>11,25,96,002</b>	<b>100.00</b>

Distribution of Shareholding on the basis of ownership as on 31 March 2018

Category	No. of Holders	Total Shares	% to Equity
Foreign Portfolio Investors	143	4,40,68,275	39.14
Promoters	11	2,49,73,036	22.18
Mutual Funds	63	2,07,35,093	18.41
Bodies Corporates	456	83,33,021	7.40
Resident Individuals	22,862	64,59,807	5.74
Non Resident Indians	817	30,62,818	2.72
Non Resident Indian Non-Repatriable	263	1,11,741	0.10
Foreign Collaborators	1	15,00,000	1.33
Foreign Institutional Investors	6	14,47,455	1.29
Employees	149	4,18,195	0.37
Indian Financial Institutions	4	3,33,013	0.30
Foreign Nationals	23	3,04,943	0.27
Trusts	6	2,16,495	0.19
Alternative Investment Fund	1	1,70,000	0.15
H U F	445	1,53,605	0.13
Clearing Members	127	1,52,758	0.14
NBFC	3	75,210	0.06

Category	No. of Holders	Total Shares	% to Equity
I E P F	1	62,242	0.06
Banks	4	18,295	0.02
<b>Total</b>	<b>25,385</b>	<b>11,25,96,002</b>	<b>100.00</b>

Shareholders of the company, having more than 1% shareholding as on 31 March 2018

Name of the shareholder	No. of shares	% of holding	Category
Vineyard Point Software Private Limited	1,12,56,634	10.00	PRO
Amansa Holding Private Limited	72,35,341	6.43	FPI
Aditya Birla Sun Life Trustee Company Private Limited	60,96,318	5.41	MF
Reliance Capital Trustee Company Limited	58,51,927	5.20	MF
Infocad Enterprises Private Limited	56,28,317	5.00	PRO
ICICI Prudential Life Insurance Company	48,95,072	4.35	INS
Franklin Templeton Mutual Fund A/C	46,62,015	4.14	MF
T. Rowe Price International Discovery Fund	43,49,392	3.86	FPI
Government Pension Fund Global	41,14,502	3.65	FPI
First State Investments ICVC- Stewart Investors-Asia Pacific Fund	38,48,615	3.42	FPI
B.V.R. Mohan Reddy	33,58,254	2.98	PRO
FIAM Group Trust for Employee Benefit Plans	23,91,337	2.12	FPI
RBC Emerging Markets	19,16,675	1.70	FPI
Goldman Sachs	18,69,561	1.66	FPI
B.G.V. Krishna	18,50,760	1.64	PRO
B. Sri Vaishnavi	17,93,008	1.59	PRO
First State Investments ICVC-Stewart Investors-Indian Subcontinent Fund	16,02,085	1.42	FPI
Tom Tom Hertogenbosch BV	15,00,000	1.33	FC
SBI Life Insurance Co. Limited	14,80,168	1.31	INS

Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

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

The Company has not issued any GDRs / ADRs / Warrants / any convertible instruments.

Plant Locations

Details of locations of the company's offices are listed elsewhere in the Annual Report.

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
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 (1 <sup>st</sup> interim)	60%	October 15, 2015	November 21, 2022
2015-16 (2 <sup>nd</sup> Interim)	80%	March 17,2016	April 23, 2023
2016-17(Special)	50%	August 29, 2016	October 5, 2023



2016- 17(Interim)	60%	October 13, 2016	November 19, 2023
2016-17 (Final)	100%	July 13, 2017	August 19, 2024
2017-18 (1 <sup>st</sup> Interim)	100%	October 12, 2017	November 15, 2024
2017-18 (2 <sup>nd</sup> Interim)	80%	January 18, 2018	February 21, 2025

During the year, the company had transferred the unclaimed dividend to the IEPF and filed the relevant forms with the Ministry of Corporate Affairs.

Unclaimed Shares

The Company is in the process of sending reminders to the shareholders whose shares were lying with the Company unclaimed/ undelivered. These will be transferred to the Demat Suspense Account /unclaimed suspense account as required in accordance with the procedural requirements of the SEBI (Listing Obligations and Disclosure Requirements), 2015.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year 1 April 2017	111	73,715
Shareholders who approached the company for transfer of shares from suspense account during the year	1	3,600
Shareholders to whom shares were transferred from suspense account during the year	1	3,600
Shareholders whose shares are transferred to the demat account of the IEPF authority as per Section 124 of the Act	56	37,337
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	53	32,778

The voting rights on the shares outstanding in the suspense account as on 31 March 2018 shall remain frozen till the rightful owner of such shares claims the shares.

According to sec 124(6) of the Companies Act, 2013 read with applicable rules and regulations thereunder, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund.

During the year, 62,242 shares were transferred to the IEPF account, pursuant to the provisions mentioned above.

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

The shareholders who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/ shares so transferred.



THE EMERGING LEADER PROGRAM

The Emerging Leader Program is designed to help participants realize their leadership potential and prepare them to take on high-potential roles across business units and functions.



Participants at the Emerging Leader Program (North America region), 2018



# REPORT OF THE INDEPENDENT AUDITOR ON THE ABRIDGED STANDALONE IND AS FINANCIAL STATEMENTS

## To The Members of Cyient Limited

The accompanying abridged standalone Ind AS financial statements of **CYIENT LIMITED** ("the Company"), which comprise Abridged standalone Balance Sheet as at March 31, 2018, Abridged standalone Statement of Profit and Loss (including Other Comprehensive Income), Abridged Cash Flow Statement and Abridged Statement of Changes in Equity for the year then ended, and related notes, are derived from the audited standalone Ind AS financial statements of the Company for the year ended March 31, 2018. We expressed an unmodified audit opinion on those standalone Ind AS financial statements in our report dated April 19, 2018.

The abridged standalone Ind AS financial statements do not contain all the disclosures required by the Companies Act, 2013 ("the Act") and Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and accounting principles generally accepted in India which were applied in the preparation of the audited standalone Ind AS financial statements of the Company. Reading the abridged standalone Ind AS financial statements, therefore, is not a substitute for reading the audited standalone Ind AS financial statements of the Company.

## Management's Responsibility for the Abridged Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of the abridged standalone Ind AS financial statements in accordance with the requirements specified under Section 136(1) read with Rule 10 of the Companies (Accounts) Rules, 2014, as amended, based on the audited standalone Ind AS financial statements of the Company for the year ended 31 March 2018, prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act and accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the abridged standalone Ind AS financial statements.


## Auditor's Responsibility

Our responsibility is to express an opinion on the abridged standalone Ind AS financial statements based on our procedures conducted in accordance with Standard on Auditing (SA) 810 "Engagements to Report on Summary Financial Statements" specified under Section 143(10) of the Act. In performing those procedures, the auditor considers internal control relevant to the Company's preparation and fair presentation of the abridged standalone Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## Opinion

In our opinion and to the best of our information and explanations given to us, the abridged standalone Ind AS financial statements prepared in accordance with Rule 10 of the Companies (Accounts) Rules, 2014, as amended, derived from the audited standalone Ind AS financial statements of the Company for the year ended March 31, 2018 prepared in accordance with the Ind AS prescribed under Section 133 of the Act and accounting principles generally accepted in India, are a fair summary of those audited standalone Ind AS financial statements.

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

  
**P.R. Ramesh**  
Partner  
(Membership No. 70928)

Place : Hyderabad  
Date : April 19, 2018

# 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, 2018, 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 and the Order issued under section 143(11) of the Act.

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 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, 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 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.

- d) In our opinion, the aforesaid standalone 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 Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 Company.

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)

  
**P.R. Ramesh**  
Partner  
(Membership No. 70928)

Place : Hyderabad  
Date : April 19, 2018

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(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")

We have audited the internal financial controls over financial reporting of **CYIENT LIMITED** ("the Company") as of March 31, 2018 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 of the Company 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, 2018, based on the criteria for internal financial control over financial reporting 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)

  
**P.R. Ramesh**  
Partner  
(Membership No. 70928)

Place : Hyderabad  
Date : April 19, 2018

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 property, plant and equipment.
- (b) Some of the property, plant and equipment 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 property, plant and equipment at reasonable intervals.
- (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 freehold land	Gross Block as at 31.03.2018 (₹ in million)	Net Block as at 31.03.2018 (₹ in million)	Remarks
Freehold land located at Nanakramguda Village, admeasuring 10 acres.	4	4	Pending completion of legal formalities relating to conveyance.

In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement. In case of one leasehold land, the Company is yet to receive the title which is pending completion of legal formalities relating to conveyance.

- ii. The Company does not have any inventory and hence reporting under clause (ii) of the Order 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 outstanding unclaimed deposits as at March 31, 2018 and therefore, reporting under clause (v) of the Order is not applicable.
- vi. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Services 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, Goods & Services Tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues

in arrears as at March 31, 2018 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, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ in millions)
Central Sales Tax Act, 1956	Sales Tax	Sales Tax Appellate Tribunal	2004-05 to 2009-10 & 2012-13	8
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Sales Tax Appellate Tribunal	2005-06 to 2009-10	2
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal	2006-07 to 2010-11 & 2013-14 to 2015-16	130

There are no dues of Income-tax and Customs Duty, as on March 31, 2018 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 the Order 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 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 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 the Order 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-IA of the Reserve Bank of India Act, 1934.

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

  
**P.R. Ramesh**  
Partner  
(Membership No. 70928)

Place : Hyderabad  
Date : April 19, 2018

## Abridged Balance Sheet as at March 31, 2018

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

Particulars	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,252	2,313
Capital work-in-progress	213	92
Intangible assets	292	243
Intangible assets under development	251	71
Financial assets		
(a) Investments	4,639	4,605
(b) Loans	127	106
(c) Other financial assets	193	270
Deferred tax assets (net)	167	26
Income tax assets (net)	392	392
Other non-current assets	507	836
<b>Total non-current assets</b>	<b>9,033</b>	<b>8,954</b>
<b>Current assets</b>		
Financial Assets		
(a) Investments	1,130	925
(b) Trade receivables	4,151	2,950
(c) Cash and cash equivalents	7,200	6,516
(d) Other bank balances	66	23
(e) Loans	267	153
(f) Other financial assets	1,628	1,611
Other current assets	536	501
<b>Total current assets</b>	<b>14,978</b>	<b>12,679</b>
<b>Total assets</b>	<b>24,011</b>	<b>21,633</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	563	563
Other equity	20,051	18,259
<b>Total equity</b>	<b>20,614</b>	<b>18,822</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Provisions	701	642
<b>Total non-current liabilities</b>	<b>701</b>	<b>642</b>
<b>Current liabilities</b>		
Financial Liabilities		
(a) Trade payables	1,933	1,321
(b) Other financial liabilities	173	67
Income tax liabilities (net)	44	45
Provisions	71	74
Other current liabilities	475	662
<b>Total current liabilities</b>	<b>2,696</b>	<b>2,169</b>
<b>Total liabilities</b>	<b>3,397</b>	<b>2,811</b>
<b>Total equity and liabilities</b>	<b>24,011</b>	<b>21,633</b>
Accompanying notes form an integral part of the abridged financial statements		

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

  
**P.R. Ramesh**  
Partner

Place : Hyderabad  
Date : April 19, 2018

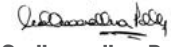
For and on behalf of the Board of Directors

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

  
**Ajay Aggarwal**  
President &  
Chief Financial Officer

Place : Hyderabad  
Date : April 19, 2018

  
**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 05301037)

  
**Sudheendhra Putty**  
Company Secretary  
(M.No. - F5689)

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Abridged Statement of Profit and Loss for the year ended March 31, 2018

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

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>INCOME</b>		
Revenue from operations	14,397	12,920
Other income	1,923	816
<b>Total income</b>	<b>16,320</b>	<b>13,736</b>
<b>EXPENSES</b>		
Employee benefits expense	6,758	6,520
Finance costs	6	6
Depreciation and amortisation expense	508	540
Other expenses	3,891	3,599
<b>Total expenses</b>	<b>11,163</b>	<b>10,665</b>
<b>Profit before exceptional items and tax</b>	<b>5,157</b>	<b>3,071</b>
Exceptional items	(103)	201
<b>Profit before tax</b>	<b>5,260</b>	<b>2,870</b>
<b>Tax expense</b>		
Current tax	1,285	601
Deferred tax	(43)	(100)
<b>Total tax expense</b>	<b>1,242</b>	<b>501</b>
<b>Profit for the year</b>	<b>4,018</b>	<b>2,369</b>
<b>Other comprehensive income (OCI)</b>		
(a) Items that will not be reclassified subsequently to profit or loss:		
(i) Remeasurements of the net defined benefit liability	(1)	(26)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	6
(b) Items that will be reclassified subsequently to profit or loss:		
(i) Effective portion of gains / (loss) on designated portion of hedging instruments in a cash flow hedge	(545)	362
(ii) Income tax on items that may be reclassified to profit or loss	189	(125)
<b>Total other comprehensive income</b>	<b>(357)</b>	<b>217</b>
<b>Total comprehensive income for the year</b>	<b>3,661</b>	<b>2,586</b>
<b>Earnings per equity share (par value of ₹ 5 each)</b>		
Basic (₹)	35.69	21.05
Diluted (₹)	35.54	21.03
Accompanying notes form an integral part of the abridged financial statements		

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

  
**P.R. Ramesh**  
Partner

Place : Hyderabad  
Date : April 19, 2018

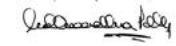
For and on behalf of the Board of Directors

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

  
**Ajay Aggarwal**  
President &  
Chief Financial Officer

Place : Hyderabad  
Date : April 19, 2018

  
**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 05301037)

  
**Sudheendhra Putty**  
Company Secretary  
(M.No. - F5689)

Abridged Statement of changes in equity for the year ended March 31, 2018

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

a. Equity share capital	Particulars	Amount
	<b>Balance as at March 31, 2016</b>	<b>562</b>
	Issue of equity shares under Company's associate stock option plan	1
	<b>Balance as at March 31, 2017</b>	<b>563</b>
	Issue of equity shares under Company's associate stock option plan*	-
	<b>Balance as at March 31, 2018</b>	<b>563</b>

\*On issue of shares during the financial year 2017-18, the Company has received ₹ 0.15 rounded off.

b. Other equity

Particulars	Share application money pending allotment	Reserves and Surplus			Items of other comprehensive income		Total other equity
		General reserve	Securities premium account	Stock option reserve	Retained earnings	Cash flow hedge reserve	
<b>Balance as at March 31, 2016</b>	<b>1</b>	<b>5,289</b>	<b>3,831</b>	<b>19</b>	<b>6,984</b>	<b>89</b>	<b>16,213</b>
Issue of shares under the Company's associate stock option plan	(1)	-	19	-	-	-	18
Stock option expense for the year	-	-	-	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)
Dividends paid (including corporate dividend tax)	-	-	-	-	(745)	-	(745)
Profit for the year	-	-	-	-	2,369	-	2,369
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>5,289</b>	<b>3,850</b>	<b>206</b>	<b>8,588</b>	<b>326</b>	<b>18,259</b>
Issue of shares under the Company's associate stock option plan	-	-	13	15	-	-	13
Stock option expense for the year	-	-	-	-	-	-	15
Effective portion of gain on designated portion of hedging instruments (net of tax ₹ 189)	-	-	-	-	-	(356)	(356)
Remeasurement of net defined benefit liability	-	-	-	-	(1)	-	(1)
Dividends paid (including corporate dividend tax)	-	-	-	-	(1,897)	-	(1,897)
Profit for the year	-	-	-	-	4,018	-	4,018
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>5,289</b>	<b>3,863</b>	<b>221</b>	<b>10,708</b>	<b>(30)</b>	<b>20,051</b>

Accompanying notes form an integral part of the abridged financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells**  
Chartered Accountants


  
**P.R. Ramesh**  
Partner

For and on behalf of the Board of Directors

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

  
**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 05301037)

  
**Ajay Aggarwal**  
President &  
Chief Financial Officer

  
**Sudheendhra Putty**  
Company Secretary  
(M.No. - F5689)


Place : Hyderabad  
Date : April 19, 2018

Abridged Cash Flow for the year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net cash flow from operating activities	2,399	2,357
Net cash used in investing activities	(122)	(297)
Net cash used in financing activities	(1,891)	(737)
Net increase in Cash and cash equivalents	386	1,323
Cash and cash equivalents at the beginning of the year	6,516	4,916
Exchange differences on translation of foreign currency cash and cash equivalents	298	277
Cash and cash equivalents at the end of the year (refer note (i) below)	7,200	6,516
Notes:		
(i) Cash and cash equivalents comprises of:		
Balances with Banks		
in current accounts	817	476
in deposit accounts	4,264	4,535
Deposits with financial institutions	1,955	1,495
Remittances in transit	164	10
Total	7,200	6,516
Accompanying notes form an integral part of the abridged financial statements		

In terms of our report attached  
For **Deloitte Haskins & Sells**  
Chartered Accountants

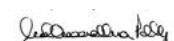
  
**P.R. Ramesh**  
Partner

For and on behalf of the Board of Directors

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

  
**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 05301037)

  
**Ajay Aggarwal**  
President &  
Chief Financial Officer

  
**Sudheendhra Putty**  
Company Secretary  
(M.No. - F5689)

Place : Hyderabad  
Date : April 19, 2018

Place : Hyderabad  
Date : April 19, 2018

Notes forming part of the abridged financial statements

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

1. Corporate Information

(Refer to Note 1 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 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 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 BSE Limited and National Stock Exchange of India Limited.

Complete Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash flows and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Companies Act, 2013 are available at the Company's website.

Copy of the financial statement is also available for inspection at the registered office of the Company during the working hours for a period of 21 days before the date of AGM.

2. Related Party Transactions

(Refer to Note 22 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 March 31, 2018	Extent of holding (%) as at March 31, 2017
Cyient Europe Limited	UK	100%	100%
Cyient Inc.	USA	100%	100%
Cyient GmbH	Germany	100%	100%
Cyient KK	Japan	100%	100%
Cyient Insights Private Limited	India	51%	51%
Cyient Australia Pty Limited	Australia	100%	100%
Cyient DLM Private Limited	India	74%	74%
Cyient Singapore Private Limited	Singapore	100%	100%
Cyient Israel India Limited (refer note (i) below)	Israel	100%	-
Cyient Engineering (Beijing) Limited (refer note (ii) below)	China	-	-
Cyient Solutions and Systems Private Limited (refer note (iii) below)	India	100%	-

Notes:

- (i) On July 18, 2016, the Company incorporated a wholly owned subsidiary, Cyient Israel India Limited, in Israel. During the year the subsidiary has commenced its commercial operations and the Company has infused the capital.
- (ii) 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, 2018 and the subsidiary is yet to commence commercial operations.
- (iii) During August 2017, the Company subscribed to 49% share capital in Cyient Solutions and Systems Private Limited ("CSSPL"). The Company acquired 51% share capital in March 2018, increasing the shareholding to 100%.

Name of the Joint Venture	Country of incorporation	Extent of holding (%) as at	
		March 31, 2018	March 31, 2017
Infotech HAL Limited	India	50%	50%



Name of the Associate	Country of incorporation	Extent of holding (%) as at	
		March 31, 2018	March 31, 2017
Infotech Aerospace Services Inc. [refer note 5(a)]	Puerto Rico	-	49%

**Subsidiary of Cyient Inc.:**

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	
		March 31, 2018	March 31, 2017
Cyient Canada Inc.	Canada	100%	100%
Cyient Defense Services Inc. *	USA	100%	100%
Certon Software Inc. **	USA	100%	100%
Certon Instruments Inc. **	USA	100%	100%
B&F Design 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.

\*\*\* The Company, through its wholly-owned subsidiary Cyient Inc., acquired 100% stake of B&F Design Inc., USA on January 24, 2018.

**Subsidiary of Cyient Europe Limited:**

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	
		March 31, 2018	March 31, 2017
Cyient Benelux BV	Netherlands	100%	100%
Cyient Schweiz GmbH	Switzerland	100%	100%
Cyient S.R.O	Czech Republic	100%	100%
Blom Aerofilms Limited *	UK	-	100%

\* The Company's wholly-owned subsidiary, Cyient Europe Limited, UK, acquired 100% stake of Blom Aerofilms Limited, UK, on November 30, 2016. Effective from April 01, 2017, Blom Aerofilms Limited was merged in to Cyient Europe Limited.

**Subsidiary of Cyient GmbH:**

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	
		March 31, 2018	March 31, 2017
Cyient AB	Sweden	100%	100%

**Subsidiary of Cyient Insights Private Limited:**

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	
		March 31, 2018	March 31, 2017
Cyient Insights LLC	USA	51%	51%

**Subsidiary of Cyient DLM Private Limited :**

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	
		March 31, 2018	March 31, 2017
Techno Tools Precision Engineering Private Limited #	India	-	74%

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

**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 (KMP):**

Name	Designation
B.V. R. Mohan Reddy	Executive Chairman
Krishna Bodanapu	Managing Director & CEO
Ajay Aggarwal	President & Chief Financial Officer
M.M. Murugappan	Independent Director
K. Ramachandran	Independent Director
Som Mittal	Independent Director
Andrea Bierce	Independent Director
John Paul Paterson	Independent Director
Vinai Kumar Thummalapally	Independent Director
Alain De Taeye	Non-Executive & Non-independent Director

**Relative of Executive Chairman and 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, 2018	March 31, 2017
Revenue from operations	Cyient Inc.	3,501	3,144
	Cyient Europe Limited	1,057	859
	Cyient Benelux BV	369	262
	Cyient Schweiz GmbH	93	99
	Cyient S.R.O	32	9
	Cyient GmbH	900	810
	Cyient AB	138	118
	Certon Software Inc.	35	-
	Cyient Canada Inc.	149	81
	Cyient KK	235	201
	Infotech HAL Limited	1	9
	Cyient Australia Pty Limited	995	652
	Cyient Singapore Private Limited	98	35
Sub-contracting charges	Cyient Inc.	215	238
	Cyient Europe Limited	2	17
	Cyient Benelux BV	13	13
	Cyient GmbH	3	13
	Cyient AB	2	3
	Cyient Canada Inc.	4	5
	Cyient Insights Private Limited	83	45
	Cyient DLM Private Limited	9	22
	Cyient Inc.	52	32
	Certon Software Inc.	(1)	-
Reimbursement of expenses (net)	Cyient Europe Limited	(52)	(19)
	Cyient Benelux BV	1	(1)
	Cyient S.R.O	(18)	(33)
	Cyient GmbH	(41)	2
	Cyient AB	8	1
	Cyient Canada Inc.	(9)	4

Nature of the transaction	Party name	For the year ended	
		March 31, 2018	March 31, 2017
	Cyient KK	-	(1)
	Cyient Singapore Private Limited	(38)	(3)
	Cyient Insights Private Limited	1	-
	Cyient DLM Private Limited	(32)	-
	Cyient Australia Pty Limited	(131)	(55)
<b>Software purchases</b>	Cyient Inc.	55	23
<b>Corporate guarantee given to subsidiary's bankers</b>	Cyient DLM Private Limited	1,760	-
	Cyient Inc.	430	570
	Cyient Defense Services Inc.	215	-
	Cyient GmbH	368	319
	Cyient Europe Limited	358	476
	Cyient Australia Pty Limited	-	120
	Cyient Solutions and Systems Private Limited	50	-
<b>Corporate guarantee given to subsidiary's bankers liquidated</b>	Cyient Inc.	326	-
	Cyient GmbH	368	305
	Cyient Europe Limited	183	146
	Cyient Singapore Private Limited	-	259
<b>Other income on corporate guarantee given to subsidiary's bankers</b>	Cyient Australia Pty Limited	1	1
	Cyient Europe Limited	3	2
	Cyient GmbH	2	2
	Cyient Inc.	11	8
	Cyient S.R.O	1	-
	Cyient Singapore Private Limited	2	3
<b>Investments in subsidiaries</b>	Cyient Israel limited	32	-
	Cyient DLM Private Limited <sup>#</sup>	3	-
	Cyient Solutions and Systems Private Limited	0.20	-
<b>Disposal of Associate</b>	Infotech Aerospace Services Inc. [refer note 5(a)]	(11)	-
<b>Advances given / (recovered)</b>	Cyient KK	(110)	(3)
	Infotech HAL Limited	4	-
	Cyient Solutions and Systems Private Limited	137	-
<b>Loans given</b>	Cyient Insights Private Limited	11	30
	Cyient DLM Private Limited	385	150
<b>Loans recovered</b>	Cyient DLM Private Limited	270	150
<b>Interest on Loans given</b>	Cyient Insights Private Limited	10	8
	Cyient DLM Private Limited	20	14
<b>Rental Income</b>	Infotech HAL Limited	1	1
	Cyient Insights Private Limited	3	3
<b>Dividend from associate</b>	Infotech Aerospace Services Inc. [refer note 5(a)]	589	-
<b>CSR Expenditure</b>	Cyient Foundation	68	57

<sup>#</sup> Adjusted for an amount of ₹ 3 paid to the promoters of Cyient DLM Private Limited, by way of an indemnity claim, defined by the share purchase agreement.

#### Compensation to Key Managerial Personnel is as follows:

Nature of the transaction	Party name	For the year ended	
		March 31, 2018	March 31, 2017
Short-term benefits	Executive Chairman, Managing Director & CEO and Executive officers <sup>#1</sup>	207	141
Dividend paid during the year	Executive Chairman and Managing Director & CEO	73	90
Commission and other benefits	Non-executive and independent directors	11	10

<sup>#1</sup> Executive officers includes Ajay Aggarwal (President & Chief Financial Officer) and Ashok Reddy (Relative of Executive Chairman and Managing Director & CEO).

#### (b) Balances at the year-end:

Nature of the balance	Party name	As at	
		March 31, 2018	March 31, 2017
Trade Receivables	Cyient Inc.	1,279	942
	Cyient Europe Limited	418	152
	Cyient Benelux BV	119	16
	Cyient Schweiz GmbH	12	7
	Cyient S.R.O	92	35
	Cyient GmbH	36	115
	Certon Software Inc.	37	-
	Cyient AB	12	44
	Cyient Canada Inc.	143	20
	Cyient KK	131	83
	Infotech HAL Limited	26	25
	Cyient Australia Pty Limited	196	82
	Cyient Insights Private Limited	9	5
	Cyient DLM Private Limited	-	17
Unbilled Revenue	Cyient Singapore Private Limited	40	9
	Cyient Inc.	176	123
	Cyient Canada Inc.	17	-
	Cyient Europe Limited	122	111
	Cyient S.R.O	11	-
	Cyient Benelux BV	48	35
	Cyient GmbH	177	153
	Cyient Schweiz GmbH	1	-
	Cyient AB	40	-
	Cyient KK	2	-
	Cyient Australia Pty Limited	102	15
	Cyient Singapore Private Limited	54	8
	Cyient Australia Pty Limited	125	-
	Cyient GmbH	85	-
Advance from Subsidiary	Cyient Inc.	434	224
	Cyient Europe Limited	58	58
	Cyient Benelux BV	62	40
	Cyient AB	41	-
	Cyient Singapore Private Limited	20	-
	Cyient S.R.O	1	1
	Cyient GmbH	80	41
	Cyient KK	193	26
	Cyient Insights Private Limited	6	1
	Cyient Canada Inc.	32	26
	Cyient DLM Private Limited	(71)	-
	Cyient Australia Pty Limited	65	11
Trade payables			



Nature of the balance	Party name	As at	
		March 31, 2018	March 31, 2017
Other receivables	Cyient Inc.	55	44
	Cyient Canada Inc.	2	2
	Cyient Europe Limited	7	12
	Cyient Benelux BV	2	1
	Cyient GmbH	-	3
	Cyient AB	-	1
	Cyient Defense Services Inc.	1	-
	Cyient KK	1	1
	Cyient Australia Pty Limited	12	7
	Cyient Singapore Private Limited	2	2
Corporate guarantee given to subsidiary's bankers	Cyient Inc.	2,113	2,000
	Cyient Defense Services Inc.	215	-
	Cyient Europe Limited	586	476
	Cyient S.R.O	139	-
	Cyient GmbH	368	319
	Cyient DLM Private Limited	4,970	3,210
	Cyient Australia Pty Limited	158	120
	Cyient Singapore Private Limited	365	363
	Cyient Solutions and Systems Private Limited	50	-
Commitments	Cyient Europe Limited	569	492
Advances given	Cyient KK	-	110
	Infotech HAL Limited	12	8
	Cyient Solutions and Systems Private Limited	137	-
Loans given	Cyient Insights Private Limited	127	106
	Cyient DLM Private Limited	265	150
Interest on loan given	Cyient DLM Private Limited	21	1
Short-term benefits payable	Executive Chairman and Managing Director & CEO	129	73
Commission and other benefits payable	Non-executive and independent directors	11	10

### 3. Earnings per share

(Refer to Note 23 of the standalone financial statements)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Profit after tax	4,018	2,369
<b>Basic:</b>		
Number of shares outstanding at the year end	112,596,002	112,566,340
Weighted average number of equity shares	112,578,461	112,536,208
<b>Earnings per share (₹)</b>	<b>35.69</b>	<b>21.05</b>
<b>Diluted:</b>		
Effect of potential equity shares on employee stock options and RSUs outstanding	477,065	89,451
Weighted average number of equity shares outstanding	113,055,526	112,625,659
<b>Earnings per share (₹)</b>	<b>35.54</b>	<b>21.03</b>

### 4. Segment information

(Refer to Note 27 of the standalone financial statements)

Segment information has been presented in the Consolidated Financial Statements in accordance with Ind AS 108 notified under the Companies (Indian Accounting Standards) Rules, 2015.

### 5. Exceptional item:

(Refer to Note 25 of the standalone financial statements)

- During September 2017, the Company entered into a definitive agreement to divest its entire 49% shareholding in its associate company, Infotech Aerospace Services Inc., ("IASI") Puerto Rico for a consideration of ₹ 114 (USD 1,768,916). The closing conditions for the divestment were concluded on December 08, 2017. Upon divestment, the resultant gain of ₹ 103 is disclosed as 'exceptional item' in these financial statements. Further, the Company has also received ₹ 589 (USD 9,131,064) from IASI towards dividend, which is recognised under 'other income' in the standalone financial statements.
- During the previous year, 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 ₹ 201 towards these RSUs with the employees in March, 2018.

### 6. Contingent liabilities and commitments

(Refer to Note 21 of the standalone financial statements)

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>(A) Contingent liabilities:</b>		
(i) Claims against the Company not acknowledged as debt (refer note a to g below)	490	568
(ii) Guarantees (refer note h below)	8,964	6,488
	<b>9,454</b>	<b>7,056</b>
<b>(B) Commitments:</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	297	116
(ii) Financial support to a subsidiary company	569	492
	<b>866</b>	<b>608</b>
<b>Total</b>	<b>10,320</b>	<b>7,664</b>

#### Notes:

- The Company has disputed various demands raised by Income Tax authorities for the assessment years 1999-2000 to 2002-03 & 2005-06 (March 31, 2017 - 1997-98 to 2014-15) which are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 138 (March 31, 2017 - ₹ 189). The Company is confident that these appeals will be decided in its favour.
- The Company has disputed various demands raised by the Sales Tax authorities for the financial years 2004-05 to 2009-10 and 2012-13 and 2015-16. 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, 2017 - ₹ 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.
- The Company has disputed various demands raised by the Service Tax authorities for the financial years 2006-07 to 2015-16 (March 31, 2017 - 2006-07 to 2015-16). 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, 2017 - ₹ 141). 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.
- The Company is contesting certain pending service tax refunds amounting to ₹ 73 (March 31, 2017 : ₹ 100) at various appellate authorities. The Company is confident that these appeals will be decided in its favour.
- 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, 2017 - ₹ 5) under protest, being 20% of the total demand of ₹ 26 (March 31, 2017 - ₹ 26).

- (f) During the financial year 2015-16, 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, 2017 - ₹ 92).
- (g) During the financial year 2014-15, the Company acquired 74% of the share capital of Cyient DLM 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.
- (h) Corporate guarantee given to subsidiary's bankers to obtain line of credit ₹ 8,964 (March 31, 2017 – ₹ 6,488).
- (C)** The Company has certain outstanding export obligations/commitments as at March 31, 2018 and March 31, 2017 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, 2018	March 31, 2017
Balances with Banks		
in current accounts	817	476
in deposit accounts	4,264	4,535
Deposits with financial institutions	1,955	1,495
Remittances in transit	164	10
<b>Total</b>	<b>7,200</b>	<b>6,516</b>

### 7B. Other bank balances

Particulars	As at	
	March 31, 2018	March 31, 2017
Unpaid dividend account	14	11
Deposits held as margin money/security for bank guarantees	52	12
<b>Total</b>	<b>66</b>	<b>23</b>

## 8. Employee benefits expense

(Refer to Note 18 of the standalone financial statements)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Salaries and wages, including bonus	5,862	5,679
Contribution to provident and other funds	452	397
Social security and other benefits to overseas employees	17	35
Stock option expense	27	11
Staff welfare expenses	400	398
<b>Total</b>	<b>6,758</b>	<b>6,520</b>

## 9. Other expenses

(Refer to Note 20 of the standalone financial statements)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Rent including lease rentals	403	324
Rates and taxes	36	50
Insurance	10	11
Travelling and conveyance	665	691
Sub-contracting charges	481	423
Communication	134	110
Printing and stationery	19	23
Power and fuel	200	195
Marketing expenses	54	53
Advertisement	1	3
Repairs and maintenance		
- Buildings	19	16
- Machinery	753	708
- Others	74	82
Non executive directors commission	11	10
Legal and professional charges	337	333
Expenditure for Corporate Social Responsibility	73	62
Provision for doubtful debts (net)	15	48
Bad debts written off, net of reversal of provision for doubtful debts	-	1
Auditors' remuneration	21	26
Recruitment expenses	43	19
Training and development	49	41
Software charges	135	142
Miscellaneous expenses	358	228
<b>Total</b>	<b>3,891</b>	<b>3,599</b>

10. These financial statements were approved by the Company's Board of Directors on April 19, 2018.

For and on behalf of the Board of Directors

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

  
**Ajay Aggarwal**  
 President &  
 Chief Financial Officer

Place : Hyderabad  
 Date : April 19, 2018

  
**Krishna Bodanapu**  
 Managing Director and 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"), which includes Group's share of loss in its associate and its joint venture, comprising the Consolidated Balance Sheet as at March 31, 2018, 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 consolidated statement of changes in equity of the Group including its Associate and Joint venture in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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, its associate and its joint venture 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 consolidated Ind AS 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 audit report 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 other auditors in terms of their reports referred to 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 other auditors on separate financial statements of the subsidiaries, associate and joint venture 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018 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

We did not audit the financial statements of fourteen subsidiaries, whose financial statements reflect total assets of ₹ 11,552 million as at March 31, 2018, total revenues of

₹ 16,081 million and net cash outflows amounting to ₹ 17 million 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 loss of ₹ 156 million for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of one associate and one joint venture, whose financial statements have not been audited by us. These financial statements 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.

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.

### 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 other auditors on separate financial statements and the other financial information of subsidiaries and joint venture company 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 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 March 31, 2018 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 March 31, 2018 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 Parent, subsidiary companies and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- (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.

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



**P.R. Ramesh**  
Partner  
(Membership No. 70928)

Place : Hyderabad  
Date : April 19, 2018

# 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, 2018, we have audited the internal financial controls over financial reporting of Cyient Limited (hereinafter referred to as “the Parent”) and its subsidiary companies, which includes internal financial controls over financial reporting of its subsidiaries and its joint venture, which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and joint venture, 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 Parent Company, its subsidiary companies and its joint venture, 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 joint venture, 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 Parent, its subsidiary companies and its joint venture, 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 other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint venture, 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, 2018, based on the criteria for internal financial control over financial reporting 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 two subsidiary companies and one joint venture, 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 matter.

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

  
P.R. Ramesh  
Partner  
(Membership No. 70928)

Place : Hyderabad  
Date : April 19, 2018



Consolidated Balance Sheet as at March 31, 2018

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

Particulars	Note	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,220	3,017
Capital work-in-progress		213	92
Goodwill	4	3,549	3,278
Intangible assets	5	1,206	1,215
Intangible assets under development	5	302	173
Financial assets			
(a) Investments	6	298	1,032
(b) Other financial assets	7	270	205
Deferred tax assets (net)	18.2	321	101
Income tax assets (net)	18.3	755	683
Other non-current assets	8	736	878
<b>Total non-current assets</b>		<b>10,870</b>	<b>10,674</b>
<b>Current assets</b>			
Inventories	9	1,312	935
Financial assets			
(a) Investments	6	1,130	925
(b) Trade receivables	10	6,913	6,496
(c) Cash and cash equivalents	11A	9,603	8,570
(d) Other bank balances	11B	204	211
(e) Other financial assets	7	3,384	2,660
Other current assets	8	910	893
<b>Total current assets</b>		<b>23,456</b>	<b>20,690</b>
<b>Total assets</b>		<b>34,326</b>	<b>31,364</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	12	563	563
Other equity	13	22,876	20,610
<b>Equity attributable to Shareholders of the Company</b>		<b>23,439</b>	<b>21,173</b>
Non-controlling interests	14	3	26
<b>Total equity</b>		<b>23,442</b>	<b>21,199</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(a) Borrowings	15	630	492
(b) Other financial liabilities	16	353	232
Provisions	17	878	813
Deferred tax liabilities (net)	18.2	356	302
Income tax liabilities (net)	18.3	20	-
Other non-current liabilities	19	26	35
<b>Total non-current liabilities</b>		<b>2,263</b>	<b>1,874</b>
<b>Current liabilities</b>			
Financial liabilities			
(a) Borrowings	20	1,780	1,159
(b) Trade payables	21	3,813	3,922
(c) Other financial liabilities	16	1,256	1,232
Income tax liabilities (net)	18.3	316	424
Provisions	17	229	235
Other current liabilities	19	1,227	1,319
<b>Total current liabilities</b>		<b>8,621</b>	<b>8,291</b>
<b>Total liabilities</b>		<b>10,884</b>	<b>10,165</b>
<b>Total equity and liabilities</b>		<b>34,326</b>	<b>31,364</b>
<b>Corporate information and significant accounting policies</b>			
Accompanying notes form an integral part of the consolidated financial statements	1 & 2		

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

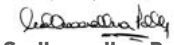
  
P.R. Ramesh  
Partner

For and on behalf of the Board of Directors

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

  
Ajay Aggarwal  
President &  
Chief Financial Officer

  
Krishna Bodanapu  
Managing Director and CEO  
(DIN - 05301037)

  
Sudheendhra Putty  
Company Secretary  
(M.No. - F5689)

Place : Hyderabad  
Date : April 19, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

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

Particulars	Note	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>INCOME</b>			
Revenue from operations	22	39,175	36,065
Other income	23	1,519	932
<b>Total income</b>		<b>40,694</b>	<b>36,997</b>
<b>EXPENSES</b>			
Employee benefits expense	24	21,877	20,490
Cost of materials consumed	25	3,272	2,852
Changes in inventories of finished goods and work-in-progress	26	(201)	(110)
Excise duty on sale of goods		36	207
Finance costs	27	204	172
Depreciation and amortisation expense	28	1,052	953
Other expenses	29	8,837	7,854
<b>Total expenses</b>		<b>35,077</b>	<b>32,418</b>
<b>Profit before exceptional item, share in (loss)/profit of associate, joint venture and tax</b>		<b>5,617</b>	<b>4,579</b>
Exceptional item	37	50	261
<b>Profit before share in (loss)/profit of associate, joint venture and tax</b>		<b>5,567</b>	<b>4,318</b>
Share in (loss)/profit of associate	6(iv)	(160)	118
Share in profit of joint venture	6(v)	4	5
<b>Profit before tax</b>		<b>5,411</b>	<b>4,441</b>
<b>Tax expense</b>			
Current tax	18.1	1,493	927
Deferred tax	18.1	(113)	118
<b>Total tax expense</b>		<b>1,380</b>	<b>1,045</b>
<b>Profit for the year</b>		<b>4,031</b>	<b>3,396</b>
<b>Other comprehensive income (OCI)</b>			
a. Items that will not be reclassified subsequently to profit or loss:			
(i) Remeasurements of the net defined benefit liability	17(i)	(7)	(29)
(ii) Gain on bargain purchase arising on business combination	34 B(i)	-	41
(iii) Equity instrument through other comprehensive income	13	166	-
(iv) Income tax relating to items that will not be reclassified to profit or loss	18.1(B)	(48)	(5)
b. Items that will be reclassified subsequently to profit or loss:			
(i) Exchange differences in translating the financial statements of foreign operations	13	326	(273)
(ii) Effective portion of (loss)/gain on designated portion of hedging instruments in a cash flow hedge	13	(543)	359
(iii) Income tax relating to items that may be reclassified to profit or loss	18.1(B)	187	(124)
<b>Total other comprehensive income for the year</b>		<b>81</b>	<b>(31)</b>
<b>Total comprehensive income for the year</b>		<b>4,112</b>	<b>3,365</b>
<b>Profit for the year attributable to:</b>			
- Shareholders of the Company		4,054	3,438
- Non-controlling interests		(23)	(42)
		<b>4,031</b>	<b>3,396</b>
<b>Other comprehensive income for the year attributable to:</b>			
- Shareholders of the Company		82	(33)
- Non-controlling interests		(1)	2
		<b>81</b>	<b>(31)</b>
<b>Total comprehensive income for the year attributable to:</b>			
- Shareholders of the Company		4,136	3,405
- Non-controlling interests		(24)	(40)
		<b>4,112</b>	<b>3,365</b>
<b>Earnings per equity share (par value of ₹ 5 each)</b>			
Basic (₹)	30	36.00	30.55
Diluted (₹)		35.85	30.53
<b>Corporate information and significant accounting policies</b>			
Accompanying notes form an integral part of the consolidated financial statements	1 & 2		

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants


  
P.R. Ramesh  
Partner

For and on behalf of the Board of Directors

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

  
Ajay Aggarwal  
President &  
Chief Financial Officer

  
Krishna Bodanapu  
Managing Director and CEO  
(DIN - 05301037)

  
Sudheendhra Putty  
Company Secretary  
(M.No. - F5689)

Place : Hyderabad  
Date : April 19, 2018

Place : Hyderabad  
Date : April 19, 2018

Consolidated statement of changes in equity for the year ended March 31, 2018

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

A. Equity share capital

Particulars		Note	Amount
Balance at March 31, 2016			562
Issue of equity shares under Company's associate stock option plan		12A	1
Balance as at March 31, 2017			563
Issue of equity shares under Company's associate stock option plan*		12A	-
Balance as at March 31, 2018			563

\*On issue of shares during the financial year 2017-18, the Company has received ₹ 0.15 rounded off.

B. Other equity

Particulars	Note	Attributable to shareholders of the Company										Non-con-trolling Interests	Total other equity
		Reserves and Surplus					Items of other comprehensive income						
		Share applic-ation money pending allot-ment	Gen-eral re-serve	Secur-ities premium account	Stock option re-serve	Re-tained earn-ings	Gross ob-ligation liability to acquire non-con-trolling interest	Cash flow hedge re-serve	Foreign cur-rency trans-lation Reserve	Capital reserve for bargain purchase business combina-tions	Equity instru-ments through OCI		
Balance at March 31, 2016		1	5,155	3,831	19	8,762	(616)	92	496	3	-	67	17,810
Issue of equity shares under Company's associate stock option plan	13	(1)	-	19	-	-	-	-	-	-	-	-	18
Stock option expense for the year	13	-	-	-	187	-	-	-	-	-	-	-	187
Gain on bargain purchase on business combination (net of tax ₹ 12)	13	-	-	-	-	-	-	-	-	29	-	-	29
Effective portion of gain on designated portion of hedging instruments (net of tax ₹ 124)	13	-	-	-	-	-	-	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)
Dividends paid (including corporate dividend tax)	39	-	-	-	-	(745)	-	-	-	-	-	-	(745)
Profit for the year		-	-	-	-	3,438	-	-	-	-	-	(42)	3,396
Other comprehensive income for the year attributable to the non-controlling interests		-	-	-	-	-	-	-	-	-	-	2	2
Other adjustments		-	-	-	-	-	-	-	-	-	-	(1)	(1)
Balance as at March 31, 2017		-	5,155	3,850	206	11,433	(616)	327	223	32	-	26	20,636

Contd.

Consolidated statement of changes in equity for the year ended March 31, 2018

(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 other equity
		Reserves and Surplus					Items of other comprehensive income						
		Share applic-ation money pending allot-ment	Gen-eral re-serve	Secur-ities premium account	Stock option re-serve	Re-tained earn-ings	Gross ob-ligation liability to acquire non-con-trolling interest	Cash flow hedge re-serve	Foreign cur-rency trans-lation Reserve	Capital reserve for bargain purchase business combina-tions	Equity instru-ments through OCI		
Issue of equity shares under Company's associate stock option plan	13	-	-	13	-	-	-	-	-	-	-	-	13
Stock option expense for the year	13	-	-	-	15	-	-	-	-	-	-	-	15
Equity instrument through OCI (net of tax ₹ 49)	13	-	-	-	-	-	-	-	-	-	117	-	117
Effective portion of gain on designated portion of hedging instruments (net of tax ₹ 187)	13	-	-	-	-	-	-	(356)	-	-	-	-	(356)
Exchange difference arising on translating the foreign operations	13	-	-	-	-	-	-	-	326	-	-	-	326
Remeasurement of net defined benefit liability (net of tax ₹ (1))	13	-	-	-	-	(6)	-	-	-	-	-	-	(6)
Dividends paid (including corporate dividend tax)	39	-	-	-	-	(1,897)	-	-	-	-	-	-	(1,897)
Profit for the year		-	-	-	-	4,054	-	-	-	-	-	(23)	4,031
Other comprehensive income for the year attributable to the non-controlling interests		-	-	-	-	-	-	-	-	-	-	(1)	(1)
Other adjustments		-	-	-	-	-	-	-	-	-	-	1	1
Balance as at March 31, 2018		-	5,155	3,863	221	13,584	(616)	(29)	549	32	117	3	22,879

Accompanying notes form an integral part of the consolidated financial statements

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants

P.R. Ramani  
P.R. Ramesh  
Partner

For and on behalf of the Board of Directors

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

Krishna Bodanapu  
Managing Director and CEO  
(DIN - 05301037)

Ajay Aggarwal  
President &  
Chief Financial Officer  
Place : Hyderabad  
Date : April 19, 2018

Sudheendhira Putty  
Company Secretary  
(M.No. - F5689)

Place : Hyderabad  
Date : April 19, 2018



## Consolidated Cash Flow Statement for the year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year	4,031	3,396
Adjustments for :		
Tax expense	1,380	1,045
Share of loss/(profit) of associate	160	(118)
Loss on disposal of associate, net	50	-
Share of profit of joint venture	(4)	(5)
Depreciation and amortisation expense	1,052	953
Loss/(gain) on sale of property, plant and equipment, (net)	3	2
Finance costs	204	172
Interest income	(505)	(376)
Dividend from mutual funds	(42)	(31)
Liabilities no longer required written back	(167)	(145)
Gain on fair valuation of financial instrument	(35)	-
Stock option expense	48	278
Provision for doubtful debts, (net)	71	97
Bad debts written off	-	1
Translation differences	390	(166)
Exchange difference on translation of foreign currency cash and cash equivalents	(298)	(277)
Unrealised exchange (gain) / loss	(63)	3
<b>Operating profit before working capital changes</b>	<b>6,275</b>	<b>4,829</b>
Changes in operating assets and liabilities:		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Trade receivables	(408)	(307)
Other financial assets	(1,105)	(66)
Inventories	(296)	44
Other assets	322	15
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	(112)	781
Other financial liabilities	23	-
Other liabilities	(135)	(209)
Provisions	52	108
<b>Cash generated from operations</b>	<b>4,616</b>	<b>5,195</b>
Net income taxes paid	(1,653)	(996)
<b>Net cash flow from operating activities (A)</b>	<b>2,963</b>	<b>4,199</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment towards purchase of property, plant and equipment and intangible assets (refer note (i) below)	(1,474)	(1,080)
Proceeds from sale of property, plant and equipment	5	42
Payments to acquire financial assets		
- Investments in Compulsorily convertible preference shares/Equity instruments	(10)	(101)
- Mutual funds	(3,345)	(2,142)
Proceeds from sale of financial assets - mutual funds	3,140	2,007
Payment to Non-controlling interests	(3)	-
Interest income received	398	344
Dividend income received from		
- Associate	589	-
- Mutual funds	42	31
Net cash outflow on acquisition of subsidiaries (refer note (ii) below)	(332)	(811)
Net cash inflow on disposal of an associate	114	-
Movement in other bank balances	7	(93)
<b>Net cash flow used in investing activities (B)</b>	<b>(869)</b>	<b>(1,803)</b>

Contd.

## Consolidated Cash Flow Statement for the year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	9	15
Interest paid	(192)	(174)
Proceeds from non-current borrowings	515	268
Repayment of non-current borrowings	(418)	(309)
Movement in current borrowings (net)	621	12
Dividends paid	(1,573)	(620)
Corporate dividend tax	(321)	(126)
<b>Net cash flow used in financing activities (C)</b>	<b>(1,359)</b>	<b>(934)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>735</b>	<b>1,462</b>
Cash and cash equivalents at the beginning of the year	8,570	6,831
Effect of exchange differences on translation of foreign currency cash and cash equivalents	298	277
<b>Cash and cash equivalents at the end of the year*</b>	<b>9,603</b>	<b>8,570</b>
<b>*Cash and cash equivalents comprises of: (refer note 11A)</b>		
Balances with Banks		
in current accounts	3,017	2,114
in deposit accounts	4,265	4,882
Deposits with financial institutions	1,955	1,495
Cheques on hand	3	25
Remittances in transit	363	54
	<b>9,603</b>	<b>8,570</b>

### Notes:

- 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.
- Net cash outflow on acquisition of subsidiaries

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consideration paid in cash	(364)	(849)
Less: Cash and cash equivalent balances acquired on the acquisition	32	38
<b>Net cash outflow on acquisition of subsidiaries</b>	<b>(332)</b>	<b>(811)</b>

Accompanying notes form an integral part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

  
**P.R. Ramesh**  
Partner

Place : Hyderabad  
Date : April 19, 2018

For and on behalf of the Board of Directors

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

  
**Ajay Aggarwal**  
President &  
Chief Financial Officer

Place : Hyderabad  
Date : April 19, 2018

  
**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 05301037)

  
**Sudheendra Putty**  
Company Secretary  
(M.No. - F5689)

# Notes forming part of the Consolidated financial statements

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

## 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 and joint ventures 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 BSE Limited and National Stock Exchange of India Limited.

## 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 Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").

### 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 consolidated financial statements in the period in which results are known and, if material, are disclosed in the financial statements.

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

- Useful lives of property, plant and equipment and intangible assets
- Intangible assets under development
- 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 and its subsidiaries. Control is achieved when the Company:

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

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 Company 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 and 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 and are remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit and 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 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 and 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 and loss in the period in which they arise.

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

### i) 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 realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

### iii) Group companies

The results and financial position of 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 and 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 consolidated statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income 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 tax laws in India as an asset only when and to the extent there is convincing evidence that the Group 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 Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit and loss on a straight-line basis over the period of the lease unless the payments are

structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### As a lessor:

#### *Operating lease:*

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

## 2.11 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 consolidated statement of profit and 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 consolidated statement of profit and 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 and RSU's outstanding.

## 2.12 Provisions and contingent liabilities

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

Provisions are measured at the present value of management's best estimate of the 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 an interest expense. Provisions are not recognised for future operating losses.

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

#### *Contingencies:*

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

## 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 Company's estimate of the equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company 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 and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the stock option 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 option 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 for the year. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.15 Inventories:

Inventories are valued in accordance with the below method of valuation.

- i) Raw materials & consumables – at cost or net realisable value whichever is less. Cost includes purchase costs and other attributable expenses.
- ii) Stores and spares – at cost. Cost includes purchase costs and other attributable expenses.
- iii) Work in process & finished Goods – at cost or net realisable value whichever is less. Costs of production comprises of direct material costs, wages and applicable overheads.

Inventories are stated at the lower of cost and net 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.

2.16 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

The Company 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 Company's activities as described below:

a) Time and material:

Revenue from software services performed on a "Time and material" basis is recognised as and when services are performed.

b) Time bound fixed price:

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 of 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.

c) Maintenance contracts:

Revenues from fixed-price maintenance contracts are recognised pro-rata over the period of the contract in which the services are rendered.

d) Others:

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.

Revenue is net of volume discounts / price incentives which are estimated and accounted for based on the terms of the contracts by reducing the amount of revenue recognized at the time of sale.

Unbilled revenue represents amounts recognised based on services performed in advance of billings in accordance with contract terms and is net of provision for estimated losses.

Unearned revenues represent the billing in excess of revenue recognized. Advance payments received from the customers for which no services are rendered and presented as "Advance from customers".

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.

2.17 Other income

Interest income 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 consolidated statement of profit and loss.

2.18 Property, plant and equipment

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

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

2.19 Intangible assets

Intangible assets are stated at cost less accumulated amortisation 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/Over the period of the respective project
Technology/ Intellectual property	2-6 years
Customer contracts	5-6 years
Process knowhow	5 years
Other intangible assets	Over the period of the respective project

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.

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

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 Company has intention and ability to complete and use the asset and the costs are measure reliably, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use.

2.20 Employee benefit plans

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

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 services 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 services 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 plan 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 consolidated 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. The Group records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Group measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

#### *Medical benefits:*

In Cyient Inc, medical insurance plan is offered to the associates on self-insured basis which consists of fixed costs of administration charges and stop loss insurance that are charged on a per associate and monthly claims being settled from consolidated fund maintained by third party insurance fund. At the end of every calendar year, the insurance agency provides an estimate of "Claims Not Yet Received" computed on actuarial valuation based on

number of associates and claims received over the last 12 months. This estimate is extrapolated on the basis of the closing enrolments as of March 31 and the management creates a liability for medical expenses.

#### *Other short-term employee benefits*

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

### **2.21 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.

### **2.22 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 consolidated statement of profit and 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:** Financial assets which are 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 amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through consolidated statement of 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/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

#### **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 Company 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 Company 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 cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in consolidated statement of profit and loss.

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

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

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

##### *Financial assets:*

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risk and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises 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 and 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 the consolidated statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit or loss and other 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.

**2.23 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.

**2.24 Impairment of assets**

*a. Financial assets:*

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through consolidated statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in consolidated statement of profit and loss.

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

*b. Non-financial assets:*

Intangible assets, Intangible assets under development and property, plant and equipment:

Intangible assets, Intangible assets under development, and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. Intangible assets under development are tested for impairment annually.

If such assets are considered to be impaired, the impairment to be recognised in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has

been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

**2.25 Government grants**

Government grants are recognised when there is a reasonable assurance that:

- The Company will comply with the conditions attached to them and
- The grant will be received

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in the reporting the related expense.

**2.26 Exceptional item**

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

**2.27 Recent accounting pronouncements**

**Standards issued but not yet effective: -**

In March 2018, The Ministry of corporate affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 notifying Ind AS 115 Revenue from contracts with customers and amendments to Ind AS 21 The Effects of changes in Foreign Exchange Rates applicable for annual periods beginning on or after April 01, 2018.

**Ind AS 115 – Revenue from Contracts with Customers:**

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 – Revenue and Ind AS 11 – Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, based on the five step approach as defined in this standard.

Under this standard, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Under this transition method, cumulative effect of initially applying Ind AS 115 is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application.

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

**Ind AS 21 – The Effect of Changes in Foreign Exchange Rates**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

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

**3. Property, plant and equipment**

Particulars	As at	
	March 31, 2018	March 31, 2017
Carrying amount of:		
Freehold land	16	16
Buildings	1,338	1,402
Leasehold improvements	64	37
Computers	290	244
Plant and equipment	693	570
Office equipment	255	234
Furniture and fixtures	317	305
Electrical installations	158	159
Vehicles	30	27
Tools and equipment	59	23
<b>Total</b>	<b>3,220</b>	<b>3,017</b>



## Notes:

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

Particulars	Freehold land (refer note (b) below)	Leasehold land (refer note (c) below)	Buildings (refer note (d) below)	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Tools and equipment	Total
<b>I. Cost or deemed cost</b>												
<b>Balance as at March 31, 2016</b>	<b>16</b>	<b>9</b>	<b>1,955</b>	<b>131</b>	<b>1,843</b>	<b>1,359</b>	<b>597</b>	<b>624</b>	<b>460</b>	<b>36</b>	<b>52</b>	<b>7,082</b>
Additions	-	-	4	16	164	73	99	77	12	5	17	467
Disposals/adjustments/write offs	-	-	-	(63)	(285)	(9)	(215)	(45)	(2)	(5)	-	(624)
Acquisitions through business combination	-	-	-	1	3	2	50	3	-	1	-	60
Foreign currency translation adjustments	-	-	-	(3)	(37)	-	33	(6)	-	-	-	(13)
<b>Balance as at March 31, 2017</b>	<b>16</b>	<b>9</b>	<b>1,959</b>	<b>82</b>	<b>1,688</b>	<b>1,425</b>	<b>564</b>	<b>653</b>	<b>470</b>	<b>37</b>	<b>69</b>	<b>6,972</b>
Additions	-	-	5	26	171	184	140	77	38	6	8	655
Disposals/adjustments/write offs	-	-	-	-	(89)	(20)	(24)	(2)	-	-	2	(133)
Acquisitions through business combination	-	-	-	19	-	-	-	2	-	2	37	60
Other adjustments	-	-	-	-	-	53	(53)	-	-	-	-	-
Foreign currency translation adjustments	-	-	-	(3)	46	2	22	(5)	-	-	-	62
<b>Balance as at March 31, 2018</b>	<b>16</b>	<b>9</b>	<b>1,964</b>	<b>124</b>	<b>1,816</b>	<b>1,644</b>	<b>649</b>	<b>725</b>	<b>508</b>	<b>45</b>	<b>116</b>	<b>7,616</b>
<b>II. Accumulated depreciation</b>												
<b>Balance as at March 31, 2016</b>	<b>-</b>	<b>9</b>	<b>488</b>	<b>97</b>	<b>1,598</b>	<b>762</b>	<b>437</b>	<b>354</b>	<b>272</b>	<b>6</b>	<b>39</b>	<b>4,062</b>
Depreciation for the year	-	-	69	13	136	99	62	50	42	5	7	483
Disposals/adjustments/write offs	-	-	-	(60)	(275)	(7)	(194)	(42)	(2)	-	-	(580)
Foreign currency translation adjustments	-	-	-	(5)	(15)	1	25	(14)	(1)	(1)	-	(10)
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>9</b>	<b>557</b>	<b>45</b>	<b>1,444</b>	<b>855</b>	<b>330</b>	<b>348</b>	<b>311</b>	<b>10</b>	<b>46</b>	<b>3,955</b>
Depreciation for the year	-	-	69	15	162	112	66	58	38	5	9	534
Disposals/adjustments/write offs	-	-	-	-	(87)	(17)	(22)	(1)	-	-	2	(125)
Foreign currency translation adjustments	-	-	-	-	7	1	20	3	1	-	-	32
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>9</b>	<b>626</b>	<b>60</b>	<b>1,526</b>	<b>951</b>	<b>394</b>	<b>408</b>	<b>350</b>	<b>15</b>	<b>57</b>	<b>4,396</b>
<b>III. Carrying Amounts (I-II)</b>												
<b>Balance as at March 31, 2017</b>	<b>16</b>	<b>-</b>	<b>1,402</b>	<b>37</b>	<b>244</b>	<b>570</b>	<b>234</b>	<b>305</b>	<b>159</b>	<b>27</b>	<b>23</b>	<b>3,017</b>
<b>Balance as at March 31, 2018</b>	<b>16</b>	<b>-</b>	<b>1,338</b>	<b>64</b>	<b>290</b>	<b>693</b>	<b>255</b>	<b>317</b>	<b>158</b>	<b>30</b>	<b>59</b>	<b>3,220</b>

(b) Includes ₹ 4 (March 31, 2017: ₹ 4) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

(c) Includes ₹ 9 (March 31, 2017: ₹ 9) in respect of which land allocation letters has been received, pending completion of legal formalities relating to conveyance.

(d) Includes ₹ 794 (March 31, 2017: ₹ 789) relating to building constructed on leasehold land.

#### 4. Goodwill

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Balance at beginning of the year	3,278	2,708
Additions on account of business combinations [refer note 34A(i) & (iii)]	271	570
<b>Balance at end of the year</b>	<b>3,549</b>	<b>3,278</b>

Goodwill of ₹ 2,876 (March 31, 2017: ₹ 2,608) has been allocated to the DLM segment (refer note 31). The estimated value-in-use of this Cash Generating Unit (CGU) is based on the future cash flows using a 2 - 3 % annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 13.6% - 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, 2017: ₹ 496) has been allocated to the MI segment (refer note 31). 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 ₹ 177 (March 31, 2017: ₹ 174) (relating to different CGUs and allocated to MI and 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, 2018	March 31, 2017
<b>Carrying amount of:</b>		
Computer software	435	529
Technology/ intellectual Property	73	8
Customer contracts	344	303
Process knowhow	61	75
Other intangible assets	293	300
<b>Total intangible assets</b>	<b>1,206</b>	<b>1,215</b>
<b>Intangible assets under development (refer note (i) below)</b>	<b>302</b>	<b>173</b>

##### Notes:

##### (i) Intangible assets under development:

- (a) During the previous year, the Company has 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 amount and subsequent development costs aggregating to ₹ 251 (March 31, 2017: ₹ 71) have 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 ₹ 51 (March 31, 2017: ₹ 102). During the year, Company has capitalized ₹ 76 pursuant to successful completion of an identifiable block which is expected to generate revenue over the next six years. This has been classified under 'Intellectual Property'.

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

Particulars		Computer software	Techno-logy/ In-tellectual Property	Cus-tomer con-tracts	Process Knowhow	Other intan-gible assets	Total
I.	Cost or deemed cost						
	Balance as at March 31, 2016	2,560	-	-	-	721	3,281
	Additions	449	-	-	-	-	449
	Additions through business combination	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
	Additions	259	76	-	-	39	374
	Disposals/adjustments/write offs	(86)	-	-	-	-	(86)
	Additions through business combination	-	-	96	-	13	109
	Foreign currency translation adjustments	(38)	-	8	-	99	69
	Balance as at March 31, 2018	3,124	92	441	78	866	4,601
II.	Accumulated amortisation						
	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
	Amortisation for the year	310	11	62	14	121	518
	Disposals/adjustments/write offs	(86)	-	-	-	-	(86)
	Foreign currency translation adjustments	5	-	1	-	37	43
	Balance as at March 31, 2018	2,689	19	97	17	573	3,395
III.	Carrying Amounts (I-II)						
	Balance as at March 31, 2017	529	8	303	75	300	1,215
	Balance as at March 31, 2018	435	73	344	61	293	1,206

6. Investments

Particulars		As at	
		March 31, 2018	March 31, 2017
A.	Investments - Non-current (refer note (i) below)		
	Investment carried at equity method of accounting		
(i)	Equity instruments of associate company (unquoted) (refer note (iv) below)	-	914
(ii)	Equity instruments of joint venture company (unquoted) (refer note (v) below)	21	17
		21	931
	Investments carried at fair value through other comprehensive income		
(i)	Equity instruments of other entities (unquoted)	18	101
(ii)	Equity instruments of other entities (quoted)	249	-
		267	101
	Investment carried at fair value through profit and loss		
(i)	Compulsorily convertible preference shares of other entities (unquoted)	10	-
		298	1,032
B.	Investments - Current (refer note (ii) below)		
	Investment carried at fair value through profit and loss		
(i)	Investments in Mutual Funds (quoted)	1,130	925

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Equity instruments of associate company (unquoted)				
Infotech Aerospace Services Inc., USA - (refer note (iv) below)	-	-	490	914
Equity instruments of joint venture company (unquoted)				
Infotech HAL Limited, India (refer note (v) below)	2,000,000	21	2,000,000	17
Equity instruments of other entities (unquoted)				
Canesta Inc., USA (refer note (b) below)	10,000	-	10,000	-
Traffic master Plc., United Kingdom (refer note (c) below)	35,088	-	35,088	-
Cardiac Design Labs Private Limited, India	6,036	18	6,036	18
Vios Medical Inc., USA (refer note (a) below)	-	-	781,250	83
Equity instruments of other entities (quoted)				
Murata Manufacturing Co. Limited, Japan (refer note (a) below)	28,093	249	-	-
Compulsorily convertible preference shares of other entities (unquoted)				
Cardiac Design Labs Private Limited, India	3,048	10	-	-
Total		298		1,032

Note :

- (a) During the year, the entire shareholding of VIOS Medical Instruments Inc. ("VIOS") was acquired by Murata Manufacturing Co. Limited ("Murata"), Japan. Cyient Inc. received shares of Murata on October 13, 2017 as consideration in lieu of its shares held in VIOS and on the date of allotment of such shares recognised a gain of ₹ 192 in 'Other Comprehensive Income' in accordance with Ind AS 109 'Financial Instruments'. The changes in the fair value subsequent to the allotment for the year ended March 31, 2018 of ₹ (26) is also recognised in 'Other Comprehensive Income'.
- (b) As at March 31, 2018, carrying value of equity instruments in Canesta Inc. was ₹ 0.10 (March 31, 2017: ₹ 0.10)
- (c) As at March 31, 2018, carrying value of equity instruments in Trafficmaster Plc. was ₹ 0.11 (March 31, 2017: ₹ 0.11)

Note (ii): Details of investments - current (quoted)\*

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Investments in Mutual Funds				
Reliance Liquid Fund - Cash Plan - Daily Dividend Option Dividend Reinvestment	-	-	55,769	85
Reliance Liquid Fund - Treasury Plan - Daily Dividend Option Dividend Reinvestment LFID	46,374	71	-	-
L&T Liquid fund - Daily Dividend Reinvestment Plan	84,647	86	44,416	45
Birla Sun Life Cash Plus - Daily Dividend - Regular plan	706,029	71	506,373	51
Axis Liquid Fund - Daily Dividend	88,104	88	46,920	47
UTI-Liquid Cash Plan Institutional Daily Dividend Reinvestment	81,580	83	49,773	51
ICICI Prudential Liquid Fund Regular Plan Daily Dividend	-	-	506,879	51
ICICI Prudential Money Market Fund Daily Dividend	805,283	81	-	-
Baroda Pioneer Liquid Fund - Plan A Daily Dividend Reinvestment	-	-	70,057	70
IDFC Cash fund - Daily Dividend Regular Plan	47,476	47	50,503	51
Sundaram Money Fund Regular Option Reinvestment	-	-	7,966,105	80
Kotak Floater Short Term Daily Dividend Regular Plan	79,358	80	37,064	45
Kotak liquid Regular Plan Daily Dividend	62,187	76	-	-

Contd.



Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
HDFC Liquid Fund Regular Plan Daily Dividend Reinvestment	79,075	81	89,158	91
DSP Black Liquid Fund Institutional Plan Daily Dividend	66,016	66	80,535	81
LIC Nomura MF Liquid Fund Dividend Plan	-	-	42,302	46
SBI Premier Liquid Fund - Regular Plan - Daily Dividend	75,899	76	50,377	51
DHFL Pramerica Insta Cash Plus Fund - Daily Dividend	500,664	50	504,206	50
Tata Liquid Fund Regular Plan - Daily Dividend	-	-	30,246	30
Invesco India Liquid Fund - Daily Dividend	75,772	76	-	-
Tata Money Market Fund Regular Plan - Daily Dividend	97,624	98	-	-
<b>Total quoted investment</b>		<b>1,130</b>		<b>925</b>

\* The market value of quoted investment is equal to its carrying value.

**(iii) Carrying values:**

Particulars	As at	
	March 31, 2018	March 31, 2017
Aggregate amount of unquoted investments carried at equity method of accounting	<b>21</b>	<b>931</b>
Aggregate amount of Investment carried at fair value through other comprehensive income	<b>267</b>	<b>101</b>
Aggregate amount of Investment carried at fair value through P&L	<b>10</b>	<b>-</b>
Aggregate market value of quoted investments carried at fair value through profit and loss	<b>1,130</b>	<b>925</b>

**(iv) Investments in Associate**

The Company held 49% of shareholding in Infotech Aerospace Inc. ('IASI') Puerto Rico as at November 30, 2017 and March 31, 2017. The share of profit from associate is accounted for in the consolidated financial statements using the equity method of accounting.

During the year, the Company entered into a definitive agreement to divest its entire 49% shareholding in IASI, for a consideration of ₹ 114 (USD 1,768,916). The closing conditions for the divestment were concluded on December 08, 2017. Upon divestment, the resultant loss of ₹ 50 is disclosed as 'Exceptional item' in the consolidated statement of profit and loss. Further, the Company also received ₹ 589 (USD 9,131,064) from IASI towards dividend.

**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 period ended November 30, 2017 after making adjustments for the three months ended March 31, 2017. The Company considered November 30, 2017 as date of divestment for convenience, as the transactions between November 30, 2017 and December 08, 2017 were not material.

**Financial position:**

Particulars	As at November 30, 2017	As at March 31, 2017
Non current assets	732	406
Current assets	1,726	2,254
Current liabilities	(498)	(363)
Impact of foreign currency translation	(422)	(432)
<b>Net assets</b>	<b>1,538</b>	<b>1,865</b>

Particulars	Period ended November 30, 2017	Year ended March 31, 2017
Revenue	2,548	4,491
Profit for the period	(327)	241
Total comprehensive income for the period	(327)	241
<b>Share in (loss)/Profit of Associate</b>	<b>(160)</b>	<b>118</b>

**Reconciliation to carrying amounts:**

Particulars	As at November 30, 2017	As at March 31, 2017
Opening net assets	1,865	1,624
Profit for the period	(327)	241
<b>Closing net assets</b>	<b>1,538</b>	<b>1,865</b>
Group's share %	49%	49%
<b>Group's share in net assets of the Associate</b>	<b>754</b>	<b>914</b>
Other adjustments	(1)	-
Dividend received	(589)	-
Proceeds from divestment	(114)	-
<b>Group's loss on disinvestment (refer note 37)</b>	<b>50</b>	<b>-</b>

**(v) Investments in Joint Venture**

The Company holds 50% of shareholding in Infotech HAL Limited, India as at March 31, 2018 and March 31, 2017. The share in profit of joint venture is accounted for using the equity method of accounting.

**Summarised financial information:**

**Financial Position:**

Particulars	As at March 31, 2018	As at March 31, 2017
Non current assets	4	6
Current assets	141	100
Non current liabilities	(2)	(2)
Current liabilities	(101)	(71)
<b>Net assets</b>	<b>42</b>	<b>33</b>

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	81	66
Profit for the year	8	10
Other comprehensive income for the year	1	-
Total comprehensive income for the year	9	10
<b>Share in profit of Joint venture</b>	<b>4</b>	<b>5</b>

**Reconciliation to carrying amounts:**

Particulars	As at March 31, 2018	As at March 31, 2017
Opening net assets	33	23
Total comprehensive income for the year	9	10
Closing net assets	42	33
Group's share %	50%	50%
<b>Group's share in net assets of Joint venture</b>	<b>21</b>	<b>17</b>

## 7. Other financial assets

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Non-current</b>		
Security deposits		
Unsecured, considered good	270	205
Doubtful	16	16
Less : Allowance for bad and doubtful deposits	(16)	(16)
<b>Total other non-current financial assets</b>	<b>270</b>	<b>205</b>
<b>Current</b>		
Derivative instruments designated in a hedging relationship	75	499
Unbilled revenue	2,774	1,823
Interest accrued on fixed deposits	256	149
Advance to employees	90	54
Security deposits	-	13
Other receivables*	189	122
<b>Total other current financial assets</b>	<b>3,384</b>	<b>2,660</b>
<b>Total other financial assets</b>	<b>3,654</b>	<b>2,865</b>

\*Other receivables include advances of ₹ 12 (March 31, 2017: ₹ 8) receivable from Joint venture (refer note 33).

## 8. Other assets

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Non-current (unsecured considered good):</b>		
Capital advances	199	17
Prepaid expenses	126	143
Balances with government authorities (refer note 36(d))	337	713
Other advances	74	5
<b>Total other non-current assets</b>	<b>736</b>	<b>878</b>
<b>Current (unsecured considered good):</b>		
Prepaid expenses	529	686
Balances with government authorities (refer note 36(d))	114	80
Other advances	267	127
<b>Total other current assets</b>	<b>910</b>	<b>893</b>
<b>Total other assets</b>	<b>1,646</b>	<b>1,771</b>

## 9. Inventories

Particulars	As at	
	March 31, 2018	March 31, 2017
Raw materials	830	655
Work-in-progress	270	164
Finished goods	189	94
Consumables & stores	23	22
<b>Total</b>	<b>1,312</b>	<b>935</b>

\* 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, 2018 aggregated to ₹ Nil ( March 31, 2017: ₹ 4) . 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 and loss.

## 10. Trade receivables

Particulars	As at	
	March 31, 2018	March 31, 2017
Unsecured, considered good*	6,913	6,496
Doubtful	124	174
	7,037	6,670
Less: Expected credit loss allowance (refer note below)	(124)	(174)
<b>Total</b>	<b>6,913</b>	<b>6,496</b>

\*Includes amount receivable from related parties (refer note 33).

### 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, 2018	March 31, 2017
Within the credit period	5,583	5,586
1-90 days past due	976	717
91-180 days past due	224	166
181-365 days past due	162	182
More than 365 days past due	92	19
	<b>7,037</b>	<b>6,670</b>

Movement in the expected credit loss allowance	As at	
	March 31, 2018	March 31, 2017
Balance at the beginning of the year	174	262
Provision for ECL	71	97
Reversal of bad debts collected	(13)	-
Reversal of provision for ECL	(108)	(185)
<b>Balance at the end of the year</b>	<b>124</b>	<b>174</b>

## 11: Cash and Bank Balances

### 11A. Cash and cash equivalents

Particulars	As at	
	March 31, 2018	March 31, 2017
Cash on hand*	-	-
Cheques on hand	3	25
Balances with banks		
in current accounts	3,017	2,114
in deposit accounts	4,265	4,882
Deposits with financial institutions	1,955	1,495
Remittances in transit	363	54
<b>Total</b>	<b>9,603</b>	<b>8,570</b>

\* Cash balance aggregate ₹ 0.1 as on March 31, 2018 (March 31, 2017: ₹ 0.1) .



11B. Other bank balances

Particulars	As at	
	March 31, 2018	March 31, 2017
Unpaid dividend account	14	11
Balance in escrow account (refer note below)	46	57
Deposits held as margin money/security for bank guarantees	144	143
<b>Total</b>	<b>204</b>	<b>211</b>

**Note:** Balance in escrow account ₹ 46 (March 31, 2017 - ₹ 57) pertains to purchase consideration paid by Cyient Inc., towards acquisition of Certon Software Inc., USA, payable to previous shareholders on meeting of certain obligations.

12. Equity share capital

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Authorised share capital:</b>		
278,000,000 fully paid up equity shares of ₹ 5 each (March 31, 2017 : 278,000,000) (refer note below)	1,390	1,390
<b>Issued and subscribed capital:</b>		
112,596,002 fully paid up equity shares of ₹ 5 each (March 31, 2017 : 112,566,340)	563	563
<b>Total</b>	<b>563</b>	<b>563</b>

**Note:**

During the previous year, authorised share capital of the Company was increased from 270,000,000 equity shares of ₹ 5 each to 278,000,000 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, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Opening Balance	112,566,340	563	112,483,377	562
Issue of shares under the Company's associateshare option plan*	29,662	-	82,963	1
Balance	112,596,002	563	112,566,340	563

\*On issue of shares during the financial year 2017-18, the company has received of ₹ 0.15 rounded off.

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

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid up equity shares</b>				
B.V.R. Mohan Reddy (refer note (i) below)	3,358,254	2.98%	3,358,254	2.98%
B. Sucharitha (refer note (ii) below)	912,883	0.81%	912,883	0.81%
Carrier International Mauritius Ltd	-	0.00%	15,292,960	13.59%
Vineyard Point Software Private Limited	11,256,634	10.00%	11,256,634	10.00%
First Carlyle Ventures Mauritius	-	-	11,099,416	9.86%
Amansa Holdings Private Limited	7,235,341	6.43%	-	-
Aditya Birla Sun Life Trustee Private Limited	6,096,318	5.41%	-	-
Reliance Capital Trustee Company Limited	5,851,927	5.20%	-	-

**Notes:**

- (i) During the previous year, 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. B.V.R. Mohan Reddy holds 3,358,254 equity shares constituting 2.98% of the paid up share capital of the Company.

- (ii) During the previous year, 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 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.

(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:

- (i) 80,900 (March 31, 2017: 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)
- (ii) 1,650,630 (March 31, 2017: 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)
- (iii) 2,123,507 (March 31, 2017: 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)
- (iv) 3,296,545 (March 31, 2017: 3,296,545) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2004 (ASOP - 2004)
- (v) 920,196 (March 31, 2017: 890,534) 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)

(E) Details of shares reserved for issue:

- (i) Shares aggregating 383,625 and 318,787 as at March 31, 2018 and March 31, 2017 respectively, reserved for issue under ASOP 2008 scheme.
- (ii) Shares aggregating 146,200 as at March 31, 2018, reserved for issue under ASOP 2015 scheme.
- (iii) Shares aggregating 556,332 (March 31, 2017: 637,476), reserved for issue under RSU scheme 2016.

(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, 2018 and March 31, 2017, 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, 2018, 1,650,630 (March 31, 2017: 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 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, 2018, 2,123,507 (March 31, 2017: 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 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, 2018, 3,296,545 (March 31, 2017: 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 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. The Company modified ASOP 2008 and adjusted the number of options and exercise price on account of bonus issue 1:1 during the financial year 2010-11. 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	March 31, 2018		March 31, 2017	
	No. of Options	Weighted average ex-ercise price	No. of Options	Weighted average ex-ercise price
Options outstanding at the beginning of the year	318,787	397	318,750	316
Granted	108,000	516	83,000	500
Forfeited	(13,500)	487	-	-
Exercised	(29,662)	303	(82,963)	189
Options outstanding at the end of year	383,625	430	318,787	397

Out of the total outstanding options, 181,000 (March 31, 2017: 136,887) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2018, 920,196 (March 31, 2017: 890,534) 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 383,625 (March 31, 2017: 318,787) are outstanding as at March 31, 2018.

Associate Stock Option Plan – 2015 (ASOP 2015)

The Company instituted ASOP 2015 in July 2015 and earmarked 1,200,000 equity shares of ₹ 5 each for issue to the employees under ASOP. Under ASOP 2015, 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 2015

Particulars	March 31, 2018		March 31, 2017	
	No. of Options	Weighted average ex-ercise price	No. of Options	Weighted average ex-ercise price
Options outstanding at the beginning of the year	-	-	-	-
Granted	146,200	583	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Options outstanding at the end of year	146,200	583	-	-

Out of the total outstanding options, 50,530 (March 31, 2017: Nil) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2018, Nil (March 31, 2017: Nil) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2015 plan. Accordingly, options (net of cancellations) for a total number of 146,200 (March 31, 2017: Nil) are outstanding as at March 31, 2018.

(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 option reserve' representing the equity settlement and ₹ 87 has been presented under 'trade payables' representing expected cash settlement. Subsequent increase in the liability on account of fair valuation of cash settled RSUs resulted in a closing cash settlement of ₹ 116 as at March 31, 2018 and the same was accounted as "employee benefits expense". These RSUs' are fully vested as on March 31, 2018 and pending exercise by the employees.

Movement in Restricted Stock Units during the year

RSU 2016 Plan

Particulars	March 31, 2018		March 31, 2017	
	No. of RSUs	Weighted average ex-ercise price	No. of RSUs	Weighted average ex-ercise price
RSU outstanding at the beginning of the year	637,476	5	-	-
Granted	-	-	637,476	5
Forfeited	(81,144)	5	-	-
Exercised	-	-	-	-
RSU outstanding at the end of year*	556,332	5	637,476	5

\* includes 169,260 (March 31, 2017: 213,584) RSUs to be settled in cash.

(iii) Fair value of share options granted during the year

The weighted average fair value of the share options and RSUs granted during the year is ₹ 144.2 - ₹ 160.8 (2016-17: ₹ 233.7 - ₹ 455.4). 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.



The following assumptions were used for calculation of fair value of grants:

Particulars	Black-Scholes Model	
	March 31, 2018	March 31, 2017
<b>a) ASOP 2008</b>		
Exercise price (₹)	184 - 559	184 - 559
Grant date share price (₹)	185 - 531.5	185 - 531.5
Dividend yield (%)	1.53 - 2.64	1.53 - 2.64
Expected volatility (%)	28.66 - 65.53	40 - 65.53
Risk-free interest (%)	6.41 - 8.4	6.96 - 8.4
Expected term (in years)	3 - 4	3 - 4
<b>b) RSU 2016</b>		
Exercise price (₹)	5	5
Grant date share price (₹)	467.5	467.5
Dividend yield (%)	1.6	1.6
Expected volatility (%)	24.4	24.4
Risk-free interest (%)	6.3	6.3
Expected term (in years)	1	1
<b>c) ASOP 2015</b>		
Exercise price (₹)	583	-
Grant date share price (₹)	582.6	-
Dividend yield (%)	2.4	-
Expected volatility (%)	28.66 - 31.00	-
Risk-free interest (%)	7.4 - 7.52	-
Expected term (in years)	3 - 4	-

(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)	2017-18	29,662	June to February	509 - 630
Associate Stock Option Plan – 2008 (ASOP 2008)	2016-17	82,963	May to December	478 - 507

\* Allotment happened at various dates during that period

13. Other equity

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>(a) General reserve</b>	<b>5,155</b>	<b>5,155</b>
<b>(b) Securities premium account</b>		
(i) Opening balance	3,850	3,831
(ii) Options exercised	4	4
(iii) Premium received on allotment of shares	9	15
	<b>3,863</b>	<b>3,850</b>
<b>(c) Stock option reserve</b>		
(i) Opening balance	206	19
(ii) Stock option expense	19	17
(iii) Equity component of RSU (refer note 12)	-	174
(iv) Options exercised	(4)	(4)
	<b>221</b>	<b>206</b>

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>(d) Cash flow hedge reserve</b>		
(i) Opening balance	327	92
(ii) Effective portion of (loss)/gain on designated portion of hedging instruments, (net of tax)	(356)	235
	<b>(29)</b>	<b>327</b>
<b>(e) Foreign currency translation reserve</b>		
(i) Opening balance	223	496
(ii) Additions / (deductions) (net)	326	(273)
	<b>549</b>	<b>223</b>
<b>(f) Retained earnings</b>		
(i) Opening balance	11,433	8,762
(ii) Other comprehensive income arising out of remeasurement of defined benefit obligation (net of taxes)	(6)	(22)
(iii) Profit for the year attributable to the shareholders of the Company	4,054	3,438
Less: Appropriations		
(a) Dividend on equity shares (refer note 39)	(1,576)	(619)
(b) Corporate dividend tax	(321)	(126)
	<b>13,584</b>	<b>11,433</b>
<b>(g) Capital reserve</b>		
(i) Opening balance	32	3
(ii) Gain on bargain purchase on business combination, (net of tax) [refer note 34 B(i)]	-	29
	<b>32</b>	<b>32</b>
<b>(h) Equity instrument through other comprehensive income</b>		
(i) Opening balance	-	-
(ii) Increase in fair value of equity instruments, (net of tax) (refer note 6(i))	117	-
	<b>117</b>	<b>-</b>
<b>(i) Gross obligation liability to acquire non-controlling interest (refer note 16)</b>	<b>(616)</b>	<b>(616)</b>
<b>(j) Share application money pending for allotment</b>		
(i) Opening balance	-	1
(ii) Issue of shares under the Company's associate stock option plan	-	(1)
	<b>-</b>	<b>-</b>
<b>Total</b>	<b>22,876</b>	<b>20,610</b>

Nature of reserves

- (a) General reserve**

This represents appropriation of profit by the Group.
- (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 account 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, net of tax.

(e) Foreign currency translation reserve

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

(f) Retained earnings

Retained earnings comprises of prior years’ undistributed earnings after taxes along with current year profit.

(g) Capital reserve

Represents the gain on bargain purchase on business acquisitions.

(h) Equity instrument through OCI

Represents the cumulative gains and loss arising from fair valuation of the equity instruments measured at the fair value through OCI, net of amounts reclassified to retained earnings when the investments have been disposed off.

(i) Gross obligation liability to acquire non-controlling interest

Represents the put option held by non-controlling interests recognised at present value of redemption amount.

(j) Share application money pending for allotment

Represents application money received pending allotment of shares.

14. Non-controlling Interests

Particulars	As at	
	March 31, 2018	March 31, 2017
Balance at beginning of the year	26	67
Total comprehensive loss	(24)	(40)
Other adjustments	1	(1)
Balance at end of the year	3	26

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, 2018	March 31, 2017
Cyient Insights Private limited	India	49%	49%
Cyient DLM Private Limited	India	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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cyient Insights Private limited	(13)	(42)	(117)	(104)
Cyient DLM Private Limited	(11)	2	119	130
Other adjustments	-	-	1	-
	(24)	(40)	3	26

Summarised financial information:

Cyient Insights Private limited

Particulars	As at March 31, 2018	As at March 31, 2017
Non current assets	59	20
Current assets	53	20
Non current liabilities	(368)	(283)
Current liabilities	(31)	(17)
Net assets	(287)	(260)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total income	134	58
Total expenses	(160)	(148)
Loss for the year	(26)	(90)
Loss attributable to Shareholders of the Company	(13)	(46)
Loss attributable to the non-controlling interests	(13)	(44)
Loss for the year	(26)	(90)
Other comprehensive income attributable to Shareholders of the Company	(1)	3
Other comprehensive income attributable to non-controlling interests	-	2
Other comprehensive income for the year	(1)	5
Total comprehensive income attributable to Shareholders of the Company	(14)	(43)
Total comprehensive income attributable to non-controlling interests	(13)	(42)
Total comprehensive income for the year	(27)	(85)
Net cash used in operating activities	(75)	(97)
Net cash used in investing activities	(1)	-
Net cash inflow from financing activities	85	101
Net cash inflow	9	4

Cyient DLM Private Limited

Particulars	As at March 31, 2018	As at March 31, 2017
Non current assets	622	463
Current assets	2,857	2,275
Non current liabilities	(73)	(70)
Current liabilities	(3,044)	(2,264)
Net assets	362	404

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total income	4,005	3,726
Total expenses	(4,043)	(3,720)
(Loss)/profit for the year	(38)	6
(Loss)/profit attributable to Shareholders of the Company	(28)	4
(Loss)/profit attributable to the non-controlling interests	(10)	2
(Loss)/profit for the year	(38)	6
Other comprehensive income attributable to Shareholders of the Company	(4)	(3)
Other comprehensive income attributable to non-controlling interests	(1)	-
Other comprehensive income for the year	(5)	(3)
Total comprehensive income attributable to Shareholders of the Company	(32)	1
Total comprehensive income attributable to non-controlling interests	(11)	2
Total comprehensive income for the year	(43)	3
Net cash (used in)/inflow from operating activities	(135)	118
Net cash used in investing activities	(144)	(94)
Net cash inflow/(used in) from financing activities	212	(158)
Net cash used	(67)	(134)

15. Non-current borrowings

Particulars	As at	
	March 31, 2018	March 31, 2017
Unsecured - at amortised cost		
Term loans		
from other parties	44	40
Secured - at amortised cost		
Term loans		
from banks	586	452
<b>Total non-current borrowings</b>	<b>630</b>	<b>492</b>

\* 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 :

Nature of security & terms of Repayment :

(i) Nature of security:

Term loans are borrowed from State Bank of India and 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.
- iii. Guarantees: Corporate Guarantee from Cyient Limited

(ii) Terms of repayment:

- a. Term loan - ₹ 55 (State Bank of India):  
Outstanding balance as at March 31, 2018 is ₹ Nil. Repayable in 60 monthly variable installments commencing from May 2013. Last installment due in March 2018. Rate of interest 11.55% p.a. Outstanding balance as at March 31, 2017 is ₹ 13.
- b. Term loan - ₹ 90 (State Bank of India):  
Outstanding balance as at March 31, 2018 is ₹ 29. Repayable in 60 monthly installments commencing from November 2014. Last installment due in November 2019. Rate of interest 11.55% p.a. Outstanding balance as at March 31, 2017 is ₹ 48.
- c. Term loan - ₹ 150 (HDFC):  
Outstanding balance as at March 31, 2018 is ₹ 91. Repayable in 54 monthly equated installments commencing from March 2016. Rate of interest 9.65% p.a. Outstanding balance as at March 31, 2017 is ₹ 45.

15.2 Term loan of Cyient Singapore Private Limited:

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, 2018 ₹ 117 (USD 1,800,000) (March 31, 2017: ₹ 195 (USD 3,000,000)). 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, 2018 ₹ 41 (USD 625,000) (March 31, 2017: ₹ 203 (USD 3,125,000)). 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, 2018 ₹ 36 (USD 550,000) (March 31, 2017: ₹ 152 (USD 2,350,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 2.175% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited.

- (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, 2018 ₹ 195 (USD 3,000,000) (March 31, 2017: ₹ 259 (USD 4,000,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 2.503% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited.
- (d) Cyient Defense Services Inc. (wholly owned subsidiary of Cyient Inc.) availed a term loan of ₹ 191 (USD 3,000,000) taken from HSBC Bank on January 23, 2018 repayable in quarterly installments over a period of 4 years. Interest Rate on the term loan is LIBOR+1.00% p.a. payable monthly. Amount outstanding as on March 31, 2018 ₹ 195 (USD 3,000,000) (March 31, 2017: ₹ 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 3.3190% per annum. This loan from HSBC Bank, USA is secured by a corporate guarantee from Cyient Limited and Cyient Inc..

15.4 Term loan of Cyient Europe Limited:

- (a) Cyient Europe Limited availed a term loan of ₹ 324 (USD 5,000,000) taken from HSBC Bank on October 24, 2017 repayable in quarterly installments over a period of 4 years. Interest Rate on the term loan is LIBOR+1.15% p.a. payable quarterly. Amount outstanding as on March 31, 2018 ₹ 304 (USD 4,687,500) (March 31, 2017: ₹ Nil). This loan from HSBC Bank, UK is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited.

15.5 Loan from others of Cyient Insights Private Limited:

Unsecured loans availed from others and outstanding as at March 31, 2018: ₹ 44 (March 31, 2017: ₹ 40).

16. Other financial liabilities

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Non - Current</b>		
Liability towards acquisition of business (refer note (i) & (ii) below)	352	231
Security deposits	1	1
<b>Total</b>	<b>353</b>	<b>232</b>
<b>Current</b>		
Current maturities of non-current borrowings	422	463
Payable on purchase of property, plant and equipment	42	56
Derivative instruments designated in a hedging relationship	118	1
Gross obligation liability to acquire non-controlling interests (refer note (iv) below)	560	595
Liability towards acquisition of business (refer note (ii) & (iii) below)	69	99
Interest accrued	4	3
Unpaid dividends	14	11
Others	27	4
<b>Total</b>	<b>1,256</b>	<b>1,232</b>
<b>Total other financial liabilities</b>	<b>1,609</b>	<b>1,464</b>

- (i) As a part of the acquisition of B&F Design Inc., ("B&F") an amount of ₹ 177 (March 31, 2017: ₹ Nil) is payable as contingent consideration to the selling shareholders of B&F which shall be payable after March 31, 2019 through April 30, 2021.
- (ii) As a part of the acquisition of Certon Software Inc., ("Certon") an amount of ₹ 240 (March 31, 2017: ₹ 231) 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 deferred purchase price payable on April 30, 2018 and earn out payments payable based on the achievement of certain financial targets over the next three financials years.
- (iii) As a part of business acquisition of Optimal Design Solutions Pty Limited (“ODS”), an amount of ₹ 110 was payable as contingent consideration to the selling shareholders of ODS, as on March 31, 2017 which was payable over a period of two years through March 31, 2018. During the year, the Company has settled the consideration for an amount of ₹ 27 (March 31, 2017: ₹ 11) towards this liability and the remaining ₹ 68 has been written back to consolidated statement of profit and loss. As at March 31, 2018, an amount of ₹ 4 (March 31, 2017: ₹ 99) is outstanding towards the contingent consideration.
- (iv) The Company acquired 74% of the share capital of Cyient DLM Private Limited on February 04, 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 . 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 of ₹ 35 (March 31, 2017: ₹ 15) has been recognised as a part of consolidated statement of profit and loss.

## 17. Provisions

Particulars	As at	
	March 31, 2018	March 31, 2017
Gratuity (refer note (i) below)	563	477
Compensated absences (refer note (ii) below)	541	566
Other provisions	3	5
	<b>1,107</b>	<b>1,048</b>
<b>Non-current:</b>		
Gratuity	554	452
Compensated absences	324	361
<b>Total Non-current provisions</b>	<b>878</b>	<b>813</b>
<b>Current:</b>		
Gratuity	9	25
Compensated absences	217	205
Other provisions	3	5
<b>Total Current provisions</b>	<b>229</b>	<b>235</b>
<b>Total</b>	<b>1,107</b>	<b>1,048</b>

### 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 and two of its subsidiaries provide 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 (DBO), 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	As at March 31, 2018	As at March 31, 2017
Discount Rate (%)	7.29% - 8.00%	6.68% - 7.00%
Salary Increase rate (%)	6.00% - 12.00%	6.00% - 8.00%
Attrition (%)	8.00% - 17.00%	8.00% - 17.00%
Mortality Table	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Retirement age	58 - 60 years	58 - 60 years

The following table sets out the defined benefit costs as per actuarial valuation for the Company and its subsidiaries in India:

Amounts recognised in consolidated statement of profit and loss in respect of these defined benefit plans	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	88	77
Past service cost	17	-
Total service cost (A)	105	77
Interest expense on Defined Benefit Obligation	39	36
Interest income on plan assets	(10)	(10)
Net interest cost (B)	29	26
<b>Defined benefit cost recognised in consolidated statement of profit and loss (A)+(B)</b>	<b>134</b>	<b>103</b>
<b>Remeasurement effects recognised in Other Comprehensive Income</b>		
Actuarial gain due to demographic assumptions change in Defined Benefit Obligation	-	(1)
Actuarial (gain)/loss due to Financial assumptions change in Defined Benefit Obligation	(11)	26
Actuarial loss due to Experience on Defined Benefit Obligation	18	5
Return on plan assets (greater)/less than Discount rate	-	(1)
<b>Defined benefit costs recognised in other comprehensive income</b>	<b>7</b>	<b>29</b>
<b>Net gratuity cost</b>	<b>141</b>	<b>132</b>

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

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	715	619
Fair value of plan assets	(152)	(142)
<b>Net liability arising from defined benefit obligation</b>	<b>563</b>	<b>477</b>

#### Movement in the present value of the defined benefit obligation:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Projected benefit obligation at the beginning of the year	619	524
Current service cost	88	77
Past service cost	17	-
Interest cost	39	36
Actuarial loss	7	29
Payments	(55)	(47)
<b>Defined benefit obligation at the end of the year</b>	<b>715</b>	<b>619</b>

#### Change in Plan assets

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Plan assets at the beginning of the year	142	131
Return on plan assets	10	10
Employer contribution	55	48
Payments	(55)	(47)
<b>Plan assets at the end of the year</b>	<b>152</b>	<b>142</b>

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

#### Composition of plan assets

Plan assets comprise of 100% insurer managed funds. Fund is managed by Life Insurance Corporation of India as per Insurance Regulatory and Development Authority of India (IRDA) guidelines, category wise composition of the plan assets is not available.

#### Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(33)	36	(25)	24
Future salary growth (1% movement)	32	(29)	26	(25)

#### Maturity profile of defined benefit obligation:

Particulars	As at	
	March 31, 2018	March 31, 2017
Within 1 year	121	99
1-2 year	110	93
2-3 year	103	85
3-4 year	92	79
4-5 year	85	69
5-10 year	287	238

The expected contribution to the plan for the year ended March 31, 2019 is ₹ 119

#### (iii) Assumptions for compensated absences

##### a) Compensated absences – India and domestic subsidiaries:

Actuarial assumptions for long-term compensated absences	As at March 31, 2018	As at March 31, 2017
Discount rate	7.29% - 7.40%	6.68% - 6.90%
Salary escalation	6.00% - 12.00%	6.00% - 8.00%
Attrition	8.00% - 17.00%	8.00% - 17.00%

##### b) Compensated absences – Overseas branches and subsidiaries:

Actuarial assumptions for long-term compensated absences	As at March 31, 2018	As at March 31, 2017
Discount rate	1.45% - 4.20%	1.45% - 4.30%
Expected return on plan assets	NA	NA
Salary escalation	2.00% - 3.00%	2.00% - 3.00%
Attrition	5.00% - 15.00%	5.00% - 15.00%

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at year-end as per Company's policy. The value of such leave balance eligible for carry forward, is

determined by an independent actuarial valuation and charged to consolidated statement of profit and loss in the period determined.

The estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government 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, 2018	For the year ended March 31, 2017
<b>Current tax</b>		
In respect of the current year	1,543	932
In respect of prior years	(50)	(5)
	<b>1,493</b>	<b>927</b>
<b>Deferred taxes expense/(benefit):</b>		
In respect of the current year	(112)	176
MAT credit	(1)	(58)
	<b>(113)</b>	<b>118</b>
<b>Total</b>	<b>1,380</b>	<b>1,045</b>

##### B. Income tax expense/(benefit) recognised in other comprehensive income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Income tax expense/(benefit) recognised directly in equity consists of:</b>		
Tax effect on actuarial gains/losses on defined benefit obligations	1	7
Tax effect on gain on bargain purchase on business combinations	-	(12)
Tax effect on equity instrument through other comprehensive income	(49)	-
Tax effect on effective portion of change in fair value of cash flow hedges	187	(124)
	<b>139</b>	<b>(129)</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	(48)	(5)
Items that may be reclassified to profit or loss	187	(124)

##### C. Reconciliation of effective tax rate

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Profit before tax</b>	<b>5,411</b>	<b>4,441</b>
Enacted rate in India	34.61%	34.61%
<b>Computed expected tax expense</b>	<b>1,873</b>	<b>1,537</b>
Effect of income exempt from tax	(506)	(557)
Effect of expenses that are not deductible in determining taxable profit	118	67
Unrecognised deferred tax assets	24	57
Effect of different tax rates of subsidiaries operating in other jurisdictions	(92)	(35)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Recognition of deferred tax assets on unused tax losses (refer note (i) below)	(55)	-
Effect of deemed repatriation of foreign subsidiaries (refer note (ii) below)	22	-
Effect of changes in income tax rates	(66)	-
Others	62	(24)
<b>Income tax expense</b>	<b>1,380</b>	<b>1,045</b>
<b>Effective tax rate</b>	<b>25.50%</b>	<b>23.53%</b>

**Notes:**

- (i) During the year, the Company has recognised deferred tax assets on unutilised tax losses of subsidiaries based on the evaluation of taxable profits in future periods, against which such deferred tax assets are expected to be utilised.
- (ii) In accordance with the Tax Cuts and Jobs Act of 2017 enacted in United States of America, tax on deemed repatriation for foreign subsidiaries of Cyient Inc. has been provided for and the liability is classified under non-current portion of the income tax payable of ₹ 20 and current portion of income tax payable of ₹ 2.
- (iii) 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, 2018	March 31, 2017
Deferred tax assets	321	101
Deferred tax liabilities	(356)	(302)

- B. Movement in deferred tax assets and liabilities :

2017-18	Opening Balance	Recognised in profit or loss	Recognised in other compre- hensive income	Other adjust- ments	Exchange difference	Closing balance
<b>Deferred tax (liabilities)/assets in relation to :</b>						
Cash flow hedges	(172)	-	187	-	-	15
Investments in associates	(156)	156	-	-	-	-
Property, plant and equipment & Intangible assets	(188)	22	-	-	(1)	(167)
Financial assets at FVTOCI	-	-	(49)	-	-	(49)
Deferred revenue	(268)	(98)	-	-	-	(366)
Provisions	346	(5)	1	-	1	343
Provision for doubtful debts	61	(22)	-	-	-	39
Carry forward of tax losses	97	59	-	-	6	162
MAT credit entitlement	91	1	-	(92)	-	-
Gain on bargain purchase on business combinations	(12)	-	-	-	-	(12)
<b>Net deferred tax assets/(liabilities)</b>	<b>(201)</b>	<b>113</b>	<b>139</b>	<b>(92)</b>	<b>6</b>	<b>(35)</b>

2016-17	Opening Balance	Recognised in profit or loss	Recognised in other compre- hensive income	Acquisi- tion	Exchange difference	Closing balance
<b>Deferred tax (liabilities)/assets in relation to :</b>						
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)
<b>Net deferred tax assets/(liabilities)</b>	<b>(3)</b>	<b>(118)</b>	<b>(129)</b>	<b>49</b>	<b>-</b>	<b>(201)</b>

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2018 :	Assets	Liabilities	Net
<b>Deferred tax assets/(liabilities) in relation to:</b>			
Cash flow hedges	17	(1)	16
Financial assets at FVTOCI	-	(48)	(48)
Property, plant and equipment & Intangible assets	(149)	(18)	(167)
Deferred revenue	-	(366)	(366)
Provisions	284	57	341
Provision for doubtful debts	25	14	39
Tax losses & Tax offsets	144	18	162
Gain on bargain purchase on business combinations	-	(12)	(12)
<b>Net deferred tax assets/(liabilities)</b>	<b>321</b>	<b>(356)</b>	<b>(35)</b>

As at March 31, 2017 :	Assets	Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to:</b>			
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)
<b>Net deferred tax assets/(liabilities)</b>	<b>101</b>	<b>(302)</b>	<b>(201)</b>

**18.3. Income tax assets and liabilities**

The following is the analysis of income tax assets/(liabilities) presented in the consolidated balance sheet	As at	
	March 31, 2018	March 31, 2017
<b>Income tax assets, net</b>		
Income tax assets (net of provisions ₹ 4,786 (March 31, 2017: ₹ 3,441))	755	683
<b>Income tax liabilities, net</b>		
Income tax payable-current (net of advance ₹ 2,842) (March 31, 2017: ₹ 2,595)	(316)	(424)
Income tax payable-Non current (refer note (ii) above)	(20)	-



## 19. Other liabilities

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Non - Current</b>		
Unearned revenue	26	35
<b>Total</b>	<b>26</b>	<b>35</b>
<b>Current</b>		
Unearned revenue	164	262
Advance from customers	433	132
Statutory remittances	630	914
Others	-	11
<b>Total</b>	<b>1,227</b>	<b>1,319</b>

## 20. Current borrowings

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Secured - at amortised cost</b>		
Loans from banks (refer note below)	1,780	1,159
<b>Total</b>	<b>1,780</b>	<b>1,159</b>

### Notes:

#### Loans from banks

#### Working capital loan of Cyient DLM Private Limited :

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

Loan outstanding balance as on March 31, 2018 is ₹ 299 (March 31, 2017: ₹ 141). This loan is secured by a corporate guarantee from Cyient Limited.

**Primary Security:** Hypothecation of entire stock of raw materials/stock in process/finished goods, Receivables / Book Debts and other current assets on pari-passu first charge basis.

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

##### (ii) HDFC Bank :

Loan outstanding balance as on March 31, 2018 is ₹ 578 (March 31, 2017: ₹ 409). This loan is secured by a corporate guarantee from Cyient Limited.

**Primary Security:** Current Assets - Pari-passu charge on Current Assets

**Security:** Movable Fixed Assets - Pari-passu charge on Movable fixed assets of the Company.

##### (iii) Citibank :

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

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

##### (iii) ICICI Bank :

Loan outstanding balance as on March 31, 2018 is ₹ 99 (March 31, 2017: ₹ 180). This loan is secured by a corporate guarantee from Cyient Limited.

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

#### Loan of Cyient Inc.:

During the year, Cyient Inc. has borrowed loan aggregating ₹ 423 (USD 6,500,000) (March 31, 2017: Nil), which has been secured by a stand by letter of credit arranged with HSBC Bank. This loan is secured by a stand by letter of credit from HSBC Bank, India which in turn is secured by a corporate guarantee from Cyient Limited.

During the year, Cyient Inc. has borrowed current loans aggregating ₹ 354 (USD 5,500,000) and repaid the same before the end of the financial year under a line of credit arranged with HSBC Bank. This loan is secured by a stand by letter of credit from HSBC Bank, India which in turn is secured by a corporate guarantee from Cyient Limited.

During the previous year, Cyient Inc. borrowed short term loans aggregating ₹ 843 (USD 14,000,000) 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, 2018 ₹ Nil (March 31, 2017: ₹ 79) is secured by a corporate guarantee from Cyient Limited.

Cyient Europe Limited borrowed short term loans aggregating ₹ 146 (March 31, 2017: ₹ 129) from Citi bank. This loan is secured by a corporate guarantee from Cyient Limited.

#### Loan of Cyient GmbH:

Cyient GmbH borrowed short term loans aggregating ₹ 88 (March 31, 2017: Nil) from HSBC Bank. This loan is secured by a corporate guarantee from Cyient Limited.

## 21. Trade Payables

Particulars	As at	
	March 31, 2018	March 31, 2017
Dues to micro enterprises and small enterprises (refer note 38)	1	1
Dues to others	3,812	3,921
<b>Total</b>	<b>3,813</b>	<b>3,922</b>

## 22. Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of services	35,331	32,399
Sale of products (includes excise duty of ₹ 36; 2016-17: ₹ 207 )	3,844	3,666
<b>Total</b>	<b>39,175</b>	<b>36,065</b>

## 23. Other income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Interest income</b>		
Interest income on financial assets carried at amortised cost:		
Deposits with Banks and financial institutions	423	364
Other financial assets	82	12
	<b>505</b>	<b>376</b>
<b>Dividend income</b>		
Dividend from mutual funds	42	34
	<b>42</b>	<b>34</b>
<b>Other non-operating income</b>		
Liabilities no longer required, written back [refer note 16 (iii)]	167	145
Miscellaneous income	107	70
	<b>274</b>	<b>215</b>
<b>Other gains and losses</b>		
Gain/(loss) on fair valuation of financial assets and liabilities	2	(3)
Net foreign exchange gains/(loss)	116	(132)
Exchange gain on foreign currency forward contracts (net)	548	444
Gain on fair valuation of financials instrument (refer note 16 (iv))	35	-
Loss on disposal of property, plant and equipment	(3)	(2)
	<b>698</b>	<b>307</b>
<b>Total</b>	<b>1,519</b>	<b>932</b>

**24. Employee benefits expense**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages, including bonus	19,929	18,667
Contribution to provident and other funds (refer note (i) below)	468	412
Social security and other benefits to overseas employees (refer note (ii) below)	353	312
Stock option expense (refer note 12)	48	17
Staff welfare expenses	1,092	1,101
Less: Capitalised	(13)	(19)
<b>Total</b>	<b>21,877</b>	<b>20,490</b>

**Notes:****(i) Contribution to provident fund and other funds****Provident fund:**

The Company and two 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 aggregated ₹ 311 (2016-17: ₹ 287).

**Gratuity (funded):**

Amount recognised in the consolidated statement of profit and loss in respect of gratuity - ₹ 134 (2016-17: ₹ 103) (refer note 17(i)).

**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 administrated 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 ₹ 23 (2016-17: ₹ 22).

**(ii) Social security and other benefits to overseas employees****Superannuation fund - Australia:**

The employees at the Australia branch & subsidiary of the Company are also covered under a superannuation scheme. 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 ₹ 162 (2016-17: ₹ 160).

**401 (K) benefit Plan - Cyient Inc:**

Cyient Inc., provides a defined contribution plan benefit through 401(K) benefit Plan to all of its eligible employees. The plan is administered by the Cyient Inc., while the trustee for the plan is an external agency. The contribution from the Cyient Inc., is at the discretion of the Board of Directors. The Cyient Inc., 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 ₹ 99 (2016-17: ₹ 83) The amount payable towards 401(K) benefit plan as at March 31, 2018 is ₹ 25 (March 31, 2017: ₹ 20).

**25. Cost of materials consumed**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock	655	807
Add: Purchases	3,447	2,700
Less: Closing stock	(830)	(655)
<b>Total</b>	<b>3,272</b>	<b>2,852</b>

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Opening Stock:</b>		
Finished goods	94	68
Work-in-progress	164	80
	<b>258</b>	<b>148</b>
<b>Closing Stock:</b>		
Finished goods	189	94
Work-in-progress	270	164
	<b>459</b>	<b>258</b>
<b>Net (increase)</b>	<b>(201)</b>	<b>(110)</b>

**Note:** As a part of B&F acquisition, the opening stock acquired as on acquisition date (January 31, 2018) was ₹ 73.

**27. Finance costs**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Interest expense</b>		
Interest on bank overdrafts and borrowings	112	105
Other interest expense	81	64
Unwinding of discounting deferred consideration	11	3
<b>Total</b>	<b>204</b>	<b>172</b>

**28. Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment	534	483
Amortisation of intangible assets	518	470
<b>Total</b>	<b>1,052</b>	<b>953</b>

**29. Other expenses**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent including lease rentals (refer note (i) below)	772	659
Factory rent	24	23
Rates and taxes	149	160
Insurance	86	87
Stores and spares consumed	71	55
Freight outwards	33	26
Travelling and conveyance	1,337	1,260
Sub-contracting charges	2,825	2,382
Communication	230	201
Printing and stationery	43	42
Power and fuel	245	230
Marketing and advertising expenses	251	228
Repairs and maintenance		
- Buildings	25	19
- Machinery	852	784
- Others	95	101
Non executive directors commission	11	10
Legal & professional charges	686	648
Expenditure for Corporate Social Responsibility (refer note (ii) below)	73	62
Provision for doubtful debts (net)	71	97

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Bad debts written off, net of reversal of provision for doubtful debts (refer note (iii) below)	-	1
Auditors' remuneration (refer note (iv) below)	48	48
Recruitment expenses	121	74
Training and development	79	73
Software charges	138	222
Miscellaneous expenses	572	362
<b>Total</b>	<b>8,837</b>	<b>7,854</b>

**Notes:**

**(i) Operating leases:**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	650	516
Later than one year but not later than five years	1,076	1,011
Later than five years	227	206
<b>Total</b>	<b>1,953</b>	<b>1,733</b>

**(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 towards promoting education, adoption of schools, medical and other social projects. Expenses incurred on CSR activities through Cyient Foundation and contributions towards other charitable institutions are charged to the consolidated statement of profit and loss under “other expenses” ₹ 73 (2016-17: ₹ 62) (refer note 33).

**(iii) Bad debts written off:**

Bad debts written off during the year ended March 31, 2018 was ₹ 108 (2016-17- ₹ 109) and reversal of provision for doubtful debts was ₹ 108 (2016-17- ₹ 108)

**(iv) Auditors’ remuneration (net of applicable tax) comprises of:**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Company</b>		
For statutory audit	8	8
For other services	3	4
For services rendered by affiliates of statutory auditors	9	13
Reimbursement of expenses	1	1
<b>Subsidiaries</b>		
For audit	27	22
<b>Total Auditors' remuneration</b>	<b>48</b>	<b>48</b>

**30. Earnings per share**

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Profit for the year attributable to shareholders of the Company	4,054	3,438
<b>Basic:</b>		
Number of shares outstanding at the year end	112,596,002	112,566,340
Weighted average number of equity shares	112,578,461	112,536,208
<b>Earnings per share (₹)</b>	<b>36.00</b>	<b>30.55</b>
<b>Diluted:</b>		
Effect of potential equity shares on employee stock options and RSUs outstanding	477,065	89,451
Weighted average number of equity shares outstanding	113,055,526	112,625,659
<b>Earnings per share (₹)</b>	<b>35.85</b>	<b>30.53</b>

**31. 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 previous 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.

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. Segment revenue and results**

Particulars	Segment Revenue		Segment Profit	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
UGC	14,594	12,997	2,514	1,923
MI	20,599	19,419	2,886	2,676
DLM	3,982	3,649	60	(13)
<b>Total</b>	<b>39,175</b>	<b>36,065</b>	<b>5,460</b>	<b>4,586</b>
Unallocable income (net of unallocable expenses)			107	(268)
Share of (loss)/profit from associate			(160)	118
Share of profit from Joint venture			4	5
Profit before tax			5,411	4,441
Tax expense			1,380	1,045
Profit after tax			4,031	3,396
Share of non-controlling interest			(23)	(42)
<b>Profit for the year attributable to the shareholders of the Company</b>			<b>4,054</b>	<b>3,438</b>



C. Segment assets and liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Segment assets</b>		
DLM	5,914	5,185
UGC/MI	19,256	17,515
<b>Total</b>	<b>25,170</b>	<b>22,700</b>
<b>Unallocated assets</b>		
Tax Assets	1,076	784
Fixed deposits, margin money and escrow account	6,410	6,577
Mutual funds	1,130	925
Security deposits	270	218
Interest accrued on deposits	256	149
Earmarked balances for unpaid dividend	14	11
<b>Consolidated total assets</b>	<b>34,326</b>	<b>31,364</b>
<b>Segment liabilities</b>		
DLM	2,146	1,718
UGC/MI	5,196	5,593
<b>Total</b>	<b>7,342</b>	<b>7,311</b>
<b>Unallocated liabilities</b>		
Tax Liabilities	692	726
Borrowings	2,832	2,114
Interest accrued on borrowings	4	3
Unclaimed Dividend	14	11
<b>Consolidated total liabilities</b>	<b>10,884</b>	<b>10,165</b>

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

Geographic segments

Information regarding geographical revenue is as follows:

Geographic location	Year ended March 31, 2018	Year ended March 31, 2017
<b>Segment Revenue</b>		
India	9,352	8,859
North America	16,551	15,998
Europe	6,780	5,551
Rest of World	6,492	5,657
<b>Total</b>	<b>39,175</b>	<b>36,065</b>

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, 2018	As at March 31, 2017
<b>Segment non-current assets</b>		
India	6,887	6,561
North America	1,548	1,289
Europe	412	289
Rest of World	379	514
<b>Total</b>	<b>9,226</b>	<b>8,653</b>

32. 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, 2018	As at March 31, 2017
	<b>Subsidiaries</b>			
1	Cyient Europe Limited	UK	100%	100%
2	Cyient Benelux BV <sup>@1</sup>	Netherlands	100%	100%
3	Cyient Schweiz GmbH <sup>@1</sup>	Switzerland	100%	100%
4	Cyient SRO <sup>@1</sup>	Czech Republic	100%	100%
5	Blom Aerofilms Limited <sup>@7</sup>	UK	-	100%
6	Cyient Inc.	USA	100%	100%
7	Cyient Canada Inc. <sup>@2</sup>	Canada	100%	100%
8	Cyient Defense Services Inc. <sup>@6</sup>	USA	100%	100%
9	Certon Software Inc. <sup>@8</sup>	USA	100%	100%
10	Certon Instruments Inc. <sup>@8</sup>	USA	100%	100%
11	B&F Design Inc. <sup>@13</sup>	USA	100%	-
12	Cyient GmbH	Germany	100%	100%
13	Cyient AB <sup>@3</sup>	Sweden	100%	100%
14	Cyient KK	Japan	100%	100%
15	Cyient Insights Private Limited	India	51%	51%
16	Cyient Insights LLC <sup>@4</sup>	USA	51%	51%
17	Cyient DLM Private Limited	India	74%	74%
18	Techno Tools Precision Engineering Private Limited <sup>@5</sup>	India	-	74%
19	Cyient Australia Pty Limited	Australia	100%	100%
20	Cyient Singapore Private Limited	Singapore	100%	100%
21	Cyient Israel India Limited <sup>@12</sup>	Israel	100%	-
22	Cyient Solutions and Systems Private Limited <sup>@14</sup>	India	100%	-
23	Cyient Engineering (Beijing) Limited <sup>@11</sup>	China	-	-
	<b>Associate</b>			
24	Infotech Aerospace Services Inc. <sup>@9</sup> (untill December 08, 2017)	Puerto Rico	-	49%
	<b>Joint Venture</b>			
25	Infotech HAL Limited <sup>@10</sup>	India	50%	50%

Notes:

- <sup>@1</sup> Wholly owned by the Company through its wholly owned subsidiary Cyient Europe Limited.
- <sup>@2</sup> Wholly owned by the Company through its wholly owned subsidiary Cyient Inc.
- <sup>@3</sup> Wholly owned by the Company through its wholly owned subsidiary Cyient GmbH .
- <sup>@4</sup> Majority owned by the Company through its subsidiary Cyient Insights Private Limited.
- <sup>@5</sup> Majority owned by the Company through its subsidiary Cyient DLM Private Limited. Effective April 01, 2017, Techno Tools Precision Engineering Private Limited has been merged with its holding company, Cyient DLM Private Limited, pursuant to the order from National Company Law Tribunal dated April 02, 2018. (refer note 34)
- <sup>@6</sup> 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.
- <sup>@7</sup> On November 30,2016, the Company acquired 100% shareholding in Blom Aerofilms Limited through its wholly owned subsidiary Cyient Europe Limited. Effective April 01, 2017, Blom Aerofilms Limited was merged into Cyient Europe Limited. (refer note 34)
- <sup>@8</sup> 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.

- @9 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 period ended November 30, 2017. The Company divested its 49% stake in Infotech Aerospace Services Inc. on December 08, 2017 (refer note 6(iv)). The share of profits has been accounted for using equity method in accordance with the Ind AS 28 Investments in Associates and Joint Ventures.
- @10 Infotech HAL Limited, India has been accounted for under equity method in accordance with the Ind AS 28 Investments in Associates and Joint Ventures.
- @11 The Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China on March 25, 2016. The share capital in the subsidiary is yet to be infused and the subsidiary is yet to commence commercial operations.
- @12 The Company incorporated a wholly owned subsidiary, Cyient Israel India Limited, in Israel on July 18, 2016. Cyient Israel India Limited commenced commercial operations during the year.
- @13 The Company, through its wholly-owned step down subsidiary Cyient Defense Services Inc., acquired 100% equity shares of B&F Design Inc., USA on January 24, 2018 and consolidated the same with effect from February 1, 2018.
- @14 During August 2017, the Company subscribed to 49% share capital in Cyient Solutions and Systems Private Limited, which was accounted as an associate under Ind AS 28 ‘Investments in Associates and Joint Ventures’. Subsequently on March 26, 2018, the Company acquired the balance 51% share capital in Cyient Solutions and Systems Private Limited and accordingly consolidated with effect from that date as a wholly owned subsidiary.

33. 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	Country of incorporation	Extent of holding (%) as at	
		March 31, 2018	March 31, 2017
Infotech HAL Limited	India	50%	50%

Associate:

Name of the Associate	Country of incorporation	Extent of holding (%) as at	
		March 31, 2018	March 31, 2017
Infotech Aerospace Services Inc. (refer note 6(iv))	Puerto Rico	-	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	President & Chief Financial Officer
M.M Murugappan	Independent Director
K. Ramachandran	Independent Director
Som Mittal	Independent Director
Andrea Bierce	Independent Director
John Paul Paterson	Independent Director
Vinai Kumar Thummalapally	Independent Director
Alain De Taeye	Non-Executive & Non-independent Director

Relative of Executive Chairman and 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 transaction	Party name	For the year ended	
		March 31, 2018	March 31, 2017
Share of profits from joint venture	Infotech HAL Limited	4	5
Revenue from operations	Infotech HAL Limited	1	9
Subcontracting charges	Infotech HAL Limited	7	9
Rental income	Infotech HAL Limited	1	1
Advance given / (recovered)	Infotech HAL Limited	4	-
Share of (loss)/profits from associate	Infotech Aerospace Services Inc.	(160)	118
Dividend from associate	Infotech Aerospace Services Inc.	589	-
Loss on disposal of associate	Infotech Aerospace Services Inc.	(50)	-
CSR expenditure	Cyient Foundation	68	57

Compensation to key management personnel as follows:

Nature of the transaction	Party name	For the year ended	
		March 31, 2018	March 31, 2017
Short-term benefits	Executive Chairman, Managing Director & CEO and Executive officers <sup>#1</sup>	207	141
Dividend paid during the year	Executive Chairman and Managing Director & CEO	73	90
Commission and other benefits	Non-executive/independent directors	11	10

<sup>#1</sup> Executive officers include Ajay Aggarwal (President & Chief Financial Officer) and Ashok Reddy (relative of Executive Chairman and Managing Director & CEO).

(b) Balances at the year end:

Nature of the balance	Party name	As at	
		March 31, 2018	March 31, 2017
Trade receivables	Infotech HAL Limited	26	25
Advances receivable	Infotech HAL Limited	12	8
Short-term benefits payable	Executive Chairman and Managing Director & CEO	129	73
Commission and other benefits payable	Non-executive/independent directors	11	10

34. Business combinations

A. Business combinations during the year 2017-18:

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

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

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

\*includes cash and cash equivalents acquired of ₹ 32.

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

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

(ii) Cyient Solutions and Systems Private Limited (CSSPL)

During August 2017, the Company subscribed to 49% share capital in CSSPL, which was consolidated as an associate under Ind AS 28 'Investments in Associates and Joint Ventures'. Subsequently on March 26, 2018, the Company acquired the balance 51% share capital in CSSPL which resulted in a goodwill of ₹ 3 and accordingly consolidated as a wholly owned subsidiary with effect from that date.

(iii) Amalgamation of Blom Aerofilms Limited

Blom Aerofilms Limited, a wholly owned subsidiary of Cyient Europe Limited was amalgamated with Cyient Europe Limited with effect from April 1, 2017. Pursuant to the amalgamation all the assets, liabilities and reserves stand transferred and vested in Cyient Europe Limited. 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. As Blom Aerofilms Limited was a wholly owned subsidiary of Cyient Europe Limited, no consideration was paid to effect the amalgamation.

Value of assets and liabilities amalgamated:	As at April 1, 2017
Non current assets	178
Current assets	309
Current liabilities	(265)
Reserves	37

(iv) Amalgamation of Techno Tools Precision Engineering Private Limited (Techno Tools)

Techno Tools, a wholly owned subsidiary of Cyient DLM Private Limited is amalgamated with Cyient DLM Private Limited (Cyient DLM) with effective from April 1, 2017 ("Appointed Date") pursuant to a Scheme of Amalgamation approved by the National Company Law Tribunal vide its order dated April 02, 2018. Consequently, all the Assets, Liabilities and Reserves as at April 1, 2017 stand transferred and vested in the Cyient DLM. As Techno Tools was a wholly owned subsidiary of the Cyient DLM, no additional consideration was paid to effect the amalgamation. In line with Ind AS 10, Events after the Reporting Period, this amalgamation has been accounted during the financial year ended March 31, 2018.

Value of assets and liabilities amalgamated:	As at April 1, 2017
Non current assets	74
Current Assets	31
Non current liabilities	(150)
Current liabilities	(3)
Reserves	48

B. 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
<b>Total</b>	<b>179</b>
Gain on bargain purchase	(41)
<b>Total purchase consideration</b>	<b>138</b>

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 Utilities, Geospatial and Communications (UGC) segment.

(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.



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
<b>Total</b>	<b>225</b>
Goodwill	74
<b>Total purchase consideration</b>	<b>299</b>

\*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 profits 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 Utilities, Geospatial and Communications (UGC) segment.

(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.

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
<b>Total</b>	<b>272</b>
Goodwill	496
<b>Total purchase consideration</b>	<b>768</b>

\*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 Manufacturing and Industrial Products (MI) segment.

**35. Financial Instruments**

**35.1 Capital management**

The Group 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, 2018	March 31, 2017
Borrowings *	2,832	2,114
Cash and bank balances	(9,807)	(8,781)
<b>Net debt</b>	<b>-</b>	<b>-</b>
Total equity	<b>23,442</b>	<b>21,199</b>
<b>Net debt to equity ratio</b>	<b>0.00%</b>	<b>0.00%</b>

\*Borrowings consist of non-current, current maturities of long term and current borrowings (refer note 15,16 & 20)

**35.2 Financial instruments by category**

Particulars	Carrying value as at	
	March 31, 2018	March 31, 2017
<b>Financial assets:</b>		
<b>Amortised cost</b>		
Trade receivables	6,913	6,496
Cash and cash equivalents	9,603	8,570
Other bank balances	204	211
Other financial assets	3,579	2,366
<b>Fair value through other comprehensive income</b>		
Investments in other equity instruments (unquoted)	18	101
Investments in other equity instruments (quoted)	249	-
Derivative instruments designated in a hedging relationship	75	499
<b>Fair value through profit and loss</b>		
Investments in mutual funds	1,130	925
Investment in Compulsorily convertible preference shares (CCPS) (unquoted)	10	-
<b>Total financial assets</b>	<b>21,781</b>	<b>19,168</b>
<b>Financial liabilities:</b>		
<b>Amortised cost</b>		
Borrowings*	2,832	2,114
Trade payables	3,813	3,922
Other financial liabilities	88	75
<b>Fair value through other comprehensive income</b>		
Derivative instruments designated in a hedging relationship	118	1
<b>Fair value through profit and loss</b>		
Liability towards acquisition of business (refer note 16)	421	330
Gross obligation liability to acquire non-controlling interests (refer note 16)	560	595
<b>Total financial liabilities</b>	<b>7,832</b>	<b>7,037</b>

\*Borrowings include non-current, current matures of non-current and current borrowings (refer note 15,16 & 20)

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 consolidated statement of profit and loss.

35.3 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, 2018:

Particulars	Date of valuation	As at March 31, 2018	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
<b>Assets</b>					
Investment in unquoted equity instruments (refer note 6) *	March 31, 2018	18	-	-	18
Investment in quoted equity instruments (refer note 6) **	March 31, 2018	249	249	-	-
Investment in unquoted CCPS (refer note 6)*	March 31, 2018	10	-	-	10
Investment in mutual funds (refer note 6) **	March 31, 2018	1,130	1,130	-	-
Derivative instruments designated in a hedging relationship (refer note 7) ***	March 31, 2018	75	-	75	-
<b>Liabilities</b>					
Derivative instruments designated in a hedging relationship (refer note 16) ***	March 31, 2018	118	-	118	-
Liability towards acquisition of business (refer note 16) *	March 31, 2018	421	-	-	421
Gross obligation liability to acquire non-controlling interests (refer note 16) *	March 31, 2018	560	-	-	560

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Particulars	Date of valuation	Fair Value	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
<b>Assets</b>					
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 instruments designated in a hedging relationship (refer note 7) ***	March 31, 2017	499	-	499	-

Particulars	Date of valuation	Fair Value	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
<b>Liabilities</b>					
Derivative instruments designated in a hedging relationship (refer note 16) ***	March 31, 2017	1	-	1	-
Liability towards acquisition of business (refer note 16) *	March 31, 2017	330	-	-	330
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 previous year.

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 quoted equity shares and 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, 2018 the mark-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 insignificant impact on the hedge effectiveness assessment for derivatives designated in hedge relationships.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents changes in level 3 items for the year ended March 31, 2018 and March 31, 2017:

Particulars	Investment in unquoted equity shares	Investment in unquoted CCPS	Liability towards acquisition of business and contingent consideration	Gross obligation liability to acquire non-controlling interests	Total
<b>As at March 31, 2016</b>	-	-	-	<b>601</b>	<b>601</b>
Acquisitions	101	-	340	-	441
Losses / (gains) recognised in consolidated statement of profit and loss account	-	-	1	(6)	(5)
Payments during the year	-	-	(11)	-	(11)
<b>As at March 31, 2017</b>	<b>101</b>	<b>-</b>	<b>330</b>	<b>595</b>	<b>1,026</b>
Acquisitions	-	10	177	-	187
(Gains) recognised in consolidated statement of profit and loss account	-	-	(57)	(35)	(92)
Exchange impact on financial liabilities	-	-	(2)	-	(2)
Derecognition during the year	(83)	-	-	-	(83)
Payments during the year	-	-	(27)	-	(27)
<b>As at March 31, 2018</b>	<b>18</b>	<b>10</b>	<b>421</b>	<b>560</b>	<b>1,009</b>

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 unobserv-able inputs	Valuation process	Sensitivity of the inputs to fair value
	March 31, 2018	March 31, 2017			
Investment in unquoted equity shares and com-pulsorily convert-ible preference shares (CCPS)	28	101	Earnings growth rate	Earnings growth factor for unquoted equity shares and CCPS 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 res-ult in decrease in fair value.
Liability towards acquisition of busi-ness and contin-gent consideration	421	330	Expected cash out-flows	Estimate of cash outflows are based on forecasted sales and entity's knowledge of the business and how the current economic environment is likely to impact.	Any increase in expected cash flows would increase the fair value.
			Discount rate	Discount rate is the current average borrowing cost that a market parti-cipant would expect to pay to obtain its debt financing based on the assumed capital structure.	Any increase in the discount rate would res-ult in decrease in fair value.
Gross obligation liability to acquire non-controlling interests	560	595	Earnings growth rate	Earnings growth rate is based on fore-casted sales and entity's knowledge of the business and how the current eco-nomic 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 res-ult in decrease in fair value.

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, 2018, that were designated and effective as hedges of the future cash flows, (loss)/gain aggregating ₹ (29) (net of tax ₹ 16) [March 31, 2017: ₹ 327 (net of tax ₹ 172)] have been recognised under the cash flow hedge reserve.

Derivative financial instruments:

Outstanding forward exchange contracts as on March 31, 2018:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
AUD	25	20,400,000	1,060	Sell	Rupees
CAD	18	9,070,000	478	Sell	Rupees
EUR	28	25,900,000	2,097	Sell	Rupees
GBP	19	8,740,000	796	Sell	Rupees
USD	39	61,000,000	4,099	Sell	Rupees

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

All outstanding forward exchange contracts as at March 31, 2018 and March 31, 2017 have maturity period of less than one year.

Sensitivity analysis:

In respect of the Company's forward contracts, a 5% increase/decrease in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

\* an approximately ₹ (414)/ 414 (decrease)/increase in the Company's other comprehensive income as at March 31, 2018.

\* an approximately ₹ (365)/ 366 (decrease)/increase in the Company's other comprehensive income as at March 31, 2017.

Foreign currency exposure unhedged

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

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	634	364	15	386	1,399
Trade receivables	3,769	776	277	(18)	4,804
Other financial assets	343	455	152	288	1,238
Trade payables	(1,500)	(813)	(486)	(655)	(3,454)
Other financial liabilities	(678)	(312)	-	-	(990)
Net assets/(liabilities)	2,568	470	(42)	1	2,997

\*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, 2017 (in ₹):

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.

35.4 Financial risk management

Financial risk factors

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

Foreign exchange risk

The Group operates internationally and a major portion of the business is 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.

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.



Sensitivity analysis:

For the year ended March 31, 2018 and March 31, 2017 , every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by ₹ 150 / (₹ 150) and ₹ 145 / (₹ 145) respectively.

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, 2018	Fair Value of Interest Rate Swap as at March 31, 2017	Coupon/Interest Rate	Fixed Interest Rate
Term loan from HSBC	585	1	1	Libor + 1% to 1.25%	1.35% - 3.3190%

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

Credit risk

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

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.

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 total receivables and unbilled receivables from top customer and top five customers:

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Receivable from top customer	16.3	14.5
Receivable from top 5 customers	32.2	35.4

Investments

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 ₹ 1,909, ₹ 2,079 as of March 31, 2018 and March 31, 2017 respectively

As of March 31, 2018, the Company had working capital of ₹ 14,835, including cash and bank balances of ₹ 9,807

As of March 31, 2017, the Company had working capital of ₹ 12,399, including cash and bank balances of ₹ 8,781

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

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	3,813	-	-
Other current financial liabilities (refer note 16)	834	-	-
Other non-current financial liabilities (refer note 16)	-	124	229
Total	4,647	124	229

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	3,922	-	-
Other current financial liabilities (refer note 16)	769	-	-
Other non-current financial liabilities (refer note 16)	-	63	169
Total	4,691	63	169

\* The Group’s obligation towards payment of borrowings has been included in note 15 & 20.

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.

36. Contingent liabilities and commitments

Particulars	As at	
	March 31, 2018	March 31, 2017
(A) Contingent liabilities:		
(i) Claims against the Company not acknowledged as debt (refer note a, b, c, d, e, f & g below)	559	702
	559	702
(B) Commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	315	179
Total	874	881

Notes:

- (a)

The Company has disputed various demands raised by Income Tax authorities for the assessment years 1999-2000 to 2002-03 & 2005-06 (March 31, 2017 - 1997-98 to 2014-15) which are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 138 (March 31, 2017: ₹ 189). 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 and 2015- 16. 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, 2017: ₹ 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.  
A subsidiary Company has pending statutory forms (C/H/I) for financial years 2015 -16 to 2017 - 18. Aggregate amount of liability not provided for is ₹ 33 (March 31, 2017 : ₹ Nil)
- (c)

The Company has disputed various demands raised by the Service Tax authorities for the financial years 2006-07 to 2015-16 (March 31, 2017: 2006-07 to 2015-16). 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, 2017: ₹ 141). 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, 2017 : ₹ 1)
- (d)

The Company is contesting certain pending service tax refunds amounting to ₹ 73 (March 31, 2017 : ₹ 100) at various appellate authorities. The Company is confident that these appeals will be decided in its favour.

- (e) 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, 2017: ₹ 5) under protest, being 20% of the total demand of ₹ 26 (March 31, 2017: ₹ 26).
- (f) Differential amount of Customs Duty (excluding interest) in a subsidiary company in respect of machinery imported under various export promotion schemes is ₹ 35 (March 31, 2017: ₹ 133)
- (g) During the financial year 2015-16, 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, 2017: ₹ 92).
- (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, 2017: ₹ 51) had been provided during the financial 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, 2018 and March 31, 2017 and is confident of meeting these obligations/commitments within the stipulated period of time or obtain extensions as required.

37. Exceptional items:

- a) The Company divested its 49% stake in its Associate Company, Infotech Aerospace Services Inc. on December 08, 2017 resulting in a loss of ₹ 50 disclosed as an 'exceptional item'. (refer note 6(iv))
- b) During the previous year, 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 with the employees in March, 2018 (refer note 12).

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

Particulars	As at	
	March 31, 2018	March 31, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1	1
(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	-	-

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

39. Dividends

Dividends paid during the year ended March 31, 2018 include an amount of ₹ 5 per equity share towards first interim dividend and an amount of ₹ 4 per equity share towards second interim dividend pertaining to the financial year ended March 31, 2018 and final dividend of ₹ 5 pertaining to the financial year ended March 31, 2017. This resulted in a cash outflow of ₹ 1,897 inclusive of dividend distribution tax ₹ 321.

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. This resulted in a cash outflow of ₹ 745 inclusive of dividend distribution tax ₹ 126.

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, 2018, income available for distribution were ₹ 10,708 (March 31, 2017 - ₹ 8,588).

On April 19, 2018, the Board of Directors of the Company have recommended a final dividend of ₹ 4 per share in respect of the year ended March 31, 2018 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 543 inclusive of dividend distribution tax of ₹ 93.

40. Research and Development expenses :

Revenue expenditure pertaining to research and development charged to the consolidated statement of profit and loss amounts to ₹ 112 (2016-17: ₹ 24).

41. 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, 2018

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 other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	<b>Parent Company</b>	84.77%	19,872	83.18%	3,353	-41.98%	(34)	80.71%	3,319
	<b>Subsidiaries</b>								
	<b>Indian</b>								
1	Cyient Insights Private Limited	-1.22%	(286)	-0.32%	(13)	1.23%	1	-0.29%	(12)
2	Cyient DLM Private Limited	0.04%	10	-0.69%	(28)	-4.94%	(4)	-0.78%	(32)
3	Cyient Solutions and Systems Private Limited	-	1	0.02%	1	-	-	0.02%	1
	<b>Foreign</b>								
1	Cyient Inc.	6.86%	1,608	11.11%	448	155.56%	126	13.96%	574
2	Cyient Europe Limited	2.41%	565	0.97%	39	-	-	0.95%	39
3	Cyient GmbH	4.65%	1,090	1.76%	71	-8.64%	(7)	1.56%	64
4	Cyient KK	0.04%	9	1.44%	58	-	-	1.41%	58
5	Cyient Australia Pty Limited	2.51%	586	5.90%	238	-	-	5.80%	238
6	Cyient Singapore Private Limited	-0.07%	(16)	-1.64%	(66)	-	-	-1.61%	(66)
7	Cyient Israel Private Limited	-	(1)	-0.02%	(1)	-	-	-0.02%	(1)
	<b>Non-controlling interests in:</b>								
1	Cyient Insights Private Limited	-0.50%	(117)	-0.32%	(13)	-	-	-0.32%	(13)
2	Cyient DLM Private Limited	0.51%	120	-0.25%	(10)	-1.23%	(1)	-0.27%	(11)
	<b>Associate</b>								
	<b>Foreign</b>								
	Infotech Aerospace Services Inc. [refer note 6 (iv)]	-	-	-1.24%	(50)	-	-	-1.22%	(50)
	<b>Joint Venture</b>								
	<b>Indian</b>								
	Infotech HAL Limited	-	1	0.10%	4	-	-	0.10%	4
	<b>Total</b>	<b>100%</b>	<b>23,442</b>	<b>100%</b>	<b>4,031</b>	<b>100%</b>	<b>81</b>	<b>100%</b>	<b>4,112</b>

**41. 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, 2017**

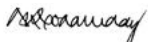
Sl. No.	Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	<b>Parent Company</b>								
	Cyient Limited	83.49%	17,698	69.29%	2,353	193.55%	(60)	68.14%	2,293
	<b>Subsidiaries</b>								
	<b>Indian</b>								
1	Cyient Insights Private Limited	-0.73%	(155)	-1.35%	(46)	-9.68%	3	-1.28%	(43)
2	Cyient DLM Private Limited	0.27%	57	0.12%	4	9.68%	(3)	0.03%	1
	<b>Foreign</b>								
1	Cyient Inc.	4.99%	1,057	14.93%	507	-	-	15.07%	507
2	Cyient Europe Limited	1.96%	416	4.86%	165	-	-	4.90%	165
3	Cyient GmbH	3.99%	845	3.03%	103	6.45%	(2)	3.00%	101
4	Cyient KK	-0.24%	(50)	1.00%	34	-	-	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	-	-	1.04%	35
	<b>Non-controlling interests in:</b>								
1	Cyient Insights Private Limited	-0.49%	(104)	-1.30%	(44)	-6.45%	2	-1.25%	(42)
2	Cyient DLM Private Limited	0.61%	130	0.06%	2	-	-	0.06%	2
	<b>Associate</b>								
	<b>Foreign</b>								
	Infotech Aerospace Services Inc.	4.31%	914	3.47%	118	-	-	3.51%	118
	<b>Joint Venture</b>								
	<b>Indian</b>								
	Infotech HAL Limited	0.08%	17	0.15%	5	-	-	0.15%	5
	<b>Total</b>	<b>100%</b>	<b>21,199</b>	<b>100%</b>	<b>3,396</b>	<b>100%</b>	<b>(31)</b>	<b>100%</b>	<b>3,365</b>

**42.** These consolidated financial statements were approved by the Company's Board of Directors on April 19, 2018.

**43. Regrouping/ Reclassification**


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

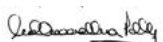
**For and on behalf of the Board of Directors**

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

  
**Ajay Aggarwal**  
President &  
Chief Financial Officer

Place : Hyderabad  
Date : April 19, 2018

  
**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 05301037)

  
**Sudheendhra Putty**  
Company Secretary  
(M.No. - F5689)



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 I)

Part "A": Subsidiaries

Name of the subsidiary	Cyient Inc.	Cyient Europe Limited	Cyient GmbH	Cyient KK	Cyient Australia Pty Limited	Cyient Singapore Private Limited	Cyient Insights Private Limited	Cyient DLM Private Limited
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April to March	April to March	April to March	April to March	April to March	April to March	April to March	April to March
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.	65.10	91.32	80.09	0.61	50.04	49.64	1	1
Equity share capital	21,450,000	1,850,000	600,000	9,000,000	1,000	5,085,360	19,994,780	13,670,000
Other equity	20,043,582	6,281,213	14,470,494	14,100,017	11,709,210	(619,083)	(306,946,943)	348,074,295
Total assets	113,888,172	37,640,583	27,137,139	578,682,191	25,683,510	10,816,337	111,864,621	3,479,057,666
Total liabilities	72,394,590	29,509,370	12,066,645	555,582,174	13,973,301	6,350,061	398,816,784	3,117,313,371
Investments	3,829,988	1,949	-	-	-	-	-	-
Turnover	260,338,958	58,379,066	25,089,786	838,625,492	79,493,397	14,409,844	133,817,759	3,914,399,099
Profit/(loss) before taxation	9,562,471	1,279,292	1,528,389	92,324,070	6,367,860	(1,162,471)	(54,618,451)	(62,029,037)
Provision for taxation	3,024,320	596,281	252,980	(9,259,755)	1,578,581	174,450	(28,696,546)	(23,588,532)
Profit / (loss) after taxation	6,538,151	683,011	1,275,409	101,583,825	4,789,279	(1,336,920)	(25,921,905)	(38,440,505)
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 commenced its commercial operations during the year.

Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures		Infotech Aerospace Services Inc., Puerto Rico (refer note 3)	Infotech HAL Limited , India
1.	Latest audited Balance Sheet Date	November 30, 2017	March 31, 2018
2.	Shares of Associate/Joint Ventures held by the company on the year end		
	i. No.	i) -	i. 2,000,000
	ii. Amount of Investment in Associates/ Joint Venture	ii) -	ii. 20,000,000
	iii. Extend of Holding %	iii) -	iii. 50%
3.	Description of how there is significant influence	-	There is significant influence to the extent of shareholding
4.	Reason why the associate/joint venture is not consolidated	-	NA
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	-	₹ 21,196,953
6.	Profit/(Loss) for the year		
	i. Considered in Consolidation	i) ₹ (210,403,315)	i) ₹ 3,881,809
	ii. Not Considered in Consolidation	ii) -	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 – Yes-Refer note 3 below.
3. On September 14, 2017, the Company entered into a definitive agreement to divest its entire 49% shareholding in its associate company, Infotech Aerospace Services Inc., Puerto Rico for a consideration of ₹ 114. The closing conditions for the divestment were concluded on December 08, 2017. Upon divestment, the resultant loss of ₹ 50 is disclosed as 'exceptional item' in the consolidated statement of profit and loss.

10 Year Historical Perspective- Standalone

₹ Million

Particulars	IGAAP										Ind AS		
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18			
For the year													
Total Revenue	5,438	6,079	6,774	9,174	10,889	12,769	13,969	13,591	13,736	14,397			
EBITDA	1,123	1,960	1,668	2,646	3,196	3,967	4,053	3,637	3,617	5,671			
Finance charges	35	5	1	6	1	4	5	3	6	6			
Depreciation & Amortization	427	407	375	412	563	649	618	684	540	508			
Provision for Income Tax	110	126	126	715	699	763	707	615	601	1,285			
Deferred Tax	(174)	155	10	(72)	71	3	12	(72)	(100)	(43)			
Fringe Benefit Tax	17	-	-	-	-	-	-	-	-	-			
Profit Before Exceptional item	709	1,268	1,156	1,586	1,862	2,549	2,711	2,407	2,570	3,915			
Exceptional items	-	-	(23)	-	18	-	-	72	201	(103)			
Profit after tax from ordinary activities	709	1,268	1,179	1,586	1,843	2,549	2,711	2,335	2,369	4,018			
Dividend	83	222	139	279	586	559	899	787	1,307	1,463			
As at the end of the year													
Share capital	276	277	556	557	558	560	562	562	563	563			
Reserves and surplus	6,623	7,761	8,523	9,792	11,108	13,298	15,244	16,213	18,259	20,051			
Share application money pending allotment	-	-	-	-	4	1	-	1	-	-			
Net Worth	6,899	8,038	9,080	10,349	11,670	13,859	15,806	16,776	18,822	20,614			
Loan funds	187	-	-	-	-	-	-	-	-	-			
Gross block	4,542	4,836	5,350	5,976	6,810	7,226	7,806	8,013	8,251	8,581			
Capital investment	839	294	514	626	834	416	580	207	238	330			
Net Current assets	3,204	2,652	4,496	5,438	6,230	8,524	7,589	8,420	10,510	12,282			
Debt - equity ratio	0.027	-	-	-	-	-	-	-	-	-			
Per share data													
Bonus / Capital History *	-	1:1	-	-	-	-	-	-	-	-			
Basic earnings from ordinary activities (Rs.) (EPS)	13.30	11.45	10.60	14.24	16.53	22.81	24.17	20.77	21.05	35.69			
Dividend Per Share (Rs.) (DPS)	1.5	2.0	1.3	2.5	4.5	5.0	8.0	7.0	10.5	13.0			
Dividend (%)	30.0%	40.0%	25.0%	50.0%	90.0%	100.0%	160.0%	140.0%	210.0%	260.0%			
Dividend Pay-out (%)	11.7%	17.5%	11.8%	17.6%	27.2%	21.9%	33.2%	33.7%	55.2%	36.4%			
Book Value (Rs.)	124.9	72.4	81.7	92.9	104.5	123.8	140.7	149.1	167.2	183.1			
Face Value( Rs.)	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 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.

\* The Company sub divided it ₹ 10 share into 2 shares of ₹ 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, 2018			As at March 31, 2017		As at March 31, 2016		As at April 01, 2015			
		%			%		%		%		%
ASSETS											
Non-current assets											
Property, plant and equipment	2,252	9.4%		2,313	10.7%	2,475	12.9%	2,535	13.8%		
Capital work-in-progress	213	0.9%		92	0.4%	6	0.03%	24	0.1%		
Intangible assets	292	1.2%		243	1.1%	241	1.3%	438	2.4%		
Intangible assets under development	251	1.0%		71	0.3%	-	0.0%	-	0.0%		
Financial assets											
(a) Investments	4,639	19.3%		4,605	21.3%	4,587	23.9%	4,460	24.2%		
(b) Loans	127	0.5%		106	0.5%	63	0.3%	26	0.1%		
(c) Other financial assets	193	0.8%		270	1.2%	228	1.2%	171	0.9%		
Deferred tax assets (net)	167	0.7%		26	0.1%	44	0.2%	-	0.0%		
Income tax assets (net)	392	1.6%		392	1.8%	457	2.4%	304	1.7%		
Other non-current assets	507	2.1%		836	3.9%	809	4.2%	710	3.9%		
Total Non - Current Assets	9,033	37.6%		8,954	41.4%	8,910	46.4%	8,668	47.1%		
Current assets											
Financial Assets											
(a) Investments	1,130	4.7%		925	4.3%	790	4.1%	335	1.8%		
(b) Trade receivables	4,151	17.3%		2,950	13.6%	2,802	14.6%	2,984	16.2%		
(c) Cash and cash equivalents	7,200	30.0%		6,516	30.1%	4,916	25.6%	4,396	23.9%		
(d) Other bank balances	66	0.3%		23	0.1%	40	0.2%	29	0.2%		
(e) Loans	267	1.1%		153	0.7%	154	0.8%	5	0.0%		
(f) Other financial assets	1,628	6.8%		1,611	7.4%	1,155	6.0%	1,600	8.7%		
Other current assets	536	2.2%		501	2.3%	450	2.3%	376	2.0%		
Total Current Assets	14,978	62.4%		12,679	58.6%	10,307	53.6%	9,725	52.9%		
Total Assets	24,011	100%		21,633	100%	19,217	100%	18,393	100%		

(Contd.)

	Ind AS					
	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
		%		%		%
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	563	2.3%	563	2.6%	562	2.9%
Other equity	20,051	83.5%	18,259	84.4%	16,213	84.4%
<b>Total equity</b>	<b>20,614</b>	<b>85.9%</b>	<b>18,822</b>	<b>87.0%</b>	<b>16,775</b>	<b>87.3%</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Provisions	701	2.9%	642	3.0%	555	2.9%
Deferred tax liabilities (net)	-	0.0%	-	0.0%	-	0.0%
<b>Total Non - Current Liabilities</b>	<b>701</b>	<b>2.9%</b>	<b>642</b>	<b>3.0%</b>	<b>555</b>	<b>2.9%</b>
<b>Current liabilities</b>						
<b>Financial Liabilities</b>						
(a) Trade payables	1,933	8.1%	1,321	6.1%	1,190	6.2%
(b) Other financial liabilities	173	0.7%	67	0.3%	74	0.4%
Income tax liabilities (net)	44	0.2%	45	0.2%	38	0.2%
Provisions	71	0.3%	74	0.3%	69	0.4%
Other current liabilities	475	2.0%	662	3.1%	516	2.7%
<b>Total Current Liabilities</b>	<b>2,696</b>	<b>11.2%</b>	<b>2,169</b>	<b>10.0%</b>	<b>1,887</b>	<b>9.8%</b>
<b>Total liabilities</b>	<b>3,397</b>	<b>14.1%</b>	<b>2,811</b>	<b>13.0%</b>	<b>2,442</b>	<b>13%</b>
<b>Total Equity and Liabilities</b>	<b>24,011</b>	<b>100%</b>	<b>21,633</b>	<b>100%</b>	<b>19,217</b>	<b>100%</b>

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			
	2017-18		2016-17		2015-16		2014-15		2013-14	
		%		%		%		%		%
<b>INCOME</b>										
Revenue from operations	14,397	88.2%	12,920	94.1%	12,456	91.6%	12,940	92.6%	12,245	95.9%
Other Income	1,923	11.8%	816	5.9%	1,135	8.4%	1,029	7.4%	524	4.1%
<b>Total Income</b>	<b>16,320</b>	<b>100.0%</b>	<b>13,736</b>	<b>100.0%</b>	<b>13,591</b>	<b>100.0%</b>	<b>13,969</b>	<b>100.0%</b>	<b>12,769</b>	<b>100.0%</b>
Employee Benefits Expense	6,758	41.4%	6,520	47.5%	6,297	46.3%	6,439	46.1%	5,716	44.8%
Operating, Administration And Other expense	3,891	23.8%	3,599	26.2%	3,657	26.9%	3,477	24.9%	3,085	24.2%
Finance Costs	6	0.04%	6	0.04%	3	0.02%	5	0.04%	4	0.03%
Depreciation And Amortisation Expense	508	3.1%	540	3.9%	684	5.0%	618	4.4%	649	5.1%
<b>Total Expenditure</b>	<b>11,163</b>	<b>68.4%</b>	<b>10,665</b>	<b>77.6%</b>	<b>10,641</b>	<b>78.3%</b>	<b>10,540</b>	<b>75.4%</b>	<b>9,454</b>	<b>74.0%</b>
<b>Profit before exceptional items and tax</b>	<b>5,157</b>	<b>31.6%</b>	<b>3,071</b>	<b>22.4%</b>	<b>2,950</b>	<b>21.7%</b>	<b>3,430</b>	<b>24.6%</b>	<b>3,315</b>	<b>26.0%</b>
Exceptional items	(103)	-0.6%	201	1.5%	72	0.5%	-	0.0%	-	0.0%
<b>Profit after exceptional items and before tax</b>	<b>5,260</b>	<b>32.2%</b>	<b>2,870</b>	<b>20.9%</b>	<b>2,878</b>	<b>21.2%</b>	<b>3,430</b>	<b>24.6%</b>	<b>3,315</b>	<b>26.0%</b>
Provision for Income Tax	1,285	7.9%	601	4.4%	615	4.5%	707	5.1%	763	6.0%
Deferred Tax	(43)	-0.3%	(100)	-0.7%	(72)	-0.5%	12	0.1%	3	0.0%
<b>Profit after tax</b>	<b>4,018</b>	<b>24.6%</b>	<b>2,369</b>	<b>17.2%</b>	<b>2,335</b>	<b>17.2%</b>	<b>2,711</b>	<b>19.4%</b>	<b>2,549</b>	<b>20.0%</b>
<b>Total other comprehensive income, net of tax</b>	<b>(357)</b>	<b>-2.2%</b>	<b>217</b>	<b>1.6%</b>	<b>(217)</b>	<b>-1.6%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>
<b>Total comprehensive income for the year</b>	<b>3,661</b>	<b>22.4%</b>	<b>2,586</b>	<b>18.8%</b>	<b>2,118</b>	<b>15.6%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>

(₹ Million and percentage)



Consolidated as per Ind AS

Financial Analysis - Balance Sheet

₹ in million and percentage

	Ind AS			
	As at March 31, 2018	%	As at March 31, 2017	%
ASSETS				
Non-current assets				
Property, plant and equipment	3,220	9.4%	3,017	9.6%
Capital work-in-progress	213	0.6%	92	0.3%
Goodwill	3,549	10.3%	3,278	10.5%
Intangible assets	1,206	3.5%	1,215	3.9%
Intangible assets under development	302	0.9%	173	0.6%
Financial assets				
(a) Investments	298	0.9%	1,032	3.3%
(b) Other financial assets	270	0.8%	205	0.7%
Deferred tax assets (net)	321	0.9%	101	0.3%
Income tax assets (net)	755	2.2%	683	2.2%
Other non-current assets	736	2.1%	855	2.7%
Total Non - Current Assets	10,870	31.6%	10,651	34.1%
Current Assets				
Inventories	1,312	3.8%	935	3.0%
Financial assets				
(a) Investments	1,130	3.3%	925	2.9%
(b) Trade receivables	6,913	20.1%	6,496	20.7%
(c) Cash and cash equivalents	9,603	28.0%	8,570	27.3%
(d) Other bank balances	204	0.6%	211	0.7%
(e) Other financial assets	3,384	9.9%	2,660	8.5%
Other current assets	910	2.6%	916	2.8%
Total Current assets	23,456	68.4%	20,713	65.9%
Total Assets	34,326	100%	31,364	100%

(Contd.)

	Ind AS			
	As at March 31, 2018	%	As at March 31, 2017	%
EQUITY AND LIABILITIES				
Equity				
Equity share capital	563	1.6%	563	1.8%
Other equity	22,876	66.6%	20,610	65.7%
Equity attributable to owners of the Company	23,439	68.3%	21,173	67.5%
Non-controlling interests	3	0.01%	26	0.1%
Total Equity	23,442	68.3%	21,199	67.6%
Non-current liabilities				
Financial Liabilities				
(a) Borrowings	630	1.8%	492	1.6%
(b) Other financial liabilities	353	1.0%	232	0.7%
Provisions	878	2.6%	813	2.6%
Deferred tax liabilities (net)	356	1.0%	302	1.0%
Income tax liabilities (net)	20	0.1%	-	0.0%
Other non-current liabilities	26	0.1%	35	0.1%
Total Non-current liabilities	2,263	6.6%	1,874	6.0%
Current liabilities				
Financial liabilities				
(a) Borrowings	1,780	5.2%	1,159	3.7%
(b) Trade payables	3,813	11.1%	4,021	12.8%
(c) Other financial liabilities	1,256	3.7%	1,133	3.6%
Income tax liabilities (net)	316	0.9%	424	1.4%
Provisions	229	0.7%	235	0.7%
Other current liabilities	1,227	3.5%	1,319	4.2%
Total Current liabilities	8,621	25.1%	8,291	26.4%
Total liabilities	10,884	31.7%	10,165	32.4%
Total Equity and liabilities	34,326	100%	31,364	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 Ratios

Ratio analysis for the year ended March 31	Ind AS			I GAAP		
	2018	2017	2016	2015	2014	2013
<b>Ratio - Financial Performance</b>						
Other Income / Total Revenue (%)	3.7%	2.5%	3.4%	4.3%	0.8%	2.0%
Employee cost / Total Revenue (%)	53.8%	55.4%	56.5%	58.6%	61.5%	59.7%
Operating & Administration expenses / Total Revenue (%)	21.7%	21.2%	21.1%	21.5%	19.3%	20.4%
Depreciation & Amortization / Total Revenue (%)	2.6%	2.6%	2.8%	2.5%	3.2%	3.3%
Finance Charges / Total Revenue (%)	0.5%	0.5%	0.5%	0.2%	0.1%	0.0%
TAX / PBT (%)	25.7%	23.5%	24.0%	24.6%	29.1%	30.7%
EBIDTA / Total Revenue (%)	14.0%	14.7%	16.0%	18.3%	19.2%	19.9%
Net Profit / Total Revenue (%)	11.0%	9.3%	10.1%	12.4%	12.0%	12.1%
Net Profit / Average Net Worth (%)	18.2%	17.4%	17.8%	20.6%	18.3%	18.6%
ROCE (PBIT / Average capital employed) (%)	25.9%	22.7%	23.3%	26.3%	24.4%	25.6%
<b>Ratios- Balance sheet</b>						
Debt-equity ratio	0.12	0.10	0.04	0.03	-	-
Debtors turnover (Days)	80	74	79	83	87	95
Current ratio	2.72	2.50	2.69	2.57	4.47	4.57
Cash & Cash Equivalents / Total Assets (%)	28.0%	27.3%	25.0%	24.2%	35.4%	30.9%
Cash & Cash Equivalents / Total Revenue (%)	23.6%	23.1%	21.3%	21.8%	31.1%	26.0%
Depreciation & Amortization / Average gross block (%)	6.9%	6.8%	6.7%	6.7%	9.3%	8.7%
Revenue / Average Net Fixed Assets	4.60	4.99	4.27	6.84	6.29	5.32
Revenue / Average Total Assets	1.24	1.23	1.17	1.21	1.24	1.24
<b>Ratios - Growth*</b>						
Operating Revenue (%)	8.6%	16.3%	0.9%	24.0%	17.8%	20.5%
Operating Expenses (%)	8.1%	16.4%	15.1%	28.1%	17.2%	19.7%
EBIDTA (%)	13.3%	15.7%	4.4%	22.3%	12.3%	32.7%
Net Profit (%)	16.1%	5.6%	-18.0%	32.8%	15.1%	43.1%
<b>Per Share Data</b>						
Basic earnings per share (₹)	36.00	30.55	28.95	31.48	23.80	20.72
Cash Earnings per share (₹)	45.36	39.01	36.83	37.78	30.19	26.40
Book value (₹)	208.24	188.09	162.74	164.12	141.86	118.47
Price / Earning, end of year	19.41	15.30	14.74	16.02	13.69	8.21
Price / Cash Earning, end of year	15.41	11.98	11.59	13.35	10.79	6.45
Price / Book value , end of year	3.36	2.49	2.62	3.07	2.30	1.44
Share price as on March 31 (National Stock Exchange)	698.85	467.5	426.7	504.27	325.80	170.15
No. of Share Outstanding as on March 31, (in Millions)	112.57	112.57	112.48	112.36	111.96	111.60
<b>Bonus Issue</b>						
Dividend Per Share (₹)	13	10.5	7.00	8.00	5.00	4.50
Dividend (%)	260%	210%	140%	160%	100%	90%

## TOWER OPERATIONS CENTER

Cyient inaugurated the global Tower Operations Center (TOC) at our headquarters in December 2017. The IoT-enabled TOC provides 24/7 surveillance and can remotely monitor all passive assets in cell towers across multiple locations.

The TOC solution architecture enables communication between sensors and an integrated, cloud-based analytics engine to extract and analyze asset data for actionable insights. This results in increased tower uptime, reduced operational costs, improved site security, intrusion detection, and also ensures efficient energy and power management.





Significant Milestones in the history of the Company

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.
	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
	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

2001	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
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 a subsidiary in Australia
	December	Won the 14 <sup>th</sup> 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
	December	Won the 15 <sup>th</sup> ICSI National Award for Excellence in Corporate Governance
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
	May	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 <sup>th</sup> 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
	November	Cyient Europe Limited acquired 100% stake in Blom Aerofilms Limited, UK
	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
	February	Cyient Inc. acquired 100% stake in Certon Software Inc, a Florida based company
	March	Mr. B.V.R. Mohan Reddy awarded the Padma Shri Award, 2017 for distinguished and exceptional achievement in Trade & Industry
	April	New facility set up at Pune, Maharashtra
	April	Incorporated Cyient Solutions and Systems Private Limited
	September	Acquired B&F Design Inc. through US subsidiary
	November	Recognised as one of 'India's most innovative organisations' by CII
	December	Divested company's stake in Infotech Aerospace Services Inc., Puerto Rico
	December	Voluntarily obtained a rating of CGR 2+ from ICRA for corporate governance practices
	December	Voluntarily obtained a rating of CGR 2+ from ICRA for corporate governance practices
2018	February	Won Pratt & Whitney awards for supplier innovation and productivity savings
	March	Adopted a new set of Articles of Association



### ENGINEERED FOR SUCCESS

A well-articulated story that captures Cyient's growth strategy with an apt headline: "Engineered for Success." Significantly, the editor's note to the readers quotes Cyient as a company that has, through a well-crafted growth strategy, created a niche for itself in the engineering space with a marquee set of clients.

This elaborate feature succinctly captures Cyient's vision, its transformation over the years led by the young leadership at the helm, the steps it is taking toward business growth, and its focus on a well-crafted M&A strategy, all of which is helping create a long-term value for the shareholders. Endorsements from leading analyst firms make this a well-rounded article.



Scan the QR code to read the full story



# 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 and continually improving the processes to improve human lives. Cyient focuses on exceeding our Clients’ expectations and failure prevention.

We at Cyient understand and are committed to live up to our brand promise of “Designing Tomorrow Together”.

We at Cyient communicate the Quality Policy within the Organization as well as to interested Parties.”.

## 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 47 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  
4<sup>th</sup> 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?

Auditors: Deloitte Haskins & Sells  
Secretarial Auditors: S. Chidambaram  
Internal Auditors: Ernst & Young LLP  
Tax advisor: G.P. Associates

## Legal Counsel

CRS Associates  
Fox Mandal & Associates

## 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	2014		2015		2016		2017			2018		
Dividend	Interim	Final	Interim	Final	1st Interim	2nd Interim	Special Interim	1st Interim	Final	^1st Interim	#2nd Interim	@ Final
%	40	60	60	100	60	80	50	60	100	100	80	80

^ On 12October 2017, the Board of Directors declared and paid 1<sup>st</sup> Interim Dividend of ₹ 5.00 for the financial year 2017-18.

# On 18 January 2018, the Board of Directors declared and paid 2<sup>nd</sup> Interim Dividend of ₹ 4.00 for the financial year 2017-18.

@ The Board recommended final divided for the financial year 2017-18

## What is the number of shareholders in the company in the last five years?

Year ended 31March	2013	2014	2015	2016	2017	2018
No. of Shareholders	9,977	9,520	15,028	17,756	20,087	25,385

## 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, 2018, the company had 11,25,96,002 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.

**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.


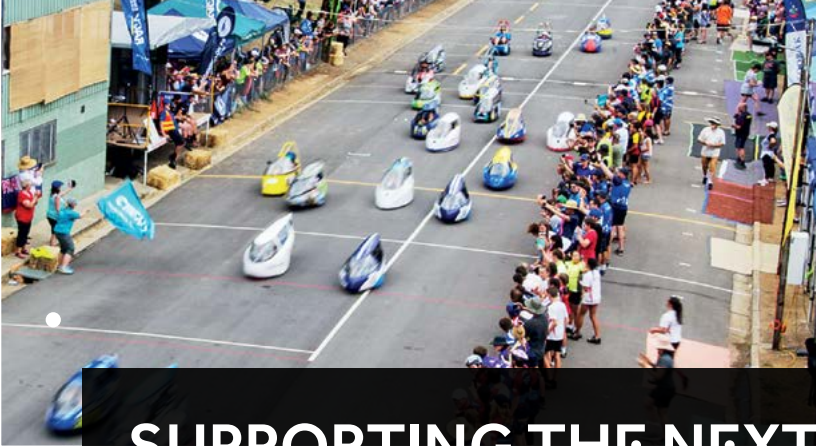
To avoid this problem in the future, you can use the ECS facility in which the dividend amount is automatically credited to the bank account of your choice. To avail of this facility, give your request to our R&T agent in writing.

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.

**How does a shareholder re-claim the shares and/or unclaimed dividend transferred to IEPF?**

Such shareholders may make an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in) online and send a physical copy of the same duly signed to the R&T Agent along with requisite documents enumerated in the Form No. IEPF-5.

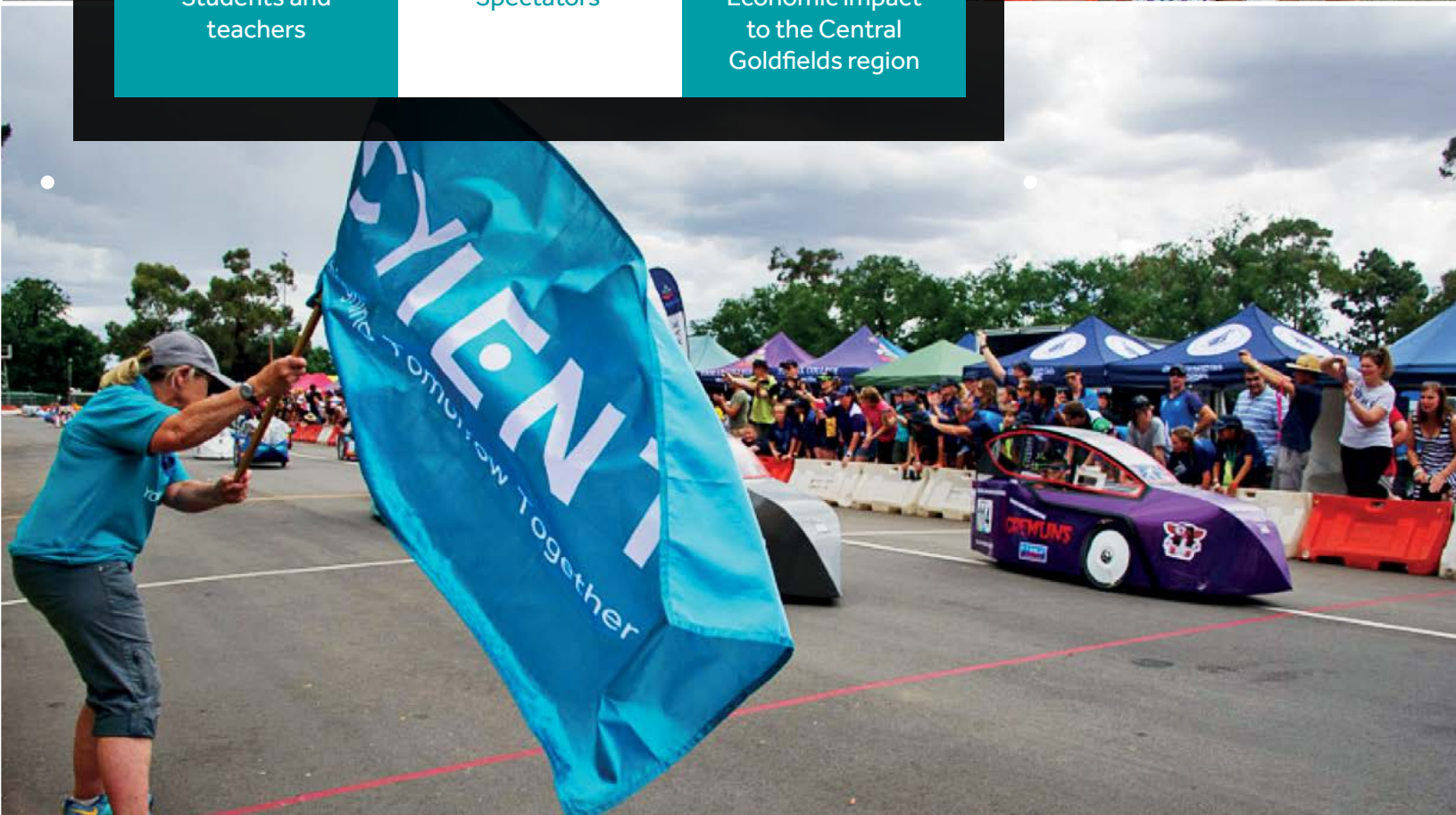

No claims shall lie against the company in respect of the dividend/shares so transferred to the IEPF.



# SUPPORTING THE NEXT GENERATION OF ENGINEERS

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

Four days of judging, testing, and trials	155 Schools	355 Teams
4,000 Students and teachers	20,000 Spectators	\$3.8 Mn Economic impact to the Central Goldfields region





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Cyient Limited

CIN : L72200TG1991PLC013134

Regd. Office: 4<sup>th</sup> Floor, 'A' Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081  
Tel: 91 40 67641322 | Email: company.secretary@cyient.com  
Website : www.cyient.com

ATTENDANCE SLIP

(To be presented at the entrance)

27<sup>TH</sup> 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 being held on **Thursday, 12 July 2018 at 3:00 p.m.** at L&D Centre (company's campus) , Plot No. 2, IT Park, Manikonda, Hyderabad - 500 032, Telangana, 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 the shareholder: \_\_\_\_\_

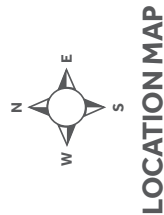
Signature of proxy: \_\_\_\_\_

Regd. Folio Number:  
Or DP ID/Client ID \_\_\_\_\_

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.

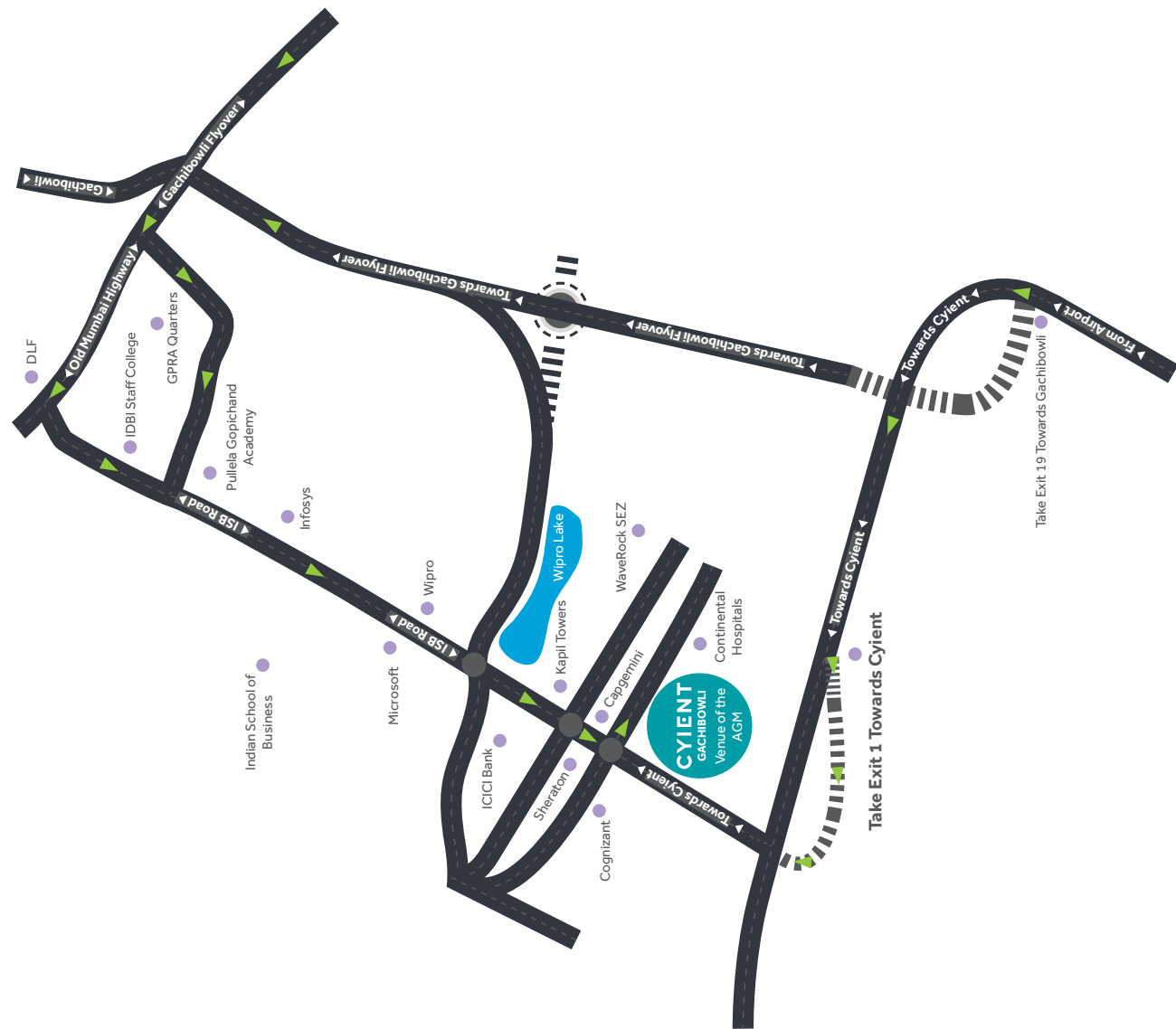




Scan the QR code to  
get driving directions to  
Cyient's Gachibowli campus

**Address:**  
**Cyient Limited**  
Plot No. 2, IT Park, Nanakramguda  
Gachibowli, Hyderabad - 500 032  
Telangana, India  
Tel: +91 40 6748 9100  
Fax: +91 40 6748 0327

\* Not to scale



## Cyient Limited

CIN : L72200TG1991PLC013134

Regd. Office: 4<sup>th</sup> Floor, 'A' Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081  
Tel: 91 40 67641322 | Email: company.secretary@cyient.com  
Website : www.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 shareholder(s) of .....Shares of Cyient Limited, hereby appoint

- Name : ..... Email id : .....  
Address.....  
Signature: .....  
or failing him
- Name : ..... Email id : .....  
Address.....  
Signature: .....  
or failing him
- 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 27<sup>th</sup> Annual General Meeting of the company on **Thursday, 12 July 2018 at 3.00 p.m.** at L&D Centre (company's campus), Plot No. 2, IT Park, Manikonda, Hyderabad - 500 032, or any adjournment thereof in respect of such resolutions as are indicated below:

#### Ordinary Business:

- To receive, consider and adopt, the audited statements of profit and loss for the financial year ended on 31 March 2018 and the balance sheet as at that date (standalone and consolidated) and the reports of the board of directors and auditors thereon.
- To confirm the first and second interim dividends and declare final dividend on equity shares for the financial year 2017-18.
- To appoint a Director in place of Mr. B.V.R. Mohan Reddy (DIN: 00058215), who retires by rotation and offers himself for re-appointment.
- To ratify the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as statutory auditors.

#### Special Business:

- To appoint branch auditors of any branch offices of the company

Signed this ..... day of ..... 2018

Signature of Shareholder ..... Signature of Proxyholder(s) .....

**NOTE:** The proxy form must be deposited at the registered office of the company not less than 48 hours before the meeting.

Affix  
Revenue  
Stamp



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## Electronic Clearing Services (ECS) Mandate Format

To  
Karvy Computershare Private Limited  
Unit : **Cyient Limited**  
Karvy Selenium Tower-B  
Plot No:31-32, Gachibowli,  
Financial District, ,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 ☒ wherever applicable.

For shares held in physical form

Folio 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 \_\_\_\_\_

IFSC									
------	--	--	--	--	--	--	--	--	--

Please attach a photocopy of a blank cheque of your bank duly cancelled for ensuring accuracy of the bank's name, branch.

Account type
--------------

Savings	
---------	--

Current

Others
--------

A/c No. (as appearing  
on the cheque)

Effective date of this  
Mandate (ddmmyyyy)

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 Private 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 R&T agent of any change in the above particulars.

Place: \_\_\_\_\_

Date: \_\_\_\_\_

(Signature of First holder)



GLOBAL PRESENCE

Global Headquarters

Cyient Ltd.  
Plot No. 11  
Software Units Layout  
Infocity, Madhapur  
Hyderabad - 500081  
Telangana, India  
Tel: +91 40 6764 1000

Asia Pacific

Australia

Cyient Australia Pty Ltd.  
Level 8, 350 Collins Street  
Melbourne, Victoria 3000  
Tel: +61 3 8605 4815

Cyient Australia Pty Ltd.  
8, Freight Drive  
Ravenhall  
Melbourne, Victoria 3023

Cyient Ltd.  
Level 7, 320 Adelaide Street  
Brisbane, Queensland 4000

Cyient Australia Pty Ltd.  
Lvl 4, 81 Flushcombe Rd  
Blacktown NSW 2148, Sydney  
Tel: +61 2 8887 8600

Cyient Australia Pty Ltd.  
34, Toohey Road  
Wetherill Park, NSW 2164  
Sydney

Cyient Ltd.  
45 Ventnor Avenue  
West Perth, WA 6005  
Tel: +61 8 9389 4410

New Zealand

Cyient Ltd.  
PO Box 97999, Manukau 2241  
Level 2, 652 Great South Road,  
Manukau, Level 2, 65 Upper  
Queen Street, Auckland  
Tel: +64 9 277 8278

South Korea

Cyient Ltd.  
21 F, Seoul Finance Center  
136, Sejong-daero, Jung-gu  
Seoul 04520  
Tel: + 82 2 3782 4936

Taiwan

Cyient Ltd.  
No. 262, Zhuangjing 6<sup>th</sup> Street  
Zhubei City, Hsinchu County 30264  
Tel: +886 3 668 5522

Japan

Cyient KK  
Sho-Building 6F  
3-14-5, Nihonbashi  
Chuo-Ku, Tokyo 103-0027  
Tel: +81 3 3527 9825

Malaysia

Cyient Ltd.  
Level 28  
The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
Kuala Lumpur 59200  
Tel: +60 3 2298 7321

Singapore

Cyient Ltd.  
1 North Bridge Road  
#19-04/05  
High Street Center  
Singapore 179 094  
Tel: +65 6 337 2472

Cyient Singapore Pte Ltd.  
61, Seletar Aerospace View  
Singapore 797560

India

Cyient Ltd.  
Cyient IT Park  
Plot No- 110A & 110 B  
Phase 1, Electronics City  
Hosur Road  
Bangalore - 560100  
Tel: +91 80 6635 6000

Cyient Ltd.  
Plot No. 2, IT Park  
Nanakramguda  
Gachibowli  
Hyderabad - 500032  
Telangana  
Tel: +91 40 6748 9100

Cyient Ltd.  
Lanco Hills SEZ  
Manikonda  
Hyderabad 500089  
Telangana  
Tel: +91 40 6777 5555

Cyient Ltd.  
NSL SEZ  
Block No. 1  
Plot No. 6, Survey No. 1  
IT/TES SEZ, IDA Uppal  
Hyderabad – 500039  
Telangana  
Tel: +91 40 6704 3400

Cyient Ltd.  
Plot No: 1, 2, 3, 4 & 5A  
IT SEZ, Sarpavaram  
Kakinada - 533005  
Andhra Pradesh  
Tel: +91 884 232 6700

Cyient Ltd.  
Survey No: 410  
Plot No: 14, SEZ Unit  
Hill No: 3  
Madhurawada(V)  
Rushikonda, Vizag - 530045  
Andhra Pradesh  
Tel: +91 891 669 3100

Cyient Ltd.  
Plot No. 1  
IT Incubation center,  
TSIIC, Industrial estate  
Madikonda (SEZ),  
Kazipet (M)  
Warangal-506142  
Telangana  
Tel: +91 870 3360900

Cyient DLM Pvt. Ltd.  
Plot No. 347 - D1 & D2  
KIADB  
Electronics City  
Hebbal Indl. Area  
Mysore - 570016  
Karnataka  
Tel: +91 821 428 0000

Cyient Ltd.  
602, 6<sup>th</sup> Floor  
79/1-Zero One Building  
Mundhwa Road, Pingle Wasti  
Pune - 411036  
Maharashtra  
Tel: +91 20 3005 8000

Cyient Ltd.  
B-11, Sector 63  
Noida - 201307  
Uttar Pradesh  
Tel: +91 120 669 1000

Cyient Ltd.  
Plot No. 7, NSEZ, Phase-2  
Noida - 201305  
Uttar Pradesh

Europe, Middle East, and Africa

England

Cyient Europe Ltd.  
High Holborn House  
52-54 High Holborn  
London WC1V 6RL  
Tel: +44 20 7404 0640

Cyient Europe Ltd.  
43/44 Martingale Way  
Marine View Office Park  
Portishead, Bristol, BS20 7AW  
Tel: +44 14 5480 9700

Cyient Europe Ltd.  
The Astrolabe  
Cheddar Business Park  
Wedmore Road  
Cheddar, Somerset  
BS27 3EB  
Tel: +44 (0) 1934 311 000

Cyient Europe Ltd.  
Atlantic House, Imperial Way  
Reading, RG2 0TD  
Tel: + 44 11 8903 6124

Switzerland

Cyient Schweiz GmbH  
C/o AAA services Meier  
Franzelli  
Güterstrasse 22, 3008 Bern  
Tel: +41 31 382 5082

The Netherlands

Cyient BV Minervum 7491  
4817 ZP Breda Oost, Breda  
Tel: +31 76 572 2966

Germany

Cyient GmbH  
Industriestrasse 23  
Stuttgart 70565  
Tel: +49 711 414402 0

France

Cyient GmbH France  
18, Rue Saint Vincent, 78100  
Saint-Germain-en-Laye  
Tel: +33 130 611673

Czech Republic

Cyient s.r.o  
Classic 7 Business Park  
Jankovcova 1603 / 47a  
170 00 Prague 7  
Czech Republic  
Tel: +420 277 008 201

South Africa

Cyient  
255 Anna Wilson Street  
Kilnerpark, Pretoria - 0186

UAE

Cyient Ltd.  
Dubai Airport Free Zone  
Authority (DAFZA)  
P.O. Box 54713, Dubai  
Tel: +971 50 686 7045

Israel

Cyient Israel India Ltd.  
David Ben-Gurion 1, Bnei Brak  
Tel: +972 54 811 0200

North America

United States of America

Cyient Inc.  
3<sup>rd</sup> & 4<sup>th</sup> Floor  
99 East River Drive  
East Hartford, CT 06108  
Tel: +1 860 528 5430

Cyient Inc.  
175, Addison Road  
Windsor, CT 06095

Cyient Inc.  
3<sup>rd</sup> Floor  
386, Main Street  
Middletown, Middlesex  
CT 06457

Cyient Inc.  
120 Production Ct  
New Britain CT 06051

Cyient Inc.  
1401 Nolan Ryan  
Expressway  
Arlington, TX 76011  
Tel: +1 817 268 9501

Cyient Inc.  
5301 Linwood Drive  
Suite C-J  
Paragould, AR 72450  
Green County  
Tel: +1 870 236 1080

Cyient Inc.  
8001 North University  
Street  
Peoria, IL 61615  
Tel: +1 309 697 5975

Cyient Inc.  
14703 Park of Commerce Blvd  
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

Certon Software Inc.  
Suite D 1396  
South Babcock Street  
Melbourne, FL 32901

Cyient Inc.  
2611, Traceland Drive  
Tupelo MS 38801

Canada

Cyient Canada Inc.  
Suite 403  
7575 Trans-Canada Hwy  
St. Laurent  
Québec H4T 1V6  
Tel: +1 514 489 0370







Making Cyient  
a truly diverse  
and inclusive  
organization.

Respecting  
what makes us  
different:  
gender, ethnicity,  
religion, age,  
and more.

Promoting  
events, policies,  
and programs  
to increase  
awareness  
on D&I.

Nurturing  
individuals for  
exceptional  
performance  
through  
mentorship  
programs.

Setting hiring  
baselines  
to ensure a  
diverse mix of  
associates.

Training  
recruiters and  
managers on  
unconscious  
bias and  
stereotypes.



