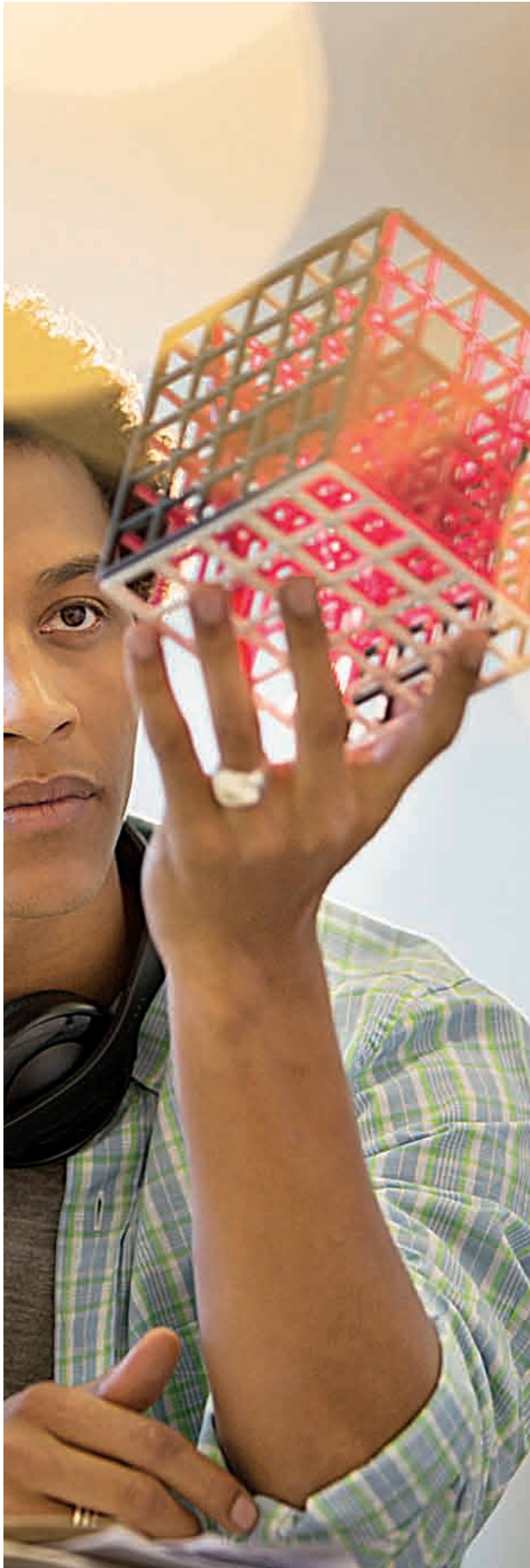


WE ARE DESIGNING TOMORROW TOGETHER

23rd Annual Report 2013-14

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EVERY DAY WE WORK
CLOSELY WITH OUR
CLIENTS TO CREATE
SOLUTIONS THAT ARE
BOTH INNOVATIVE
AND PRACTICAL.

SOLUTIONS
THAT MEET THE
CHALLENGES FACING
THEIR BUSINESSES.

WE CALL THIS:
DESIGNING
TOMORROW
TOGETHER.

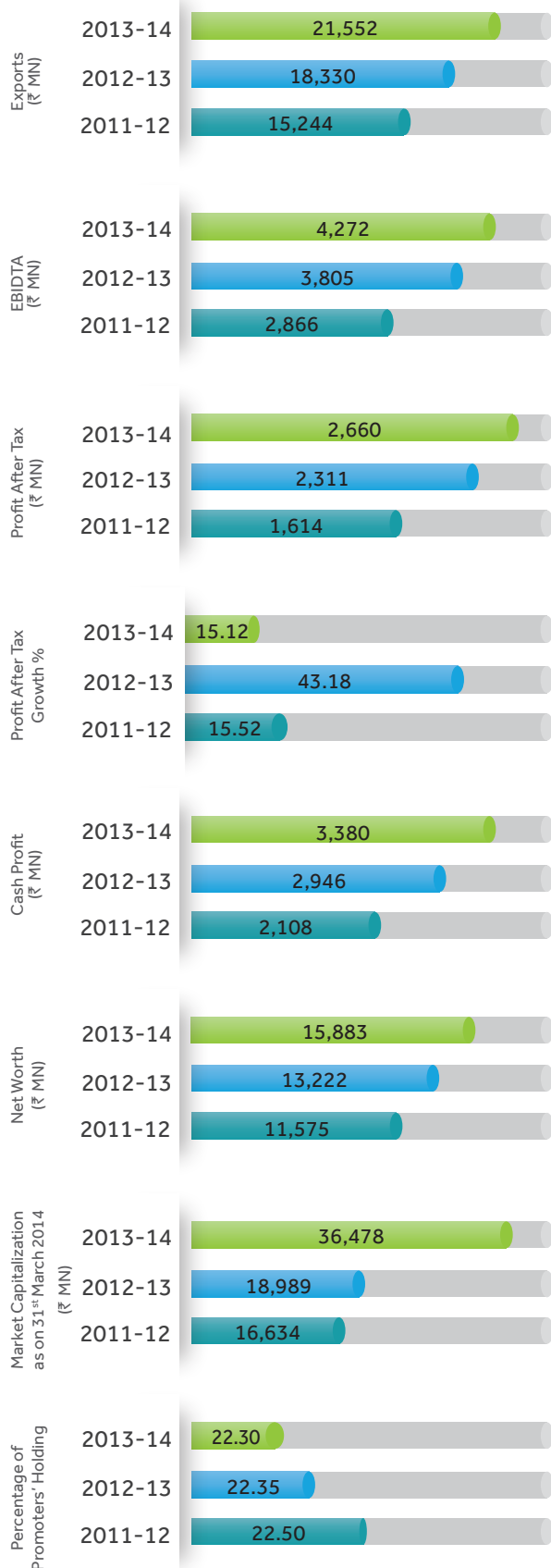


**DOING MORE, DOING BETTER, TOGETHER
WITH OUR COLLEAGUES, CLIENTS AND
PARTNERS, BUILDS OUR COLLECTIVE
INTELLIGENCE AND TRUST.**



BUSINESS HIGHLIGHTS 2013-14

- 43 customers added during the year, 22 in Engineering and 21 in UC&DA.
- Growth is broad-based across all industry segments and geographies.
- Received 'Boeing Performance Excellence Award (BPEA)'. This is the fourth consecutive year in which we have been recognized with this award.
- Received the 'Highly Commended Transport Supplier of the Year 2014' as part of London Transport Awards.
- Awarded the 'Highest Productivity Supplier Award' as well as the 'Innovation Award' at the Pratt & Whitney Summit 2013.
- Crossed the 12,000+ associate milestone.
- Associate gross addition for the year at 3,545 and net addition at 1,577.
- Attrition rate at 10.7%. Improved 110 bps YoY.



Revenue (Million)

₹22,064

2013-14

Operating Profit (Million)

₹4,101

2013-14

Operating Margin

18.6%

2013-14

38

Global Locations

290+

Clients

12,000+

Associates

BOARD OF DIRECTORS

cyient.com

2013-14

Annual Report

B.V.R. MOHAN REDDY

Executive Chairman

KRISHNA BODANAPU

Managing Director & CEO

B. SUCHARITHA

Non -Executive Director

ALAIN DE TAEYE

Non-Executive Director

SHANKAR NARAYANAN

Non-Executive Director

THOMAS W. PRETE

(Alternate: Jayant Sabnis)
Non-Executive Director

M.M. MURUGAPPAN

Independent Director

G.V. PRASAD

Independent Director

K. RAMACHANDRAN

Independent Director

VIKAS SEHGAL

Independent Director

HARSH MANGLIK

Independent Director

SOM MITTAL

Independent Director

SENIOR LEADERSHIP

cyient.com

2013-14

Annual Report

B. ASHOK REDDY

President – Corporate Affairs & Infrastructure

AJAY AGGARWAL

Chief Financial Officer

JOHN RENARD

President – EMEA

THOMAS EDWARDS

President – North America

SANJAY KRISHNAA

Geo Head – APAC

RAJENDRA VELAGAPUDI

Sr. Vice President – Engineering

SUNIL KUMAR MAKKENA

Sr. Vice President – Data Transformations, Networks & Operations

ANAND PARAMESWARAN

Sr. Vice President– Human Resources

G. DEVENDRA RAO

Sr. Vice President – Internal Information Systems

BRIAN WYATT

Sr. Vice President – Global Marketing & Business Development

N.J. JOSEPH

Sr. Vice President – Strategy

KATIE COOK

Sr. Vice President – North America Sales

CORPORATE INFORMATION

Auditors

Deloitte Haskins & Sells

1-8-384 and 385, 3rd Floor
'Gowra Grand', Sardar Patel Road
Secunderabad – 500 003
Tel: +91 40 40312600

Internal Auditors

Domestic Operations

M. Bhaskara Rao & Co

5-D, 5th Floor, 'Kautilya'
6-3-652, Somajiguda
Hyderabad – 500 082
Tel: +91 40 23311245

Global Operations

PKF Sridhar & Santhanam

1-2-272-273/6, 2nd Floor, Kiran Arcade
Sarojini Devi Road, Secunderabad- 500 003
Tel: + 91 40 27819743

Tax Advisors

G.P. Associates

Flat No. 603, 6th Floor
'Cyber Heights', Plot No. 13
HUDA Layout, Road No. 2
Banjara Hills
Hyderabad – 500 033
Tel: +91 40 23540822

Bankers

The Hongkong and Shanghai Banking Corporation Limited

6-3-1107 & 1108, Raj Bhavan Road
Somajiguda
Hyderabad – 500 082
Tel: +91 40 66162077

Citibank N.A.

'Queens Plaza', 1st Floor
Sardar Patel Road
Secunderabad – 500 003
Tel: +91 40 40005720

Oriental Bank of Commerce

9-1-129/1, 'Oxford Plaza'
Sarojini Devi Road
Secunderabad – 500 003
Tel: +91 40 27704935

Registrar & Share Transfer Agents

Karvy Computershare Private Limited

Plot No. 17 to 24, Vithal Rao Nagar
Madhapur, Hyderabad – 500 081
Tel: +91 40 44655000

Company Secretary & Compliance Officer

Sudheendhra Putty

4th Floor, 'A' Wing, Plot No. 11
Software Units Layout, Infocity
Madhapur, Hyderabad – 500 081
Tel: +91 40 23124006



THE NEXT CHAPTER

Dear Shareholders,

It gives me immense pleasure to share my thoughts as we present your company's 23rd annual report. I like to take this opportunity to reflect on our performance over the past year, comment on the initiatives and strategies that are currently being executed, and share my outlook for the future.

The 23rd year of the company has been a successful one: we continued to diversify, reinvent and grow, while strengthening the foundations for the future.

Looking back on the successes of the past few years, I take immense pride in what we have achieved together. Over the last 5 years, your company's revenues and profits have grown at a compounded growth rate of 15%. We have prudently expanded our geographic spread, industry focus and service portfolio.

All these have resulted in your company getting recognized as 'Strategic partner of choice' by many customers. The company's relentless focus on balancing the needs of its employees, customers and shareholders has led to increase in overall satisfaction of all three stakeholders. Over the last 12 months, our stock price has almost doubled and we have successfully attracted investments from some of the largest and best-known financial institutions in the world.

Financial Performance

The company earned revenues of ₹ 2,206 Crores (363.3 million USD), an increase of 17.8% over the last financial year. While the company benefited from the depreciating Rupee, in constant currency terms the revenue growth was 6.3% over the last financial period. The operating margin was at 18.6%, which was a marginal improvement of 35 basis points. Operating profits were at ₹ 410 Crores up 20.1% over last year. A strong focus on collections and optimizing capital expenditure allowed the company to decrease its days outstanding which led to a significantly improved cash position. As at the end of the year, the company had cash reserves of ₹ 726 Crores. There was significant improvement in the free cash flow generated (FCF) at ₹ 218.6 Crores. FCF was 51% against 30% last year of EBIDTA.

Although business was sluggish at the start of the year, we witnessed steady improvement over the next three quarters, as reflected in the company's quarter on quarter growth.

Both Europe and Asia Pacific showed significant growth while North America saw a marginal 1.5% decline in revenue. Especially gratifying was the growth in Asia Pacific, which was in excess of 30% in constant currency terms. Three of the four Business Units (BUs) showed growth with Data Transformation & Analytics (D&A) growing by over 20%.

In keeping with its stated dividend policy of enhancing shareholder value for your company declared an interim dividend of ₹ 2/- per share (40%). Upon approval of final dividend at the ensuing annual general meeting, the company would have paid a total dividend of ₹ 5/- per share (100%). This represents a 25% payout of net profits to shareholders of the company.

Leadership Change & Realignment

Another major development that I wish to share with you is the separation of the roles of Chairman and Managing Director. After twenty-two years as Chairman & Managing Director, I have decided to take the role of Executive Chairman with focus on medium to long term growth and sustainability of your company. I am pleased to announce the appointment of Krishna Bodanapu as Managing Director and Chief Executive Officer. As the President and Chief Operating Officer for the last two years, Krishna has contributed significantly to the growth of the company in terms of revenue and margin expansion as well has increased customer and associate satisfaction. He has also developed a good leadership team to support the company as it embarks on its next growth trajectory.

In my new role as Executive Chairman, I will also be involved in Leadership Development, Innovation, Information Systems and Corporate Social Responsibility.

As the company heads into its twenty-fourth year, we have articulated strong aspirations in terms of growth, profitability and market positioning.

Looking ahead, it is imperative that we reinvigorate our current model of operations to ensure that we are set up for the next phase of growth. Effective April 2014, a new organization structure has been put in place with the twin objectives of building better customer engagement and enhancing operational efficiency to deliver significant improvement in revenue growth and operating margins.

There is a technology convergence in many of the markets we address and hence it is important that we are able to cross-leverage skills and capabilities via a horizontal-focused delivery organization. As the company becomes geographically more diverse, it is vital to empower decision-making in the geographies and minimize cross-geography reporting structures. To facilitate these objectives, the organization is now aligned by geographies in Sales and account management and by horizontal service and solution lines in Operations. A separate business development function to focus on industries is also created as a part of the go-to-market structure.

Branding

A significant milestone occurred on the 7th of May 2014 when we rebranded the company from Infotech Enterprises to Cyient. For more than 20 years, we have collaborated with our customers to provide innovative solutions for a better future. With increasing global recognition of our services, we needed a unique identity that we can own and a brand promise we can live every day. Hence we rearticulated our brand promise as 'Designing Tomorrow Together' and the name of the company as Cyient.

The name Cyient has connotations to 'client' and 'science', two important ingredients of our company's success. The letters 'ient' reference Infotech Enterprises which reflect the company's heritage and continuity. Our new brand promise of Designing Tomorrow Together will help further our commitment to creating innovative, forward-looking solutions with our customers and associates. We believe that we have adopted a brand that is future facing, global, unique and efficient yet respectful of the core reasons that have contributed to our success. There is uniqueness in the new name and brand with the emphasis on partnership and problem solving which we believe will translate into competitive advantage.

We are now Cyient!

Innovation

We are striving to build an enterprise-wide innovation culture with proactive engagement across the company. Our objective is to create an IP/patent portfolio that focuses on productivity gains and process improvements as well as incremental innovation that opens up adjacencies to our current businesses. We have implemented a goal of one-idea per person per year, inspiring associates to contribute to improvements, as well as spark ground breaking ideas. We plan to accelerate innovation activity across the organization this year.

Customer Satisfaction

Your company conducts an annual customer satisfaction (CSAT) survey by a third party firm. Based on the survey insights, we undertake a rigorous Customer Satisfaction Improvement Plan (CSIP) that addresses all aspects of customer interface, including technical, operational and process related. The plan is meticulously executed and communicated.

The confidence placed by the customer in us is what enables us to thrive as an organization and we will constantly endeavor to improve our Customer Satisfaction index. The customer satisfaction index currently stands at 47.9%.

Associate Satisfaction

Similarly your company undertakes an annual Associate Satisfaction (ASAT) survey. I am pleased that our engagement initiatives with associate over the past few years have started to yield positive results. The Associate Engagement Index stood at 59%, an increase of 400 basis points over last year. Better associate engagement has also resulted in lower attrition which now stands at 10.7, an improvement of 110 basis points over last year.

Investor Satisfaction

I am also pleased to report that we are one of the few companies in India that undertook a third part investor satisfaction (ISAT) survey last year. We asked a cross section of investors (from large funds to individual retail investor) and analysts about their opinion of your company and were able to gather useful and actionable insights from this survey. There are three areas that our investors highlighted as concerns – the first was muted revenue growth, especially during the period in question. The second was the relative lack of liquidity of our stock and the third was the effective use of available cash. We are focused on all three areas and I will keep you informed on the progress we are making through this letter and our quarterly communications.

Corporate Social Responsibility (CSR)

We believe in the philosophy that sustained development of society is vital to the sustained growth of the businesses that exist within that community. This belief has led us to spend over 1% of our net profits in the past towards CSR initiatives and we will increase it to 2%

during the current year. We have adopted 13 schools until now and are supporting over 8,000 students in these schools. The statistics are very heartening: school drop-out rate fell from 15% to 4% and the pass rate increased from 28% to 81% over the last few years.

In addition to our focus on primary education, your company is also promoting business-aligned initiatives for social impact. It is committed to contributing ₹ 2.5 Crores over a period of five years to LV Prasad Eye Institute, a not-for-profit, non-governmental eye care institute that reaches out to the marginalized population. Your company will also leverage its engineering capabilities to help LVPEI to develop new products for diagnosing eye diseases and imaging eye tissues.

Mergers & Acquisitions

In March 2014, your company announced the acquisition of Softential, Inc. Softential brings significant domain expertise, track record and referenceable customers for service management and service assurance solutions. This acquisition aligns well with our strategy of leveraging our network engineering capability to expand into the areas of operational support and managed services for the communications industry. The resulting synergies of the acquisition will enable us to broaden our service portfolio for existing customers while supporting expansion into new geographic markets. We maintain a healthy pipeline of M&A prospects in our stated areas of interest and I am confident that we will see continued activity in this area.

Awards and Accolades

Your company has received a number of external and customer recognitions and accolades, which stand testimony to its technical competency, process excellence and customer centricity.

Your company was rated in the leadership zone for aerospace, energy, transportation and heavy machinery industries, by Zinnov in their 2013 ratings. We won 'Supplier Innovation Award' from Pratt & Whitney and received the Boeing Performance Excellence Award for the fourth year in a row. As part of the London Transport Awards, we were conferred with the 'Highly Commended Transport Supplier of the Year 2014' Award. For our overall engagement philosophy and engagement and learning interventions, we received the Dream Employer of the Year Award from World HRD Congress, 2014.

Strategy

Over the course of the last year we have spent a significant amount of time and effort on articulating the strategy for the organization. We believe the value stream in the industries we focus on consists of providing discrete Services, integrated Systems and lifecycle Solutions. There is varying degree of value that we can provide and in-turn monetize and have articulated a plan on what parts of this value stream we address across our focus industries. This strategy – S3 – is very robust and provides a structured way of addressing evolving opportunities.

A key element of our strategy is product realization in the engineering business. We have so far been focusing on product design and have built significant credibility in how we design products for our customers. However, there are increasing opportunities in adjacencies such as prototyping, testing, system integration and certification, and we are building capability to address these opportunities.

The strategy team has been significantly strengthened over the course of the year and we now have a robust process for articulating,

developing and executing organization and industry-level strategies.

Looking ahead

As we look ahead to FY 2015, there are five key areas that we will focus on and emphasize to continue building a strong, sustainable and profitable company. These are:

- Increase rigor on customer management to maximize revenue per customer
- Build an ecosystem for next generation solutions and systems
- Continued focus on operational excellence
- Invest in synergetic acquisitions
- Emphasize on becoming global, collaborative and participative

We started off FY 14 with challenges in our business especially on the revenue front. Over the course of the year, our revenue momentum increased significantly and we delivered the best H2 revenue growth in our peer group and I am pleased that we now start FY 15 with similar momentum. We are committed to balancing the needs of all stakeholders and providing an attractive investment opportunity for our shareholders. We will continue to provide transparent and timely reporting on the progress of your company

Our strongest differentiator is our commitment to Values FIRST – Fairness, Integrity, Respect, Sincerity and Transparency and this has made us a partner of choice to our shareholders, customers and associates.

Thank you for your trust and support in FY 14 and I look forward to the same for many more years to come.

Warm Regards,
B.V.R. Mohan Reddy
Founder & Executive Chairman



OUR NEW BRAND

We solve problems. We focus on engineering, networks and operations. But what makes us special is how we work with our customers. To us, problems are an opportunity to use our design skills and industry knowledge creatively to help our customers do more. We make them more capable, more flexible and more competitive, so they get to market faster and reach further.

And that's how they like it: 98% of our revenue comes from customers we've worked with before.

Why do they keep coming back?

The Virtuous Circle

Our relationships with our clients grow the more we do for them. We call this the virtuous circle.

We often begin an engagement by offering some extra hands to free up our clients' own teams, or help on a specific technical challenge. But that often leads to work where we address important business issues together, or even design a whole system that paves the way for a better future.

The more we work with our clients, the more they trust us. Our business is built on these close, long-term working relationships.

Our Brand Promise: Designing Tomorrow Together

Three simple words that describe our unique approach of working with our clients to improve their business and the lives of their customers.

Designing

Solving problems using our design engineering expertise creatively. Practical designs that make things better, every day.

Tomorrow

Our work is future facing, solving problems large and small that shape everybody's tomorrow.

Together

Doing more, doing better, together with our colleagues, clients and partners, builds our collective intelligence and trust.

Reliable and Tailored Processes

We're consistent, creative and fast on our feet. Because we know our customers' industries so well, we can make our processes fit the situation precisely. So they're tried and tested. And by sharing with our customers all we learn from their project, we work together more efficiently and effectively.

We get the job done by investing our expertise and resources and drawing on an ecosystem of specialist partners. Most of all, we partner with each customer in a way that best fits what they need. And we work as part of their team, so our industry knowledge and technical skills fit seamlessly into their organization.

Our Vision & Values

Vision

Designing tomorrow together. That is our vision and the basis of our brand promise.

Values FIRST

In our relationships with our clients, stakeholders, and associates, we are guided by our Values FIRST. We foster a strong commitment to these values in every member of our organization, because we believe they are essential for accomplishing our goals.

VALUES FIRST

Fairness

Integrity

Respect

Sincerity

Transparency



ENGINEERING SEGMENT

35.5%

Revenue Contribution from **Aerospace**

29.2%

Revenue Contribution from **HTH**

Creating Enduring Business Value

Our Engineering vertical provides industry-leading solutions in the Aerospace & Defense, Hi-Tech, Consumer, Medical, Semiconductor, Energy, Transportation and Heavy Engineering segments. This is a result of reorganizing our HTH segment by combining it with our erstwhile Aero business. In doing so, our aim has been to improve innovation and productivity through key initiatives.

With over two decades of experience, we deliver complete product engineering solutions – from concept to prototype development, including aftermarket engineering to diverse industries. Our aftermarket engineering solutions include Product Health Monitoring, Reliability Engineering, Technical Publications, and Obsolescence Management and Sustenance Engineering, which help enhance our customers' aftermarket revenue and end customer experience.

- **Our global collaborative engineering model** integrates cross-functional expertise in Industrial Design, as well as Mechanical, Electrical, Embedded Software and Electronics, Instrumentation and Software Engineering. By combining the various engineering disciplines with an integrated product engineering approach, we meet our customers' product engineering requirements efficiently.
- **A collaborative approach in working with our partners** enables us to perform prototype development and environmental testing, which is critical for system level product engineering. This results in faster and more optimized product development.
- With 98 percent **repeat business** and 32 **co-developed patents**, we serve as an extended engineering arm to our customers, playing a significant role in engineering next-generation products. Our customers value us for the unique differentiators we offer

Revenue Contribution

35.5%
2013-14

Aerospace

Revenue Contribution

29.2%
2013-14

HTH

Revenue (Million)

₹ 7,842.6
2013-14

Aerospace

Revenue (Million)

₹ 6,440.1
2013-14

HTH

EBIDTA (Million)

₹ 2,393.3
2013-14

EBIDTA Margin

16.8%
2013-14

including flexibility in engagement with fixed-price options, co-development, and revenue and risk-sharing business models.

- Drawing upon our **robust engineering ecosystem**, functional expertise, and streamlined processes, we deliver reliable and innovative products and services, helping our customers achieve and maintain competitive advantage.

Leading the Hi-Tech, Consumer, Medical, Transportation and Heavy Engineering (HTH) Industry with Future Ready Solutions

Our HTH business unit provides process and product development solutions in six key industry segments – Rail Transport, Energy, Consumer and Medical, Semiconductors, and Heavy Engineering.

Rail Transport:

We provide engineering solutions for Rail Rolling Stock, Rail Signaling, Rail Electrification and Rail Electronics. By leveraging over 7.5 million hours of end-to-end rail engineering expertise, we offer holistic solutions that have helped our clients realize over \$100 million in savings, and win significant bids. We have delivered over 150 major global projects across a range of areas including high-speed metro, LRV, tram, freight, rolling stock, as well as mainline and mass transit signaling. Equipped with IRSE (200+ engineers) and ARTC licenses, our engineers are highly skilled to solve some of the toughest signaling problems. We have been consistently rated by Zinnov, a leading management consulting firm, as the market leader in global R&D services for rail transportation over the past three years.

Energy:

This industry is heading into uncharted territory. Oil and Gas in particular is facing several challenges. By leveraging over three million hours of work experience, we provide product and

process engineering solutions to upstream and downstream oil and gas industries, in greenfield as well as brownfield projects. The world's largest oil and gas companies including EPC contractors, rig operators, shipyards, process package manufacturers and OEMs leverage our robust and comprehensive engineering solutions in the drilling, production, storage, transportation and refinement segments.

Medical Devices:

Emerging markets have an urgent need for innovative affordable medical care. We cater to this demand by supporting end-to-end development of cutting-edge medical devices for radiology and diagnostics, hospitals, surgical and life sciences, and cardiology and orthopedic products. Our medical practice delivers engineering solutions for implants and instruments for the spine and trauma orthopedic market, as well as system-level value engineering for large medical instruments. Our time to market is 25 percent faster, which enables a quicker realization of ROI with the help of tailored solutions that are designed to meet the unique needs of each client.

Semiconductor:

We design first-pass silicon success in all areas of system-on-chip (SOC) in 14 nanometer (nm) and 16nm technologies, and intellectual property (IP) in niche physical design, custom layout, and mixed analog/digital verification. Our expertise in embedded software and electronics further strengthens the proposition. We also support application-specific system development in 'full chip silicon' design, verification and implementation services across industries.

Consumer:

We engineer home and kitchen appliances by applying new smart technology to design innovative products at lower cost. By partnering with top consumer appliance and lighting companies, we have launched over 50 innovative new products.

Apart from bringing strong technical capabilities to the table, we also craft creative solutions for green manufacturing and energy-efficient products.

Heavy Machinery:

This industry comprises off-highway (construction equipment, farm and forestry equipment, mining and material handling equipment) and industrial products. We design end-to-end comprehensive engineering processes that build greater efficiency across the complete new product development life cycle. By leveraging our competencies and experience, we have delivered over 25 product development programs for several of the world's top original equipment manufacturers (OEMs). We have further contributed significantly to developing products that are now ranked among the top 100 construction and material handling equipment. Our portfolio also includes over 15 engine integration programs designed to comply with Tier IV norms.

Surmounting Challenges in a Tough Market

The mining industry has been under tremendous cost pressure following significant reduction in commodity price. Our clients and OEMs who provide equipment for the mining industry faced serious challenges in managing their engineering cost, which led to plant closures and a drastic reduction in engineering budgets. In such a scenario, our clients mooted the idea of reducing the engineering head count, which resulted in an increased bench strength and revenue deficit. Following a thorough analysis of the situation and after factoring in long-term consequences, we deployed these resources into other industry verticals such as transportation. Efficient resource management and well-planned training programs enabled us to execute the plan successfully. We also strengthened our sales and pre-sales team in Taiwan, Korea and Japan, which has given us a further fillip to expand our engagements.

Another industry, which posed a critical challenge was Rail Transportation. Our close partnerships with Rail Transportation OEMs in rolling stock and signaling enable us to support their large program bids. Although this defines the strength of our business, it means we also share their risk due to delay in global project sign ups. The delay in the awarding of major contracts last year has significantly impacted our growth in the rail business during FY 2013-14. As is our culture, we have used this as a valuable opportunity to reorganize our business, and build stronger competencies in concept/system design in addition to developing services to support tendering process and testing.

Delivering Performance and Growth

The HTH business unit achieved a year-on-year increase of 5.2 percent. Continued engagement with our top 16 customers in this business unit contributed to 77 percent of our annual revenue. The HTH business unit achieved 88.4 percent revenue and 69.1 percent operating profit against the anticipated target for 2013-14. Operating margins were lower in comparison to the last fiscal year due to higher salary costs and business volatility. However, we achieved significant traction by acquiring 33 new customers during the financial year. We intend to increase our market share by pursuing the growing opportunities in the Middle East region.

We received the "Highly Commended Transport Supplier of the Year 2014" award as part of London Transport Awards, which stands as a testimony to our consistent performance.

Positive Growth Outlook

Our business expansion was marked by the addition of 33 new customers, and an improved pipeline for FY2014-15, signaling increased optimism for the current year. A majority of our customers across all industry verticals have also provided a positive forecast.

Over 86 percent of our HTH revenue is repeat business. We are therefore confident of achieving our targets for 2014-15 on the strength of our long-standing relationships with our current customers. We have chosen the industry verticals we cater to based on a strong understanding of market requirements as well as our deep domain expertise, and we foresee positive growth in these verticals.

- We anticipate good growth in the Nuclear Energy and Off-highway sectors. We are also making necessary investments in acquiring capacity in Plant Engineering, and adding domain expertise in the Off-highway segment.
- We foresee 20 percent growth in the combined domains of Semiconductor, Consumer and Medical in FY 2014-15 due to opening up of new markets. This has sharpened our focus on capitalizing on the opportunities in these specialized domains by providing differentiated services and solutions.
- During the start of FY 2014, we were awarded major projects in collaboration with our customers in the Rail Transportation sector. The prospects in this sector are bright, with expectations of approximately 15-20 percent business growth during FY 2014-15 from our top five rail customers, requiring an addition of about 250 engineers. We are moving up the value chain to deliver system level engineering from the concept stage, by partnering with testing and commissioning companies across the world to help us meet local requirements.

Some of the key focus areas for this business will be to actively pursue the Middle East and Asia regions as a market for growth, identify opportunities in new accounts, and increase our revenues from new customers.

Aerospace Industry: A Snapshot

We provide system level engineering solutions to the aerospace industry, which include concept development to qualification sub-systems of engines, avionics systems, structures, aero systems, and interiors.

A combination of domain expertise, process rigor, design automation and program management skills help us deliver large system-level designs – on time and within budget.

With 18 patents to our credit in the field of aero engines, we are recognized as one of the most innovative solution providers, with an ability to create IP for OEMs. Additionally, on behalf of our OEM clients, we handle aftermarket value streams such as repair engineering, reliability technical documentation and performance monitoring.

Our consistent innovation and high levels of productivity have established us as the preferred global supplier of aerospace solutions. We are proud to declare that 98% of our business stems from repeat customers, including some of the world's leading aerospace companies.

Key Differentiators

Our Aerospace & Defense business unit provides **product development engineering** solutions for sub-systems in avionics flight management systems or navigation systems, aero engines that power the aircraft and next generation aerodynamic aero structures.

Our **integrated product engineering processes** efficiently integrate software, hardware, enclosure design and test engineering competencies. This enables us to deliver avionics products and solutions that are compliant with D0-178B & D0-254 in - electric systems, flight navigation and displays, flight control, control and diagnostics, cabin and cargo management systems, as well as air management systems.

We also provide **engineering design** solutions for complex aero systems, engine control and electrical management systems. Furthermore, we have also formed strategic partnerships to design aesthetic, light weight, efficient cabin interiors for commercial and business jets.

Our **multidisciplinary test engineering** team reduces system qualification and certification costs with a complete test engineering life cycle. In addition, we develop qualification plans, manage test execution, analyze data, compare test results with design data, and deliver qualification documentation in accordance with DO-160 standards.

Strategic Initiatives

In the past year, we initiated strategic hiring and planning, as well as further developed our technical skills in an effort to handle growth and improve our stronghold in the industry.

- Our engineers were provided high-level technical training necessary to improve their proficiency in the subject, and acquire the skills required to move to senior roles in the aero structure business. This enabled us to successfully address the challenge of identifying and recruiting experienced, quality, senior level engineers.
- To support future growth, we also reinforced our sales and customer relationship teams in Europe with the appointment of experienced personnel.
- We improved the program management structure by employing a combination of enhanced integrated product development processes and newly recruited skilled professionals. This helped us in successfully tackling problems experienced in large scale, end-to-end programs.

Industry Highlights

Overall during the past year, the aerospace industry experienced mixed growth with a slowdown in the defense segment and high revenues coming in from the commercial

segment. There was a delay in the introduction of new aircraft programs from Boeing and Airbus, while existing aero engine and aircraft programs moved into the testing phase after product development. This resulted in low engineering demand.

- Our Aerospace business unit achieved revenues of \$125 million which was almost flat in comparison to last year.
- Relative to last year, operating margins were lower owing to higher utilization and business volatility.
- We continued to service some of the biggest companies in the industry, with our top 10 clients contributing to 94% of the annual revenue.
- We also added two new clients to our roster during the last financial year
- With a vision of improving the scope of our aero structure engagement and scaling up the value chain, we developed a strategic partnership with a leading aero structure supplier

Moving Ahead: The focus for 2014 and beyond

In the financial year 2014-15, we expect strong growth, with an agenda for development of new programs in business and commercial jets. We also intend to expand the scope of our offerings by providing comprehensive services in manufacturing engineering, as well as aftermarket and value engineering.

- Our engineering focus is likely to shift to cost reduction and product maintenance, since most of the aircraft and engine programs are complete.
- In collaboration with external consultants and the corporate strategy and planning team, we will conduct studies to identify growth opportunities and determine areas of focus.
- We plan to undertake more 'design and build' programs that will broaden our integrated product development initiatives.

- The Middle East and Asian markets continue to look promising in terms of growth. We plan to identify and seek potential clientele from this region.

Global Industry Trends

In the new financial year, the overall global aerospace and defense sector is expected to grow at roughly five percent. Similar to 2013, the commercial aero sector is expected to experience a high growth rate, with an expected high single or double digit growth rate in the upcoming financial year.

In contrast, the defense sector is likely to witness relatively sluggish growth. However, while the countries with traditionally active militaries are cutting back on expenses, regions like the Middle East, India, China, Brazil etc. have accrued substantial wealth, and are poised for an increase in defense spending. In India, over the next five years there is an estimated \$150 billion opportunity in the aerospace and defense sector-with \$100 billion open to the domestic sector.

Similarly in the Middle East and APAC regions, the commercial sector is expected to boom since many of these countries are seeking to replace their obsolete aircrafts with fuel efficient, state-of-the-art aircrafts that cater to the growing passenger demand. This translates to maintaining costs while ensuring continuous innovation in engineering design, manufacturing and supply chain capabilities.

Source (trends):

http://www.deloitte.com/view/en_US/us/Industries/Aerospace-Defense-Manufacturing/f203f-16d5cbd2410VgnVCM3000003456f70aRCRD.htm?id=us:el:fu:2014adout:awa:aers:010214

<http://timesofindia.indiatimes.com/business/india-business/Defence-and-aerospace-sector-will-create-150-billion-opportunity-in-India-BrahMos-MD-says/articleshow/30411994.cms>

http://articles.economictimes.indiatimes.com/2014-01-13/news/46149752_1_defence-spending-defence-sector-leader-tom-captain



UTILITIES, COMMUNICATIONS AND D&A (UC AND D&A) SEGMENT

23.4%

Revenue Contribution from **Utilities and Communications**

11.9%

Revenue Contribution from **D&A**

Utilities, Communications and Data Transformation & Analytics (UC and D&A)

Utilities & Communications (UC)

The future of the Utilities and Communications sector lies in capitalizing the strength of networks.

In order to keep up with the rising demand, Utilities are seeking to enhance their network infrastructure, improve energy management processes and invest in IT systems to increase operational efficiency. Furthermore, analyzing industry data helps them estimate demand as well as identify network stresses. Similarly, the dynamic nature of the telecommunications marketplace makes it imperative for communication service providers (CSPs) to build agility to retain competitive advantage. To thrive in a tough marketplace, it is essential for companies in these industries to streamline operations, maximize revenues and augment customer experience.

We leverage our expertise to support CSPs' need for enhanced network capacity and operations and help them achieve their business objectives. In addition to managing their business and network inventory efficiently, we improve the quality, speed and economics of designing, and ensure smooth roll-out of new networks.

As a result, our clients benefit from an **increase in network capacity, faster time-to-market, reliable service delivery, and improved customer experience.**

Moreover, our enterprise geospatial solutions provide an integrated systems view of utilities' business processes that translate into significant cost savings and increase revenues for our clients. We combine extensive capabilities in information technology (IT) and

Revenue Contribution

23.4%
2013-14

Utilities and Communications

Revenue Contribution

11.9%
2013-14

D&A

Revenue (Million)

₹ 5,156.4
2013-14

UC

Revenue (Million)

₹ 2,625.2
2013-14

D&A

EBIDTA (Million)

₹ 1,878.4
2013-14

UC and D&A

EBIDTA Margin

24.1%
2013-14

UC and D&A

operational technology (OT), to form an IT and OT convergence which allows us to **deliver unique value** and business benefits to core utility businesses.

Utilities

The rising trend in Utilities, which reflects a transition from linear supply-demand to a prosumer's model is primarily led by three enablers - technology, policy and regulatory changes, and new energy consumers.

We believe in "Helping Utilities Operate Smarter". Our business strategy therefore, is focused on alignment of OT and IT to support reliable, efficient and intelligent operations. As an industry leader with 15 million hours of experience in utility distribution infrastructure solutions, our expertise in the core business processes and systems has facilitated effective and efficient operations at several Utilities, including five of the top ten in the USA, as well as in Australia, Southeast Asia, India and Europe.

We have four predominant service lines in the utility unit - GIS Data Lifecycle Management and Transformation Services, GIS & IT Systems Implementation Services, SCADA/DMS Operational Technology Services, and Smart Grid Technology Services.

In addition to improving cost, operational efficiency and customer service, our solutions resulted in significant benefits such as:

- Establishing a single unified view of the overall network.
- Ensuring optimal energy usage through power analysis for extensions planning, achieving high reliability via system optimization, and integrating smarter electric network models in the GIS engine.
- Enabling consumer participation in energy management by leveraging big data analytics to generate actionable insights, and also facilitating management of mobile field

operations and Smart Plug and Smart Device development.

- Helping provide quality power through modeling and efficient network management.

Equipped with recently upgraded capabilities, we provided proposals for two large deals in the Middle East and Southeast Asia in the Smart Grid/Smart Metering domain, and clinched large Distribution Management Systems (DMS) deals in the EMEA region. Furthermore, in an effort to enhance customer centricity in our offerings, we implemented a problem-solution approach. In addition, we built frameworks that addressed the issues while leveraging our core strength in the fields of Geospatial, IT and Operational Technology.

Communications

Our communications' business operates as two delivery units - **Network & Engineering** and **Communication Technology & Operations**. By drawing upon our industry expertise, we have earned the reputation of being a specialized and distinguished provider of telecommunication solutions for network infrastructure lifecycle management. At a broad level, our services include **network planning and design, field engineering and network inventory management**.

Our Communication Technology and Operations solutions are compliant with TM Forum's standard, enabling us to offer services like Service Assurance and Fulfillment, Network Operations Center, and Mobile Workforce Management. In line with our mission, 'Network Performance Delivered' our practice has made a significant contribution to CSPs. Our clientele which span communication service providers, multiple system operators, infrastructure service providers, utilities and transportation companies, leverages our solutions to achieve efficient service delivery.

- Our focus on business service modeling and application performance management increased with the acquisition of Softential Inc. It resulted in improved network visibility, enabling our clients to make better planning and expansion decisions.
- Specialized service modeling and monitoring helped our clients reduce time-to-market by 50% and order fallout by 50%.
- Our clients were able to activate over 50,000 subscriptions per hour, obtain 98% network inventory accuracy, and reduce workload by 40% by capitalizing on our vast experience and knowledge of network planning, design, engineering and field services.

Initiatives

- With the objective of positioning the relatively new Communication Technology & Operations division on the right growth trajectory, we recruited a new delivery head, developed a resource pool and engaged in consultative selling.
- To increase collaboration between the two units - Network & Engineering and Communication Technology & Operations, we developed a framework with Cyient's trademark M21 (Manage, Migrate and Integrate) to integrate their physical and logical inventory.
- We identified key technologies and developed a capabilities development framework focused on building a resource pool of domain consultants, business analysts and solution architects, to ensure availability of resources at all times.

Optimism and Outlook

In the last fiscal year, the Utilities and Communications business units together generated revenue of \$84.84 million with a 19% and 8% Y-o-Y revenue increase in the APAC

and NAM regions respectively. Garnering some large sized revenue deals with leading utilities in North America was one of the major highlights. We also acquired 16 new clients in Utilities & Communications, with six clients in Utilities and 10 in Communications. In March, we announced the acquisition of Softential Inc. which adds significant domain expertise, track record, as well as a reputed client base to our organization that we can reference. This was in alignment with our strategy to leverage our network engineering capability and expand into operational support and managed services for the communications industry.

In the next financial year, we are aiming for a double digit growth rate. We have planned investments in Technology and Operations, OT, and Smart Grid that will help us achieve targeted growth.

A few key initiatives that we have planned for the forthcoming fiscal year include:

- Targeting growth from new service lines by continuing to improve client engagement, increasing clients that can be referenced and leveraging acquisition synergies
- Achieving growth in emerging markets like Middle East, Africa and South East Asia
- Increasing relationships with partner alliances in technology and business
- Growing through acquisition synergies
- Focusing on analytics as a key service area for growth especially in the Utilities vertical where we intend to target a set of key accounts
- Investing heavily in key competencies across domain, processes, systems, technology and products
- We will continue to concentrate on attracting business from new clients, as we have always done during the preceding financial years

Data Transformation & Analytics

Our Data Transformation business unit provides data management and geospatial solutions to primarily three key industry segments – Transport & Navigation, Energy & Natural Resources and Commercial Geospatial Providers. Our focused approach has positioned us as a leading data and geospatial service provider in these sectors.

Operating as a data factory with over three thousand data specialists in multiple locations, we use extensive automation and robust tools to deliver large-scale data outputs on time, within budget, and to global quality standards. Clients benefit from the resultant **cost savings, stakeholder satisfaction and desired time-to-market.**

As a leading geospatial company with over two decades of experience, the content and geospatial providers division forms the core expertise of the group's service capabilities. We help clients transform, manage and interpret earth imagery and geospatial data.

Under the umbrella of Transport & Navigation, we leveraged our long standing relationship with TomTom to provide road navigation map data updates; as well as furnish airport mapping, 3D modeling and rail GIS services to the aerospace and rail sectors. Furthermore, in the energy & natural resources sector, we provide domain based data services and process geological and geoscientific data to ensure geologists have complete, accurate data to enable informed decisions.

Highlights

- Three new clients were acquired during the financial year
- The large off-shoring component has resulted in high operating margins

- Generated a revenue of \$43.20 million and an increase of 21% Y-o-Y
- EMEA contributed to 70% of the overall revenues and achieved 120% of the budgeted revenues

Over 90% of our D&A revenue stemmed from repeat clients. We are confident that our strong relationship will be instrumental in achieving our 2014-15 targets. Since our top five clients contribute to 91.27% revenue, we plan to focus on adding new clients to our portfolio.

Initiatives

Over the past year, we implemented a few high impact initiatives to expand our foothold in the market:

- Restructured ourselves to focus on - Transport & Navigation, Energy & Natural Resources and Content & Geospatial providers - which we have identified as our growth enablers.
- Recruited additional mining consultants, to grow the business into new segments.
- Recruited new sales personnel to leverage their extensive experience in the Oil & Gas and Geospatial markets, and approach the end prospect directly.

Outlook

- With an eye on securing growth, we conducted various market studies internally as well as with renowned external consultants to identify and pursue business opportunities from new clients.
- Given the immense potential in the Middle East and Africa markets, we actively plan to pursue these two regions as key markets.
- We have commissioned a centralized Corporate Strategy and Planning team to identify potential and ensure growth in our key focus industries - Transport & Navigation, Energy & Natural Resources and Content & Geospatial providers.



HUMAN RESOURCE MANAGEMENT

Best practices for realizing our business objectives

The underlying goal/vision of our company is to be an employer of choice. This drives us to attract, retain and develop high quality talent, which in turn helps us to meet and surpass our business objectives.

We have established strong practices across the complete spectrum of HR activities from talent acquisition, talent management, compensation and benefits, to learning and development, and employee engagement. This puts us in a vantage position to achieve our HR goals with agility and confidence.

As part of our performance measurement and continuous improvement initiatives, we also measure our metrics in each of our focus areas regularly, and implement initiatives and programs to improve these metrics.

Key Initiatives in the Last Fiscal year

- In FY 2013-14, we consolidated our efforts in implementing our global integrated HR system - iHR.
- With a strong focus on building and sustaining a performance-oriented enterprise, we worked extensively on positive culture development (FISH), employee engagement action planning, and manager capability improvement programs that resulted in a significant improvement in our ASAT scores.
- Our positive practices in compensation, rewards and employee engagement helped us reduce attrition. The attrition rate came down to 11.93% through sustained efforts involving specific interventions across businesses.
- We implemented shared services initiatives for employee services in India, Europe and US, consolidated the back office for MIS, and started centralized delivery of reporting and other HR related back office work from the HR shared services unit.

Training & Certification for Enhanced Recruitment Practices

During the last fiscal, we added a total of 3545 associates (1577 net) globally. To enhance our quality of hiring, a comprehensive training and certification program was conducted for hiring managers to help enhance their recruitment skills. In keeping with the latest trends, increased attention was given to employee referrals and

social media hiring. This has ensured that we not only reduce our cost per hire but also improve brand awareness among the targeted population.

Our campus connect program has helped us hire top talent from targeted colleges in India and US. With a steadfast focus on our equal opportunity recruitment policy, we achieved a gender ratio of 79:21 in India. We are further striving to improve this. Another testimony to our equal opportunity commitment is the fact that our employees belong to 21 different nationalities.

Associate Engagement Initiatives

The Annual Associate Engagement Survey 2014 reflects an increase of 400 basis points, with a 73.55% response rate. The Utilities Business Unit displayed a noteworthy increase of 1200 basis points. Continuous employee engagement through capability building sessions for managers, mentoring sessions, as well as continuous review and communications of policies and benefits enabled us to produce impactful results.

Global Initiatives to Build a Performance Oriented Organization

Fostering a relationship based culture:

We conducted several programs across the globe catering to over 7500 associates, and made them an integral part of our organizational improvement efforts. These programs have paved the way for a positive culture that emphasizes stronger relationships with team members as well as customers.

Creating Tomorrow's Leaders: The targeted initiatives of our High Performers Club (HPC) help identify an internal pool of extraordinary talent, who can be groomed to occupy leadership roles across the organization, and meet our future requirements. 52 individuals from across the globe were part of the HPC Program. The Accelerated Leadership Program (ALP) was also launched to build and develop leaders for strategic leadership positions.

25 individuals leveraged the opportunity to hone their leadership qualities and capabilities.

Nurturing Fresh Talent: The 'ready to deploy' talent initiative, was conceived to enable fresh recruits to contribute to project delivery early on. This has helped us minimize their induction period, and build a strong ecosystem to scale up rapidly. In 2013, 234 fresh recruits attended this program. They spent 38,700 hours on technical training and 9,360 hours on behavioral training.

Enabling 360 Degree Feedback: 'Cyient Insight' is our 360 degree feedback survey. It provides a holistic view of how key internal and external stakeholders rate their experience with managers across all levels. The survey provided detailed insights into the perception of reportees, reporting manager(s) and peers. Based on this feedback, we created action plans to enhance leadership capabilities of our management layer. The top 78 leaders from across our organization were evaluated as part of this survey.

Living Our Values: The HR team initiated cue cards and placed light house stands at workstations. The idea was to enable associates to imbibe the company's 'Values FIRST' culture and live those values every day.

Encouraging Continuous Learning:

- **Online Learning and Development:** We launched a new online learning platform D Café, which offers 40 online leadership development courses aligned with our identified set of leadership qualities. The platform offers videos, case studies, assessment tests, and several other resources to encourage and enhance continuous learning across the organization. It also includes e-learning content on Values FIRST, leadership development and soft skills, as well as compliance courses, and technical training courses.
- **Online Language Courses:** To enhance the language proficiency of our associates

travelling to onsite locations, the L&D team launched online language courses covering a wide range of languages including Chinese, Russian, French and German. Motivating Thought Leadership: Our newsletter – 'Thought Leaders' ADDA' facilitates multifaceted learning for high performers. The contents include interesting trivia', quiz and book synopsis. The 'Management Concepts' segment strengthens cognitive thinking with informative and insightful theories and concepts. For latest updates on news, the newsletter presents 'Top Economic Trends,' and 'Latest News and Articles', while the 'Competitor Update' segment provides the latest information and updates on the industry players.

Achievements and Awards

- Cyient was recognized as the Dream Employer of the Year in the 'Dream Companies to Work For' Awards.
- Our 'Best Leadership Development Program for Middle Management' was recognized at the Asia Training and Development Excellence Awards.
- We received the Award for Innovation in Retention Strategy, and Award for Excellence in Training at the 4th Asia Best Employer Brand Awards.
- The Gold Level of the Arogya World Healthy Workplace Awards 2013 is yet another recognition for our HR policies and practices

Priorities for the Current Financial Year

In FY 2014-15, we plan to focus our efforts on key areas such as building an integrated delivery model, improving usability of HRIT systems, enhancing employee communication programs, and strengthening the performance appraisal processes. As always, employee engagement and development will continue to occupy top position in our agenda.



FINANCE REVIEW 2013-14

Financial Snapshot

	2013-14	2012-13	Growth (%)
Net revenue	22,064.3	18,730.6	17.8
EBIDTA	4,271.7	3,804.7	12.3
PAT	2,660.0	2,310.6	15.1
Cash profit	3,380.0	2,946.1	14.7
EPS (₹)	23.8	20.7	15.0
EBIDTA margin (%)	19.2	19.9	(0.7)
PAT margin (%)	12.0	12.1	(0.1)
RONW (%)	18.3	18.6	(0.3)
ROCE (%)	24.4	25.6	(1.2)

Significant financial metrics, 2013-14

- A significant improvement in free cash flow as a percentage of EBIDTA; up from 30% in 2012-13 to 51% in 2013-14.
- Free cash flow increased by 94.1% to ₹ 2,186 mn in 2013-14.
- Cash balance (liquid investments) stood at ₹ 7,260 million, the highest in Infotech's history.
- Days of sales outstanding (DSO) were 87 days, the best in 12 years.
- Added over 1,000 people in our SEZ unit; overall tax rate moderated 140 bps to 29.1%.

Revenue Analysis

Net revenues grew 17.8% from ₹ 18,730.6 million in 2012-13 to ₹ 22,064.3 million in 2013-14 (US\$363.3 million, up 5.3% year-on-year and constant currency growth of 6.3% year-on-year). Revenue growth was derived from the APAC region, which grew 44.7%; strong growth was reported from the US at existing customers; and new accounts were created.

Exports constituted 97.7% of total revenues; revenue contribution was 56.9% from the US, 28.4% from Europe and 14.7% from the Asia Pacific and others. Over 64.2% of revenues were

earned in US dollars, 16.4% in Euros, 6.6% in GB pounds, 9.5% in Australian dollars and 3.3% from other currencies.

Expenditure analysis

Our expenditure increased 17.2% from ₹ 15,945.4 million in 2012-13 to ₹ 18,695.7 million in 2013-14 primarily due to fresh hires, salary increases and business growth. Total operating costs as a proportion of net revenue was 81.4% in 2013-14 against 81.7% in 2012-13.

Capital employed

Total capital employed in the business increased 20.1% to ₹ 15,883.3 million as of 31 March 2014, largely due to an increase in reserves, surplus and forex gains. Return on capital employed (ROCE) decreased from 25.6 % in 2012-13 to 24.1 % in 2013-14. Net worth increased 20.1% to 15,883.3million as of March 31, 2014. Return on net worth stood at 18.3 % in 2013-14 against 18.6 % in the previous year. As of 31 March 2014 there were no long term borrowings.

Fixed Assets

Our gross block increased 5.9% from ₹ 7,555.8 million as of March 31, 2013 to ₹ 7,998.5 as of

March 31, 2014. Net assets increased 20.1% to ₹ 15,883.3 million as of March 31, 2014 from ₹ 13,221.5 million as of March 31, 2013. Accumulated depreciation as a proportion of the gross block was 57.0% in 2013-14 as against 52.6% in 2012-13.

Investments

Non-current investment increased from ₹ 373.0 million in 2012-13 to ₹ 525.0 million in 2013-14. Current investments included investments in mutual funds, which decreased from ₹ 609.8 million in 2012-13 to 400.4 million in 2013-14.

Working Capital

Working capital is required to fund overheads, salaries and day-to-day expenses. Our working capital outlay increased 29.2% to 11,300.4 million as of March 31, 2014 due to an increase in business throughput. Working capital as a proportion of the total capital employed was 71.1% as of March 31, 2014 (66.1% as of March 31, 2013).

Trade receivables: Trade receivables increased 21.7% from 3,944.2 million as of March 31, 2013 to ₹ 4,799.8 million as of March 31, 2014. During the year, our collections were the highest ever and DSO (87 days) the lowest in 12 years. Debtors outstanding for a period exceeding six

months constituted 7.6% of the receivables. Unsecured debt considered doubtful constituted 2.6% of the debtors, for which provisions were made.

Loans and advances: Loans and advances increased 17.7% from ₹ 1,501.7 million as of March 31, 2013 to 1,766.9 million as of March 31, 2014, largely due to an increase in capital advances and prepaid expenses.

Trade payables: Trade payables increased 43.9% to 1,743.6 million as of March 31, 2014 from 1,211.7 million as of March 31, 2013.

Taxation

Our effective tax rate declined 140 bps to 29.1% during 2013-14 as a result of increased volumes being rendered from SEZs. We are setting up all our incremental Indian operations in SEZs to take advantage of tax benefits and added more than 1,000 people in the SEZs during 2013-14.

Forex Management

Our foreign currency earnings stood at ₹ 1,2169.8 million, while foreign currency expenditure was ₹ 2,336.9 million in 2013-14. We reported a net foreign currency loss of ₹ 354.3 million during the current year primarily due to depreciation of Indian rupee.



QUALITY AND INNOVATION

We are committed to creating and delivering engineering services and solutions that exceed client expectations and enhance the level of business profitability.

Quality Strategy for Client Delight

Our quality strategy aims to deliver innovative solutions that deploy robust processes and result in client delight. Our organization and staff are led by the following quality objectives:

- Establish delivery excellence focused on ensuring client delight
- Provide industry leading solutions and services by leveraging cutting edge tools, technologies and methodologies
- Achieve continuous process improvement and operational excellence
- Attract, train and retain talented professionals through active employee engagement

Quality Certifications and Compliance

We are certified by Bureau Veritas Certification (India) Pvt. Ltd. (BVCI) for compliance with ISO 9001:2008 (Quality Management Systems), as well as ISO 27001:2005 (Information Security Management Systems).

Aerospace Business Unit, based in Hyderabad and Bangalore is certified by UL DQS Inc. for compliance with AS 9100 Rev C (Aerospace Quality Management Systems).

Rail division at Hyderabad and Bangalore is certified for compliance with IRIS Rev2 (International Railway Industry Standard).

Medical division at Hyderabad is certified for compliance with ISO 13485:2003 (Medical Devices Quality Management System).

Communications division, based in Hyderabad and Paragould, AK (USA) has been certified for compliance with TL 9000 R5.0 (Telecom standard), for the first time. We are the first India-based organization to be certified under 7.2.1.1 – Network Engineering Services product category of TL9000.

The company's software development, verification & validation and maintenance projects of the IT division at Hyderabad, Noida and Bangalore have been appraised with CMMI Dev 1.3 model at Level 3.

All of our operating groups under UTC division providing various engineering services and IT software development have been assessed at the highest level – 'Achieving Competitive Excellence (ACE) Gold Level' by our customer, United Technology Corporation (UTC). ACE serves as the Quality Operating System of UTC.

Innovation Roadmap and Culture

We strive to build an enterprise-wide innovation culture with the proactive engagement of managers, SMEs and associates. Our primary objective is to create a healthy and active IP/patents portfolio with a keen focus on productivity gains, process improvements and incremental innovation affecting the adjacencies of our current businesses. We plan to implement our 'one-idea per person per year' goal, inspiring associates to contribute to improvements, as well as spark groundbreaking ideas. Plans are to leapfrog innovation activity by implementing an effective best in class innovation management tool across the organization this year .

Notable Initiatives and Achievements

We established innovation councils in 25 key accounts to enable our clients to solve their challenges. We also developed an in-house 'Idea Management Application' that serves as a platform for effective idea generation. Our steadfast focus on innovation has enabled us to establish a strong portfolio of over 10 internal product development projects based on our indigenous IP. Some of our key achievements include:

- Annual effort optimization in hours: 3,58,040
- Benefits to clients in hours: 21,812
- Improvement percentage across verticals in hours: Aero (17%), D&A (47%), HTH (4%), UT (32%)
- Reach of our innovation initiatives among our associates: 38.88%
- Associate participation across the enterprise: 5.69%

Robust Patent Portfolio

This fiscal year, we filed 20 patents, achieving a 150 percent increase in patent filing over last year. Of these, nine were filed independently while 11 were co-patents filed along with our clients. One of our key patent applications is for a unique automated process that has been devised for designing hollow turbo machinery blades for additive manufacturing. We also plan to further evaluate our IP portfolio to consider possible commercialization. A few key ideas and solutions for which we have filed patents this fiscal year include:

Independent filings:

- Aero BU: Smart-Mesh - a tool for first time right quality assurance for meshing of engineering components
- Aero BU: A universal jet engine transport stand
- UT BU: A method and system for editing a Geographic Information System

Co-filings:

- Aero BU and UTC-PW: Turbo-machinery airfoil with round breakage
- Aero BU and UTC-PW: Compressor shroud reverse bleed holes
- HCM team and Phillips: Air fryer with tilted fan system

Innovation Labs and Alliances

Our in-house functional innovation labs help incubate and harvest new ideas effectively. We also execute projects in association with national and international innovation labs and institutes such as L.V. Prasad Eye Institute (LVPEI) and MIT.

Strategic Partnerships

We partnered with CII-APTDC as a corporate sponsor for 'Executive Program on Strategic IP Management for Electronics and IT sector' along with other industry players. We also supported 21 innovative projects put together by 34 internship students of JNTU KKD, which contributed to our brand value and strength.

- We have the one of the largest license base for Dassault Systemes, a French company specializing in 3D design software, with strong design engineering and simulation software platform portfolio. Dassault has industry standard platforms in our key focus areas including Aero and Defense, Hi-tech, Natural Resources (Oil & Gas/Mining), Transport and Mobility, Energy and Utilities, and Marine and Offshore.
- We have signed an Enterprise License Agreement (ELA) with ESRI, a leading global company synonymous with GIS, enjoying worldwide platform monopoly. We have one of the largest license base in India for ESRI

Events and Publications

This fiscal year, we participated in several national events on innovation and IP management hosted by industry bodies such as CII, NASSCOM and AIMA, and also presented or published 44 papers in national and international journals and forums.



CORPORATE SOCIAL RESPONSIBILITY

We believe in giving back to the society and the ecosystem that we operate in. Our Corporate Social Responsibility (CSR) extended through Cyient foundation (earlier Infotech Enterprises Charitable Trust) endeavors to go beyond charity. It includes initiatives aimed at education for underprivileged children and holistic development and sustainability in the community.

Vision

To facilitate access to quality education and to participate in projects with business aligned social innovation, and invest in environmental development projects.

Mission

Achieving long-term, holistic development of the community around us by being committed to create and support programs that bring about sustainable changes through education, environment and healthcare systems.

The First Footprint

- In August 2007, we signed an MOU for the adoption of Gachibowli School. Since then we have been working towards improving the quality of education through adoption of government schools.
- Presently, we support pre-primary children all the way through to high school.
- Deployed initiatives to provide basic amenities and facilities at these schools.
- Made remarkable progress by adopting 13 schools in and around the neighborhood of our facilities located in Hyderabad, Kakinada, and Noida.

2013-14 Initiatives: Highlights

- Adopted Polytechnic College on 25th April '14 and signed a MoU with Andhra Polytechnic College, Kakinada. Through this initiative, we support 2000 students pursuing their diploma and provide employment opportunities to meritorious students every year
- Spent over ₹ 3 crores on CSR activities so far with a total amount of ₹ 1.4 crores spent this financial year
- As an additional initiative towards CSR we are funding innovation initiatives at LV Prasad Eye Institute (LVPEI). We have committed to contribute a sum of ₹ 2.5 crores over the next 5 years to the institute

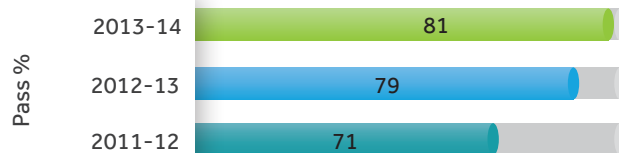
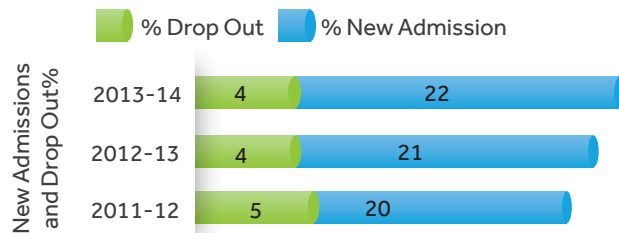
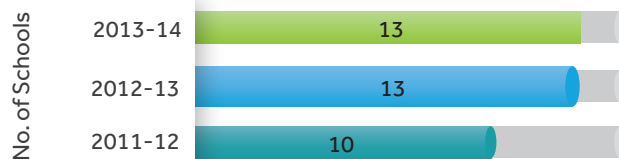
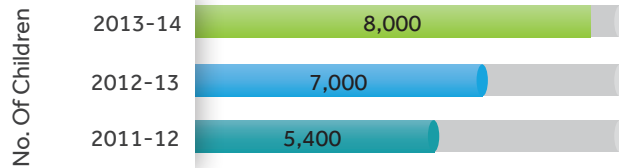
Empowering Underprivileged Children

- Till date, we have supported over 8,000 underprivileged children across 13 adopted schools in our neighborhood
- Overall, more than 10,000 children from early child education to secondary school of education benefit from our initiatives



Year on Year improvement in terms of student strength, dropout, enrollment and pass percentage

cyient.com



Providing quality education and better infrastructure: A snapshot

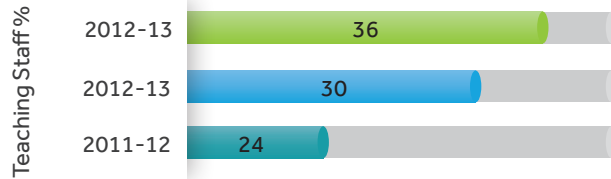
- Constructed additional classrooms, developed play areas and secured the school premises.
- Restored power connection and provided lights and ceiling fans.
- Provided volunteer assistance in conducting special classes.
- Distributed free note books and exam kits to school children for every academic year.
- Distributed school bags and uniforms to all the children.
- Dropouts decreased from 15% to 4% and new admissions grew from 13% to 22%.
- The overall pass rate improved from 28% to 81%.

2013-14

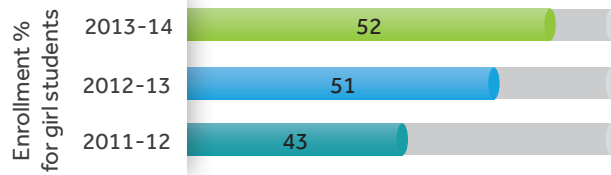
Annual Report

Year on Year improvement in terms of teaching staff, girl student enrollment and pass percentage

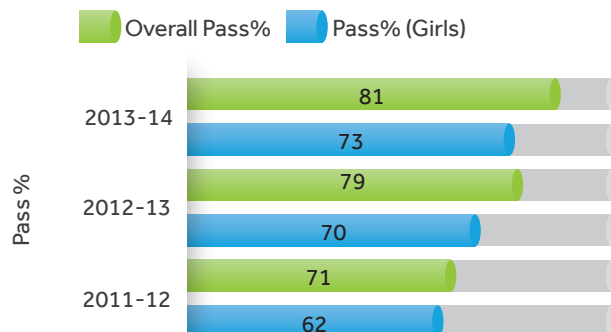
cyient.com



2013-14



Annual Report



Our passion: Improving education for girls

- Women volunteers conducted parental awareness sessions and career guidance and counseling programs.
- Girl student dropouts decreased from 13% to 4%.
- Enrollment of girl students improved from 20% to 52%.
- Pass percentage of girl students improved from 31% to 73%.

Generating employment opportunities

- Enabled employment to 60 local residents - hired as teaching staff, maids, watch and ward.
- Provided opportunity to the local community to supply material and civil works.
- Procured items from local suppliers.

Strengthening the community and the society at large

- Reaching out to the underprivileged: School and college adoption is driven to reach out to the community by providing various amenities and facilities. We are committed to provide assistance to the disadvantaged to help them continue higher education.
- Special focus on the girl child: Help promote hygiene and well-being of girl students and focus especially on imparting education.
- Impact on teaching-learning: Our activities focus on holistic, conceptual and experiential learning. Appointed 30 qualified teaching staff to enable this.
- Impact on community: There has been an increased parent and community participation. Our volunteers conduct meetings with parents and local community and career guidance programs to identify sustainable earning sources.

Notice of Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting of the shareholders of the company will be held on Thursday, 17 July 2014 at 2.30 p.m. at L&D Centre (Company's Campus), Plot No. 2, IT Park, Nanakramguda, Manikonda, Hyderabad - 500 032, to transact the following business:

Ordinary Business

1. To receive, consider and adopt, the audited statement of profit and loss for the financial year ended on 31 March 2014 and the balance sheet as at that date and the reports of the board of directors and auditors thereon.
2. To confirm the interim dividend paid during the year and declare final dividend on equity shares for the financial year 2013-14.
3. To appoint a Director in place of Mrs. B. Sucharitha (DIN 00709959), who retires by rotation and does not, offer herself for re-appointment.
4. To appoint a Director in place of Mr. G.V. Prasad (DIN 00057433), who retires by rotation and does not, offer himself for re-appointment.
5. To appoint a Director in place of Mr. Vikas Sehgal (DIN 05218876), who retires by rotation and does not, offer himself for re-appointment.
6. To consider and if thought fit to pass with or without modifications(s), the following resolution as an ordinary resolution

"RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Reg. No. 008072S), who retire at the conclusion of this Annual General Meeting (AGM), be and are hereby appointed as statutory auditors of the company for a period of 5 years, *i.e.*, till the conclusion of the AGM of the company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the board of directors of the company and the auditors."

Special Business

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

"RESOLVED that pursuant to the provisions of sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, Mr. M.M. Murugappan (DIN 00170478), who meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 17 July 2014."

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

"RESOLVED that pursuant to the provisions of sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, Mr. K. Ramachandran (DIN 00193357), who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 17 July 2014."

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

"RESOLVED that pursuant to the provisions of sections 149, 152, 160 and other applicable provision, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, Mr. Harsh Manglik (DIN 01461387), who meets the criteria for independence as provided in Section 149(6) of the Act

and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of three years with effect from 17 July 2014."

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

"RESOLVED that pursuant to the provisions of sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, Mr. Som Mittal (DIN 00074842), who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 17 July 2014."

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

"RESOLVED that pursuant to the provisions of sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. Krishna Bodanapu (DIN 05301037), who was appointed as additional director and holding the position of Managing Director & Chief Executive Officer of the Company and who is liable to retire by rotation, be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Schedule V (as amended from time to time) to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, consent of the members be and is hereby accorded for the appointment of Mr. B.V.R. Mohan Reddy (DIN 00058215) as Executive Chairman for a period of five years with effect from 24 April 2014 at a remuneration as detailed below:

I. Salary

Salary shall not be less than ₹ 15, 00,000 (Rupees Fifteen Lakhs only) per month. The salary may progressively go up subject to his performance and industry trends, subject however that in no case, the salary shall exceed ₹ 25,00,000 (Rupees Twenty Five lakhs only) per month subject to the confirmation of the board of directors based on the recommendation of the remuneration committee of directors.

II. Commission

The Percentage of net profits of the company as commission payable shall be determined by the Remuneration Committee / Board of Directors of the company, subject to the total remuneration (*i.e.*, salary, perquisites, commission and allowances) in any one financial year shall not exceed the limits prescribed from time to time under section 196, 197 and other applicable provisions of the Act, read with schedule V to the said Act, as may for the time being, be in force and any amendments thereto.

III. Perquisites

Perquisites as follows will be paid and/or provided in addition to salary. Perquisites shall be valued in terms of actual expenditure incurred by the company. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy the perquisites shall be valued as per Income Tax Rules:

a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family as per the rules of the company

b) Leave Travel Concession / allowance

For self and family, once in a year in accordance with the rules of the company

c) Club Fees

Fees of Club payable as per the rules of the company

d) Provident Fund, Pension Fund & Superannuation Fund

Company's Contribution to Provident Fund, Pension Fund & Superannuation Fund as per the rules of the company.

e) Gratuity

Gratuity is payable as per the rules of the company.

f) Car

Use of fully maintained company's car with chauffeur and fuel reimbursement

g) Telephone

Reimbursement of residential telephone bills at actuals. Use of telephone for official purpose shall not be considered as perquisite. Use of one mobile phone for official purpose.

IV. Other Benefits

On full pay and allowances as per the rules of the Company, not more than one month's leave for every 11 months of service.

V. Overall Remuneration

That the total remuneration (*i.e.*, salary, perquisites, commission and allowances) in any one financial year shall not exceed the limits prescribed from time to time under sections 196, 197 and other applicable provisions of the Act read with Schedule V to the said Act, as may for the time being, be in force and any amendments thereto. In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the board of directors on the recommendation of remuneration committee of directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. B.V.R. Mohan Reddy and accepted by the remuneration committee.

VI. Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed by Schedule V to the Act, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force.

VII. Termination

Six months' notice shall be required, on either side for termination of service."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Schedule V (as amended from time to time) to the said Act, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, consent of the members be and is hereby accorded for the appointment of Mr. Krishna Bodanapu (DIN 05301037) as Managing Director & Chief Executive Officer of the Company for a period of five years with effect from 24 April 2014 at a remuneration as detailed below:

I. Salary

Salary shall not be less than ₹ 12, 00, 000 (Rupees Twelve lakhs only) per month. The Salary may progressively go up subject to his performance and industry trends, subject however that in no case, the salary shall exceed ₹ 20,00,000 (Rupees Twenty lakhs only) per month subject to the confirmation of the board of directors based on the recommendation of the remuneration committee of directors.

II. Commission

The percentage of net profits of the company as commission payable shall be determined by the remuneration committee / board of directors of the company, subject to the total remuneration (*i.e.*, salary, perquisites, commission and allowances) in any one financial year shall not exceed the limits prescribed from time to time under section 196, 197 and other applicable provisions of the the Act, read with schedule V to the said Act, as may for the time being, be in force and any amendments thereto.

III. Perquisites

Perquisites as follows will be paid and / or provided in addition to salary. Perquisites shall be valued in terms of actual expenditure incurred by the company. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy the perquisites shall be valued as per Income Tax Rules:

a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family as per the rules of the company.

b) Leave Travel Concession / allowance:

For self and family, once in a year in accordance with the rules of the company

c) Club Fees

Fees of Club payable as per the rules of the company.

d) Provident Fund, Pension Fund & Superannuation Fund

Company's contribution to Provident Fund, Pension Fund & Superannuation Fund as per the rules of the company.

e) Gratuity

Gratuity is payable as per the rules of the Company.

f) Car

Use of fully maintained company's car with chauffeur and fuel reimbursement.

g) Telephone

Reimbursement of residential telephone bills at actuals. Use of telephone for official purpose shall not be considered as perquisite. Use of one mobile phone for official purpose.

IV. Other Benefits

On full pay and allowances as per the rules of the Company, not more than one month's leave for every 11 months of service.

V. Overall Remuneration

That the total remuneration (*i.e.*, salary, perquisites, commission and allowances) in any one financial year shall not exceed the limits prescribed from time to time under sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the said Act, as may for the time being, be in force and any amendments thereto. In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the board of directors on the recommendation of remuneration committee of directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. Krishna Bodanapu and accepted by the remuneration committee.

VI. Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed by Schedule V to the Companies Act, 2013, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force.

VII. Termination

Six months' notice shall be required, on either side for termination of service."

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

"RESOLVED THAT in supersession of the resolution passed by the members on 12 October 2009 through postal ballot and in accordance with the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder and subject to such approvals, as may be required, the directors including alternate directors who are neither in the whole time employment of the company nor the managing director of the company (*i.e.*, Non-Executive Directors), be paid for a period of five years commencing from the financial year 2014-15, remuneration in aggregate by way of commission not exceeding 1% of the net profits of the company for every financial year, as computed in accordance with the provisions of section 198 of the Act and subject to a ceiling of ₹ 12,00,000 (Rupees Twelve Lakhs only), per Non-Executive Director (NED), per financial year, to be determined by the board based on the contributions at the meetings, as well as time spent on operational matters other than at the meetings."

By Order of the Board

Place : Hyderabad
Date : 24 April 2014

Sudheendhra Putty
Company Secretary

Registered Office

4th Floor, A Wing, Plot No.11,
Software Units Layout, Infocity,
Madhapur, Hyderabad 500 081
CIN: L72200AP1991PLC013134
Email: company.secretary@cyient.com
Website: www.cyient.com

Notes

1. A shareholder entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll on behalf of him and the proxy need not be a member. The proxy form (available elsewhere in the annual report) should be deposited at the Registered Office of the company not less than 48 hours before the commencement of the AGM. A person can act as proxy on behalf of shareholders not exceeding fifty (50) 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 person or shareholder.
2. The Register of Members and the Share Transfer Books of the company will be closed from 14 July 2014 to 17 July 2014 (both days inclusive) in connection with the AGM and for the purpose of final dividend.
3. The Board of Directors of the company had declared an interim dividend of ₹ 2.00 per share *i.e.*, at the rate of 40% on face value of ₹5 each, on 17 October 2013. The same was paid on 9 November 2013. The said interim dividend is to be confirmed at the AGM.
4. Final dividend of ₹ 3.00 per share *i.e.*, at the rate of 60% on face value of ₹ 5 each, for the year ended 31 March 2014 as recommended by the Board, if declared at the AGM, will be payable to those members whose names appear on the company's Register of Members as at the close of business hours on 11 July 2014. Dividend will be paid on 1 August 2014.
5. An Explanatory Statement pursuant to provisions of section 102 of the Companies Act, 2013(Act), is annexed hereto for the item Nos. 6 to 14. The relevant details as required by Clause 49 of the Listing Agreements entered with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 7 to 13 above are also annexed.
6. Shareholders/proxies are requested to bring their copies of the Annual Report to the AGM and the attendance slip duly filled in for attending the AGM. Copies of the Annual Report will not be provided at the AGM.
7. 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.
8. 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.
9. Shareholders are requested to opt for NECS (National Electronic Clearance Service) for receipt of dividend. Shareholders may please update their bank account details with their Depository Participants for receiving the dividend in a hassle free manner. Opting for NECS is cost effective and also saves time. Mandate form for ECS is available elsewhere in the annual report. The same may be used by those shareholders who are holding shares in physical form.
10. 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. Shareholders are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the company's Unpaid Dividend Account, will as per the provisions of Section 205A of the Companies Act, 1956, be transferred to the Investor Education Protection Fund.
11. The certificate from the auditors of the company under SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, will be available for inspection by the shareholders at the AGM.
12. In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed by the shareholders. Shareholders are requested to support this green initiative by registering/updating their e-mail addresses for receiving electronic communications.

13. 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, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form can submit their PAN details to the Company/R&T Agents.
14. In compliance with the provisions of section 108 of the Act, the Companies (Management and Administration) Rules, 2014 and Clause 35B of the listing agreement, shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited, in respect of all resolutions set forth in this Notice. Mr. S. Chidambaram, (Membership No.FCS 3935) has been appointed as the Scrutineer to scrutinize the e-voting process in a fair and transparent manner.

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 c) 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) Please contact our toll free No. 1-800-34-54-001 for any further clarifications.
- iv) Shareholders can cast their vote online from 11 July 2014 (9.00 AM) to 13 July 2014 (6.30 PM). During this period, shareholders of the company holding shares either in dematerialized or physical form as on the cut-off date of 20 June 2014, may cast their vote electronically.
- v) After entering these details appropriately, click on "LOGIN".
- vi) 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, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st 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.
- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- ix) 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 exiting login id and password are to be used.
- x) 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 do not wants to cast, select 'ABSTAIN'
- xi) 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.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (corporate / FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutineer through e-mail to schid285@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."

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

Item Nos. 7 to 10: Appointment of Independent Directors

The company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. M.M. Murugappan, Mr. K. Ramachandran, Mr. Harsh Manglik and Mr. Som Mittal as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 2014, every listed company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The nominations committee has recommended the appointment of these directors as Independent Directors for a period of 5 years from 17 July 2014 (except Mr. Harsh Manglik who retires in 2017 in accordance with the retirement age policy for Directors of the Company).

Mr. M.M. Murugappan, Mr. K. Ramachandran, Mr. Harsh Manglik and Mr. Som Mittal have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV to the Act, the appointment of these directors as Independent Directors is now being placed before the shareholders for their approval.

Mr. Som Mittal was appointed an additional director of the company on 24 April 2014 under section 161 of the Act.

Pursuant to section 160 of the Act, notices have been received from four shareholders signifying their intention to propose the appointment of Mr. M.M. Murugappan, Mr. K. Ramachandran, Mr. Harsh Manglik and Mr. Som Mittal alongwith a deposit of ₹ 1,00,000 (Rupees one lakh) each as required under the aforesaid section.

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

Except the directors being appointed in terms of the said resolutions, none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 7 to 10 of the accompanying Notice.

Your Directors recommend the resolution for your approval.

Item No. 11: Appointment of Mr. Krishna Bodanapu as Director

Mr. Krishna Bodanapu was appointed an additional director of the company on 24 April 2014 under section 161 of the Act. Pursuant to section 160 of the Act, a notice has been received from a member signifying his intention to propose the appointment of Mr. Krishna Bodanapu alongwith a deposit of ₹ 1,00,000 (Rupees one lakh) as required under the aforesaid section.

The names of companies and the committees in which Mr. Krishna Bodanapu is a director/member are available for inspection at the registered office of the company during normal business hours.

Except Mr. Krishna Bodanapu and his relatives, none of the Directors or Key Managerial Personnel (KMP) or relatives of other directors and KMP is concerned or interested in the Resolution at Item No. 11 of the accompanying Notice.

Your Directors recommend the resolution for your approval.

Item No. 12: Appointment of Mr. B.V.R. Mohan Reddy as Executive Chairman

Mr. B.V.R. Mohan Reddy has been appointed Executive Chairman of the company with effect from 24 April 2014 for a period of five years by the Board of Directors of the company upon the recommendation of the nominations committee of directors and subject to the approval of the shareholders of the company. The said appointment and remuneration are within the stipulations of Sections 196, 197, 203 of the Act and Schedule V thereto.

Except Mr. B.V.R. Mohan Reddy and his relatives, none of the Directors or Key Managerial Personnel (KMP) or relatives of other directors and KMP is concerned or interested in the Resolution at Item No. 12 of the accompanying Notice.

Your Directors recommend the resolution for your approval.

Item No. 13: Appointment of Mr. Krishna Bodanapu as Managing Director & Chief Executive Officer

Mr. Krishna Bodanapu has been appointed Managing Director & Chief Executive Officer of the company with effect from 24 April 2014 for a period of five years by the Board of Directors of the company upon the recommendation of the nominations committee of directors and subject to the approval of the shareholders of the company. The said appointment and remuneration are within the stipulations of sections 196, 197, 203 of the Act and Schedule V thereto.

Except Mr. Krishna Bodanapu and his relatives, none of the Directors or Key Managerial Personnel (KMP) or relatives of

other directors and KMP is concerned or interested in the Resolution at Item No. 13 of the accompanying Notice.

Your Directors recommend the resolution for your approval.

Item No. 14: Payment of Commission to Non-Executive Directors

Payment of remuneration to the Non-Executive Directors requires approval of the shareholders in terms of the provisions, *inter alia*, of section 197 of the Act, and Clause 49 of the Listing Agreement with the Stock Exchanges. The remuneration payable to the Non-Executive Directors was last approved by the shareholders of the company on 12 October 2009 through postal ballot. The board of directors of the company, based on a recommendation made by the compensation committee, has decided to rationalize the remuneration payable to the Non-Executive Directors as stated in the above special resolution.

It is proposed to seek the approval of the shareholders to pay remuneration to the Non-Executive Directors in accordance with the provisions of Section 197 and other applicable provisions if any, as stipulated in the above special resolution.

All the Directors except, wholetime directors of the company or Key Managerial Personnel (KMP) or relatives of directors and KMP are concerned or interested in the Resolution at Item No. 14 of the accompanying Notice.

The Directors recommend the resolution for your approval.

By Order of the Board

Place : Hyderabad
Date : 24 April 2014

Sudheendhra Putty
Company Secretary

Registered Office

4th Floor, A Wing, Plot No.11,
Software Units Layout, Infocity,
Madhapur, Hyderabad 500 081
CIN: L72200AP1991PLC013134

Email: company.secretary@cyient.com

Website: www.cyient.com

BRIEF PROFILES OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

Item No. 7: Mr. M.M. Murugappan

Mr. M. M. Murugappan serves as the Vice Chairman of the Corporate and Supervisory Board of the Murugappa Group. As a Member of the Board he Chairs the Investment Committee and oversees Technology and Research across the Murugappa Group. In addition he is the Chairman of businesses falling under the Engineering sector *i.e.* Tube Investments of India (TII), and Carborundum Universal (CUMI), of the Murugappa Group.

After a brief stint in the field of Environmental Engineering Design in the United States, Murugappan joined CUMI in the year 1979.

In January 2004, Mr. Murugappan took over as Chairman of CUMI, playing a pivotal role in transforming CUMI into an international company. He has broken new grounds in positioning CUMI as a technology and innovation-driven organization. His strategic approach towards business partnerships with global leaders has been one of the key factors contributing to CUMI's consistent growth, internationally.

In April 2006, Mr. Murugappan was appointed Chairman of Tube Investments of India. At TII, he is very involved, together with the team, in developing a strong engineering focused business to address opportunities in the transportation sector as a critical component supplier. Here too he has facilitated relationships with global leaders and has encouraged research, innovation and strong customer partnerships.

As Trustee of the Group's AMM Foundation, he is actively involved in the development of various citizenship initiatives, particularly in education and health care.

Murugappan holds a Bachelor's degree in Chemical Engineering from the AC College of Technology and a Master of Science Degree also in Chemical Engineering from the University of Michigan, USA. He is a member of the American and Indian Institutes of Chemical Engineers and the Plastics & Rubber Institute. He was recently elected as a Fellow Member of the Indian Ceramic Society.

Item No. 8: Mr. K. Ramachandran

Mr. K. Ramachandran is an Engineer from BITS Pilani, with a Post-graduate degree in Business Management from the Indian Institute of Management Calcutta, Mr. Ramachandran started his career with the Tata Administrative Service

(TAS). The major part of his career has been with two Companies: Philips Electronics, and Voltas, a Tata Group Company, and his experience has been across a wide range of assignments cutting across functions and industries. He is currently engaged with the Aditya Birla Group as Advisor to the Chairman for the Group's Higher Education Project in which assignment he is working with the BITS Pilani leadership to plan and implement a 10-year strategy to raise the Institute's excellence to the next level.

His 17 years with the Tata Group company, Voltas, were in technology intensive businesses in the power electrical industry, and spanned manufacturing, marketing, sales and project management before he headed the Electrical Business Group as Business Head and General Manager (Operations).

Mr. Ramachandran accepted Philips' invitation in 1993 to head its Human Resource function for India. Five years later he was appointed the first Indian Vice Chairman & Managing Director for Philips Electronics' Indian operations, and was given additional responsibility in 2006 as CEO for the Indian Subcontinent. In his role as HR Director at Philips, Kris was instrumental in successfully addressing a number of legacy people practices, and installing a strong performance culture and performance-driven people policies and practices. As CEO and a member of the Global Philips apex Leadership Group, he played a major role in renewing the Group's focus on Emerging Markets and in laying the foundation for building sustainable new business models relevant for emerging markets.

In his current role as Advisor to the Chairman of the Aditya Birla Group (in the latter's capacity as the Chancellor of BITS, Pilani), Mr. Ramachandran works closely with the BITS Pilani Leadership in formulating and implementing its Vision 2020 for growth and further enhancing the University's excellence and reputation as India's leading private Science & Technology University. The implementation platforms are 3-year Missions, and address all the critical drivers of excellence in academia.

People, Business Excellence, Transformation, and Innovation best capture Kris's learning and contributions and these have become his professional interests. A Past-President of the Bombay Chamber of Commerce and Industry (BCCI), he also currently advises and works with the leadership teams of several companies in these areas in addition to his engagement with BITS, Pilani.

Item No. 9: Mr. Harsh Manglik

Mr. Harsh Manglik is a seasoned leader who brings with him over 30 years of rich and diverse experience in global business and in management consulting, gained in a number of world class organizations, spanning several industries and domains. These include aerospace and other industries that produce highly engineered products, and the domains of information technology as well as product development and manufacturing strategy. His deep roots are in the global aerospace and IT industries.

Mr. Manglik has served as director on the board of the National Skills Development Corporation (NSDC). He is a member of the Board of Governors of the Indian Institute of Technology (IIT) Kanpur and of the International Advisory Council for the Indian Institute of Management (IIM) Rohtak. Mr. Manglik serves as Executive-in-Residence and Adjunct Professor of Management at Carnegie Mellon University's Tepper School of Business where he teaches about Leadership.

Mr. Harsh Manglik served as Chairman & Geography Managing Director, Accenture India, and was a member of Accenture's global Executive Leadership Team (ELT) that had overall responsibility for Accenture's corporate governance. As Accenture's senior leader in India, he was responsible for all Accenture activities in India and for the strategic direction, growth and the development of its businesses based in this geography. He was responsible for leading the formulation and execution of long-term strategies, and for interacting with clients, employees and other stakeholders. As a key part of this role Mr. Manglik provided leadership as primary decision maker and policy maker, and was responsible for setting the tone for the company's values, ethics and culture. He was responsible for over 70,000 Accenture employees in India.

Mr. Manglik was Chairman of NASSCOM's Executive Council and now continues as a member of its Council of Chairmen. He was an invited member of the National Council of the Confederation of Indian Industry (CII). He was a member of the Board of Trustees of NASSCOM Foundation and a board member of and the Data Security Council of India (DSCI), a joint initiative of NASSCOM and the Department of IT, Government of India.

Mr. Harsh Manglik, who returned to India and to Accenture as Chairman - India, first joined the company in the Hartford, CT office in the early 1990's. He has also worked

with IBM for nearly 10 years where he held US, Asia Pacific and Global leadership responsibilities. Mr. Manglik earlier served as a senior executive at Pratt & Whitney and its parent, United Technologies Corporation, where he led several transformational initiatives. His experience includes working as a consultant with Booz Allen Hamilton in the US.

Mr. Harsh Manglik has been an active participant in the collaboration between industry and academia. He previously served on the Founding Operating Committee at the Massachusetts Institute of Technology (MIT) for the "Leaders for Manufacturing" graduate program that was jointly sponsored by MIT's Sloan School of Management and the Graduate School of Engineering.

Recognitions for Harsh Manglik include the IIT Kanpur Distinguished Alumnus Award, the highest award the Indian Institute of Technology Kanpur confers on its alumni. He was featured on the cover of Forbes magazine for a lead story focused on C-level leadership in Asia. He has been listed by the Economic Times in the "Top 10 Most Powerful MNC CEOs".

Mr. Manglik graduated from the Indian Institute of Technology (IIT) Kanpur. Earlier he attended St. Stephen's College, Delhi University, where he studied physics. He also holds an MBA from Carnegie Mellon University and a Master's degree in Mechanical Engineering from Case Western Reserve University.

Item No. 10: Mr. Som Mittal

Mr. Som Mittal is the former Chairman and President of NASSCOM, the premier trade body for the IT-BPM Industry in India. He held the position of President, NASSCOM from 2008-13 and steered the industry through one of its most challenging phases. Under his leadership, the industry crossed the USD 100 billion milestone and significantly expanded its value offerings.

Mr. Mittal has held corporate leadership roles in the IT industry at companies such as Wipro, Digital India, Compaq and HP. He also has extensive experience in the engineering, manufacturing and automotive industries, having held executive roles with Larsen & Toubro, Escorts and Denso. He has held several Global positions and managed business across geographies.

Mr. Mittal has been a member of body constituted under the Chairpersonship of Hon'ble Prime Minister to implement National e-Governance Plan (NeGP). He was also a member

of National Integration Council chaired by Hon'ble Prime Minister and has been an active member on Chief Ministers IT Task Force in Karnataka.

Mr. Mittal is on the Governing Board of several educational and social organisations. .

Mr. Mittal holds a B.Tech from IIT Kanpur and an MBA from IIM Ahmedabad.

Item No. 12: Mr. B.V.R. Mohan Reddy

Mr. Mohan Reddy successfully built Cyient (formerly Infotech Enterprises Limited) a world class engineering company based on the fundamental principle of values FIRST – Fairness, Integrity, Respect, Sincerity and Transparency. Mr. Reddy pioneered introduction of computer aided design, manufacturing and engineering to the Indian market in 1982. In the past decade, he established the 'Engineered in India' brand by providing design engineering services to fortune 500 manufacturing companies around the world. Mr. Reddy is an acknowledged thought leader in Technology, Leadership and Education.

Mr. Reddy is also the Chairman, Board of Governors of IIT Hyderabad. He also serves as member on the board of management of NIIT University. Mr. Reddy was conferred the Honorary Degree of Doctor of Science (D.Sc.) in February 2014 from Andhra University and also the Degree of Doctor of Philosophy (Honoris Causa) from JNTU Hyderabad; Distinguished Alumnus Award from IIT Kanpur and ASME (American Society of Mechanical Engineers) CIE Leadership Award. Mr. Reddy is the Vice Chairman of The National Association of Software and Services Companies (NASSCOM). He is presently a member on the National Council of Confederation of Indian Industry (CII). He is passionate about Corporate Social Responsibility. Through its "Adopt-a-School" initiative, Cyient touches the lives of

over 10,000 underprivileged children. He also undertook several initiatives to bring inclusiveness to society by creating employment opportunities in smaller towns.

Mr. Reddy holds a graduate degree in mechanical engineering from the College of Engineering, Kakinada and postgraduate degrees from IIT, Kanpur, India and University of Michigan, Ann Arbor.

Item Nos. 11 & 13: Mr. Krishna Bodanapu

Mr. Krishna Bodanapu manages all business operations including delivery, sales, marketing, strategy and organizational excellence. He is also responsible for identifying new growth opportunities and extending current service offerings to new markets.

Mr. Bodanapu's journey at Cyient began in 2001, when he joined as a Sales Manager, driving sales of engineering services in Europe. He later moved to India, where he held the dual roles of Marketing Manager for the Aerospace vertical and Key Account Manager. As Marketing Manager he engaged with many of Cyient's key aerospace customers and was an integral part of many successful customer engagements. As Key Account Manager, he was responsible for the relationship building and account management of several key customers in engineering services across verticals.

Prior to joining Cyient, Mr. Krishna was with Altera Corporation, a leading semiconductor manufacturing company, in San Jose, California. At Altera, he was responsible for the company's flagship product line, APEX.

Mr. Bodanapu has a Bachelor's degree in Electrical Engineering from Purdue University and a Master's degree in Business Administration from Kellogg School of Management at Northwestern University.

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 July 17, 2014 to enable you to reach the venue of the AGM comfortably. Those who wish to avail of this facility are requested to get confirmation to this effect at the following number:

Cell: +91-8978366227; Contact: Mr. N. Chowdary - Facilities Team.

You may also send your requests by email to AGM@cyient.com. Your requests must reach us latest by July 14, 2014.

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

Directors' Report

Dear Members,

Your directors have pleasure in presenting the 23rd Directors' Report on the business and operations of your company, for the financial year ended 31 March 2014.

FINANCIAL HIGHLIGHTS

(Amount in ₹ Million)

Particulars	Consolidated		Standalone	
	2013-14	2012-13	2013-14	2012-13
Total Income	22,233.7	19,111.7	12,769.2	10,888.7
EBIDTA	4,271.7	3,804.7	3,967.3	3,196.2
Finance Cost	13.7	2.9	3.6	0.9
Depreciation	720.0	635.5	648.7	563.2
Exceptional item	-	18.1	-	18.1
Profit Before Tax	3,538.0	3,148.2	3,315.0	2,614.0
Current Tax	1,036.0	930.5	763.1	698.1
Earlier Years' Tax	1.3	1.0	-	1.0
MAT Credit	0.5	(1.6)	-	-
Deferred Tax	(7.7)	36.8	2.8	71.5
Share of profit in associate company	152.0	129.1	-	-
Profit After Tax	2,660.0	2,310.6	2,549.1	1,843.4
Basic Earnings per share (₹)	23.80	20.72	22.81	16.53
Diluted Earnings per share (₹)	23.70	20.68	22.71	16.50
Interim dividend paid (₹/ Share)	2.00	2.00	2.00	2.00
Final dividend recommended (₹/Share)	3.00	2.50	3.00	2.50
Paid up Equity Share Capital	559.8	558.0	559.8	558.0
Reserves	15,323.44	12,663.5	13,298.3	11,108.3

APPROPRIATIONS

Dividend

Your directors have recommended a final dividend of ₹ 3.00 per share (60%) on par value of ₹ 5 per share. The total dividend including dividend distribution tax (gross) is ₹ 633.8 million as against ₹ 585.5 million for the previous year. During the year, the board also declared an interim dividend of ₹ 2.00 per share (40%). The total interim dividend paid including the dividend distribution tax (gross) was ₹ 240.7 million. The interim dividend was paid on 9 November 2013. Total dividend (including dividend distribution tax) as a percentage of profit after tax is 24.9% as compared to 31.8% in the previous year.

Transfer to Reserves

Your directors have proposed to transfer ₹ 255 million to the General Reserve retaining ₹ 4,271.0 million in the Profit and Loss Account.

LIQUIDITY

Your company maintains sufficient cash reserves to meet its operations and strategic objectives. As at 31 March 2014, your company had liquid assets of ₹ 6,208.3 million as against ₹ 4,857.8 million at the previous year end. These funds have been invested in short term deposits and mutual funds with scheduled banks and the debt based mutual funds respectively.

FIXED DEPOSITS

Your company has not accepted any deposits and as such, no amount of principal or interest was outstanding as on 31 March 2014.

SHARE CAPITAL

Allotment of Shares

Your company has allotted 361,646 equity shares of ₹ 5 each to the associates of the company and its subsidiaries upon exercise of an equal number of stock options vested in them

pursuant to the extant Stock Option Schemes of the company.

In view of the above allotments, the outstanding shares of the company increased from 111,602,967 equity shares of ₹ 5 each to 111,964,613 equity shares of ₹ 5 each.

NAME CHANGE AND RE-BRANDING

As on 31 March 2014, company has issued notice of a special resolution to be passed through postal ballot for the change of name of the company from Infotech Enterprises Limited to Cyient Limited. The last date to receive the postal ballot forms is 28 April 2014 and the results would be declared by 30 April 2014.

This name change is part of the company's re-branding exercise.

VERTICAL WISE PERFORMANCE

Utilities, Communications and D&A

This vertical provides geospatial technology solutions and data management services. With wide-ranging customer engagements, this has enabled the company to emerge as one of the largest and most accomplished firms in the industry today.

Focused on electric, gas and water utilities, telecom network operators, transportation companies and government agencies, this vertical of the company helps its customers leverage geospatial technology and data to improve the way they do business.

This vertical generated revenues of ₹ 5,463.9 million as against previous year's ₹ 3,987.9 million, at a growth rate of 37.0%. As a percentage of operating revenues, this vertical contributed 44.6%.

Engineering

This vertical has developed a unique track record in supporting leading Automotive, Aerospace, Energy, Marine, Plant Engineering, Rail and other engineering industries in their product development support and optimizing their development time & processes.

The Engineering vertical of your company offers a unique combination of engineering skills, domain experience and application know-how. The company's expert teams in engineering span the complete product development cycle, from concept development through after market support in the areas of Mechanical Design, Electronics Design, Technical publication and Engineering Software Development.

The vertical generated revenues of ₹ 6,764.6 million as against last year's revenues of ₹ 6,527.7 million, resulting in an increase of 3.6%. This vertical contributed 55.4% of the total operating revenues.

SUBSIDIARIES

Infotech Enterprises Europe Limited (IEEL)

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

Our services are designed to cater to leading tier-1 and tier-2 telcos, large utility companies, public sector agencies, and commercial businesses. We enjoy long-term relationships with several of our partners and customers that have built a strong foundation of trust and reliability.

Infotech Benelux BV, based in Breda, the Netherlands provides support to our business in the Benelux region, while the Middle East operations are managed at the Dubai Office.

We are an ISO 9001 and ISO 27001 certified organization. Leveraging the global execution capability of our parent organization, we maintain client relationships and ensure efficient project management in Europe.

Infotech Enterprises America, Inc. (IEAI)

Headquartered in East Hartford, Connecticut, IEAI provides engineering services in North America. We have additional offices across the US and Canada, with over 1,000 associates working in North America alone.

We cater to a broad spectrum of clients, from Fortune 500 companies to small organizations and local, state, and federal government agencies, generating annual revenues of over \$150M.

We leverage the global delivery capability of Infotech Enterprises Ltd., while engaging clients and executing projects in the American region.

Infotech Enterprises GmbH (IEG)

Infotech Enterprises GmbH offers world-class engineering services and solutions in Germany. 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 Infotech Group in 2000, we extended our foray into other service areas like GIS and IT solutions. Owing to our large pool of engineering, GIS, IT resources, we provide high-quality services and solutions to our clients with offshore cost advantage and onsite project management

Infotech Enterprises Japan KK (IEJ)

Established in 2008 in Central Tokyo, Infotech Enterprises Japan K.K. is a leading engineering service provider in Japan. We provide our end-to-end services and solutions across a wide variety of sectors.

We leverage the global delivery capability of Infotech Enterprises Ltd., while maintaining client relationships and managing projects locally.

Infotech Geospatial (India) Private Limited (IGIPL)

IGIPL, based in Hyderabad, addresses geospatial business opportunities in India and the Middle East. The geospatial market in India and the Middle East is estimated at ₹ 10 billion and is expected to see a 12% growth rate over the next five years. The Indian government's Open Map Policy and Survey of India's large-scale mapping initiatives are unlocking geospatial opportunities in several areas. These include: land records; urban planning; environment, forestry and natural resources; utility infrastructure planning and management; and defence. Similarly, the rapid pace of infrastructure development in the Middle East has led to a growing demand for geospatial services in that region. During the year, the company was converted into a private limited company.

Infotech Enterprises Information Technology Services Private Limited (IEITSPL)

Infotech Enterprises IT is a wholly owned subsidiary of Infotech Enterprises Ltd., offering innovative software solutions and services for the retail and supply chain sector across the globe.

We have expertise in a wide variety of software platforms, including Internet and e-commerce technologies. Leveraging our huge pool of resources and technical acumen, we deliver cutting-edge and cost-effective solutions and services. With global software giants as our partners, we develop end-to-end solutions for the retail sector, including manufacturing, transportation and finance.

JOINT VENTURES

Infotech Aerospace Services Inc (IASI)

Established in 2003 in Puerto Rico, Infotech Aerospace Services Inc. (IAS) provides engineering outsourcing and other professional services to Defense, Aerospace, and Power Generation Industries. IAS is a joint venture between Infotech and Pratt & Whitney, a pioneer in flight technology.

We also provide engineering and supply chain services, including aerospace engineering, mechanical design and software development for military, industrial and applications.

Infotech HAL Limited (IHL)

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

up, testing and analysis, control system design, development and software applications.

IHL is a joint venture between Infotech and Hindustan Aeronautics Limited. IHL delivers engineering as well as after market 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.

PARTICULARS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Your company has prepared the consolidated financial statements in accordance with the relevant accounting standards and the provisions of the Companies Act, 1956 (Act). Pursuant to the provisions of Section 212 of the Act, documents in respect of the various subsidiaries viz., Directors' Report, Auditor's Report, Balance Sheet and Statement of Profit and Loss, are required to be attached to the Balance sheet of the Holding Company. However, in terms of the provisions of Section 212(8) of the Act, the Government of India, Ministry of Corporate Affairs (MCA), has vide Circular No. 2/2011, dated 8 February 2011 granted exemption from the provisions of Section 212(1) of the Act. Accordingly, the annual report does not contain the financial statements of the subsidiaries of the company. However, the company will make available, the audited annual accounts and related detailed information of the subsidiaries, to the shareholders upon request in accordance with the applicable law. These documents are also available for inspection at the Registered Office of the company and also at the respective subsidiary companies during business hours.

BUSINESS RESPONSIBILITY REPORT

The company has *suo moto* adopted the 'National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business' issued by the Ministry of Corporate Affairs (MCA).

The nine areas of business responsibility adopted by the company are briefly described as follows:

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

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

Principle 3: Businesses should promote the well being of all employees.

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

Principle 5: Businesses should respect and promote human rights

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

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

Principle 8: Business should support inclusive growth and equitable development.

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

The business responsibility report is enclosed as Annexure 'A'.

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 creating business impact. The CSR initiatives are conducted through Infotech Enterprises Charitable Trust (IECT). An elaborate report on CSR is published elsewhere in this annual report.

GREEN INITIATIVES

Company has adopted the publication of abridged standalone financial statements in compliance with the applicable provisions of the Companies Act (the Act) and the Listing Agreement. Since 2010-11, the company is also sending quarterly results, annual report and other correspondence to the shareholders through e-mail, in keeping with its green initiatives. Further, notices of board meetings, draft minutes thereof and circular resolutions are also transacted through electronic mode.

DIRECTORS

None of the directors of the company is disqualified under the provisions of the Act or under the Listing Agreement with the Stock Exchanges.

Appointments

Dr. Jayant Sabnis was appointed as alternate director to Mr. Thomas Prete on 21 October 2013.

Mr. Som Mittal and Mr. Krishna Bodanapu were appointed as additional directors of the company on 24 April 2014. Mr. Som Mittal and Mr. Krishna Bodanapu are proposed to

be appointed as directors under the provisions of section 160 of the Companies Act, 2013 at the ensuing Annual General Meeting (AGM). Mr. B.V.R. Mohan Reddy was appointed as Executive Chairman and Mr. Krishna Bodanapu was appointed as Managing Director & Chief Executive Officer by the board on 24 April 2014; on the same date, Mrs. B. Sucharitha stepped down as Whole Time Director.

Pursuant to Article 56 of the Articles of Association of your company and the provisions of Section 256 of the Companies Act, 1956, Mrs. B. Sucharitha, Mr. G.V. Prasad and Mr. Vikas Sehgal retire by rotation at the ensuing AGM and do not offer themselves for re-appointment.

Pursuant to the provisions of Clause 49 of the Listing Agreement, brief particulars of the retiring directors who are proposed to be appointed/re-appointed are provided as an annexure to the notice convening the AGM.

AUDITORS

Deloitte Haskins & Sells (DHS), Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint DHS as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the AGM to be held in the year 2019, subject to ratification of their appointment at every AGM.

SECRETARIAL AUDIT

As a measure of good corporate governance and as recommended by the MCA Corporate Governance Voluntary Guidelines, 2009, the company has voluntarily got a secretarial audit done for the financial year 2013-14. The secretarial audit covered the provisions of the Act, the Depositories Act, 1996, the Listing Agreement with the Stock Exchanges and the SEBI guidelines/regulations on Employee Stock Options, Insider Trading and Takeover Code.

Mr. S. Chidambaram, Company Secretary in Practice, performed the secretarial audit and the report thereon is enclosed as Annexure 'B'.

EMPLOYEE STOCK OPTION PLANS

During the year under report, the company had the Infotech Associate Stock Option Plans in operation for granting stock options to the associates of the company and its wholly owned subsidiaries, in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Disclosures pursuant to Para 12 of the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is enclosed as Annexure 'C'.

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

The particulars as prescribed pursuant to provisions of Section 217(1)(e) of the Act read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, is enclosed as Annexure 'D'.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in an Annexure to the Directors' Report. However, having regard to the provisions of Section 219 (1)(b)(iv) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to the provisions of Clause 49 of the Listing Agreement, a report on Management Discussion & Analysis is enclosed as Annexure 'E'.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Act, the directors confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to 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 this 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.

Your directors also state that there are proper systems in place to ensure compliance of all laws applicable to the company.

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 Clause 49 of the Listing Agreement forms part of the Annual Report. As required under Clause 49 of the Listing Agreement, the Auditors' Certificate regarding compliance of conditions of corporate governance is enclosed as Annexure 'F'.

Further, the company has substantially complied with the MCA's Corporate Governance Voluntary Guidelines, 2009.

CEO's DECLARATION

Pursuant to the provisions of clause 49(I)(D)(ii) of the Listing Agreement, a declaration by the Chairman and Managing Director 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 'G'.

The CEO/CFO certification to the board pursuant to clause 49(V) of the listing agreement is enclosed Annexure 'H'.

ACKNOWLEDGMENTS

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

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

For and on behalf of the Board

B.V.R. Mohan Reddy
Chairman and Managing Director

Place : Hyderabad
Date : April 24, 2014

Business Responsibility Report

Annexure-A

It is the credo of the company that corporate sustainability is a business approach that creates long term customer and associate value by not only creating a green strategy aimed towards the natural environment, but also by taking into account every dimension of how the business operates in the social, cultural and economic environment.

It means meeting the needs of the direct and indirect stakeholders of the company (including the shareholders, associates, clients, pressure groups, communities and so on) without compromising its ability to meet the needs of the future stakeholders. The company believes that a single minded focus on economic sustainability can only succeed in the short term; social and environmental sustainability must be satisfied simultaneously to ensure a smooth continuity of business in the long term.

To this end and in discharge of its responsibilities as a good corporate citizen, the company has *suo moto* adopted the "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business", issued by the Government of India, Ministry of Corporate Affairs.

What follows hereunder is the Business Responsibility Report as envisaged under the said guidelines. In the preparation of the Report, the company has largely followed the GRI guidelines and the salutary guidance provided by the Institute of Company Secretaries of India (ICSI).

Annual Business Responsibility Report – 2013-14

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company : L72200AP1991PLC013134
2. Name of the Company : Cyient Limited (Formerly Infotech Enterprises Limited)
3. Registered address : 4th Floor, 'A' Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500081
4. Website : www.cyient.com
5. E-mail id : Company.Secretary@cyient.com
6. Financial Year reported : 2013-14 (1 April 2013 to 31 March 2014)
7. Sector(s) that the Company is engaged in : Engineering and geospatial services and solutions
8. List three key products/services that the Company manufactures/provides (as in balance sheet) - Engineering services addressing solutions in the engineering, manufacturing and infrastructure verticals; geospatial services to the utilities and telecom sectors, as well as data transformation and analytics services to the utility and transportation segments, both in public and private realm.

9. Total number of locations where business activity is undertaken by the Company - 38 locations.
 - i. Number of International Locations: UK, USA, Germany, Japan and Australia (Full list provided elsewhere in the Annual Report)
 - ii. Number of National Locations – Hyderabad, Bangalore, Noida, Kakinada and Vizag

10. Markets served by the Company – International

Section B: Financial Details of the Company

1. Paid up Capital (₹) 55.98 crores
2. Total Turnover (₹) 2,223 crores
3. Total profit after taxes (₹) 266 crores
4. Total Spending on Corporate Social Responsibility (CSR) – (₹) 13,169,695

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies? - Yes.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) - Yes; 6
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%] More than 60%

Principle 1.

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

- 1.1 For the company, good governance is an intrinsic part of its fiduciary responsibility, and hence, emphasis is on the transparency of operations. The cornerstone of the company's philosophy on corporate governance is accountability to stakeholders, transparency in operations and fairness to all stakeholders. Governance practices in the company are predicated upon an ethos of transparency, accountability and disclosure.
- 1.2 The company's values operate on the FIRST principle – Fairness, Integrity, Respect, Sincerity and Transparency. These are articulated across the company and all relevant stakeholders on a holistic and continuous basis.

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.

- 1.3 The company has designed and implemented a code of conduct for its associates. 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.
- 1.4 The company has designed and implemented a 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.

- 1.5 With a view to providing greater non-financial disclosures, the company has voluntarily adopted the secretarial standards issued by the Institute of Company Secretaries of India (ICSI) and substantially complies with the guidance note issued by the ICSI on Non-Financial Disclosures.
- 1.6 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.

Principle 2.

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

- 2.1 The company is committed to continuously improve its Safety Standards, Sustainability and Environmental Management System through processes defined below:
 - Minimizing the consumption of electrical energy, chemicals and natural resources.
 - Encouraging use of renewable/replenishable / sustainable resources.
 - Compliance to applicable legal requirements and other requirements related to environmental aspects.
 - Prevention of pollution to air, water and land by using environment friendly chemicals (where applicable) and continuous reduction of hazardous material in the processes.
 - Reduction in generation of identified wastes.
 - Promotion & adoption of environmental friendly and non-hazardous materials, components and processes
 - Setting, maintaining and monitoring the environmental objectives & targets

- Promoting environmental and safety awareness among all the associates, vendors and contractors.
- 2.2 The company ensures that the various support services such as house keeping, security services, pantry, transportation are all sourced and maintained in a sustainable manner. In particular, the services are sourced from agencies in the vicinity of the operations of the company. This helps in encouraging local entrepreneurship and reducing environmental pollution by minimizing transportation.
- 2.3 The company has canteen/pantry services at its various locations to cater to the needs of its associates. The said services are outsourced and the food waste is disposed off by the contractor in an environment friendly manner with no contribution to pollution.
- 2.4 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.
- 2.5 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. Every paper is used to the optimum and one-sided paper is used meticulously.
- 2.6 The organization disposes the paper waste to ITC, which is renowned for preparation of recycling paper products.
- 2.7 The organization conducts training programmes on First Aid and fire fighting training program to ERT [Emergency Response Team] members to handle emergency situation during office hours.

Principle 3.

Businesses should promote the well being of all employees.

- 3.1 At Infotech, talent is a key component of the company's strategy for sustainable growth. People represent the most important asset; the company emphasizes the importance of aligning its human resources with business goals; and the human resource priorities comprise 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 startegic business needs
 - Integration and prioritization of approaches to address the needs of internal and external customers
- 3.2 Our associates are one of the strong pillars of our organization, thus representing our most valuable assets, enhancing our ability to deliver and achieve our business goals by seeking challenging assignments with global exposure. Infotech encourages and builds high performance teams through learning and engagement initiatives including training and reward on creativity. And, to ensure high performance, Infotech demonstrates diversity and inclusion as its culture.

Key HR numbers:

 - Total number of associates – 10,360 (India), 12, 094 (Global)
 - Percentage of employees who are women- 21.30%
- 3.3 Recruitment

In addition to robust systems that are developed to support talent acquisition, the enhanced and innovative processes resulted in swifter time to recruit 3545 associates across the globe in 2013-14. Being an equal opportunity employer, we have hired over 23% of gender diversity as part of the overall hiring in the year. The campus connect programme has facilitated us to partner with the best universities and colleges to identify top talent aspiring to be a part of the Infotech family.
- 3.4 Engagement & Retention

The company's retention rate of skilled manpower enhanced during 2013-14 and reflected in an overall increase in engagement levels. During 2013-14, retention rate was 88.07%, which was best-in-class (85.68% in 2012-13) in the industry.
- 3.5 Diversity & Inclusion

Today Infotech is proud to encompass a unique & diverse workforce that has:

 - Associates from 21 nationalities
 - An average age of 29 years (in India)
 - Gender ratio of 79:21 emphasizing equal employment opportunities

3.6 Global Initiatives

HR team at Infotech, operates in a consultative and strategic approach to make a significant value-addition to business. The transformational initiatives and improvisation steps taken by HR team in the company are as listed:

- ASAT corrective Actions: 42 Manager Capability Building workshops (with 672 participants) were conducted across the globe to help the people managers build on the expected behaviours. The inputs received as areas of improvement for people managers in the annual satisfaction survey.
- Online Leadership Courses: Launched an updated, integrated and robust learning management platform which comprises of online courses aligned to our Infotech Leadership Qualities (ILQs), This is a platform and provision to launch and manage instructor lead trainings and host custom e-learning courses. These courses cover over 20 different languages and cater to the learning needs of our diverse workforce.
- A program was devised using FISH! Philosophy to build a positive and an encouraging working ambience for associates leveraging their strengths.
- Stronger Leadership Pipeline: Through the High Potential Development programmes, HPC (High Performers Club) and ALP (Accelerated Leadership Programme), successfully identified young potential talent early on and groomed them to strengthen the global leadership pipeline.
- INFOTOUCH, an innovative award winning framework (an engagement model created to engage mind, body and soul of the associates) continues to be implemented.
- HR team developed and implemented organization wide initiatives in innovation and continuous improvement, which in turn encouraged self-learning among associates and challenging the existing status quo.

3.7 Values First Institutionalization

In continuation of our endeavour to institutionalize our Values in a manner that they become a 'way of life' for our associates, we have embarked on sustained sharing of values and reinforcement of Values First in all the key messages and interactions with associates and our key stakeholders.

3.8 Learning and Development initiatives

3.8.1 Infotech has been continuously investing to improve the capabilities of its associates. The state-of-the art Learning & Development centre at Manikonda campus, Hyderabad caters to the facilitation of the learning needs of business:

- Launched Tech Talk: Guest Lectures on the latest developments in Technology delivered by respective industry SMEs
- Leveraging technology to evolve newer training methods
- Conceptualized Finishing School Model to train campus recruits to enable speedy deployment of freshers for delivery
- Impart training on 'domain' as well as 'tools'

3.8.2A wide range of leadership programs were launched to enhance leadership qualities

- Consultative Learning Approach to customize change interventions for Management and Personal Effectiveness initiatives
- Introduced 'Leaders as Teachers' practice to ensure experience based learning is percolated to the next layers.
- Defined five point Behavioural competency matrix for the 12 ILQs (Infotech Leadership Qualities)
- Exclusive ILQ Awareness and development programmes.
- Introduced Action Learning Projects in Hi Performers development programmes to ensure experiential and application of learning
- Reviewed and Revamped management and Leadership development programmes to develop ILQ based behaviours.
- ILQs are mapped to Performance appraisal system to ensure demonstration of the expected behaviours
- Interviewing skills for lateral and campus hiring: A mandatory certification programme for all interviewers to select Right-Fit candidates during recruitment.
- Train The Trainer: Certification programme for identified internal trainers
- Career Architecture / Paths: Career progression framework was evolved and the career architecture defined for a few business groups. The career progression tool was developed and successfully implemented in business.

- 3.9 A summary of the training programmes organized during the year 2013-14 is as follows:

Behavioural Trainings		Technical Trainings	
No. of Training programmes	No. of Training hours	No. of Training Programmes	No. of Training hours
353	73,325	1,088	862,427

- 3.10 Over 75% of the associates have attended the training programmes (cumulative of both behavioural and technical).

Principle 4.

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

- 4.1 The company values the support of its stakeholders and respects the interests and concerns they have towards it. The company and its associates provide value-based services to the stakeholders.
- 4.2 The company has continuous engagement with its various stakeholders to understand their concerns and assess their requirements and respond to their needs in an effective manner. The company recognizes the importance and value of the four key stakeholders, viz., associates, investors, customers and the society and as documented/detailed elsewhere, caters to each of their requirements. Customer Satisfaction Survey, Associate Engagement Survey and Investor Satisfaction Survey are conducted each year to gauge the feedback of the respective stakeholders and the same is analysed for further improvement.
- 4.3 The company is conscious of the impact of its policies, decisions, products and services and associated operations on the stakeholders and shall avoid such actions which adversely affect the health, safety and welfare of the stakeholders.
- 4.4 The company proactively engages with and respond to those sections in the society that are disadvantaged, vulnerable and marginalized. It shall also give special attention to stakeholders in areas that are underdeveloped.
- 4.5 With a view to enhancing shareholder democracy, the company extends e-voting as part of postal ballot. Further, the company recognizes the fact that all shareholders do not attend the Annual General Meeting (AGM) of the company and despite the fact that the resolutions proposed thereat are passed with the requisite majority, a holistic response of the shareholders is not reflected in the same.

- 4.6 As a good governance practice and to enhance the levels of corporate democracy, the company introduced a non-mandatory ballot through the internet as a channel for shareholders to informally provide their consent/dissent on the resolutions included for transaction at the 22nd AGM. This process will enable the company to assess the views of the shareholders who do not attend and participate in the AGM. This is being implemented this year too.

- 4.7 The Company shall resolve differences with stakeholders in a just, fair and equitable manner.

Principle 5.

Businesses should respect and promote human rights

- 5.1 The company appreciates that human rights are inherent, universal, indivisible and interdependent in nature. The spirit of Fundamental Rights and Directive Principles of State Policy of the Indian Constitution shall, as far as practicable, be imbibed in all the company's policies and systems. The Company shall strive to adhere to the human rights laws and guidelines of the International Bill of Human Rights.
- 5.2 The company integrates respect for human rights in management systems and ensure that all individuals impacted by the business have access to grievance redressal mechanisms. To this extent, the company has devised a whistle blower mechanism to enable all associates of the company including subsidiaries to approach the Ombudsperson of the company and make protective disclosures about unethical behaviour and actual or suspected fraud.
- 5.3 The company recognizes and respects the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups. As such, the company does not discriminate against people on any grounds whatsoever and is an equal opportunity employer.
- 5.4 The company recognizes the individual rights of the associates about their "personal information" and safeguards the same in line with a data privacy policy.
- 5.5 The company, within its sphere of influence, promotes the awareness and realization of human rights across its value chain.
- 5.6 Policy on sexual harassment:
- The company is an equal employment opportunity provider and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The company also believes that all

associates of the company, have the right to be treated with dignity.

Sexual harassment at the work place or other than work place if involving associates is a grave offence and is, therefore, punishable. In keeping with our avowed commitment to the adoption of best practices, the principles of Values FIRST and compliance of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has adopted and implemented a Policy to prevent and prohibit sexual harassment at the work place. The policy further provides for the redressal of complaints of sexual harassment. Implementation of this policy also makes us compliant to the Convention on the Elimination of all Forms of Discrimination against Women (United Nations Entity for Gender Equality and the Empowerment of Women).

5.6.1 Internal Complaints Committees, as required to be constituted under the Act, have been set up in respect of all the locations in India.

Principle 6.

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

- 6.1 The company has a pronounced commitment to achieve economic, ecological and social responsibility objectives of sustainable development through its varied business operations and activities. Being an Environmentally responsible citizen, the company commits itself to take all necessary initiatives towards optimization and continual reduction in utilization of natural resources and also man-made resources.
- 6.2 The company is determined to focus its attention to achieve the goal of "Reduce, Reuse and Recycle" in all its operations for sustainable development. Company is committed to put efforts towards renewable resources to avoid depletion of natural resources.
- 6.3 The company complies with all applicable legal / regulatory requirements related to environment protection, pollution control management and sustainable development.
- 6.4 The company focuses on how to minimize negative impacts from the development and construction process and how to improve on previously contaminated sites. Care is taken not to disturb natural topography and not create much hard scape. In order to reduce the carbon foot print, the company ensures that adequate basic services are available near to the

place of work. This helps in the site -vehicle pollution reduction. Further, the company encourages car pooling and has specific sites for parking of pooled cars. Surplus open space is used for vegetation and promotes bio-diversity. Parking is allowed over vegetated green surface to reduce Urban Heat Island Effect.

- 6.5 Regarding conservation of water, the company has adapted plant species such as *Cyperus alternifolius* and *Allamanda* that aid in the conservation of ground water levels. Drip irrigation is also encouraged for irrigating the vegetation. Other measures include an onsite sewage treatment plant and usage of low flow water fixtures in water closets and wash basins. This has resulted in a 51% reduction in the usage of baseline potable water.
- 6.6 The company is specially focuses on the reduction of energy usage and encourages the usage of alternative energy sources in its premises. The various energy conservation measures include:
 - Energy Efficient lighting
 - Occupancy sensors in all the feasible areas.
 - High performance Air conditioning systems.
 - Efficient supply fans
 - Eco-Friendly Refrigerants
 - Reducing ODP & GWP
- 6.7 With a view to focussing on achieving High Indoor Environment Quality and Conditions for Enhanced Productivity of Occupants, the company provides for adequate fresh air and Use of day lighting at its various premises. The measures in this regard include:
 - Adequate supply of fresh air – 30% extra than ASHRAE 62.1 & CO2 monitoring for occupants' well being & productivity
 - Individual Controllability of Lighting for occupants Visual Comfort & Productivity
 - Temperature & RH controls for occupants thermal comfort & productivity
 - Outside View to the building spaces for occupants wellbeing & Productivity
- 6.8 The company promotes the re-cycling of waste. The re-cyclable waste is segregated and other waste is sent for sand fills. The company actively promotes the usage of re-cycled content material so as to reduce the usage of virgin material. This includes:

S.No.	Products with recycled content
1	Ultima Mineral Fibre Tile
2	MDF
3	Glass
4	ACP
3	Structural Steel
4	Vitrified tiles
5	False ceiling

- 6.9 Further, these are sourced from local manufacturers so that they are encouraged and transportation costs and pollution is also minimized.

Principle 7.

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

- 7.1 As a Corporate Citizen, the company understands its responsibility to function within the democratic set up and the constitutional framework. It recognizes that businesses operate within the specified legislative and policy frameworks prescribed by the Government and other regulators, which guide their growth and also provide for certain desirable restrictions and boundaries. The company and its associates respect the legal / regulatory framework and comply with all the applicable provisions of laws. They shall also abide by the policies, procedures, rules and regulations relating to the business of the company. The company believes that policy advocacy must preserve and expand public good and does not advocate any policy change to benefit itself alone or a select few in a partisan manner.
- 7.2 In case of any grievance with any legislative / regulatory mandates, it shall seek redressal of the same and resort to policy advocacy consistent with the principles and policies contained in the Code.
- 7.3 The company is an active member, *inter alia*, of the following bodies:
- Confederation of Indian Industry (CII)
 - National Association of Software and Services Companies (NASSCOM)
 - The Federation of the Andhra Pradesh Chambers of Commerce & Industry
 - National HRD Network
 - Hyderabad Management Association
 - Indo-American chamber of commerce
 - National Aerospace Laboratories
 - Association of Geospatial Industries

- 7.4 The company maintains cordial relations with bodies such as the Indian Institute of Technology, Indian School of Business, Institute of Company Secretaries of India, the Institute of Chartered Accountants of India and the Institute of Directors, besides several universities and educational institutions.

- 7.5 The senior management of the company is also represented on various committees and boards constituted by the government on regulatory matters.

Principle 8.

Business should support inclusive growth and equitable development.

- 8.1 Details of community investment and development work undertaken indicating the financial resources deployed and the impact of this work with a longer term perspective:

The company believes in giving back to society in a measure that is proportionate to its success in business. Infotech Enterprises Charitable Trust (IECT) was set up on 27 March 2002 at Hyderabad. Cyient CSR initiative goes beyond charity and it works with the belief that as a responsible corporate, it should take into account its impact on society as much as creating business value.

- 8.2 Strategy:

- 8.2.1 The goal is to make the adopted Government schools the preferred place to learn. To achieve this, we provide infrastructure support like brick and mortar buildings, library, labs, teaching aids and teaching staff with an aim to increase student enrolment, attendance, and retention and enhanced pass out rate. Company appreciates the need for supporting basic organizational or administrative needs at the institutional level towards building a sustainable society with self-reliant people.

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

Vision:

To facilitate access to quality education and to participate in projects with business aligned social innovation and Invest in environmental development projects.

Mission:

Achieving long-term, holistic development of community around us by being committed to creating and supporting programs that bring about sustainable changes through education, environment and health care systems.

8.3 Programme Implementation:**8.3.1** In 2007 an MOU was signed for adoption of Gachibowli School.

- Since then we have been working towards improving the quality of education through adoption of Govt. Schools.
- Presently we are supporting children from Pre Primary to High Schooling.
- Taken up initiatives in providing various amenities / facilities at the schools.
- Signed MoU with Andhra Polytechnic College, Kakinada. Through this adoption we are able to support 2,000 students pursuing their diploma.

8.4 Progress in supporting underprivileged children:**8.4.1** ECT has made remarkable progress by adopting 13 schools in the neighbourhood of our facilities in Hyderabad, Kakinada and Noida.**8.4.2**

- As on date, our CSR initiative has adopted 13 schools and is supporting 8000 + underprivileged children in present schools.
- overall 10,000+ children from Early Child Education to Secondary School of Education are being benefitted by this support, this includes around 3,000 + SCC pass outs from all the adopted schools.
- 2,000 students from Andhra Polytechnic College would get access to quality of education and meritorious students from this college every year in Kakinada would get placement.

8.5 Activities to improve the new admissions and reduce the dropouts:

- Associates volunteer to conduct various meetings with children, parents and the local community in bringing awareness on education and its social impact for a child's future.
- Volunteers conduct career guidance programmes to show sustainable earning sources to the children after completing their SSC.
- Provide assistance to the needy to continue their higher education through Scholarships, fellowships and grants

- Provide nutritious food supplements and supply snacks to the children who attend the extra classes to keep them agile.

Results: The overall Dropouts reduced to 4% from 15% and the New Admissions improved to 22% from 13%.

8.6 Activities in providing quality of education:

- Constructed additional class rooms for higher classes in adopted Schools.
- Developed play areas and secured the school premises by proper fencing to avoid trespassing by public thus creating a congenial school atmosphere.
- Restored power connection and provided lights & ceiling fans for the comfort of students.
- Appointed 30 qualified teaching staff for Science, Mathematics and English subjects.
- Conduct of special classes for 9th & 10th class students.
- Distribution of Note Books, Exam Kits, School Bags & Uniforms and Teaching Aids to school Children for every academic year.
- Conduct various competitions like essay writing, elocution and painting to bring out the latent talent in children as an ongoing exercise and encourage children with prizes.

Results: The overall pass out rate has improved to 81% from 28%.

8.7 Activities in improving the new admissions and pass percentage of girl students:

- Constructed separate wash rooms for girls and provided good quality uniforms to the girl students.
- Female Volunteers conduct career guidance programmes to show sustainable earning sources to the girl children after completing their SSC.
- Provide assistance to the needy to continue their higher education through Scholarships, grants etc.

Results: Girl student dropout percentage reduced to 4% from 13%. Girl student enrolment % has improved from 20% to 52%. Girl student pass percentage has improved from 31% to 73%.

8.8 Details of innovative practices, products and services that particularly enhance access and allocation of resources to the poor and the marginalized groups of the society

Training and Curriculum:

Provided the best of the learning material and partnered with various voluntary groups. There was periodic training sessions by the external faculties and visitors.

Faculty augmentation and training:

The training was undertaken by the company directly and the salaries paid to the teaching staff by the company on monthly basis. Qualified teaching staff from nearby B.Ed. institutions were hired for this purpose.

Monitoring mechanism for Quality:

To have the long-term sustainability, weekly and monthly audits were conducted by the dedicated CSR Resources. Surprise visits are also conducted to ensure that the amount spent on quality of education is reaching the children properly.

Community Engagement:

Local Community and Government support in the CSR activities to improve the quality of Education.

- Government participation in the Events:
With the follow up from our side on the requests raised for additional Class Rooms, Government of Andhra Pradesh extended support to the Adopted Schools in building 25 additional class rooms in 5 of the Adopted Schools at a cost of ₹1.20 Crores.
- Parent meets in the Adopted Schools:
To bring awareness among parents of school children and the local community about the CSR initiatives, we hold monthly meetings (with parents and guardians) to encourage them to send their children to school.

8.9 Celebrate successes:

- To sustain the momentum of our CSR programme, we involve the active participation of the company leadership and highlight the success of these initiatives that give the programmes a real meaning
- In the rapidly expanding global workplace, the celebration of these successes not only drives the implementation of CSR initiatives, but also allows sound corporate HR practices to enable them
- Additionally, the publicity around these successes creates an understanding of the cultures of each region within the company. The local population would know that in addition to providing jobs, the company takes an active interest in, and participates in, local issues

8.10 Share and Communicate CSR value to company and community:

- Community Relations - Encouraging Community Relations through our HR team includes implementing reward programmes for (pat-on-back for CSR Volunteers) charitable contributions and encouraging community involvement and practices. These events are showcased and published by way of email announcements, corporate newsletters and other media releases to build more awareness.
- Training and Development - Educate and enlighten the associates about company (Cyient) CSR vision and mission through induction programmes and floor walks and meetings
- Cohesive Global CSR Platform - In order to encourage and maintain a clear and cohesive Global workplace, created multi-functioning HR platform (Corporate Affairs) and created designated CSR Team, which allows for distributing a sound corporate responsibility plan

8.11 Impact of the School Adoption Programme: Our CSR aims at improving the quality of education imparted to under privileged children in adopted schools.

- Reaching out to the Underprivileged:
School Adoption is driven so as to reach out to the community. Presently operating primarily in states where the company operates in India, the programme mainly focuses on improving the quality of education imparted to disadvantaged and maximum enrolment of girl children. Of the total enrolment at the Adopted Schools as of 2013-14, 51% of our students are girls.
- Special focus on the Girl Child: Our CSR is specially intended to impart education to girl children who have been deprived of education for long. Through an inbuilt strategy, our initiatives attempt to overcome the challenges that prevent girl children from attending school. Specially designed girl-child policy, separate toilet for girls, one female teacher in each shift and special sensitization campaigns through our volunteers have been put in place to encourage parents to send their daughters to school.

8.12 Impact on Teaching-Learning:

The CSR activities focus on holistic, conceptual and experiential learning helping students emerge as agents of change in the society. The learning levels of students have shown significant improvement in 2013-14 with SSC overall pass percentage as 81%.

8.13. Impact on Community:

There has been an increased parent and community participation because of the various connection points that have been created by our activities, such as the volunteering activities, participation of parents and community members in school events and parent teacher meetings.

8.14 Generation of Employment:

The CSR activities also help in generating employment opportunities in the community where our schools are located:

- Recruitment of local qualified youth as teachers (We appointed vidya volunteers to maintain ideal teacher to student ratio in the Adopted schools).
- Hiring of locals as school maids (care takers)
- Hiring of locals as school watchmen and cleaners.
- The Mid-Day Meal Supplement vendors are community members, especially parents of students in our schools.
- School Bags, Note Books, Examination kits & Uniforms are also procured from local suppliers.

8.15 Innovative Practices Adopted:

Implemented E-Learning facilities in Cyinet Adopted Schools. The volunteers from the company have conducted various computer learning sessions for the school children.

Children were given access to the quality of education and continuous monitoring by the volunteers team. Inter school competitions to raise the competitive spirit amongst the schools. The customers from various countries conducted the learning sessions on essay writing, painting and elocution competitions.

8.15 Innovative Practices in improving Healthcare Systems:

As an additional initiative towards our Corporate Social Responsibility, we are also funding for Innovation at LV Prasad Eye Institute (LVPEI) and committed to spend ₹2.5 crores (rupees two and half crores) over next 5 years through its foundation.

Principle 9.

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

We are continuously focused on delivering value to our customers. We look at every project from three perspectives: technical, business and human.

Technical value

We are committed to delivering on cost, on quality and on time, every time. We bring technical innovation, best practices and depth of our technical expertise in every engagement.

As a result of which, we have been the chosen partner for a number of customers in technically challenging projects. That is why, when one of the major electricity suppliers in North America took on the task of assessing the strength of 1.5 million poles covering 50,000 square miles that stretch from major cities to remote mountains and deserts, they chose us.

Business value

Our customers' business benefits are of paramount importance to us. Through our governance mechanism as well as customer facing initiatives like the Annual Customer Satisfaction survey, we constantly seek to understand the customer's business priorities.

When the company was engaged by Siemens to help create the automated signaling system for the Victoria Line of the London Underground system, we understood how critical we were for Siemens to deliver the project on time for the London Olympics.

This led to: Victoria Line being the best performing line during the games, 24% increase in passenger throughput and 15% increase in speed.

Human value

Through our contribution, we not only impact our customer's business performance but the lives of their end customers and the world at large.

When we design a safe electrical power distribution system for an aircraft, we ensure that millions of passengers can enjoy a hot meal, charge their mobile phones, catch up on the latest movies and know when to fasten their seat belts.

When we input and update accurate mapping data for TomTom, we ensure that the TomTom mapping device guide drivers to avoid stress, traffic jams and guide them to their destination by the swiftest route.

We use our knowledge and skills to create solutions that are future facing, imaginative and practical for our customers. All interactions with our customers are based on a strong foundation of our 'Values First' philosophy of Fairness, Integrity, Respect, Sincerity and Transparency.

Designing tomorrow together is our vision and the basis of our brand promise. These three simple words describe our unique approach of working with our customers to improve their business and the lives of their customers.

Secretarial Auditors' Report

Annexure-B

The Board of Directors
Infotech Enterprises Limited
Hyderabad - 500 081

I have examined the registers, records, books and papers of Infotech Enterprises Limited as required to be maintained under the Companies Act, 1956 / Companies Act, 2013 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of the Company for the financial year ended on 31st March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, according to the provisions of:

The Companies Act, 1956/Companies Act, 2013, as may be applicable;

The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and

The Equity Listing Agreements with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Corporate Governance Voluntary Guidelines, 2009

I report the following

1. The Company :

- (a) has maintained various statutory registers and documents;
- (b) has closed its Register of Members during the Financial Year for the purpose of Annual General Meeting and Dividend;
- (c) has filed Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
- (d) has duly conducted Board meetings/Committee Meetings;
- (e) has sent the notices as required to its Members;
- (f) has duly conducted the Annual General Meeting on 18.07.2013;

- (g) the Company has passed a special resolution through postal ballot for approving amendment of objects clause and same is in compliance with the applicable laws;
- (h) has maintained minutes of proceedings of Board Meetings/Committee Meetings and General Meetings;
- (i) has complied with all the applicable provisions with regard to constitution of the Board of Directors/Committee(s) of directors and appointment, retirement and their re-appointment including that of Managing Director/ Whole-time Directors;
- (j) has complied with all the applicable provisions with regard to payment of remuneration to the Directors including the Managing Director and Whole-time Directors;
- (k) has complied with all the applicable provisions with regard to appointment and remuneration of Auditors;
- (l) has delegated power to the Registrar and Transfer Agent to process and approve the transfers and transmissions of the Company's shares;
- (m) has complied with the all the applicable provisions with regard to allotment of shares and delivery of original and duplicate certificates of shares;
- (n) has complied with the provisions of the Companies Act, with regard to declaration and payment of dividends;
- (o) has transferred ₹170,048/- unclaimed dividend pertaining to financial year 2005-06 to the Investor Education and Protection Fund during the financial year;
- (p) has complied with the provisions of Section 372A of the Companies Act, 1956;

2. I further report that:

- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/debenture holdings and directorships in other companies and interests in other entities;
- (b) the Directors have complied with the disclosure requirements in respect of their eligibility of

- appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel as per Clause 49 of the Listing Agreement;
- (c) there was no prosecution initiated against or show cause notice received by the Company and no fines or penalties were imposed on the Company during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers;
- 3.** I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialisation/rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.
- 4. I further report that:**
- (a) the Company has filed the requisite returns, documents, information as per the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited;

- (b) the Company has duly complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- (c) the Company has filed returns, documents, information as required under the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (d) the Company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of Employee Stock Option Scheme, grant of Options and other aspects.
- (e) The Company has substantially complied with Corporate Governance Voluntary Guidelines 2009 issued by Ministry of Corporate Affairs.

S. Chidambaram

Practising Company Secretary

C.P No: 2286

Place : Hyderabad

Date : 22.04.2014

Details of Stock Options pursuant to SEBI guidelines

Infotech Associate Stock Option Plans (Infotech ASOPs)

Sl.No.	Description	ASOP 2002	ASOP 2004	ASOP 2008
1.	Options granted during the year	Nil	Nil	1,60,000
2.	Pricing formula	Market price as defined in SEBI (ESOS&ESPS) Guidelines, 1999		
3.	Options vested	158,220	217,276	1,098,963
4.	Options exercised	Nil	111,652	249,994
5.	Total no. of shares arising as a result of exercise of options	Nil	111,652	249,994
6.	Options lapsed	158,220	105,624	52,885
7.	Variation of terms of options	Nil	Nil	Nil
8.	Money realized by exercise of Options (₹)	Nil	12,516,500	42,155,986
9.	Total no. of options in force	Nil	Nil	956,144
10.	Employee wise details of options granted to			
	i) Senior Managerial Personnel:			
	a. Ajay Aggarwal			20,000
	b. John Renard			15,000
	c. Rajendra Velagapudi			10,000
	d. Anand Parameswaran			10,000
	e. Brian Wyatt			20,000
	f. Thomas Edwards			10,000
	ii) Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year:	–	Nil	Nil
	iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant:	Nil	Nil	Nil
11.	Diluted EPS as per Accounting Standard 20 (INR)	22.71		
12.	i) Method of calculation of employee compensation cost	: The Company has calculated the employee compensation cost using the intrinsic value of the stock options		
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options	: ₹ 9.72 Million (increase)		
	iii) The Impact of this difference on profits and on EPS of the company	: Profit After Tax (PAT) ₹ 2,549.15 million Less: Additional employee compensation cost based on fair value ₹ 9.72 million Adjusted PAT ₹ 2,539.43 million Adjusted EPS ₹ 22.73		

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 ₹)
13/06/08	250.00	108.13	251.15
12/05/09	169.00	70.46	164.70
16/09/09	271.00	119.02	269.50
05/04/10	375.00	179.57	377.95
08/04/10	359.00	173.31	360.70
15/04/10	350.00	175.72	362.30
02/07/10	188.00	87.81	186.60
16/07/10	169.00	82.99	170.50
23/10/10	165.00	76.34	165.00
02/02/11	165.00	76.93	162.90
22/03/11	161.00	78.44	162.95
13/06/11	142.00	141.90	142.25
19/10/11	118.00	115.00	115.50
17/10/13	184.00	184.45	184.45

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

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

Risk free interest rate (%)	:	8.50% - 9.00%
Expected life of options from the date(s) of grant	:	1-3 years
Expected volatility (%)	:	52.00%
Dividend yield (%)	:	2.44%

On behalf of the Board of Directors

Place : Hyderabad
Date : April 24, 2014

B.V.R. Mohan Reddy
Chairman and Managing Director

PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

1. Conservation of Energy

It is our continuous endeavour to implement the best practices in areas of energy conservation and in this regard, company is in the process of availing solar power for the Manikonda facility. This would result in considerable savings. After analysis of the savings the company would like to replicate the same at other locations. Also, as part of the initiative taken by the company, the E-Waste [old systems, hard disks, printers] related assets are sold to a firm approved by Pollution Control Board, Govt. of Andhra Pradesh.

As part of the conservation of our natural resources, the paper waste from our locations is given to ITC for recycling of paper for making of recycled products. To save energy, energy audit at our locations was conducted.

In order to conserve natural resources, another STP plant was installed at our Kakinada - SEZ location there by resulting in usage of the STP water for plantation purpose. More information is available at the business responsibility report.

2. Research & Development and Benefits thereon

Your company has a modern R&D facility with a state-of-the-art Technology Centre working on various R&D projects.

Currently the R&D team is working on Framework for Intelligent Operations (FiOps):

Company offers innovative solutions to the utility industry leveraging GIS technologies, data analytics, and utility thought leadership. These solutions are captured within the Framework for intelligent Operations (FiOps) that was built over the year and are made available through the company's global delivery model which combines global delivery scale with strong domain knowledge. This framework leverages the company's expertise on utility core systems such as GIS, Smart Metering and Analytics to minimize utility operational costs while enhancing grid reliability.

Some of the key benefits to a utility are reduced outages, effective planning for improved future capacity, and reduced truck rolls, thus minimizing their costs. A proof-of-concept was built and discussions on this have enabled us create traction with key account clients in the NAM region.

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Revenue Expenditure	13.21	13.52
Capital Expenditure	Nil	Nil
Total R&D Expenditure	13.21	13.52
R&D Expenditure as percentage of Total Revenue	0.11%	0.12%

3. Technology Absorption, Adaptation and Innovation

Information technology continued to play a vital role as a business enabler with its vision of "Deliver effective" IT results in terms of innovation, cost, quality and speed of service by establishing baselines for real-time business information systems platform and by taking complete control on the information systems ensuring that they are adequately secured and authorized.

The state-of-the art IT infrastructure comprising of latest hardware and software technologies facilitated growth and safety. This was enhanced with new software technologies and security devices to improve business continuity and perimeter security.

Your company has implemented "Managed Secure FTP server" for larger data transfers at central location with user based rights for secure data transfers along with auditing and traceability to instil customer confidence. We will continue with our server consolidation plans to minimize physical servers at Centres of Excellence and deliver appropriate services from the Data Centre.

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 97.7% 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 are as follows:

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Foreign Exchange Earning	12,169.8	10,175.1
Foreign Exchange Outgo	2,336.9	2,228.6

On behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director

Place : Hyderabad
Date : April 24, 2014

Infotech had a very good year both from revenue and margin growth perspectives. Despite a sluggish start in the first quarter of the financial year, the company witnessed steady improvement over the next three quarters, as reflected in Q-o-Q growth. The backlog and order pipeline are very healthy and we are confident that this momentum will continue during the current financial year (FY 2014-15). We will focus on operating levers such as utilization, sales efficiency and management overhead to improve operating margins in the current year. Considerable investments and efforts were invested in branding, reorganization and sales compensation restructuring. We expect these initiatives will drive accelerated growth and significantly improve efficiencies in the current financial year.

1. Re-branding

Over the course of last year, we worked diligently to define our brand strategy. We engaged reputed branding agencies to support the rebranding effort, and help us create a new name that aptly reflects our reinvigorated brand.

The process of defining new brand involved detailed exercise to appreciate our diverse organization, our strengths, beliefs, values and aspirations for the future. We conducted a number of surveys, workshops and interviews with clients, associates, and leadership across the globe to refine this understanding.

Through this exercise, we discovered the quality that really differentiates us is the way we engage and find mutual success with customers. We work with them in a unique way that offers robust and bespoke processes, helps them solve problems big or small, builds trust, and creates value that helps our customers do more over time.

A clear and concise brand promise emerged – **Designing Tomorrow Together**. **Designing** means that we create solutions using our industry knowledge and technical expertise to solve complex problems - practical designs that make things better, every day. **Tomorrow** makes our work forward-looking, as we solve challenges large and small that shape everyone's future. **Together** reflects our collaborative engagement with associates, clients and partners that build a shared understanding of knowledge and trust.

It became evident that the company needed a new name to support its brand promise and growth aspirations. We knew we wanted a name that would be uniquely ours, a name we as an organization could own, is differentiating and forward looking, and works well around the world in different languages. We therefore chose a constructed word that combines the innovative, forward facing solutions we are known for with the company's history, heritage and values that are important to carry forward. The word **Cyient** has

connotations with "client", and "science", two important ingredients of our success and "IENT" references Infotech Enterprises, our foundation and continuity. Brought these together we have **Cyient**, a company focused on the future, that carries important continuity from its past and always keeps the customer at the center of everything it does.

During the course of this financial year, we will continue to build momentum and energy around our new brand to position us even more successfully in our markets. We will also benchmark our growth with the Cyient brand.

2. Organization re-alignment

Over the last five years, our revenue and profits have grown at a compounded growth rate of 20%. We have prudently expanded our geographic spread, industry focus and service portfolio and today we are integrated partner to our customers. As the company heads into its twenty-fourth year, we have articulated strong aspirations in terms of growth, profitability and market positioning. It is imperative that we have to reinvigorate our current model of operations to ensure that we are set up for the next phase of growth. Effective April 2014, a new organization structure has been put in place with the twin objectives of building better customer engagement and enhancing operational efficiency to deliver significant improvement in revenue growth and operating margins. Few features of the re-aligned structure are:

- Geographic alignment empowers decision making in geographies and minimize cross-geo reporting structures. In addition, this would bring greater customer centricity and faster decision making related to customers. Therefore, sales and account management teams are organized by geography and then by industry.
- Technology is converging in many of the markets we address and hence it is important that we leverage skills and capabilities via a horizontal-focused delivery organization. So, delivery teams are organized by competency and then by industry, to improve sharing of resources, best practices and drive overall efficiency.
- Senior sales leaders from specific industries are identified as Global Industry Leads. This will enable us to drive industry focus, strategy and long-term growth by industry segment and help us manage global pursuits and deals better.
- A separate delivery unit is created for Product Realization, to focus on building capability that supports prototyping, testing, certification and high-value manufacturing for customers and prospects in product engineering.

3. Overview of Economy

Growth in global research and development funding slowed in 2013 from the pace of growth seen in 2011-2012. The 2013 slowdown was primarily due to unsettled European and US economies that, in turn, affected global performance. This is reflected in R&D investments as they are often closely linked to GDP and economic outlook.

Global ER&D spend was USD 1.4 trillion in 2013 and is expected to reach USD 1.6 trillion by 2020. U.S. and Europe are the major contributors to this spend but their percentage contributions to the total market have been declining. While the contribution from west has retrenched, Asia has advanced. By 2020, Asia's contribution to global ER&D spend will increase significantly wherein China will drive the increase in spending.

Global utilities market is estimated at USD 2 trillion with moderate growth going forward. Investments are expected in distribution sector with Asia holding the maximum investment demand followed by Europe and North America. Smart Grid initiatives, distributed generations and consolidation of utilities will be the key trends in Utilities sector.

Global telecom industry is valued at USD 1.5 trillion, expected to grow at 2%; North America and Europe are stagnating while other regions like Middle East & Africa and Asia Pacific are showing good growth. 4G /LTE rollout and Cloud technology continue to be the two major trends of the telecom industry

Global GIS market including hardware, software and services is estimated to be \$6.5 billion in 2014 with a 9.2% CAGR going forward. Services and data constitutes 42% of the GIS market (\$ 6.5 Bn) and the verticals Energy and Natural Resources, Transportation and Imagery providers segments constitute 48% of the total market. Growing demand for spatial information, rising adoption of GIS technology by non-manufacturing industries and increasing usage of Location Based Services (LBS technologies) are expected to be major drivers for growth.

4. Industry Overview

Aerospace

Aero had a relatively flat year of revenue growth in FY14 due to completion of engineering phase and moving into prototype, testing and manufacturing on several aero engine and aircraft development programs in both North America and Europe regions. We have developed key partnership with a leading Aero structure Tier-1 supplier in North America as a dedicated engineering partner for all their current and future engineering

needs. Further, we have expanded our avionics capability to develop line replaceable units (LRUs), avionics products involving software design & verification, hardware design & testing and integration testing until certification.

In the new financial year, the overall global aerospace and defense sector is expected to grow at ~5%. Global defense spending is declining with reduced defense budgets by US and European countries. However, defense spending is increasing in Middle East and the Asia Pacific region. In India, over the next five years there is an estimated \$150 billion opportunity in the aerospace and defense sector, with \$100 billion open to the domestic sector.

We expect OEM's to increase their Aftermarket services, particularly in the area of aircraft engine repair and maintenance in line with the aging global air fleet. There is also increased focus on reducing costs in newly developed Aircraft and Engine programs such as the Purepower® 1000G. This translates to demand in engineering for weight & cost reduction, continuous innovation in engineering design, manufacturing and supply chain capabilities.

Rail Transportation

This industry is witnessing significant investment across the world in new projects as well as in modernization of existing systems. With our extensive experience in executing Rolling Stock and Signaling projects in more than 25 countries across the world, we are uniquely positioned to helping OEMs in delivering projects on time while saving significant amount of engineering and after-market costs. We are jointly investing with our customers in building higher competencies and lab infrastructure to broaden our support to this industry in the future. We see significant opportunities coming from Rail on the next 2-3 years

The Global Rail market is currently estimated at ~USD 200 billion and growing with predicted annual growth of 2.6% to 2017. Although Europe has the largest market for railway equipment, Asian countries especially China has invested massively in railway networks over the last decade. With an annual spend of more than EUR 46 billion (USD 63 billion); Asia is beginning to rival Europe in terms of market size. This trend is forecasted to continue.

Off-Highway Equipment

This industry has been going through some significant challenges especially in the Mining segment. As an engineering partner to 5 of the Top 10 companies in this industry, we are helping the OEMs reduce product cost and localize their products to meet specific needs.

Off-Highway industry will see a decent growth in the coming years with all the sub segments growing at a CAGR of more than 4%. Global construction, mining and agriculture & forestry, and Turf maintenance equipment's' market are expected to reach approx. USD 208 billion, USD 148 billion and USD 180 billion respectively. With high focus on infrastructure development and increased demand for metals, minerals and food supply, APAC will see the highest growth in all the segments.

Some of the major trends that are driving the industry as a whole are high focus on fuel efficiency, equipment productivity, safety, environmental regulation, emerging market needs and after-market services. Hence, lot of investments and R&D is happening in certain areas like alternate fuel systems, vehicle Hybridization/ electrifications, automation and control, remote monitoring and emission compliance. OEMs are striving hard to make intelligent, safer and efficient equipment.

Energy & Natural Resources

While Oil & Gas companies are renewing their capital expenditure programs, mining companies are in the middle of significant cost cutting initiatives to improve profitability in their business. We expect to see increased demand for our services from these companies over the next few quarters.

Oil & Gas companies were not affected as much as mining and continue to perform well. In North America, huge investment into Exploration & Production activities resulted in a huge surge of crude that Midstream sector had trouble keeping pace. Going forward, newer investments are expected to be put into midstream activities to optimize the inflow from the production fields, while upstream operators would focus on developing more efficient operations using new technologies

While, Oil & Gas companies are renewing their capital expenditure programs, mining companies are in the middle of significant cost cutting initiatives to improve profitability in their business. Looking at the above outlook, our focus for this financial year will be on Oil & Gas and Energy sectors, with primary focus on EPC's, Fabrication Yards & OEM's

Semiconductor

This industry has always been a cyclical industry, we are seeing shifts in the global competitor positioning. We have seen demand become more robust in the last few months and expect to see that continuing in the next few quarters. Our focus is to broaden our customer base by becoming comprehensive partner for providing Chip Design and System design as well as expanding our presence in the Europe and East Asia markets

The semiconductor industry showed a sign of recovery in 2013. R&D investment remained at historically high levels for the industry, at approx. USD 50 billion. This was largely because R&D investment is a crucial lever for maintaining high operating margins through cost improvements and for integrating new capabilities into silicon, to support new applications in growing markets such as smartphones and tablets. The shift from personal computers to tablets and smartphones is causing more demand for cutting-edge foundry capacity as well as a temporary decrease in semiconductor content. This trend is expected to continue through 2017

Medical Devices

There are exciting innovations happening in this market and we are working on several interesting opportunities in new product development, localization and cost reduction. We are seeing opportunities from both developed market as well as emerging markets but with differing needs.

The global medical device outsourcing market is largely dominated by US followed by Europe and Asia. Growing Asian medical device markets offers opportunities for region specific outsourcing. Outsourcing has helped medical device manufacturers to cut product development costs by 10% to 30%. Major factors driving the growth of the outsourcing market in the medical device industry are the increasing healthcare costs, competition from low-cost device manufacturers, and the reducing lifespan of medical devices due to rapidly changing technology.

Utilities

While we continue to see traction around our traditional GIS and Outage Management Services (OMS) in Utilities, revenues are growing from services in operational technologies (OT) systems and in the emerging IT/OT convergence space. Our success in the past couple of years has resulted in Utilities emerging as one of the fastest growing business verticals within the company. Specifically we have focused on Distribution Management System (DMS) services and our aim is for aggressive growth over the next two to three years. We also intend to leverage our strong domain expertise to develop specific solutions addressing emerging utility smart grid and IT/OT needs.

The Power and Utilities industry is experiencing a huge transformational period over the last year. Technology, economics and politics are all sources of disruptive solutions and innovations hitting the industry and deal activities seeing an upswing. Most importantly, the drivers for utilities have been dealing with increased consumer price elasticity and

regulatory intervention, leading to acquisitions; reform initiatives by governments across regions, while developing countries such as in Asia and Africa continue to receive large-scale investment in response to government electrification programs.

Communications:

The past year was built on the significant progress made the previous year by us in the telecom services area. The company has consolidated its strong foothold in the global OSS services market, culminating with the recent acquisition of the specialist network and IT service Management Company, Softential Inc. This new portfolio of fulfillment and assurance services is designed to launch Infotech into new service domains and thus generate new revenue streams.

Three major changes are driving the industry forward. First, mobile payments technology is certainly at a tipping point, and we anticipate it will gain traction in 2014. Second, the spread of communications services into vertical markets is gaining momentum. Deployed effectively, communications solutions can enhance consumers' personal and professional lives in realms including education, health care, automotive, hospitality and beyond. Finally, a broad concept to watch in 2014 is "connected world, connected things." Almost everything has a connectivity element to it – which is what sets the stage for M2M growth. There is vast opportunity to connect almost everything at both the consumer and enterprise levels.

Content & Geospatial Providers:

In the fiscal year 2013-14, we did a fantastic job of managing and growing our Key Accounts. In addition a lot of work was done on strategy and also investments were made in terms of increasing sales and hunting bandwidth. We believe this gives us a great platform for growth in the coming years, especially when this is put in the context of the broader industry trends around data.

The Geospatial market has strongly driven by the imagery provider's organization. The global market for aerial imaging is expected to reach \$1.9 billion by 2019, while the market for commercial satellite imaging is predicted to reach \$5.0 billion by 2019. This would be driven by industries such as commercial enterprises, civil engineering, military, forestry & agriculture, natural resources, energy sectors and insurance.

5. Service Overview

Engineering

Our engineering teams, aligned across key manufacturing and service industries, add value to

client organizations by reducing time to market and ensuring cost-effective development through diligent processes and proven life-cycle management models. We enable our customers to translate concepts into innovative product designs that are reliable, cost effective and adapted to local needs across the globe.

We operate dedicated engineering centers of excellence for strategic engineering customers to help them not only in product development but also in localization and aftermarket services. A number of our current projects are focused on designing and adapting products for emerging markets, including India.

Our multi-disciplinary strengths include mechanical design and analysis, structural engineering, electrical, electronics & embedded software development and ASIC design. We continue to strengthen these capabilities and have developed processes to integrate multi-disciplinary services to deliver system level design solutions to our customers.

Data, Network and Operations

With the convergence of energy, communication and information technology markets, there is an increased demand for intelligent network engineering solutions. We have enabled several global Utilities and Communications Service Providers achieve high operational efficiency and cost savings in planning, designing and engineering their next-generation networks.

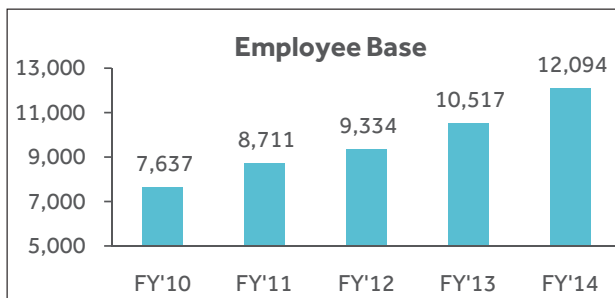
We also offer solutions to transform our customers' geotechnical and geospatial data into insightful and value-adding information that is critical to their business success. We address Energy & Natural Resources (oil & gas and mining), Content and Geospatial Providers, and Transport and Navigation verticals.

The company has a special focus on Big Data and Analytics and offers capabilities and solutions for the Aerospace, Transportation, Heavy Engineering and Utilities sectors. We address areas like equipment monitoring, predictive maintenance, asset management, and engineering and network analytics.

6. Human Resources

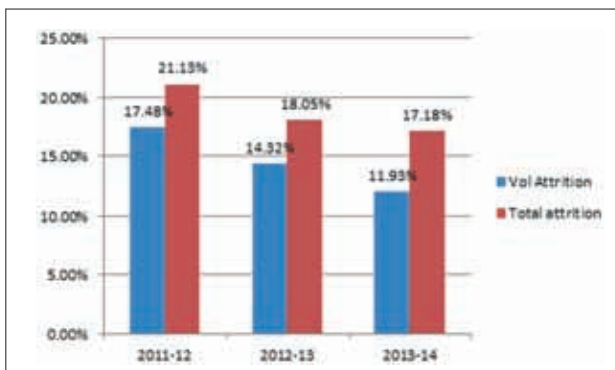
6.1 Talent Acquisition

The company has added 1577 resources on a net basis in the year 2013-14. 119 of these net additions have been in NAM, APAC and Europe. The company today has associates from over 21 nationalities working across the globe. During the financial year, Infotech has crossed 2 milestones – a total headcount of 12000+ and India headcount of 10000+.



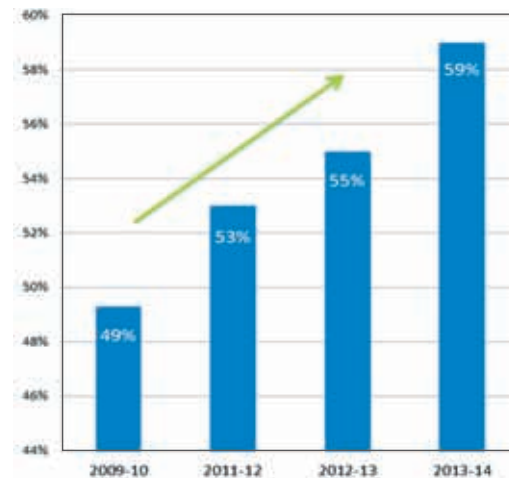
The company has also continued to hire fresh college graduates from various technical and non-technical campuses and as last financial year has ensured that it has adhered to all the commitments made on campus by on boarding these resources within the same financial year

To improve consistency in candidate experience and standardization a training and certification program has been designed for the technical interviewers wherein 57 interviewers have been trained and 30 interviewers certified by an external agency in the FY 2013-14. We have also put in place a shared services center in India for the supporting the talent acquisition team in US and Europe with the India team sourcing and screening the candidates.



6.2 Talent Engagement

Sustained efforts in associate engagement resulted in Infotech achieving an engagement score of 59% against 55% last year. The Utilities & Telecom Business Unit has achieved a remarkable engagement score of 68%. To enhance associate engagement several initiatives were undertaken by business leaders and HR. These include manager capability building trainings, FISH initiative, mentoring programs and creation of formal and informal forums for leaders to interact with the associates.



These efforts have been recognized by the industry with the below awards:

- "Dream Employer of the Year" in the Dream Companies to Work for Awards.
- 'Best Leadership Development Program for Middle Management' was recognized at the Asia Training and Development Excellence Awards.
- Award for Innovation in Retention Strategy and Award for Excellence in Training at the 4th Asia Best Employer Brand Awards.
- Gold Level of the Arogya World Healthy Workplace Awards 2013.

6.3 Learning & Development

Infotech has state-of-the-art learning and development center and supplements classroom learning through extensive use of online and action learning methodologies. In the last fiscal year, 538,947 hours of technical and behavioral training were conducted, an increase of 27% over the previous year. The HPC (High Performance Center) and ALP (Accelerated Leadership Program) initiatives are marquee programs for high performers in the middle and senior management categories. Ninety leaders globally were covered under these programs in the fiscal year 2012-13.

Succession planning and increasing the readiness of leaders for key strategic positions are critical to future success of our company. Hence, we hold annual leadership roundtables where the leadership talent pipeline is systematically reviewed by the Executive leadership team.

To reinforce value FIRST and build positive culture, launched values awareness & culture building campaigns, covering over 8000 associates through classroom sessions.

7. Process Excellence

Over the last year and a half, through our Organizational Excellence Group, we have initiated and implemented several business-critical and service delivery processes. This enables us to create a "One Infotech" experience for our customers and stakeholders.

7.1 Business Excellence Framework (BEST)

BEST is Infotech's business operating system, by implementing BEST,



- We are striving to strengthen our continuous improvement culture and usage of structured problem solving tools to delight customers and achieve profitable growth
- Build flawless processes to ensure Best-in-class services at affordable cost, on time delivery, with customer defined quality & productivity.
Company is using 3E framework to implement BEST.
- **Educate** – Building awareness and competencies through trainings, workshops, events and sharing best practices.
- **Engage** – Foster an improvement culture that actively practices BEST tools on daily basis
- **Evaluate** – Annual assessments, monthly monitoring of metrics, actions of shortfall on business results (if any) and gap closures

We have witnessed significant momentum in implementation of BEST across the company during the year. Most of the delivery units across the organization are Base level certified with few units with Advanced level certification.



As part of continuous improvement culture, company has developed own methodology called DRIVE™ tailored to suit company's business to implement Lean and Six Sigma. This helps in streamlining processes by eliminating waste and

improving quality. Using DRIVE™ we are able to reduce errors by 57% and cycle time reduction by 17% in few of the processes.

Additionally, we are using internally developed web-based training modules to increase their reach and compliance thereby reducing the need for expensive classroom training sessions.

7.2 Certifications

Various divisions in our company have undergone audits either Surveillance or Re-certification as mandated by Accreditation bodies, for compliance with various standards during this fiscal year. Following are the certifications that we sustained:

- All Divisions - ISO 9001:2008 (Quality Management Systems) and ISO 27001:2005 (Information Security Management Systems)
- Aerospace Division - AS 9100 Rev C (Aerospace Quality Management Systems)
- Rail Division - IRIS Rev2 (International Railway Industry Standard)
- Medical Division - ISO 13485:2003 (Medical Devices Quality Management System)
- Our software development, verification & validation and maintenance projects under various business units at Hyderabad, Noida and Bangalore - Appraised at Maturity Level 3 of CMMI Dev 1.3 model (latest version). We are on our course to Maturity Level 5
- Telecom Division - TL 9000 R5.0 (Telecom standard) for the first time. We are the first India-based company to be certified under 7.2.1.1 – Network Engineering Services product category under TL9000. Adding a feather to Infotech's certification was the fact that we were honored with the PYRAMID AWARD from Quest Forum, an association driving improvement and sustainability in telecom sector

7.3 Project Management Office

In our endeavor to institutionalize industry standard project management practices (from project initiation to closure), uniformly across the company we have developed and deployed an IT system named e3 (Enterprises Execution Excellence). This system can generate all business reports including metrics like project utilization, profitability, quality metrics, finance metrics etc., automatically.

This system has enabled all the project managers

to capture and utilize various metrics for monitoring project execution more closely and take preventive and corrective actions at the right time, enabling delivery of projects on time with consistent quality. Undoubtedly, e3 is going to be the backbone of our delivery function across the organization.

7.4 Visual Controls for Governance

Implementation of BESt and e3 helped us to establish visual controls for governance across the organization. All functions as part of their Best-in-class journey use a visual tool called Control Tower to monitor key business metrics/KPIs every month and take corrective actions when necessary. Project managers use e3 dashboard to track project health index and other parameters.



7.5 Innovation

We continued our focus on Innovation with objective to create a healthy and active IP/patents portfolio, along with keen focus on productivity gains, process improvements and incremental innovation. Building company wide innovation culture through proactive engagement of associates, Managers, SME (Subject Matter Experts)'s and customers. Notable Achievements in the last year are:

- Established innovation councils in many key accounts to evangelize innovation culture and drive customer centric innovation
- Developed an in-house 'Idea Management' platform for effective idea generation
- Established a strong portfolio of over 10 internal product development projects based on our IP
- This fiscal year, we filed 17 patents, of these 8 were filed independently by us, while 9 were co-patents filed along with our clients
- Awarded "Innovative supplier of the year" by one of our leading aerospace customer
- Participated in several national events on innovation and IP management hosted by industry bodies such as CII, NASSCOM and AIMA
- Also presented/published 44 papers in national and international journals and forums

8. Technology Deployment

Information technology continued to play a vital role as business enabler. Company is continuing its investments in IS (Information Systems) while reaping the benefits of our earlier investments in IS. Company successfully concluded the roll out of global HR and project management systems. We now have global systems across the organization for finance, HR, project management and sales. The robustness of our systems has enabled us to successfully transition to the new brand very smoothly and reflect the brand across systems quickly, efficiently and globally. Notable additions completed and in the process of completion, in our objective of leveraging technology for the enterprise are:

- Global intranet - A platform associates to collaborate and share information across the organization.
- Project profitability reports empower managers across the organization to track the financial performance of their projects.
- Customer and Geo profitability reporting – Tool to easily provide the profitability of key customers and the performance of each geography across the organization to the managers thus eliminating manual intervention. This helps us to bring in standardization of the information and speed of access to the information.
- Key Account Planning – An in house developed methodology to track and improve our relationship with our current and prospective customers who have been identified as "Key Accounts".

The Network Operations Center (NOC) rolled out global helpdesk solution as a single point of Contact (SPOC) for all IT services has now expanded its areas and now provides support for IIS, HR and DBA services, while retaining the original objectives to improve service quality, reduce support cost and enhance scalability.

We have implemented central monitoring and alerting of critical IT infrastructure enabling proactive IT support to ensure committed uptimes to critical IT services. We have re-designed our software asset management process with additional controls established ensuring 96% of Inventory being tracked to improve software utilization and compliance.

9. RISK MANAGEMENT

Some of the risks identified by the company and some mitigation strategies are explained in the table below.

RISK	IMPACT	MITIGATION
Skewed spend concentration- Unlike IT spend, engineering spend is concentrated among the top few hundred companies globally. Hence it is critical to capture the right opportunities.	That makes it that more difficult to build a sales pipeline and have assured revenues.	It's critical to optimize efforts to target the right customer base. Based on estimated customer spend and other essential attributes, we have compiled a list of must-have customers (MHAs) to help the sales team target the right customers in their industry.
Ability to scale into annuity revenue streams - Unlike the IT sector, where annuity revenues are assured because of maintenance of IT networks, the engineering business is inherently more project centric.	This creates the need to keep scouting for new opportunities, requiring greater sales effort.	We are placing more effort on increased deep account mining to identify cross-selling opportunities and build a higher order and project pipeline, ensuring an annuity-like revenue stream.
Availability of domain expertise - It is always a challenge to tap talent with the right domain expertise.	Since we operate in a highly knowledge-intensive industry, quality engineering talent is a critical element of our business. It is essential not only to excellent service delivery but also to acquiring potential customers.	We have intensive training to bring resources up to speed with the required skills. Infotech is actively partnering with high-end technical institutes in India, including IITs to tap quality engineering talent. We hire superannuated domain experts as consultants who also in turn contribute to the development of domain knowledge of in-house talent.
Onsite centricity in certain areas - Since our business is related directly to the core business of our customers, many customers are only comfortable outsourcing through an onsite presence rather than offshoring.	Although a higher onsite presence ensures higher revenues, the margins are largely diminished compared to the offshore business.	We pursue such opportunities only if there's a strategic fit. We hire locally to meet immediate demands and maintain a globally mobile workforce for addressing planned requirements.
Specialization and movement of resources - The domain knowledge required for most of our businesses requires that our manpower is highly specialized.	This has a negative impact on our utilization if we cannot use the on-bench resources elsewhere in other PDUs/BUs in the downtime period.	The resource management group filters all staff requirements and aligns resources internally before we hire from outside. We also proactively provide our associates with technical exposure to prepare them to handle other assignments in contiguous technologies.
Global economic uncertainty - slowdown in economic conditions impacting the IT business	Changes in the global economic environment have an impact on the progress of every company's growth.	Management has invested significant time in meeting clients to provide insights and various advantages along with the assurance that is crucial to building a global delivery model.
Financial Risks - foreign exchange fluctuations	The company derives a significant portion of its revenues in foreign currencies. Principal currencies used by the company include US dollars, euros, British pounds and Australian dollars. The company is also exposed to deriving revenue from 30 different countries. A large proportion of its expenses are in Indian rupees, therefore the operating profits are subject to foreign currency rate fluctuations. While the depreciation of the Indian rupee would have a favorable bottom-line impact, an appreciation would affect the company's profitability adversely. Such volatility would also affect assets located at various locations worldwide in terms of their carrying value.	Currency hedging and close monitoring of hedging strategies and positions are used to mitigate this risk.

(Contd.)

RISK MANAGEMENT (Contd.)

Some of the risks identified by the company and some mitigation strategies are explained in the table below.

RISK	IMPACT	MITIGATION
Financial risks - liquidity	Credit terms and payment defaults will have an impact on the liquidity of the balance sheet.	We maintain close and robust monitoring of accounts receivables and payables.
Disaster recovery	The markets in which we operate are subject to the risk of earthquakes, floods and other natural disasters.	Adherence to standards has ensured that the company has a disaster prevention and recovery system in place. The disaster recovery plans are created and monitored for each of its work locations as well as for each technology center. Possible risks for all centers have been identified, and action plans to cope with any contingency are in place. These plans are reviewed and updated periodically to make sure that they are in sync with changes in technology and risks.
Compliance risks	The company is potentially exposed to liabilities for noncompliance with any statutory regulations in the countries where we operate.	Infotech has a compliance officer to advise the company on compliance issues with respect to the laws of various jurisdictions in which we have business activities and to ensure that the company is not in violation of the laws of any jurisdiction where we have operations. The compliance officer, who is also the company secretary, reports from time to time on the compliance or otherwise of the laws of various jurisdictions to the board of directors.

During the year, the company involved an external consulting firm to support Enterprise Risk Management Initiative, with an objective to assess the high risk areas and develop a prioritized risk register along with mitigation plan. Based on this study, a systematic framework is being developed to measure, control and monitor risks at specified intervals.

10. Internal Controls

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 an SAP system to record data for accounting, consolidation and management information purposes, which connects to different locations for exchange of information. It has continued its efforts to align all its processes and controls with global best practices.

The company had two independent auditors for review of internal controls for the financial year 13-14. The company has appointed M/s Ernst & Young LLP as

internal auditors for the financial year 2014-15. The audits are 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 in the system and covers all significant areas of the company's 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.

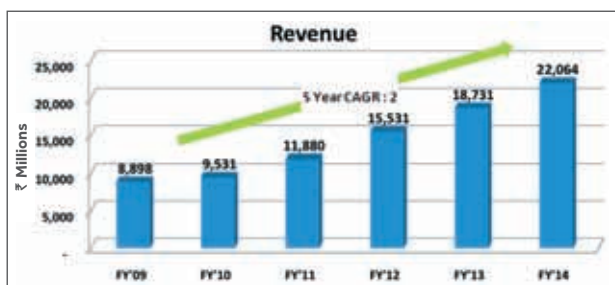
11. Shareholder Value Creation

The company has worked towards shareholder value creation over the years. This has resulted in significant growth in revenue and profit of 20% and 24% respectively over the last 5 years. Dividend payout has substantially improved over last 5 years from 8% to 25% currently. The free cash generation has also

improved significantly in view of the focus on receivables management, tax optimization and prudent capex strategy. These improvements in business performance also resulted in market capitalization increase by 90% in last year.

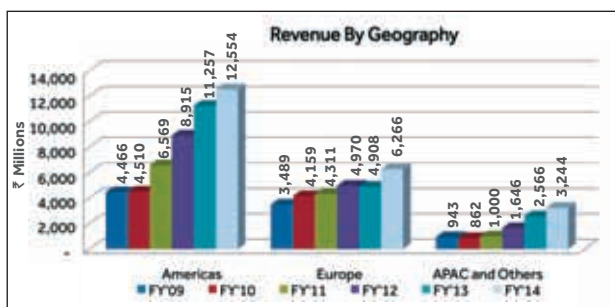
Revenue Growth

The company has sustained robust revenue growth momentum in the last 5 years with an impressive compounded annual growth rate (CAGR) of 20%. The revenue for the company has more than doubled driven by focus on a well-diversified business and geography portfolio.



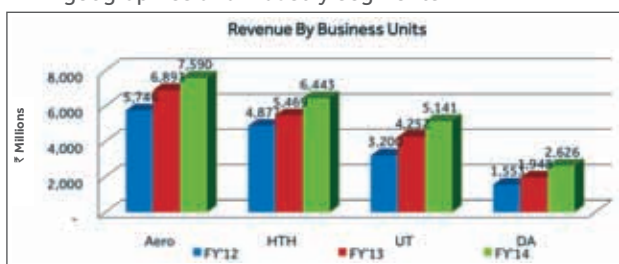
Revenue by Geography

The company has delivered robust growth across all geographies. Largest geo by revenue (Americas) and emerging markets (APAC and Others) led the overall growth for the company. APAC and others geography revenues showed a 4 fold increase in revenue with a CAGR of 28% in last 5 years. Revenues from Americas increased 3 fold and clocked a notable CAGR of 23% for the same period.



Revenue by Business Units

- The company had been operating by four different Business Units (BU) since FY'12 and each of the business unit have grown strongly across all the geographies and industry segments.

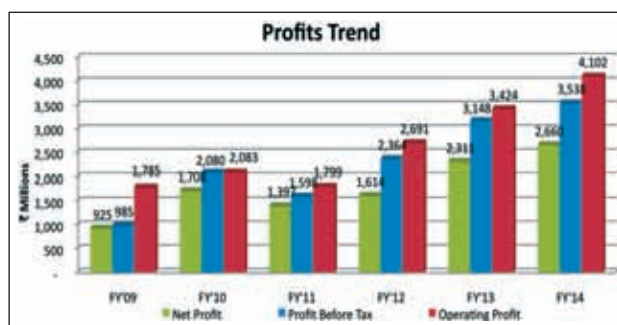


Better Client Mining

The company understands importance of getting more business from existing clients and has taken specific initiatives to improve its client mining capabilities. Revenue per client for the company is up from US\$ 0.8 Mn in FY'10 to US\$ 1.2 Mn in FY'14 and revenue from Non-Top 10 customers as % of revenue is up from 40% to 50% for the same period. Number of customers contributing more than US\$ 20mn revenues has also doubled in last 3 years from 2 in FY'12 to 4 at the end of FY'14. 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.

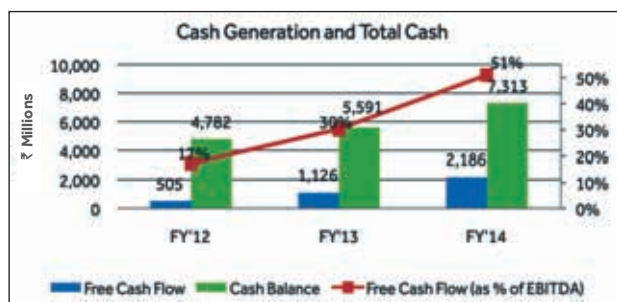
Profits Trend

The company focused on strategy of revenue growth concomitant with better profitability. The company achieved significant growth on all measures of profitability. Net Profit grew at a 5 year CAGR of 24%



Business Free Cash Flow Generation

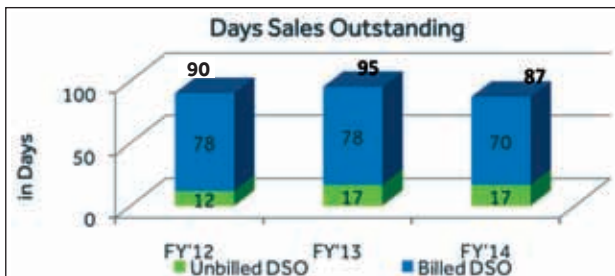
The company has achieved significant improvement in free cash flow (FCF) generation capabilities of the business in last 3 years. In FY'14, the company generated its highest ever FCF at 2,186 mn which is four fold of the FCF generated in FY'12 at 504 Mn. Company's FCF as % of operating profit tripled from 17% in FY'12 to 51% in FY'14. FCF improvement driven by company's specific focus on improving days sales outstanding, achieving lower tax rate and optimizing the capital expenditure.



* Free Cash flow Definition: PBT + Depreciation and Amortization + Changes in Working Capital - Capex

Days Sales Outstanding

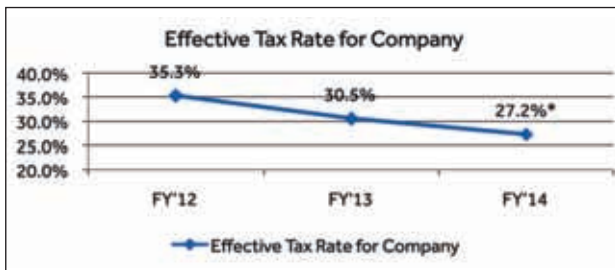
The company has delivered consistent improvement in Days Sales Outstanding (DSO) in last 3 years owing to focus on better collection cycle management. Total DSO improved by 8 days in FY'14 to reach 87 Days, which is the best DSO performance in last 12 years. The company is confident of continued improvement in DSO.



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

Tax Rate

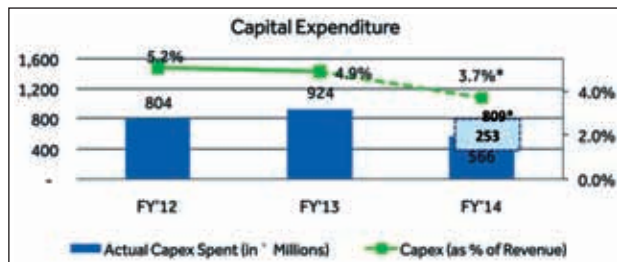
Driven by Special Economic Zone (SEZ) deployment strategy, the company has realized substantial tax reduction in last 3 years. Effective tax rate for the organization has improved by over 8% from 35.3% in FY'12 to 27.2%* in FY'14. The company has added close to ~3,500 people in SEZ in last 3 years.



* Excluding one-time impact of dividend tax credit on dividend received from overseas subsidiaries

Capex

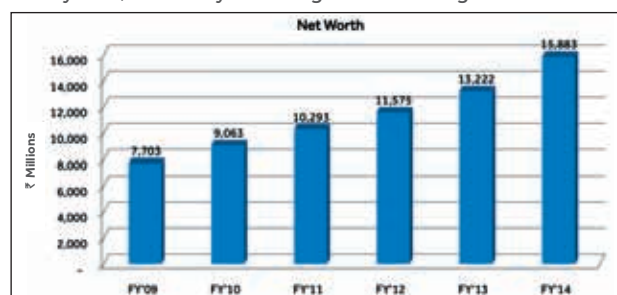
The company ended the FY'14 with capital expenditure of ₹ 556 mn, which is 2.5% of total revenue. It is the lowest ever capex spend as % of revenue which is driven by company's focus on an asset light model, implementation of lease and buyback strategy and robust internal capex control. For the first time, company started practice of leasing in FY'14 and spent ₹ 253 mn for the year, which is accounted under operating costs. Including leasing, total amount spent by company on assets is ₹ 809 Mn, which is still at an impressive 3.7% of total revenues.



* Including leasing cost of ₹ 253 Mn

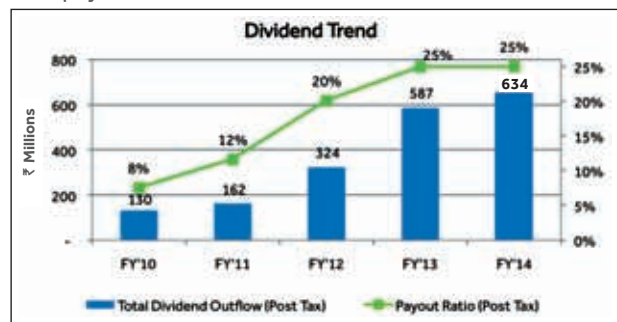
Net worth

Net worth of the company has grown by 80% in last 5 years from ₹ 9,063 Mn to ₹ 16,276 Mn. It can be attributed to the profitable growth in each of the last years, driven by both organic and inorganic initiatives.

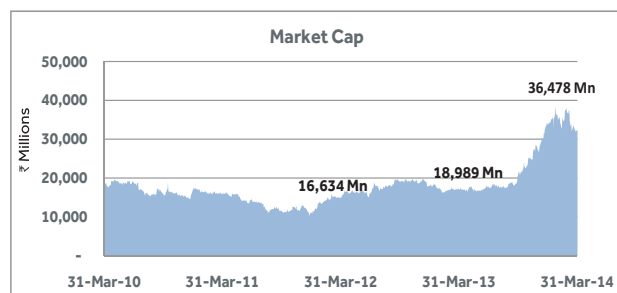


Return to investors

Dividend: Dividend payment trend for the company has improved substantially in last 5 years. There is a 3 fold increase in dividend payout ratio. Dividend payout has gone up from a low of 8% in FY'10 to 25% in recent years. The company expects the current dividend payout ratio to be maintained.



Market Capitalization: Market capitalization of the company have improved significantly and doubled in last one year.



FINANCIAL PERFORMANCE FOR THE YEAR 2013-14 (CONSOLIDATED)

The financial statements of Infotech Enterprises Limited and its subsidiaries, associate company and joint venture, are prepared in compliance with the Companies Act, 1956, and generally accepted accounting principles in India (Indian GAAP).

The discussion mentioned below relates to consolidated financial statements and the same be read together with the same. Significant accounting policies used for preparation of these financial statements are disclosed in the notes to consolidated financial statements.

A. FINANCIAL RESULTS

Particulars	March 31, 2014		March 31, 2013	
	₹ Mill	% of Revenue	₹ Mill	% of Revenue
Income from operations	22,064	100.0	18,731	100.0
Other income	169	0.8	381	2.0
Total income	22,234		19,112	
Expenses				
Employee benefits expense	13,678	62.0	11,406	60.9
Operating, administration and other expenses	4,284	19.4	3,901	20.8
Finance Costs	14	0.1	3	0.0
Depreciation	720	3.3	635	3.4
Total expenses	18,696	84.7	15,945	85.1
Profit before exceptional item and tax	3,538	16.0	3,166	16.9
Exceptional item	-	-	18	0.1
Profit after exceptional item and before tax	3,538	16.0	3,148	16.8
Tax expense	1,030	4.7	966	5.2
Profit after tax before share of profit from associate company	2,508	11.4	2,182	11.6
Share of profit from associate company	152	0.7	129	0.7
Profit for the year	2,660	12.0	2,311	12.3

REVENUE

Analysis of revenue growth

The growth in rupee terms has also been aided by favorable exchange rate. The growth in constant currency is 6.3%. The company grew across geographies and major verticals.

Growth attributable to	%
Volume growth	6.5
Price increase	(0.2)
Impact of exchange rate	11.5
Total growth	17.8

Other income

Other income for the year was at ₹ 169 million as compared to ₹ 381 million last year. The drop was mainly due to higher realized losses on forward contracts, although overall treasury income has gone up.

The movement of Rupee against major currencies was as follows :

	YE March 2014		YE March 2013	
	Closing	Average	Closing	Average
USD	60.10	60.15	54.39	54.44
EUR	82.58	80.55	69.54	70.08
GBP	99.85	95.51	82.32	86.03

Employee benefits expense

Employee benefits expense has increased by 19.9% from ₹ 11,406 million to ₹ 13,678 million, mainly due to increase in manpower, salary increases and foreign exchange impact.

Operating, administration and other expenses

	March 31, 2014		March 31, 2013	
	₹ Mill	% of Revenue	₹ Mill	% of Revenue
Rent	279	1.3	160	0.9
Travel	1,043	4.7	978	5.2
Subcontracting charges	612	2.8	732	3.9
Repairs and maintenance	564	2.6	521	2.8
Others	1,786	8.1	1,510	8.1
TOTAL	4,284	19.2	3,901	20.8

Other operating expenses have been lower at 19.2% of revenues as compared to 20.8% of revenue last year.

Finance costs

Finance costs have increased from ₹ 3 million last year to ₹ 14 million this year, mainly on account of short-term borrowings.

Depreciation

Depreciation has increased by 13% from ₹ 635 million last year to ₹ 720 million this year. This increase is attributable to additions to fixed assets during the year, mainly computers and software. Depreciation as a percentage of revenue is stable at 3.3%.

Profit before tax

The profit before tax has increased by 11.7% from ₹ 3166 million last year to ₹ 3,538 million in 2014.

Tax expense

The effective tax rate has reduced from 30.5% in 2013 to 29.1% in 2014. Excluding the impact of one-off dividend tax credit on dividend received from our overseas subsidiaries, the effective tax rate for 2014 is 27.2%. The tax reduction is mainly on account of higher deployment of manpower in SEZ facilities.

Share of profit from associate company (IASI)

Share of profit from associate company has increased from ₹ 129 million last year to ₹ 152 million in this year, on the back of higher business activity.

Profit after tax

The profit before tax has increased by 15% from ₹ 2,311 million last year to ₹ 2,660 million in 2014.

FINANCIAL POSITION AS AT MARCH 31, 2014 (CONSOLIDATED)**Share capital**

The paid-up capital has increased from ₹ 558 million as at

March 31, 2013 to ₹ 560 million as at March 31, 2014. The increase is on account of issues ASOPs to associates of the company

Reserves and Surplus

Reserves and surplus as at March 31, 2014 stood at ₹ 15,323 million as compared to ₹ 12,664 million as at March 31, 2013.

Securities premium account increased by ₹ 53 million on account of premium on issue of new shares.

An amount of ₹ 255 million was transferred to general reserve from surplus in profit and loss account during the year.

Balance in profit and loss, after appropriation of dividend, stood at ₹ 5,972 million (₹ 4,154 million as at March 31, 2013).

Foreign currency translation reserve increased from ₹ 96 million as at March 31, 2013 to ₹ 455 million as at March 31, 2014, due to movement in exchange rates of currencies in the year 2013-2014.

Short term borrowings

The short-term borrowings increased from ₹ 3 million as at March 31, 2013 to ₹ 58 million as at March 31, 2014. This relates to short-term borrowings in our subsidiary, mainly utilization of overdraft facilities, which also helps company in interest arbitrage.

Trade payables

Trade payables consist of payables towards purchase of goods and services and stood at ₹ 1,744 million as at March 31, 2014 (₹ 1,211 million as at March 31, 2013). The increase is in line with increase in business.

Short-term provisions

Short term provisions increased from ₹ 484 million as at March 31, 2013 to ₹ 625 million as at March 31, 2014, mainly due to provision for proposed dividend (including dividend tax thereon) and provision for current taxes.

Fixed assets

There has been an addition of ₹ 720 million to the gross block of fixed assets. The additions are mainly towards computer software as well as infrastructure facilities.

Non-current investments

Increase in non-current investments of ₹ 152 million is on account of share of profit from associate company for the year 2013-14.

Current investments

Current investments, comprising of investment in mutual funds, have reduced from ₹ 610 million as at March 31, 2013 to ₹ 400 million as at March 31, 2014. The said funds have been invested in bank deposits.

Cash and bank balances

The cash and bank balances have increased from ₹ 4983 million as at March 31, 2013 to ₹ 6913 million as at March 31, 2014, mainly due to investment in bank deposits.

Total cash and cash equivalents :

	(₹ Mill)	
	March 31, 2014	March 31, 2013
Cash and bank balances	6,913	4,983
Investment in Mutual funds	400	610
TOTAL	7,313	5,593

Trade receivables

The trade receivables have increased from ₹ 3944 million as at March 31, 2013 to ₹ 4,800 million as at March 31, 2014, mainly due to increase in business. However, there has been a reduction in DSO from 95 days as at March 31, 2013 to 87 days as at March 31, 2014, due to focused approach in collection of dues.

Short-term loans and advances

Short-term loans and advances have increased from ₹ 589 million as at March 31, 2013 to ₹ 786 million as at March 31, 2014, mainly due to increase in derivative assets (Refer note 26.1 of consolidated financial statements).

Other current assets

Other current assets have increased from ₹ 1,067 million as at March 31, 2013 to ₹ 1,549 million as at March 31, 2014, due to increase in unbilled revenue. The company keeps a close watch on unbilled revenue.

12. Strategy

Five focus areas for the next year are

12.1 Greater Client Focus

The major chunk of company's revenues is contributed by 15% of our clients. While Cyient continues to maintain focus on acquiring new clients, it's of paramount importance to retain and grow the business contribution from the existing clients. In this direction, Cyient has in place a structured client engagement framework, the elements of which are highlighted below:

12.1.1 Client Satisfaction Improvement and Value Creation

Client feedback is at the heart of Cyient's growth planning. Cyient has a dedicated client engagement team, which undertakes the Annual Client Satisfaction Survey (ACSAT) and drives the Client Satisfaction Improvement Program (CSIP). An independent third

party consulting organization conducts this survey, with the aim to drive objectivity and benchmarking. The ACSAT is a measure of our clients' engagement and partnership levels. The survey helps Cyient proactively assess our clients' business priorities, their expectation and their satisfaction on Cyient's delivery capabilities.

Cyient uses these inputs to deliver distinctive value for designing future facing solutions collaboratively with our clients, so that we can truly 'Design Tomorrow Together'. This also helps us realize our ambition to grow our relationships with our clients and partners by continuously adding significant value to their organizations, so that we can make an impact in their customers' day-to-day lives.

12.1.2 Key Account Planning and Development

Cyient has in place a Key Account Planning (KAP) process which aims at maximizing the revenue potential from our major clients.

The KAP process brings together the sales, delivery, strategy and the business development functions to arrive at a holistic approach for driving business growth in the identified accounts.

Cyient realizes that growth can only be achieved by making the right investments. Hence, the key accounts are encouraged to invest proactively in creating value for the clients. Key Accounts are encouraged to proactively create proof of concepts, develop prototypes, conduct fundamental research, execute joint innovation projects, etc. in line with client's business priorities. Projects that help create a Business, Technology and/or Human impact for our clients get a priority over others.

12.1.3 Sales Incentives

In line with the industry segregation of sales and with the aim to drive value creation and stronger relationships with clients, we have revised our sales incentive structure. The sales incentive structure has been created with the help from a leading consulting organization and is designed along the lines of the best in the industry. The structure incentivizes the Values FIRST traits of Fairness, Integrity, Respect, Sincerity and Transparency across the sales cycle. It rewards the sales teams not only for client acquisition but more importantly for generation of profitable revenues for Cyient.

12.2 Moving up the S3 Stack

Continuing our journey of Services in chosen industry verticals and geographies, we have put-together a new growth architecture that we fondly recognize as S3™ – Services, Systems and Solutions. This provides us

with enhanced portfolio of offerings to our customers and opportunities to serve them as full-lifecycle partners in their businesses. This also helps us to reinforce our longstanding relationships with our customer's right from cost, quality and time efficiencies and transition into their revenue, margin and business sustainability partners. S3™ thus represents the virtuous circle of growth accelerators in the form of Services, Systems & Solutions.

12.3 Operational Efficiency improvements

Even though our operating margins improved in the last financial year, sustaining them at that level needs more work. Focus and efforts would continue, in improving utilization, delivery efficiencies, sales productivity and reducing overheads while still meeting the revenue budgets. We expect the new horizontal-focused delivery organization, geography and industry based sales organization and revised sales incentives would help us in improving utilizations and productivity. In addition, we continue our investments in information technology platforms for ease of business and improving operational efficiencies.

12.4 Prudent Acquisitions

Cyient aspires to be a strategic partner to its customers in all the domains and geographies that it is present globally. Cyient is actively looking to expand market presence and value offerings to the customer by strategic partnership and prudent acquisitions.

- Acquire and expand capabilities into new domains such as medical devices, industrial automation and analytics
- Expand into adjacencies and new service portfolio to be able to offer end to end services (Conceptual design to product realization and aftermarket support)
- Strengthening capabilities and presence in high growth verticals and horizontals such as electronics and embedded systems

12.5 Heightened Associate Engagement

We will continue to enhance our Associate Engagement activities and Employee Value Proposition in line with the new brand. The three key pillars that are going to be worked upon are

Global – create a policy and process framework that is consistent across the different geographies we operate in. While the specific policies themselves will be different depending on the local ecosystems, laws and regulations, we will create a harmonized framework that makes all our associates feel as part of a global organization regardless of their base location. We will also leverage digital tools to bring our associates closer to each other and appreciate the diversity that we have in the organization.

Collaborative – A critical aspect of success in the new organization is effective collaboration across departments and across geographies. Our robust processes and tools have enabled us to achieve significant collaboration at a project level. Our aim is to improve the collaboration across different functions, industry units and geographies, especially for new ideas and best practices.

Participative – As we grow in scale, having an empowered organization where a large number of associates participate in various organizational change initiatives is essential for maintaining high-performance. We are creating platforms for enabling initiatives to be driven in a non-hierarchical fashion. This will be accompanied by appropriate changes to existing decision models and reward systems that encourage speed, ownership without diluting diligence and due process.

CAUTION STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the company's objectives, projections, outlook, expectations, estimates and others may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on, whether express or implied. Several factors could make a significant difference to the company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on, over which the company does not have any direct control.

Readers are cautioned not to place undue reliance on this forward-looking statement. The discussion and analysis should be read in conjunction with the financial statements and notes included in this section.

Auditors' Certificate regarding compliance of conditions of Corporate Governance

Annexure-F

To
The Members of
Infotech Enterprises Limited
Hyderabad

We have examined the compliance of conditions of Corporate Governance by Infotech Enterprises Limited (the "Company"), for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Ganesh Balakrishnan
Partner
(Membership No. : 201193)

Place : Secunderabad
Date : April 24, 2014

Annexure-G

CEO's Declaration

I, B.V.R. Mohan Reddy, Chairman and Managing Director do hereby declare that pursuant to the provisions of Clause 49(I) (D) (ii) of the Listing Agreement, all the members of the Board and the Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company.

Place : Hyderabad
Date : April 21, 2014

B.V.R. Mohan Reddy
Chairman and Managing Director

CEO/CFO Certification pursuant to Clause 49(V) of the Listing Agreement

Annexure-H

The Board of Directors
Infotech Enterprises Limited
Hyderabad.

April 21, 2014

Sub: **Certificate pursuant to Clause 49(V) of the Listing Agreement**

This is to certify that

- a. We have reviewed financial statements and the cash flow statement of the Company for the year 2013-14 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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
 - i. There are no significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies if any during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(B.V.R. Mohan Reddy)
Chairman & Managing Director

(Ajay Aggarwal)
Chief Financial Officer

Report on Corporate Governance

Company's Philosophy on Corporate Governance

Good 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 in this background that the company whole heartedly embraces 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.

Corporate governance is a system of structuring, operating, guiding and directing a company; corporate governance facilitates effective, entrepreneurial and prudent management that can deliver the long term success of the company. It is a continuous process by which the values, principles, management policies and procedures of the company are inculcated and manifested.

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

- 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 captured below:

<i>Sustainable development of all stakeholders</i>	Company ensures the growth of all those associated with it on a sustainable basis
<i>Effective management and distribution of wealth</i>	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
<i>Discharge of social responsibility</i>	Company takes a holistic approach to stakeholders by including the entire society and contributing to its welfare
<i>Application of best management practices</i>	Excellence in functioning permeates every level of the company
<i>Compliance of law in letter and spirit</i>	Enhancing value to all stakeholders by appropriate compliance of law and maintaining the socio-economic balance
<i>Adherence to ethical standards</i>	Ensuring fairness, integrity, respect, sincerity and transparency in all its dealings with stakeholders

Best Governance Practices

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

- Leveraging technology to increase company-shareholder interface by facilitating e-voting as part of postal ballot and at the annual general meeting
- Following secretarial standards issued by the Institute of Company Secretaries of India
- Secretarial audit by a practising company secretary
- Investor, vendor and associate satisfaction surveys conducted to elicit feedback from all stakeholders
- Policies and procedures for disclosure and dissemination of information by the company
- Publication of business responsibility report

- Internal Audit conducted by independent professionals
- All board committees headed by independent directors
- Concept of lead independent director and separate meetings of independent directors

Good governance policies

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

- Code of conduct for board of directors and senior management
- Code of business conduct for all associates
- Policy and procedures on prevention and prohibition of insider trading
- Prevention of sexual harassment policy
- Data privacy policy and
- Whistle blower policy and guidelines

Board of Directors

The board is collectively responsible for the sustainable success of the company under the leadership of the chairman. The board of directors of the company provides leadership, vision and strategic guidance, objective judgment that is independent of management and exercises control over the company, while remaining at all times accountable to the shareholders. The board has overall responsibility for ensuring transparent, ethical and responsible governance of the company.

The company is headed by an effective board which is collectively responsible for the governance and long term success of the company. The board directs the company, by

- formulating and reviewing the company's policies, strategies, major plans of action, annual budgets and business plans,
- setting performance objectives
- monitoring implementation and corporate performance
- overseeing capital expenditure, acquisitions and divestures, changes in financial control systems and
- directing compliance with applicable laws, taking into account the interests of the stakeholders.

Further, it controls the company and its management by laying down the code of conduct overseeing the process of disclosure and communications, ensuring that appropriate systems for financial control and reporting and monitoring risk are in place, evaluating the performance of management, chief executive, executive directors and providing checks and balances to reduce potential conflict between the specific interests of management and the wider interests of the company and shareholders. The board is accountable to the shareholders for creating, protecting and enhancing wealth and resources for the company, and reporting to them on the performance in a timely and transparent manner.

The board has an appropriate balance of skills, experience, independence and knowledge; it draws from industry, academia, investors and customers. It is an optimum combination of the depth of knowledge of the business of the executive directors and the breadth of experience of outside, non-executive directors who bring in an objective, broader and keener insight to the company's activities. With a view to promote gender diversity, the company has a woman director on its board since inception.

The company believes that the contribution of the board of directors is critical for ensuring appropriate directions with regard to leadership, vision, strategy, policies, monitoring, supervision and accountability to shareholders and to achieving greater levels of performance on a sustained basis as well as adherence to the best practices of corporate governance. This two dimensional role of the board is the cornerstone in evolving and sustaining a sound, efficient, vibrant and dynamic company.

Non-executive directors bring to the board's deliberations an element of independence of judgment. They have a unique importance in the setting and maintaining of the standards of corporate governance in the company.

None of the directors on the board is a member of more than 10 committees or Chairman of more than 5 committees (as specified in clause 49 of the Listing Agreement), across all companies in which he/she is a director. The necessary disclosures regarding committee positions have been made by the directors.

- a) The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships/memberships held by them in other public companies as on 31 March 2014 are given herein below:

Name of the Director	Category	Board Meetings		Last AGM attended	No. of directorships in other public companies		No. of committee positions held in other public companies	
		Held	Attended		Chairman	Director	Chairman	Member
Mr. B.V.R. Mohan Reddy DIN 00058215	Promoter, Executive	4	4	Yes	0	3	0	1
Mrs. B. Sucharitha DIN 00709959	Promoter, Executive	4	4	Yes	0	0	0	0
Mr. M.M. Murugappan DIN 00170478	Independent, Non-Executive	4	3	Yes	7	4	2	1
Mr. G.V. Prasad DIN 00057433	Independent, Non-Executive	4	3	No	0	7	1	1
Mr. K. Ramachandran DIN 00193357	Independent, Non-Executive	4	4	Yes	0	2	0	1
Mr. Alain De Taeye DIN 03015749	Independent, Non-Executive	4	2	No	0	0	0	0
Mr. Vikas Sehgal DIN 05218876	Independent, Non-Executive	4	2	No	0	0	0	0
Mr. Harsh Manglik DIN 01461387	Independent, Non-Executive	4	2	Yes	0	0	0	0
Mr. Shankar Narayanan DIN 00219212	Non-Independent, Non-Executive	4	3	No	0	0	0	0
Mr. Abhay Havaladar* DIN 00118280	Non-Independent, Non-Executive	2	1	No		- NA -		
Mr. Allan Brockett* DIN 03173936	Non-Independent, Non-Executive	2	0	No		- NA -		
Mr. Thomas Prete@ DIN 06634086	Non-Independent, Non-Executive	2	0	No	0	0	0	0
Mr. Jayant Sabnis# DIN 06719021	Non-Independent, Non-Executive	2	1	NA	0	0	0	0

* Ceased to be director w.e.f. 18 July 2013.

@ Appointed as director w.e.f. 18 July 2013.

Appointed as alternate to Mr. Thomas Prete w.e.f. 21 October 2013.

The directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship/Membership of committees include only Audit and Shareholders/Investors Grievance Committees.

The company does not have any 'material non-listed subsidiary company' as defined under Clause 49 of the Listing Agreement.

b) Meetings held during the financial year 2013-14:

Quarter	No. of Meetings	Dates on which held
April '13 to June '13	1	April 25, 2013
July '13 to September '13	1	July 18, 2013
October '13 to December '13	1	October 17, 2013
January '14 to March '14	1	January 16, 2014

Board Effectiveness

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

- provides direction for management;
- lays down strategy and vision;
- demonstrates ethical leadership, displaying - and promoting throughout the company - behaviour consistent with the culture and values it has defined for the company;
- creates a performance culture that drives value creation without exposing the company to excessive risk of value destruction;
- makes well informed and high quality decisions based on a clear line of sight into the business;
- creates the right framework for helping directors meet their statutory duties under the relevant statutory and regulatory regimes;
- is accountable, particularly to those that provide the company's capital; and
- thinks carefully about its governance arrangements and embraces evaluation of their effectiveness.

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

Term of Board membership

As per the provisions of the Companies Act, 1956/Companies Act, 2013 (Act) one third of the board members retire every year. The executive directors are appointed by the shareholders for a period of five years at a time, but, they are eligible for re-appointment in accordance with the provisions of the Act. The board on the recommendations of the nominations committee considers the appointment/re-appointment of executive and non-executive directors. Independent directors are appointed for a term of up to 5 years. As per company policy, the retirement age for directors is 70 years.

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.

An important aspect of board effectiveness is the appropriate attention to development and training of non-executive directors on the lines of management development and training. The company sees director induction as a first step of the board's continuing improvement. It is the company's firm belief that investment in board development strengthens the board as well as the individual directors. Directors are regularly updated on changes in policies and programmes, laws and the general business environment.

Evaluation of non-executive board members

A formal evaluation of the board and of the individual directors, on an annual basis, is a potentially effective way to respond to the demand for greater board accountability and effectiveness. Feedback about the performance of individual board members helps them enhance their skills as directors and motivates them to be better board members. For the company, evaluations

provide an ongoing means for directors to assess their performance. In addition to greater board accountability, evaluation of board members helps in:

- More effective board operations
- Better team dynamics and communication
- Greater clarity with regard to member roles and responsibilities and
- Improved Chairman – Managing Director – board relations

By focusing on the board as team and on its overall performance, the company ensures that communication and overall level of participation also improves. In this background, the board undertakes a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors. While this was done on a voluntary basis until now, it will be streamlined under the Companies Act, 2013.

Board membership criteria

The nominations committee works with the board to determine the appropriate characteristics, skills and experience required for the board as a whole and for each individual member. Eminent people having an independent standing in their respective fields and who can effectively contribute to the company's business and policy decisions are considered by the committee. Board members are expected to possess expertise and leadership skills required to manage and guide a high growth. The number of directorships and memberships in various committees of other companies by such persons is also considered.

Board accountability

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

Board processes, procedures and practices

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

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

Annual Calendar

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

Board Charter

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

Meeting location

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

Frequency of meetings

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

Board agenda

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

Briefing papers

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

Decision making process

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

Directors' participation

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

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

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

Board Minutes

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

E-Initiatives

The company leverages technology and synergizes it with the green initiatives to the optimum. Notices of the meetings, circulation of non-price sensitive agenda, circular resolutions, draft minutes and other board/committee related correspondence are transacted in the electronic mode.

Availability of information to the board

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

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

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the board.
5. Minutes of the meetings of the subsidiary companies.
6. General notices of interest received from directors.

7. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary, if any.
8. Show cause, demand, prosecution notices and penalty notices which are materially important.
9. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
10. Any material default in financial obligations to and by the company, or substantial non-payment for services sold by the company.
11. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
12. Details of any joint venture or collaboration agreement.
13. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
14. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc., if any.
15. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
16. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
17. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer.
18. Legal compliance reports and details of payment of statutory dues.

Whistle blower policy

The company has formulated a Whistle Blower Policy with a view to provide a mechanism for associates to approach the Ombudsperson/Chairman of the Audit Committee of the Company to, inter alia, report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or policy. Further, the policy provides necessary safeguards for protection of associates from reprisals or victimization, for whistle blowing in good faith. Ombudspersons have been nominated for the various geographies and the board oversees the implementation of the same.

Action Taken Report

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

Secretarial Standards

The Institute of Company Secretaries of India (ICSI) has issued secretarial standards on various important facets of corporate functioning and management. Although these standards are recommendatory in nature, as a measure of good governance, the company has voluntarily adopted and complies with the ICSI secretarial standards on meetings of board of directors, general meetings, dividend, registers and returns, minutes, transmission of shares, passing of resolutions by circulation, affixing of common seal and board's report.

Meetings of Independent Directors

As a good governance practice, the company facilitates/enables the conduct of separate meetings of the independent directors to update them on all business related issues and new initiatives. These meetings afford an opportunity to the independent directors for exchanging valuable views on the issues to be raised at the board meetings.

Mr. M.M. Murugappan is designated the lead independent director and he chairs meetings of the independent directors.

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

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

Role of company secretary in overall governance process

The company secretary plays a key role in ensuring that the board processes and procedures are both followed and regularly reviewed. He ensures that the relevant information, details and documents are made available to the directors and senior management personnel for effective decision making at the meetings and thereafter. He is primarily responsible to ensure compliance with applicable laws and statutory requirements; he is the interface between the management and regulatory authorities. All the directors of the company have access to the services of the company secretary. The company secretary also acts as secretary to all the committees.

Remuneration Policy of Directors

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

The non-executive directors (NEDs) are eligible for commission not exceeding an aggregate of 1% of the net profits of the company for all such directors and not exceeding ₹ 900,000 per person, per annum, as per the resolution passed by the shareholders of the company through postal ballot on October 12, 2009. The commission is paid on the basis of their attendance and contribution at the Board. The board approves the commission paid to directors individually. A proposal to revise the amount of commission to ₹ 12,00,000 per NED has been put up to the shareholders for their approval at the ensuing annual general meeting.

The company pays sitting fees of ₹ 10,000 per meeting to the NEDs for attending the meetings of the Board and other committees. The company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Chairman & Managing Director as approved by the shareholders of the company. The company pays remuneration by way of salary, perquisites and allowances to the Whole Time Director as approved by the shareholders of the company.

Details of remuneration to the Executive Directors:

(Amount ₹)

Name of the Director	Salary	Commission	Sitting Fee	PF	Superannuation	Total
Mr. B.V.R. Mohan Reddy	3,000,000	49,858,261	Nil	360,000	450,000	53,668,261
Mrs. B. Sucharitha	1,800,000	Nil	Nil	216,000	270,000	2,286,000

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 managing director and whole time director.

Details of remuneration to the Non-Executive Directors:

(Amount ₹)

Name of the Director	Salary	Commission	Sitting Fee	PF	Superannuation	Total
Mr. M.M. Murugappan	Nil	900,000	70,000	Nil	Nil	970,000
Mr. G.V. Prasad	Nil	900,000	30,000	Nil	Nil	930,000
Mr. K. Ramachandran	Nil	900,000	80,000	Nil	Nil	980,000
Mr. Alain De Taeye	Nil	0*	20,000	Nil	Nil	20,000
Mr. Allan Brockett	Nil	0*	0*	Nil	Nil	0
Mr. AbhayHavaladar	Nil	0*	10,000	Nil	Nil	10,000
Mr. Vikas Sehgal	Nil	900,000	20,000	Nil	Nil	920,000
Mr. Harsh Manglik	Nil	900,000	40,000	Nil	Nil	940,000
Mr. Shankar Narayanan	Nil	0*	0*	Nil	Nil	0

*not claimed the amount.

Shareholding of the Directors in the Company as on 31 March 2014

Mr. B.V.R. Mohan Reddy, Chairman and Managing Director, holds 145,97,366 equity shares and Mrs. B. Sucharitha, Whole Time Director, holds 65,41,200 equity shares in the Company. Except Mr. M.M. Murugappan holds 30,000 equity shares in the company pursuant to exercise of stock options, no other non-executive director holds any shares, convertible instruments or stock options in the company as on 31 March 2014. These options have been issued and are subject to the terms and conditions of the ASOP Scheme of the company.

Board committees

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

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

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

During the year 2013-14, the company had, *inter alia*, the following board committees:

- Audit & Governance Committee
- Remuneration Committee
- Nominations Committee
- Shareholder Grievances Committee
- Strategy Committee
- Corporate Social Responsibility Committee

Audit & Governance Committee:

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

The committee has been constituted in accordance with and derives the terms of reference from the provisions of section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the stock exchanges. The audit and governance committee charter includes discussion and review/overview of:

- Internal audit reports
- Scope of audit
- Internal control systems
- Financial statements
- Matters pertaining to the financial management

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

The composition and details of the meetings of the Audit Committee are as follows:

Name of the Member	Position	Meetings held during the year	Meetings attended
Mr. M.M. Murugappan	Chairman	4	4
Mr. K. Ramachandran	Member	4	4
Mr. Harsh Manglik	Member	4	2

The company secretary acts as secretary of the committee.

The Chairman of the Audit & Governance Committee was present at the 22nd Annual General Meeting (AGM).

Representatives of the statutory and internal auditors attended the meetings of the audit committee. The chief financial officer is present at the meetings of the committee.

Remuneration Committee:

The remuneration/compensation committee has been constituted to establish overall compensation philosophy, evaluate senior management performance, recommend compensation for the executive directors, consider industry benchmarks, establish and administer performance goals, recommend remuneration to senior level executives, institute and administer stock option plans and make recommendations for non-executive director remuneration.

The composition of the Remuneration Committee is as follows:

Name of the Member	Position
Mr. M.M. Murugappan	Chairman
Mr. K. Ramachandran	Member
Mr. Alain De Taeye	Member

All the members of this committee are independent directors.

During the year the committee has passed five resolutions by circulation. President - Global HR & Corporate Affairs is a permanent invitee to all the meetings of the committee.

Nominations Committee:

The nominations committee provides guidance to the board for appointment of directors. Taking into account the board requirements, the committee reviews potential directors' expertise, leadership skills, attributes, conflicts of interest, personal and professional backgrounds, inter organizational relationships, time commitment and then makes its recommendations to the board. The responsibilities of the nominations committee include:

- Assessment of the necessary and desirable competencies of board members
- Recommendations for the appointment and removal of directors
- Review of board succession plans
- Evaluation of the board's performance

The committee works in tandem with the board to plan for an appropriate succession of the leadership within the board and the company. The composition of this committee is the same as the remuneration committee.

Criteria for selection and appointment of independent directors:

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

Shareholder Grievances Committee:

Shareholders are the ultimate owners of the company and the board is accountable to them. The shareholders grievance committee has been constituted to handle investor correspondence/grievances. The primary function of the committee is to assist the board in handling shareholders' grievances and their immediate redressal. As per its charter, derived from clause 49 (G) (iii) of the listing agreement, this committee is formed to specifically look into the redressal of shareholder and investor complaints such as transfer of shares, issue of duplicate share certificates, non-receipt of balance sheet and non-receipt of declared dividend. The committee also oversees the work of the R&T agents.

The composition of this Committee is as follows:

Name of the Member	Position
Mr. G.V. Prasad	Chairman
Mr. B.V.R. Mohan Reddy	Member
Mrs. B. Sucharitha	Member

The Chairman of this Committee is an Independent Director.

During the year, the committee met once.

Mr. Sudheendhra Putty is the designated compliance officer under clause 49 of the listing agreement. Mr. N. Ravi Kumar is the compliance officer in respect of other matters.

No. of Shareholders Complaints/requests received during the year 2013-14

During the year 2013-14, a total of 86 complaints/requests were received from the shareholders and all were disposed of during the year. Their break up is as follows:

Sl.No.	Nature of Complaint/Request	Received	Disposed
1	Change /Correction of Address	05	05
2	Non Receipt of Dividend Warrants	30	30
3	Request for ECS Facility	06	06
4	Change /Correction of Bank Mandate	05	05
5	Non Receipt of Annual Reports	11	11
6	Non Receipt of Securities	07	07
7	Others	22	22
TOTAL		86	86

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

Corporate Social Responsibility (CSR) Committee:

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

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified by law
- recommend the amount of expenditure to be incurred on the activities specified and
- monitor the Corporate Social Responsibility Policy of the company from time to time.

The composition of the committee is as follows:

Name of the Member	Position
Mr. K. Ramachandran	Chairman
Mr. B.V.R. Mohan Reddy	Member
Mrs. B. Sucharitha	Member

During the year, the committee met once to adopt and approve the CSR policy in accordance with the provisions of the Companies Act, 2013.

Strategy Committee:

A strategy committee of the board has been created to review and advise on the organization strategy. The objectives of the committee, *inter alia*, include:

Strategy & Planning

- Review and provide inputs and guidance for the organization strategy
- Review and provide inputs and guidance for industry and geography-level strategies
- Monitor key success parameters to assess effectiveness of strategy execution
- Conduct quarterly reviews of strategy/plan achievements and gaps, provide feedback and guidance
- Provide inputs around external factors (macroeconomic environment, geo-political developments, etc.) that could impact strategy, help to reassess planning and execution in this context

Business Performance

- Review company's customer and competitor analyses, recommend management direction and performance expectations in this landscape
- Periodically review profitability and growth by service lines, customers and geographies and management analysis of over/under performance

Inorganic Growth Strategy

- Review and provide feedback on management's articulation of strategic inorganic needs, including make versus buy decisions
- Review company's acquisition targets against strategic needs; provide feedback and guidance around business and financial evaluation; advise on business cases developed by Management for board approval
- Review major strategic investment proposals developed to support company's entry into new service areas, new industry verticals and new geographic markets and support feedback/recommendations to the board
- Evaluate any divestiture recommendations

All the members of the committee are independent directors. The committee met once during the year and deliberated upon the UT strategy, specifically M&A plans to expand capabilities in UT and got approved. Timelines for other vertical strategies were also shared with the committee. The strategy to move up the value chain using product realization as the anchor was also deliberated on.

General Meetings

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

Annual General Meeting	Venue	Time, Day & Date
22 nd AGM	L&D Centre (company's Campus), Plot No. 2, IT Park, Nanakramguda, Manikonda, Hyderabad - 500 032	2:30 p.m. on Thursday, July 18, 2013
21 st AGM	Bhaskara Auditorium, BM Birla Museum, Adarsh Nagar, Hyderabad - 500 063	2:30 p.m. on Thursday, July 18, 2012
20 th AGM	-do-	2:30 p.m. on Wednesday, July 20, 2011

There were no special resolutions passed at the above 3 annual general meetings.

For the second year in succession, the company is offering an option to its shareholders to participate in a non-mandatory voting process through internet. This is an additional facility provided to the shareholders to vote on the AGM resolutions in the electronic mode. This will also enable a greater number of shareholders to participate in the general meeting process. Details of the same are published elsewhere in the annual report.

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

Special Resolutions passed through postal ballot during the year 2013-14:

1. During the year, approval of the members was obtained through postal ballot for the amendment of the Main Objects Clause by inserting new Clause 4 & 5 in Clause III A (Main Objects Clause) of the Memorandum of Association of the Company. A summary of the postal ballot results is as follows:

Particulars	Object clause 4	Object clause 5
Number of valid postal ballot forms/e-votes received	142	142
Number of votes in favour of the Resolution	2,73,35,770	2,73,35,770
Number of votes against the Resolution	275	275
Number of invalid/neutral postal ballot forms received	3	3

2. As on 31 March 2014, company has issued notice of a special resolution to be passed through postal ballot for the change of name of the company from Infotech Enterprises Limited to Cyient Limited. The last date to receive the postal ballot forms is 28 April 2014 and the results would be declared by 30 April 2014.

E-Voting: In pursuance of Clause 35B of the Listing Agreement, the company conducted the above postal ballot by offering e-voting facility as an alternative to its shareholders, to enable them to cast their vote electronically instead of casting vote through physical postal ballot. This was facilitated through CDSL and by accessing the website: www.evotingindia.com.

Mr. S. Chidambaram, Company Secretary in Practice was appointed as scrutineer for both the postal ballot.

Procedure for postal ballot:

Company will conduct the postal ballot, where required, in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder.

Investor Relations

The company recognizes the investor community as a key stakeholder of the business, and aims to build its investor relations on pillars of trust and transparency. To ensure, informed decisions by investors, the company provides comprehensive information in the form of annual reports, quarterly earnings reports, investor releases and investor presentations. Additionally regular conference calls, management interviews, face to face investor meetings and annual general meetings ensure a direct interaction with the management team.

The company has been taking continuous initiatives to meet investor expectations, and has rolled out several initiatives in pursuit of an effective two way communication channel with investors. These initiatives include "Investor Satisfaction Survey", "Annual Investors' Day", focus on investor return metrics, improved disclosures, and increased frequency of management interactions with investors.

Investor Satisfaction Survey

In the company's continued quest to improve investor satisfaction, it launched a new initiative to formally measure Investor Satisfaction (ISAT) via a yearly survey. The company partnered with an independent research firm, for carrying out this survey. The insights based on investors feedback were presented to the management and the board. Based on the ISAT survey, company wishes to align itself better with investor expectations so that it can deliver greater and positive value to its investors in the coming years.

Scores

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

Handbook

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

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

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

Disclosures

- a) The Chairman & Managing Director and Chief Financial Officer have given a Certificate to the Board as contemplated in Clause 49 of the Listing Agreement. This is published elsewhere in annual report.
- b) There are no materially significant related party transactions, *i.e.*, transactions material in nature, with the promoters, the Directors or the management, their subsidiaries or relatives, that may have a potential conflict

with the interest of the company at large except those that are disclosed under the notes to accounts (Note No.32 of consolidated financial statements) and which the management feels are in the normal course of the company's business.

- c) There were no pecuniary transactions with any of the Non-Executive Directors, except payment of sitting fee and commission.
- d) A compliance report of all applicable laws and regulations duly signed by the Chairman & Managing Director, Chief Financial Officer and the Company Secretary is placed at periodic intervals for review by the Board. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

The Board considers materially important show cause/demand notices received from statutory authorities and the steps/action taken by the company in this regard. A status report of material legal cases and disputed liabilities pending before the various courts/judicial forums is also put up to the board on a quarterly basis.

- e) The board of directors has laid-down a 'Code of Conduct' (Code) for all the board members and senior management personnel of the company and this Code is posted on the website of the Company. Annual declaration is obtained from every associate covered by the Code. The declaration of the Chairman & Managing Director, as required under Clause 49 of the Listing Agreement, is published elsewhere in the Annual Report.
- f) The board regularly discusses the significant business risks identified by the management and the mitigation process being taken up. A detailed note on the risk identification and mitigation is included in the Risk Management Report and Management Discussion and Analysis annexed to the Directors' Report.
- g) No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.
- h) Mrs. B. Sucharitha is the spouse of Mr. B.V.R. Mohan Reddy. Mr. Krishna Bodanapu is their son.

Means of Communication

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

Management Discussion and Analysis Report

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

Compliance of Insider Trading Norms

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

General Shareholder Information

- a) AGM - Date, Time and Venue : Thursday, July 17, 2014 at 2.30 p.m.
L & D. Centre, Plot No.2, IT Park,
Manikonda, Hyderabad 500032
- b) Financial Year : 1 April 2013 to 31 March 2014
- c) Date of Book Closure : July 14 to July 17, 2014 (both days inclusive)
- d) Dividend Payment Date : August 1, 2014
- e) Listing on Stock Exchanges : BSE Ltd.
National Stock Exchange of India Ltd.
- f) Stock Code BSE : 532175
NSE : CYIENT/EQ
CIN : L72200AP1991PLC013134
ISIN : INE136B01020
- g) Market price data: High/Low during each month in the financial year 2013-14 and performance in comparison to broad based indices such as BSE Sensex and Nifty is as follows:

Month & Year	BSE (₹)		SENSEX		NSE (₹)		NIFTY	
	High	Low	High	Low	High	Low	High	Low
Apr 13	179.00	160.00	19,622.68	18,144.22	178.90	158.00	5,962.30	5,477.20
May 13	180.00	157.00	20,443.62	19,451.26	179.00	161.00	6,229.45	5,910.95
Jun 13	184.00	161.50	19,860.19	18,467.16	181.65	164.10	6,011.00	5,566.25
Jul 13	186.00	171.80	20,351.06	19,126.82	186.00	163.40	6,093.35	5,675.75
Aug 13	186.00	165.15	19,569.20	17,448.71	186.00	166.50	5,808.50	5,118.85
Sep 13	220.50	176.05	20,739.69	18,166.17	220.00	178.00	6,142.50	5,318.90
Oct 13	255.25	204.50	21,205.44	19,264.72	255.40	202.35	6,309.05	5,700.95
Nov 13	290.35	243.00	21,321.53	20,137.67	289.95	243.10	6,342.95	5,972.45
Dec 13	349.50	261.00	21,483.74	20,568.70	350.50	263.40	6,415.25	6,129.95
Jan 14	387.00	328.00	21,409.66	20,343.78	387.00	326.10	6,358.30	6,027.25
Feb 14	388.95	314.40	21,140.51	19,963.12	389.40	312.00	6,282.70	5,933.30
Mar 14	379.00	313.10	22,467.21	20,920.98	380.00	314.00	6,730.05	6,212.25

- h) Registrar and Transfer Agents : Karvy Computershare Private Limited
Unit: Cyient Limited
Plot No. 17 to 24, Vithalrao Nagar,
Madhapur, Hyderabad - 500 081.
Tel : +91-40-44655000/44655152
Fax : +91-40-44655024/23420814
Email : mohsin.mohd@karvy.com; einward.ris@karvy.com
Website : www.karvycomputershare.com

i) Share Transfer System

Shares lodged for physical transfer are registered within a period of 8 days as against service standard of 15 days, if the documents are clear and complete in all respects. The shares duly transferred are dispatched to the shareholders concerned within a week from the date of approval of transfers by the Share Transfer Committee. For this purpose, the Share Transfer Committee meets as often as required. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. As the Company's shares are currently traded in dematerialized form, the transfers are processed and approved in the electronic form by NSDL / CDSL through their depository participants. Karvy Computershare Private Limited is the Common R&T Agent for both physical and dematerialised mode.

j) Distribution of Shareholding

The Distribution of shareholding of the Company as on March 31, 2014 is as follows:

Sl. No	Category			Cases	% of Cases	Amount	% Amount
1	upto		5000	8,135	85.45	1,374,231	1.23
2	5001	-	10000	642	6.74	881,322	0.79
3	10001	-	20000	380	3.99	1,094,354	0.98
4	20001	-	30000	94	0.99	479,741	0.43
5	30001	-	40000	53	0.56	379,356	0.34
6	40001	-	50000	44	0.46	407,221	0.36
7	50001	-	100000	58	0.61	874,248	0.78
8	100001	&	ABOVE	114	1.20	106,474,140	95.10
TOTAL				9,520	100.00	111,964,613	100.00

Shareholding pattern:

Category	No. of shareholders	No. of equity shares	% of shareholding
Promoters:			
Individual	9	24,972,026	22.30
Non-promoter:			
Mutual Funds	25	9,524,144	8.51
Financial Institutions/Bank	2	3,270	0.00
Foreign Institutional Investors	51	42,569,785	38.02
Bodies Corporate	294	6,101,957	5.45
Individuals	8,832	6,417,178	5.73
Non Resident Indians	210	3,179,899	2.84
Trusts	4	162,120	0.14
Foreign Nationals	25	411,554	0.37
Foreign Collaborators	2	16,792,960	15.00
Foreign Bodies	1	1,812,223	1.62
Clearing Members	65	17,497	0.02
TOTAL	9,520	111,964,613	100.00

Shareholders holding more than 1% of shares:

Name of the Shareholder	No. of equity shares	% of shareholding
Carrier International Mauritius Ltd	15,292,960	13.66
B.V.R. Mohan Reddy	14,597,366	13.04
First Carlyle Ventures Mauritius	11,099,416	9.91
B Sucharitha	6,541,200	5.84
Lavender Investments Limited	6,350,000	5.67
ICICI Prudential life Insurance Company Ltd	5,595,509	5.00
Deutsche Securities Mauritius Limited	5,456,424	4.87
Amansa Capital Pte Limited	5,185,573	4.63
Oppenheimer International Small Company Fund	4,201,433	3.75
T. Rowe price International Discovery Fund	2,756,655	2.46
Reliance Capital Trustee Co. Ltd A/c	2,635,427	2.35
ICICI Prudential Dynamic Plan	2,229,445	1.99
BGV Krishna	1,850,760	1.65
GAGIL FDI Limited	1,812,223	1.62
Bodanapu Sri Vaishnavi	1,790,400	1.60
Morgan Stanley Mauritius Company Ltd	1,506,571	1.35
Tele Atlas Data 's hertogenbosch BV	1,500,000	1.34
SBI Magnum tax gain scheme	1,200,000	1.07

Reconciliation of Share Capital

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

k) Dematerialization of shares and liquidity

As per SEBI guidelines on investor protection, the Company's shares are to be traded only in dematerialized mode. Accordingly, the company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity for scripless trading. As at the end of March 31, 2014, 99.02% of the outstanding equity shares of the company are in electronic form.

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

The Company has not issued any GDRs/ADRs/Warrants/convertible debentures during the year 2013-14 and there are no outstanding convertible instruments which will impact the equity.

m) Development Facilities

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

Development Facilities	Location
Hyderabad	<ol style="list-style-type: none"> Plot No.8, 9, 10 & 11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081 Plot No.2, IT Park, Nanakramguda, Manikonda, Hyderabad-500 032. Plot No. 6, Survey No. 1, IDA Uppal, Hyderabad - 500 039
Bangalore	Plot No.110 A & 110B, Phase - I, Electronics City, Adjacent to E.City, Fire Station, Hosur Main Road, Bangalore-560 100
Visakhapatnam	Survey No. 410, Plot No. 14, SEZ Units, Hill No. 3, Rushikonda, Madhuravada (V), Visakhapatnam-530 007
Kakinada	<ol style="list-style-type: none"> D. No. 13-1-61/64, 4th 5th & 6th Floors, Katyayani Hi-tech Complex, Main Road, Opp.: Apollo Hospitals, Kakinada - 533 001; Plot Nos. 1,2,3,4 & 5A, APIIC SEZ, Sarpavaram, Kakinada - 533 001
Noida	Plot No. 11, Block "B", Sector 63, NOIDA - 201 301 Plot No. 7, NSEZ, Phase II, NOIDA - 201 305

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

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

Investors' correspondence may be addressed to Mr. Sudheendhra Putty, company secretary and any queries relating to the financial statements of the Company may be addressed to Mr. Ajay Aggarwal, chief financial officer at the Registered Office of the Company at 4th Floor, 'A' Wing, Plot No.11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081 Tel:+91-40-2312-4004/2312-4006 Fax: +91-40-6662-4368, E-mail : Company.Secretary@cyient.com / Ajay.Aggarwal@cyient.com.

o) Equity shares in the suspense account:

In accordance with the requirement of Clause 5A(I) of the Listing Agreements entered into with the Stock Exchanges, the Company reports the following details in respect of equity shares lying in the suspense account:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account as on 1 April 2013	129	1,10,814
Shareholders who approached the Company for transfer of shares from suspense account during the year	8	11,075
Shareholders to whom shares were transferred from the suspense account during the year	8	11,075
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March 2014	121	99,739

The voting rights on the shares outstanding in the suspense account as on March 31, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

Details of dividend declaration dates and due dates of transfer to IEPF

Financial Year	Rate of Dividend	Date of Declaration of Dividend (Date of AGM)	Due date to claim the dividend
2006-2007	22.5%	July 18, 2007	August 24, 2014
2007-2008	24%	July 23, 2008	August 29, 2015
2008-2009	30%	July 01, 2009	August 07, 2016
2009-2010	40%	July 14, 2010	August 20, 2017
2010-2011	25%	July 20, 2011	August 26, 2018
2011-2012 (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

For the financial year 2005-06, company has transferred the unclaimed dividend to the IEPF and filed the relevant forms with the Registrar of Companies, Andhra Pradesh.

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

Compliance of Non-mandatory requirements of Clause 49 of listing agreement

Status of implementation of non-mandatory requirements of Clause 49 of listing agreement is as follows:

Sl.No.	Requirement	Status of implementation
1.	A non-executive chairman may be entitled to maintain a chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.	Not applicable as the company has an executive chairman
2.	Independent directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the board of a company.	The company will comply with the provisions of the Companies Act, 2013 and clause 49 of the listing agreement. The company has a policy on the retirement age of directors.
3.	Remuneration committee and related matters	The board has set up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment. The committee is headed by an independent director and he was present at the last AGM
4.	A half-yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of shareholders.	The company sends a quarterly investor update to the shareholders comprising key financial, business and operational updates.
5.	Company may move towards a regime of unqualified financial statements.	The company has constantly endeavoured towards this and until now the company's audit reports are all 'clean reports.'
6.	Training of Board Members	Compliance with these requirements has been elaborated elsewhere in this report.
7.	Mechanism for evaluating non-executive Board Members	
8.	Whistle Blower Policy	

INDEPENDENT AUDITORS' REPORT ON ABRIDGED FINANCIAL STATEMENTS

TO THE MEMBERS OF INFOTECH ENTERPRISES LIMITED

- (i) We have examined the abridged Balance Sheet of **Infotech Enterprises Limited** ('the Company') as at March 31, 2014, the abridged Statement of Profit and Loss and the abridged Cash Flow Statement for the year then ended, together with the notes thereon. These financial statements are the responsibility of the Company's Management.
- (ii) These abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the audited financial

statements of the Company for the year ended March 31, 2014 prepared in accordance with the provisions of sub-section 3(C) of Section 212 of the Companies Act, 1956 and covered by our report dated April 24, 2014 to the members of the Company, which report is attached hereto.

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

(GANESH BALAKRISHNAN)
(Partner)
(Membership No.201193)

SECUNDERABAD, April 24, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INFOTECH ENTERPRISES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **INFOTECH ENTERPRISES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) 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.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

(GANESH BALAKRISHNAN)
(Partner)
(Membership No. 201193)

SECUNDERABAD, April 24, 2014

Annexure to the Independent Auditors' Report

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

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Annual Report

- (i) Having regard to the nature of the Company's business during the year, clauses (ii), (vi), (viii), (xii), (xiii) (xiv), (xvi), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of the fixed assets.
 - b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of unsecured loans granted by the Company to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - a) The Company has not granted any loan during the year. At the year-end, the outstanding balance of loan amounted to ₹ 547,869 (number of parties - one) and the maximum amount involved during the year was ₹ 641,829 (number of parties - one).
 - b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - c) The receipts of principal amounts and interest have been as per stipulations.
 - d) There are no overdue amounts and hence the provisions of sub-clause (d) of clause 4(iii) of the order are not applicable to the Company.
 - e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e), (f) and (g) of clause 4(iii) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - b) There are no transactions made in pursuance of contracts or arrangements exceeding the value of ₹ 5 lakhs in respect of any party during the year.
- (vi) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - a) Whilst the Company has generally been regular in depositing undisputed statutory dues, including Investor Education and Protection Fund, Employees' State Insurance, Sales Tax/ VAT, Wealth Tax, Service Tax, Customs duty, Cess and other material statutory dues applicable to it with the appropriate authorities, there were some delays in depositing undisputed dues in respect of Provident Fund, Professional Tax, Income-tax and Works Contract Tax. Excise Duty is not applicable to the Company.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax/ VAT, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues in arrears as at March 31, 2014 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 Income-tax, Sales Tax/ VAT, Service Tax and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Statute	Nature of Dues (See Note below)	Forum where Dispute is pending	Period to which the amount relates	Amount involved (in Rupees) (See Note below)
CST Act, 1956	Sales Tax (including penalty)	Sales Tax Appellate Tribunal	2004-05 to 2010-11	7,656,660
Andhra Pradesh VAT Act, 2005	Sales Tax (including penalty)	Sales Tax Appellate Tribunal	2005-06 to 2009-10	1,964,650
Finance Act, 1994	Service Tax (including penalty)	Central Excise and Service Tax Appellate Tribunal	2006-07 to 2012-13	127,221,068
Income Tax Act, 1961	Income tax	Additional Commissioner of Income tax	2004-05	7,649,526

Note : The above excludes the Income Tax Draft Notice of Demand amounting to ₹ 339,205,482 for financial year 2009-10, issued by the Additional Commissioner of Income-tax under section 143(3) read with section 144C(1) of the Income-tax Act, 1961.

There are no disputed dues of Wealth Tax and Customs Duty which have not been deposited as on March 31, 2014. Excise Duty is not applicable to the Company.

- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company does not have any dues to financial institutions and has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by its subsidiaries from banks are not *prima facie* prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

(GANESH BALAKRISHNAN)
(Partner)
(Membership No. 201193)

SECUNDERABAD, April 24, 2014

Abridged Balance Sheet as at March 31, 2014

(Amount in ₹)

	As at March 31, 2014		As at March 31, 2013	
(A) EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital				
Equity	559,823,065		558,014,835	
Reserves and surplus				
Revenue reserves	9,027,365,372		8,545,168,257	
Surplus	4,270,896,936	13,858,085,373	2,563,100,253	11,666,283,345
Share application money pending allotment		1,428,050		3,920,750
Non-current liabilities				
Long-term provisions		346,577,249		334,940,729
Current liabilities				
Trade payables	1,003,539,286		824,813,798	
Other current liabilities	488,546,565		613,725,754	
Short-term provisions	482,489,063	1,974,574,914	396,601,616	1,835,141,168
TOTAL		16,180,665,586		13,840,285,992
(B) ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	2,687,663,394		2,803,764,465	
Intangible assets	441,625,161		314,653,837	
Capital work-in-progress	25,961,712		218,572,643	
Intangible assets under development	8,999,949	3,164,250,216	8,999,949	3,345,990,894
Non-current investments		1,447,043,088		1,447,042,988
Deferred tax assets (net)		12,162,855		14,933,272
Long-term loans and advances		1,019,559,433		966,914,505
Current assets				
Current investments	400,359,602		609,771,679	
Trade receivables	2,664,468,290		1,802,632,643	
Cash and bank balances	5,807,910,084		4,248,051,974	
Short-term loans and advances	742,462,085		573,091,127	
Other current assets	922,449,933	10,537,649,994	831,856,910	8,065,404,333
TOTAL		16,180,665,586		13,840,285,992
See accompanying notes forming part of abridged financial statements				

In terms of our report attached on abridged financial statements

For **Deloitte Haskins & Sells**
Chartered Accountants**Ganesh Balakrishnan**
PartnerPlace : Secunderabad
Date : April 24, 2014

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director**Ajay Aggarwal**
Chief Financial OfficerPlace : Hyderabad
Date : April 24, 2014**B. Sucharitha**
Whole-time Director**Sudheendhra Putty**
Company Secretary

Abridged Statement of Profit and Loss for the year ended March 31, 2014

(Amount in ₹)

	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME		
Revenue from operations		
Income from services	12,244,890,846	10,515,560,033
Other income (net)	524,296,047	373,096,823
TOTAL INCOME	12,769,186,893	10,888,656,856
EXPENSES		
Employee benefits expense	5,716,488,511	4,994,721,561
Operating, administration and other expenses	3,085,385,873	2,697,699,180
Finance costs	3,607,991	852,442
Depreciation and amortisation expense	648,661,957	563,232,977
TOTAL EXPENSES	9,454,144,332	8,256,506,160
Profit before exceptional item and tax	3,315,042,561	2,632,150,696
Exceptional item	-	18,117,242
Profit before tax	3,315,042,561	2,614,033,454
Tax expense		
(a) Current tax	763,123,944	698,133,498
(b) Tax pertaining to earlier years	-	1,002,705
(c) Deferred tax (net)	2,770,417	71,450,395
Profit for the year	2,549,148,200	1,843,446,856
Earnings per share (Equity shares, par value of ₹ 5 each)		
- Basic	22.81	16.53
- Diluted	22.71	16.50
Weighted average number of equity shares		
- Basic	111,743,379	111,498,793
- Diluted	112,227,332	111,750,791
See accompanying notes forming part of abridged financial statements		

In terms of our report attached on abridged financial statements

For **Deloitte Haskins & Sells**
Chartered Accountants**Ganesh Balakrishnan**
PartnerPlace : Secunderabad
Date : April 24, 2014

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director**Ajay Aggarwal**
Chief Financial OfficerPlace : Hyderabad
Date : April 24, 2014**B. Sucharitha**
Whole-time Director**Sudheendhra Putty**
Company Secretary

Abridged Cash Flow Statement for the year ended March 31, 2014

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Net cash flow from operating activities	1,440,002,784	1,226,658,028
Net cash flow from/(used in) investing activities	332,797,772	(665,518,472)
Net cash flow from/(used in) financing activities	(472,291,563)	(393,594,215)
Net increase in cash and cash equivalents	1,300,508,993	167,545,341
Cash and cash equivalents at the beginning of the year	4,227,239,815	3,876,029,326
Effect of exchange differences on translation of foreign currency cash and cash equivalents	256,778,558	183,665,148
Cash and cash equivalents at the end of the year	5,784,527,366	4,227,239,815

Notes:

- (i) Reconciliation of Cash and cash equivalents with the Balance sheet

Cash and bank balances as per Balance Sheet

5,807,910,084

4,248,051,974

Less: In earmarked accounts (Refer Note (ii) below)

Unpaid dividend accounts

4,250,458

3,184,348

Balances held as margin money/security
for bank guarantees

19,132,260

17,627,811

Cash and cash equivalents at the end of the year*

5,784,527,366

4,227,239,815

*Comprises:

- (a) Cash on hand

293,570

266,446

- (b) Balances with banks

(i) In current accounts

242,851,951

243,567,806

(ii) In EEFC accounts

220,707,897

87,380,715

(iii) In deposit accounts

5,197,408,505

3,762,796,427

- (c) Remittances in transit

123,265,443

133,228,421

TOTAL

5,784,527,366

4,227,239,815

- (ii) The earmarked account balances with banks can be utilised only for the specific identified purposes.

- (iii) Purchase of fixed assets includes payments for items in capital work-in-progress and capital advances for purchase of fixed assets. Adjustments for increase/decrease in current liabilities relating to the acquisition of fixed assets has been made to the extent identified.

See accompanying notes forming part of abridged financial statements

In terms of our report attached on abridged financial statements

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Ganesh Balakrishnan
Partner

B.V.R. Mohan Reddy
Chairman and Managing Director

B. Sucharitha
Whole-time Director

Ajay Aggarwal
Chief Financial Officer

Sudheendhra Putty
Company Secretary

Place : Secunderabad
Date : April 24, 2014

Place : Hyderabad
Date : April 24, 2014

Notes forming part of abridged financial statements

1. Corporate Information

(Refer to Note No. 1 of the standalone financial statements)

Infotech Enterprises Limited ('Infotech' or 'the Company') is engaged in providing global technology services and solutions specialising in geospatial, engineering design and IT solutions. The Company has its headquarters and development facilities in India and serves a global customer base through its subsidiaries in United States of America (USA), United Kingdom (UK), Germany, Japan and India. Infotech'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 and implementation. Infotech specialises in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets.

Notes and references included in the abridged financial statements are extracted from the standalone financial statements.

2. Related Party Transactions

(Refer to Note No.30 of the standalone financial statements)

- (i) List of related parties on which the Company is able to exercise control.

Subsidiaries:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at March 31, 2014	Extent of holding (%) as at March 31, 2013
Infotech Enterprises Europe Limited, (IEEL)	UK	100%	100%
Infotech Enterprises America Inc., (IEAI)	USA	100%	100%
Infotech Enterprises GmbH, (IEG)	Germany	100%	100%
Infotech Geospatial (India) Private Limited, (IGIL) (Refer Note below)	India	100%	100%
Infotech Enterprises Japan KK, (IEJKK)	Japan	100%	100%
Infotech Enterprises Information Technology Services Private Limited, (IEITS)	India	100%	100%

Note: W.e.f., October 23, 2013, Infotech Geospatial (India) Ltd was converted into a private limited company and was renamed as Infotech Geospatial (India) Private Ltd.

Joint Venture:

Name of the Joint Venture Company	Country of incorporation	Extent of holding (%) as at March 31, 2014	Extent of holding (%) as at March 31, 2013
Infotech HAL Limited	India	50%	50%

Associate:

Name of the Associate	Country of incorporation	Extent of holding (%) as at March 31, 2014	Extent of holding (%) as at March 31, 2013
Infotech Aerospace Services Inc.,	USA	49%	49%

Subsidiary of Infotech Enterprises America Inc.:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at March 31, 2014	Extent of holding (%) as at March 31, 2013
Infotech Software Solutions Canada Inc.,	Canada	100%	100%

Subsidiary of Infotech Enterprises Europe Limited:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at March 31, 2014	Extent of holding (%) as at March 31, 2013
Infotech Enterprises Benelux BV	Netherlands	100%	100%
Infotech Enterprises GmbH	Switzerland	100%	100%

Subsidiary of Infotech Enterprises GmbH:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at March 31, 2014	Extent of holding (%) as at March 31, 2013
Infotech Enterprises AB	Sweden	100%	100%

Key Managerial Personnel:

Name	Designation
B V R Mohan Reddy	Chairman & Managing Director
B Sucharitha	Whole Time Director
Krishna Bodanapu	President & Chief Operating Officer and Relative of Chairman & Managing Director and the Whole Time Director
Ajay Aggarwal	Chief Financial Officer

Relative of Chairman & Managing Director and Whole Time Director

Name	Designation
B. Ashok Reddy	President - Global Human Resources and Corporate Affairs

(ii) Summary of the transactions and balances with the above related parties are as follows:**(a) Transactions during the year:****(Amount in ₹)**

Nature of the transaction	Party name	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue	Infotech Enterprises America Inc.	2,641,925,084	2,125,860,873
	Infotech Enterprises Europe Limited	456,173,452	404,050,968
	Infotech Enterprises GmbH	1,657,572,641	1,519,724,097
	Infotech Software Solutions Canada Inc.	91,199,141	10,774,364
	Infotech Geospatial (India) Private Limited	2,635,904	8,429,634
	Infotech Enterprises Japan KK	65,271,854	45,925,536
	Infotech HAL Limited	14,899,928	13,204,070
	Infotech Enterprises Information Technology Services Private Limited	1,576,090	-
Subcontracting charges	Infotech Enterprises America Inc.	320,807,133	359,957,901
	Infotech Enterprises Europe Limited	14,478,761	10,980,623
	Infotech Enterprises GmbH	67,462,529	63,305,742
	Infotech Software Solutions Canada Inc.	105,800,203	26,492,991
	Infotech Geospatial (India) Private Limited	9,774,773	24,094,258
	Infotech Enterprises Japan KK	14,854,282	3,286,859
	Infotech Enterprises Information Technology Services Private Limited	16,206,809	2,169,415

Transactions during the year (Contd..)

(Amount in ₹)

Nature of the transaction	Party name	For the year ended March 31, 2014	For the year ended March 31, 2013
Reimbursement of Expenses	Infotech Enterprises America Inc.	16,267,945	94,385,567
	Infotech Enterprises Europe Limited	9,401,761	16,237,724
	Infotech Enterprises GmbH	16,647,832	7,622,077
	Infotech Software Solutions Canada Inc.	-	491,122
	Infotech Geospatial (India) Private Limited	-	1,091,655
	Infotech Enterprises Japan KK	-	657,837
Corporate guarantee given to subsidiary's bankers	Infotech Enterprises Europe Limited	180,229,250	-
	Infotech Enterprises GmbH	363,352,000	-
Advance given/ (recovered)	Infotech Geospatial (India) Private Limited	699,598	6,952,609
	Infotech Enterprises Japan KK	4,121,675	26,409,752
	Infotech Enterprises Information Technology Services Private Limited	(53,961,414)	40,695,284
	Infotech HAL Limited	240,471	-
Loans given	Infotech HAL Limited	3,750,000	-
Loans recovered	Infotech HAL Limited	937,500	-
Other Income (net)	Infotech Enterprises GmbH	-	(13,836,733)
	Infotech HAL Limited	678,039	661,500
Remuneration to Key Managerial Personnel #	Chairman & Managing Director	53,748,110	43,326,995
	Whole Time Director	2,345,995	2,371,467
	President & Chief Operating Officer (Refer note below)	9,264,128	16,806,047
	Chief Financial Officer	11,476,213	8,990,160
Interest recovered from loan to KMP	B. Ashok Reddy	39,264	39,264
	Ajay Aggarwal	-	60,000
Repayment of loan by KMP	B. Ashok Reddy	93,960	93,960
	Ajay Aggarwal	466,159	305,052
Remuneration to relative of Chairman & Managing Director and Whole Time Director	B. Ashok Reddy	8,790,598	7,104,322
Dividend	Dividend to KMPs	103,363,722	74,607,585
Dividend from Subsidiaries	Infotech Enterprises America Inc.	233,584,601	-
	Infotech Enterprises GmbH	166,866,665	-

Does not include provision for compensated absences.

(b) Balances at the year-end:

(Amount in ₹)

Nature of the Balance	Party name	As at March 31, 2014	As at March 31, 2013
Receivables	Infotech Enterprises America Inc.	489,540,960	179,066,710
	Infotech Enterprises Europe Limited	93,567,688	27,482,601
	Infotech Enterprises GmbH	295,479,438	184,058,853
	Infotech Software Solutions Canada Inc.	51,569,881	4,020,621
	Infotech Geospatial (India) Private Limited	3,033,637	293,702
	Infotech Enterprises Japan KK	88,489,856	24,142,383
	Infotech HAL Limited	9,801,055	3,726,964
Unbilled Revenue	Infotech Enterprises America Inc.	154,557,006	79,997,837
	Infotech Enterprises Europe Limited	20,297,467	21,136,296
	Infotech Enterprises GmbH	213,897,350	133,537,430
	Infotech Software Solutions Canada Inc.	-	63,658
	Infotech Enterprises Japan KK	-	136,905
Trade payables	Infotech Enterprises America Inc.	43,341,544	25,270,557
	Infotech Enterprises Europe Limited	4,933,547	426,494
	Infotech Enterprises GmbH	12,776,736	3,672,740
	Infotech Software Solutions Canada Inc.	-	1,748,559
	Infotech Enterprises Japan KK	14,628,338	3,277,514
	Infotech Enterprises Information Technology Services Private Limited	4,455,766	2,193,797
Reimbursement of Expenses payable/ (receivable)	Infotech Enterprises America Inc.	54,944,672	32,786,804
	Infotech Enterprises Europe Limited	625,310	892,749
	Infotech Enterprises GmbH	(8,138,508)	(7,592,950)
	Infotech Software Solutions Canada Inc.	-	31,448
	Infotech Enterprises Japan KK	-	656,015
Corporate guarantee given to subsidiary's bankers	Infotech Enterprises America Inc.	300,500,000	271,950,000
	Infotech Enterprises Europe Limited	339,989,250	131,712,000
	Infotech Enterprises GmbH	363,352,000	-
	Infotech Geospatial (India) Private Limited	40,000,000	40,000,000
Advance to subsidiaries	Infotech Enterprises Japan KK	103,204,337	99,082,663
	Infotech Geospatial (India) Private Limited	31,575,351	30,875,753
	Infotech Enterprises Information Technology Services Private Limited	14,487,618	68,449,032
	Infotech HAL Limited	1,509,008	1,245,099
Outstanding loans	Infotech HAL Limited	2,812,500	-
Outstanding Balance payable to KMP	Chairman & Managing Director	49,858,261	35,594,886
	President & Chief Operating Officer (Refer Note below)	-	7,440,000
Loan recoverable from KMPs	B. Ashok Reddy	547,869	641,829
	Ajay Aggarwal	-	466,159

Note: The Board of Directors on December 07, 2012 approved the increase in remuneration payable to the Chief Operating Officer effective April 01, 2012 to not exceed ₹12,000,000 per annum for the first year and the remuneration may progressively go up with a contingent 25% hike thereon each year for the next five years, as per industry trends and practices and an additional variable salary of 30% to 50% of his cost to Company based on his key performance indicators agreed at the beginning of the financial year. The members of the Company approved the increase by passing a special resolution on January 14, 2013. Pending Central Government approval, no payment was made for the increase in remuneration. The remuneration paid during the year is based on the existing approval from the Central Government vide its approval dated October 27, 2010.

As at March 31, 2014, the Company did not receive the said approval from the Central Government. Consequently, the provision made earlier for the increased remuneration of ₹ 7,440,000 has been reversed in the financial statements as at March 31, 2014.

3. Earnings Per Share (EPS)

(Refer to Note No. 32 of the annual standalone financial statements)

Particulars	March 31, 2014	March 31, 2013
Profit After Tax (₹)	2,549,148,200	1,843,446,856
Basic:		
Number of shares outstanding at the year end	111,964,613	111,602,967
Weighted average shares outstanding	111,743,379	111,498,793
Earnings Per Share (₹)	22.81	16.53
Diluted:		
Effect of potential equity shares on employee stock options outstanding	483,953	251,998
Weighted average number of equity shares outstanding (including dilution)	112,227,332	111,750,791
Earnings Per Share (₹)	22.71	16.50

4. Segment Information

(Refer to Note No.29 of the standalone financial statements)

Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS 17) on Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006.

5. Associate Stock Option Plans

(Refer to Note No. 36 of the standalone financial statements)

Infotech Employee Stock Offer Scheme 1999 (ESOP Plan)

In 1998-99, the Company set up ESOP plan and allotted 80,900 equity shares of ₹ 10 each at a premium of ₹ 100 per share to the Infotech ESOP trust. The trust on recommendation of management and upon receipt of full payment upfront transfers the equity shares in the name of the 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.

Associate Stock Option Plans (ASOP Plan)

The company currently has three ASOP plans - ASOP 2002, ASOP 2004 and ASOP 2008. Under each of these schemes, options will be issued to employees at an exercise price which shall not be less than the market price on the date of the 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 the 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 the third year.

Options Outstanding:

Plan	As at March 31, 2014	As at March 31, 2013
ASOP 2002	—	158,220
ASOP 2004	—	217,276
ASOP 2008	956,144	1,098,963

6. Contingent Liabilities and Commitments

(Refer to Note No.22 of the standalone financial statements)

Contigent Liabilities:

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Claims against the Company not acknowledged as debt (refer Note (i) below)	396,821,168	632,027,223
(b) Guarantees (refer Note (ii) below)	1,043,841,250	443,662,000

Note (i)

- a. The Company has disputed various demands (including draft notice of demand) raised by Income Tax authorities for the assessment years 1997-98 to 2009-10. The orders are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 204,461,783 (March 31, 2013 - ₹ 404,555,682). The Company is confident that these appeals will be decided in its favour, based on professional advice.
- b. The Company has disputed various demands raised by the Sales Tax authorities for the financial years 2004-05 to 2009-10. The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 20,096,061 (March 31, 2013 - ₹ 20,096,061). The Company is confident that these appeals will be decided in its favour, based on professional advice.
- The above does not include show cause notices received by the Company.
- c. The Company has disputed various demands raised by the Service Tax authorities for the financial years 2006-07 to 2012-13. The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 172,263,324 (March 31, 2013 - ₹ 207,375,480). The Company is confident that these appeals will be decided in its favour, based on professional advice. The above does not include show cause notices received by the Company.

Note (ii)

Corporate guarantee given to subsidiary's bankers to obtain line of credit ₹ 1,043,841,250 (March 31, 2013 - ₹ 443,662,000). The amount outstanding against such guarantee is ₹ Nil (March 31, 2013 - ₹ 397,774)

Commitments:**(Amount in ₹)**

Particulars	As at March 31, 2014	As at March 31, 2013
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)		
Tangible assets	41,630,339	82,571,908
Intangible assets	82,268,922	51,930,958

7. Cash & Bank Balances:

(Refer to Note No. 14 of the standalone financial statements)

The details of cash & bank balances as at the year end are as follows:

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Cash on hand	293,570	266,446
Balance with banks		
In current accounts	242,851,951	243,567,806
In EEFC accounts	220,707,897	87,380,715
In deposits accounts (Refer Note (i) below)	5,197,408,505	3,762,796,427
In earmarked accounts		
Unpaid dividend account	4,250,458	3,184,348
In deposits held as margin money/security for bank guarantees (Refer Note (ii) below)	19,132,260	17,627,811
Remittance in transit	123,265,443	133,228,421
TOTAL	5,807,910,084	4,248,051,974
Of the above, balances that meet the definition of cash and cash equivalents as per AS-3 Cash Flow Statement	5,784,527,366	4,227,239,815

Note: (i) Balance with banks include deposits amounting to ₹ 54,176,286 (March 31, 2013 - ₹ 238,749,999) and margin monies amounting to ₹ 630,250 (March 31, 2013 - ₹ 630,250) which have an original maturity of more than 12 months.

Balance with banks include margin monies amounting to ₹ 630,250 (March 31, 2013 - ₹ 276,250) which have a maturity of more than 12 months from the Balance Sheet Date.

- (ii) Includes deposits placed in lien for credit facilities availed by a wholly owned subsidiary, Infotech Geospatial (India) Private Limited aggregating ₹ 18,531,010 (March 31, 2013 - ₹ 17,026,561) and margin monies amounting ₹ 601,250 (March 31, 2013 - ₹ 601,250).

8. Book value and Market Value of Quoted Investments:
(Refer to Note No. 12 of the standalone financial statements)

Particulars	(Amount in ₹)	
	As at March 31, 2014	As at March 31, 2013
Aggregate cost of quoted investments (in mutual funds)	400,359,602	609,771,679
Aggregate market value of quoted investments (in mutual funds)	401,650,703	610,029,013

9. Employee benefits expense
(Refer to Note No. 18 of the standalone financial statements)

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Salaries and bonus	5,086,510,392	4,480,182,944
Contribution to provident and other funds	242,355,104	213,249,822
Social security and other benefits for overseas employees	72,161,558	59,601,253
Gratuity	54,951,004	27,357,596
Staff welfare expenses	260,510,453	214,329,946
TOTAL	5,716,488,511	4,994,721,561

- 10.** The Board of Directors has recommended the change of name of the Company from Infotech Enterprises Limited to Cyient Limited, which is subject to shareholder approval and other regulatory clearances.

11. Regrouping/Reclassification
(Refer to note No. 40 of the standalone financial statements)

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
Chairman and Managing Director

B. Sucharitha
Whole-time Director

Ajay Aggarwal
Chief Financial Officer

Sudheendhra Putty
Company Secretary

Place : Hyderabad
Date : April 24, 2014

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF INFOTECH ENTERPRISES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **INFOTECH ENTERPRISES LIMITED** (the "Company"), its subsidiaries, associate and jointly controlled entity (the Company, its subsidiaries, associate and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as

evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the reports of the other auditors on the financial information of the subsidiaries, jointly controlled entity and associate referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial information of eight subsidiaries and a jointly controlled entity whose financial information reflect total assets (net) of ₹ 1,021,334,882 as at March 31, 2014, total revenues of ₹ 4,937,413,788 and net cash flows amounting to ₹ (119,785,721) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 152,049,600 for the year ended March 31, 2014, as considered in the consolidated financial statements, in respect of one associate, whose financial information have not been audited by us. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and associate, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

(GANESH BALAKRISHNAN)
(Partner)
(Membership No. 201193)

SECUNDERABAD, April 24, 2014

Consolidated Balance Sheet as at March 31, 2014

(Amount in ₹)

	Note	As at March 31, 2014		As at March 31, 2013	
(A) EQUITY & LIABILITIES					
Shareholders' funds					
Share capital	3	559,823,065		558,014,835	
Reserves and surplus	4	15,323,444,457	15,883,267,522	12,663,512,782	13,221,527,617
Share application money pending allotment	40		1,428,050		3,920,750
Non-current liabilities					
Long-term provisions	5		381,714,687		380,843,336
Deferred tax liability (net)	35.2		51,758,956		45,073,722
Current liabilities					
Short-term borrowings	6	58,179,244		3,197,774	
Trade payables	7	1,743,637,606		1,211,703,221	
Other current liabilities	8	720,703,503		749,471,927	
Short-term provisions	9	624,861,458	3,147,381,811	484,260,403	2,448,633,325
TOTAL			19,465,551,026		16,099,998,750
(B) ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	10A	2,867,203,673		2,964,976,506	
Intangible assets	10B	475,225,847		362,595,052	
Capital work-in-progress	10C	61,862,178		219,445,920	
Intangible assets under development	41	8,999,949	3,413,291,647	8,999,949	3,556,017,427
Goodwill (on consolidation)	29		23,291,076		26,362,427
Non-current investments	11		525,040,374		372,990,774
Deferred tax assets (net)	35.2		73,535,744		38,396,280
Long-term loans and advances	12		980,553,632		912,454,876
Other non-current assets	13		2,082,582		192,142
Current assets					
Current investments	14	400,359,602		609,771,678	
Trade receivables	15	4,799,793,634		3,944,241,715	
Cash and bank balances	16	6,912,704,788		4,983,509,885	
Short-term loans and advances	17	786,391,913		589,251,406	
Other current assets	18	1,548,506,034	14,447,755,971	1,066,810,140	11,193,584,824
TOTAL			19,465,551,026		16,099,998,750
Corporate information and significant accounting policies					
	1 and 2				
See accompanying notes forming part of the Consolidated financial statements					

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director

B. Sucharitha
Whole-time Director

Ajay Aggarwal
Chief Financial Officer

Sudheendhra Putty
Company Secretary

Place : Secunderabad
Date : April 24, 2014

Place : Hyderabad
Date : April 24, 2014

Consolidated Statement of Profit and Loss for the year ended March 31, 2014

(Amount in ₹)

	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
Revenue from operations			
Income from services		22,064,327,615	18,730,633,555
Other income (net)	19	169,400,578	381,099,258
TOTAL REVENUE		22,233,728,193	19,111,732,813
EXPENSES			
Employee benefits expense	20	13,677,784,422	11,405,987,285
Operating, administration and other expenses	21	4,284,268,457	3,901,045,207
Finance costs	22	13,670,423	2,874,344
Depreciation and amortisation expense	10D	719,982,916	635,498,206
TOTAL EXPENSES		18,695,706,218	15,945,405,042
Profit before exceptional item and tax		3,538,021,975	3,166,327,771
Exceptional item (net)	42	-	18,117,242
Profit after exceptional item, before tax, share of profit in associate company		3,538,021,975	3,148,210,529
Tax expense:			
(a) Current tax	35.1	1,036,005,604	930,459,062
(b) Tax pertaining to earlier years	35.3	1,264,263	1,002,705
(c) MAT credit	35.5	501,164	(1,624,969)
(d) Deferred tax (net)	35.2	(7,719,859)	36,835,017
Profit after tax, before share of profit in associate company		2,507,970,803	2,181,538,714
Share of profit in associate company		152,049,600	129,052,160
Profit for the year		2,660,020,403	2,310,590,874
Earnings per share	34		
(Equity shares, par value of ₹5 each)			
- Basic		23.80	20.72
- Diluted		23.70	20.68
Weighted average number of equity shares			
- Basic		111,743,379	111,498,793
- Diluted		112,227,332	111,750,791
Corporate information and significant accounting policies	1 and 2		
See accompanying notes forming part of the Consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Secunderabad
Date : April 24, 2014

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director

Ajay Aggarwal
Chief Financial Officer

Place : Hyderabad
Date : April 24, 2014

B. Sucharitha
Whole-time Director

Sudheendhra Putty
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2014

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,538,021,975	3,148,210,529
Adjustments for :		
Depreciation and amortisation expense	719,982,916	635,498,206
Loss/(profit) on sale of fixed assets sold/written-off (net)	1,241,474	621,829
Finance costs	13,670,423	2,874,344
Interest income	(389,788,120)	(358,048,081)
Dividend income from current investments	(23,379,793)	(15,495,295)
Gain on sale of current investments	-	4,470
Rental income from operating leases	(1,341,716)	(936,547)
Liabilities/provisions no longer required written back	(54,637,202)	(1,278,334)
Bad debts/advances written off	1,822,325	1,800,017
Provision for doubtful trade receivables	32,766,314	23,712,149
Provision for unbilled revenue	-	1,202,694
Exceptional item	-	18,117,242
Unrealised gain on translation differences	338,331,306	(14,211,775)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(256,778,558)	(183,665,148)
Unrealised forex (gain)/loss	45,406,068	(6,230,119)
Operating profit before working capital changes	3,965,317,412	3,252,176,181
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(927,405,686)	(349,880,327)
Short-term loans and advances	26,571,632	(179,851,662)
Long-term loans and advances	(66,422,920)	(212,925,284)
Other current assets	(445,573,595)	(274,429,963)
Other non-current assets	(1,890,440)	(192,142)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	578,461,650	115,162,131
Other current liabilities	117,311,945	117,874,166
Short-term provisions	26,364,111	(137,250,416)
Long-term provisions	23,880,198	(73,646,687)
Cash generated from operations	3,296,614,307	2,257,035,997
Net income tax paid	(1,024,694,680)	(854,952,794)
Net cash flow from operating activities (A)	2,271,919,627	1,402,083,203
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances" (Refer Note (iii) below)	(765,565,924)	(721,661,540)
Proceeds from sale of fixed assets	4,569,657	1,939,741
Current investments		
- Purchased	(1,971,416,352)	(2,483,217,739)
- Proceeds from sale	2,180,828,422	2,095,935,304
Interest received	353,665,821	346,939,294
Dividend income received		
- Others - dividend from mutual funds	23,379,793	15,495,295
Rental income from operating leases	1,341,716	936,547
Movement in Bank balances not considered as cash and cash equivalents	(2,944,029)	10,946,500
Net cash flow (used in) investing activities (B)	(176,140,896)	(732,686,598)

Consolidated Cash Flow Statement (Contd.)

(Amount in ₹)

	For the year ended March 31, 2014	For the year ended March 31, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	50,751,736	25,275,097
Share application money received	1,428,050	3,920,750
Proceeds from short-term borrowings from banks	-	56,309,000
Repayment of short term borrowings	-	(54,777,000)
Finance costs	(13,670,423)	2,874,344
Movement in short term borrowings (net)	54,981,470	(31,100,658)
Dividend paid out	(503,440,265)	(363,178,000)
Tax on dividend paid out	(17,423,093)	(58,759,620)
Net cash flow (used in) financing activities (C)	(427,372,525)	(419,436,087)
Net increase in cash and cash equivalents (A+B+C)	1,668,406,206	249,960,518
Cash and cash equivalents at the beginning of the year	4,961,192,714	4,527,567,048
Effect of exchange differences on translation of foreign currency cash and cash equivalents	256,778,558	183,665,148
Cash and cash equivalents at the end of the year (Refer Note (i) below)	6,886,377,478	4,961,192,714
Notes:		
(i) Reconciliation of Cash and cash equivalents with the Balance sheet		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	6,912,704,788	4,983,509,885
Less: In earmarked accounts (Refer Note (ii) below)		
- Unpaid dividend accounts	4,250,458	3,184,348
- Balances held as margin money/security for bank guarantees	22,076,852	19,132,823
Cash and cash equivalents at the end of the year*	6,886,377,478	4,961,192,714
*Comprises:		
(a) Cash on hand	406,511	455,969
(b) Balances with banks		
(i) In current accounts	1,195,330,725	866,068,387
(ii) In EEFC accounts	264,603,763	139,930,540
(iii) In deposit accounts	5,299,173,872	3,767,644,648
(c) Remittances in transit	123,265,442	133,901,581
(d) Cheques in Hand	3,597,165	53,191,589
	6,886,377,478	4,961,192,714

(ii) The earmarked account balances with banks can be utilised only for the specific identified purposes.

(iii) Purchase of fixed assets includes payments for items in capital work-in-progress and capital advances for purchase of fixed assets. Adjustments for increase/decrease in current liabilities relating to the acquisition of fixed assets has been made to the extent identified

(iv) Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 "Cash Flow Statements

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Secunderabad
Date : April 24, 2014

For and on behalf of the Board of Directors

B.V.R. Mohan Reddy
Chairman and Managing Director

Ajay Aggarwal
Chief Financial Officer

Place : Hyderabad
Date : April 24, 2014

B. Sucharitha
Whole-time Director

Sudheendhra Putty
Company Secretary

Notes forming part of the Consolidated financial statements

1. Corporate information

Infotech Enterprises Limited ('Infotech' 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 and IT solutions. The Company has its headquarters and development facilities in India and serves a global customer base through its subsidiaries in the United States of America (USA), United Kingdom (UK), Germany, Japan and India. Infotech 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 and implementation. Infotech Group specialises in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets.

2. Significant accounting policies

2.1 Basis of accounting and preparation of the consolidated financial statements

'The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Companies Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention

Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use. Where a change in accounting policy is necessitated due to changed circumstances, detailed disclosures to that effect along with the impact of such change is duly disclosed in the consolidated financial statements.

2.2 Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiaries have been combined on a line-by line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits and losses have been fully eliminated.
- ii) The consolidated financial statements include the share of profit / loss of associate company, which are accounted under Equity method as per which the share of profit / loss is adjusted to the cost of investment.
- iii) The excess of cost to the Group of its investments in its subsidiary companies over its share of the equity at the dates on which the investments are made, is recognised as Goodwill (on Consolidation), being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of the investment of the Group, it is recognised as Capital Reserve (on Consolidation) and shown under the head 'Reserves and Surplus' in the consolidated financial statements.
- iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments are made in the subsidiary company and future movements in the share of the equity, subsequent to the dates of investment.
- v) On disposal of a subsidiary, the attributable goodwill is included in the determination of the profit and loss on disposal.

2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP 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 during the year. Examples include provisions for doubtful debts, provision for employee benefits, provision for taxation, useful lives of depreciable assets, provisions for impairment, provision for contingencies, provision for warranties / discounts etc.

Future results could differ from those estimates. The effects of changes in accounting estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

2.4 Revenue recognition

Income from Services:

Revenue recognition depends on the arrangements with the customer which are either on "Time and material" or on a "Time bound fixed-price" basis.

Revenue from software services performed on a "time and material" basis is recognised as and when services are performed.

The Group also performs work under "Time bound fixed-price" arrangements, under which customers are billed, based on completion of specified milestones and/or on the basis of man-days/man hours spent as per terms of the contracts. Revenue from such arrangements is recognised over the life of the contract using the percentage 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.

Revenue from sale of equipment is recognised when the product has been delivered, in accordance with the sales contract.

Revenues from the sale of equipment are recognised upon delivery, which is when title passes to the customer.

Revenues from fixed-price maintenance contracts are recognised pro-rata over the period of the contract in which the services are rendered.

Reimbursement of expenditure is recognised under revenue along with recognition of sale of service to which it relates.

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

Amounts received or billed in advance of services performed are recorded as unearned revenue.

Unbilled revenue represents amounts recognised based on services performed in advance of billings in accordance with contract terms and is net of estimated allowances for uncertainties and provision for estimated losses.

2.5 Other income

Income from interest is recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.

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

2.6 Fixed assets, intangible assets and capital work-in-progress

Fixed Assets are stated at actual cost, less accumulated depreciation and net of impairment. Cost includes all expenses incurred to bring the assets to its present location and condition. Subsequent expenses on fixed assets after its purchase is capitalised only if such expenses results in an increase in the future benefits from such assets beyond the previous announced standards of performances.

The cost and the accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are included in the Consolidated Statement of Profit and Loss.

Asset under installation or under construction as at Balance sheet date are shown as Capital Work in Progress (CWIP).

Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.

2.7 Depreciation & amortisation

Depreciation / amortisation on fixed assets (other than freehold land and Capital Work-in-progress) is provided on a straight-line method over their estimated useful lives at the rates which are higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation is charged on pro-rata basis from the date of capitalisation. Individual assets costing ₹ 5,000 or less are fully depreciated in the year of acquisition.

The estimated useful lives are as follows:

Type of asset	Period
Leasehold Land	6 - 79 years
Building	28 years
Leasehold Improvements	Shorter of lease period or estimated useful lives
Computers	3 years
Plant and Equipment	10 years
Office Equipment	10 years
Furniture and Fixtures	10 years
Electrical Installations	10 years
Vehicles	5 years
Intangible Assets:	
Software	3 years
Software purchased for use in the projects	Over the period of the respective project
Customer rights	3 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.8 Impairment of assets

At each balance sheet date, the Management reviews the carrying amounts of its assets to determine whether there is any indication those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risk specific to the asset.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

2.9 Investments

Investments are either classified as current or long-term based on their nature/holding period / Management's intent at the time of making the investment. Current investments are carried individually at the lower of cost and fair value.

Long-term investments are carried individually at cost less provision made to recognise any diminution, other than temporary, in the value of such investment. Cost of investments include acquisition charges such as brokerage, fees and duties. Provision is made to recognise any

reduction in the carrying value of long-term investments and any reversal of such reduction is credited to the Consolidated Statement of Profit and Loss.

2.10 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 measured reliably, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

2.11 Foreign currency transactions/translations

The transactions in foreign exchange entered into by the company are accounted at the exchange rate prevalent on the date of the transaction. Foreign currency monetary items (other than derivative contracts) outstanding as at Balance Sheet date are restated at year end exchange rate. Non-monetary items are carried at historical cost and the exchange gains or losses are recognised in the Consolidated Statement of Profit and Loss. Exchange differences arising on a monetary item that, in substance, form part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

The operations of foreign branches of the Company are integral in nature and the financial statements of these branches are translated using the same principles and procedures as those of head office.

For the purposes of consolidation, income and expenses are translated at average rates and the assets and liabilities are converted at closing rate. The net impact of such change is accumulated under foreign currency translation reserve.

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange fluctuations. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

In case of forward exchange contract or any other financial instruments that is in substance a forward exchange contract (other than for a firm commitment or a highly probable forecast) to hedge the foreign currency risk, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract. Exchange differences on such forward exchange contracts are recognised in the Consolidated Statement of Profit and Loss in the reporting period in which the exchange rates change. Gain/Loss on settlement of transaction arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

2.12 Derivative instruments and hedge accounting

The Company uses forward contracts (derivative contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The use of forward contracts is governed by the Company's policies on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

The Company designates such derivative contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in AS 30. These derivative contracts are stated at the fair value at each reporting date. Changes in fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in the "Hedging reserve account" under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in

the Consolidated Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Consolidated Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in the "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Consolidated Statement of Profit and Loss.

Derivative contracts that are not designated in a cash flow hedging relationship are marked to market, where ever required, as at the Balance Sheet date and the unrealised losses, if any, are dealt with in the Consolidated Statement of Profit and Loss. Unrealised gains, if any, on such derivatives are not recognised in the Consolidated Statement of Profit and Loss.

2.13 Employee benefits

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 service are rendered by the employees.

Contributions under the superannuation plan which is a defined contribution scheme, are made to a fund administered and managed by the Life Insurance Corporation of India and are charged as an expense based on the amount of contribution required to be made and when service are rendered by the employees.

Infotech Enterprises America Inc. (IEAI) provides a defined contribution plan benefit through the Infotech Enterprises America, Inc. 401(K) Retirement Plan to all of its eligible employees. The plan is administered by IEAI 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 IEAI.

Defined benefit plans

The Company also provides for other retirement benefits in the form of gratuity. The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date based on projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Group records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Group measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

Other short-term employee benefits

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

2.14 Taxes on Income

Current income tax expense comprises of taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

For subsidiaries the current charge for income tax is calculated in accordance with the relevant tax regulations. A provision is made for income tax annually, based on tax liability computed, after considering tax allowances and exemptions. Tax expense for a year comprises of current tax and deferred tax.

Deferred tax is recognised on timing difference, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or

substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

MAT credit

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, in accordance with the provisions contained in the Guidance Note on Accounting for Credit Available under Minimum Alternate Tax, issued by the ICAI, the said asset is created by way of a credit to the Consolidated Statement of Profit and Loss and shown as 'MAT Credit Entitlement'. The Company reviews the same 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 Company will pay normal income tax during the specified period.

Advance taxes and provisions for current income taxes are presented in the Consolidated Balance Sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and the intention is to settle the asset and liability on net basis.

2.15 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis.

2.16 Warranty Costs

Post-sales client support and warranty costs are estimated by the Management on the basis of technical evaluation and past experience of costs. Provision is made for the estimated liability in respect of warranty costs in the year of recognition of revenue and is included in the Consolidated Statement of Profit and Loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made as and when required.

2.17 Earnings per share (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of any extra ordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.18 Associates Stock Options

Stock options granted to the associates of the Company under various Stock Option Schemes established after June 19, 1999 are evaluated as per the accounting treatment prescribed under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, as amended, issued by Securities Exchange Board of India and the Guidance note on Accounting for Employee Share-Based payments, issued by ICAI.

The exercise price under the aforesaid schemes is the market price as defined in the SEBI Guidelines from time to time. i.e. market price equals the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/ shares are issued, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered. The Company measures compensation cost relating to employee stock option scheme using the intrinsic

value method and considering that all options are granted as above there is no compensation cost to be charged to the Consolidated Statement of Profit and Loss.

2.19 Provisions, Contingent liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the consolidated financial statements.

2.20 Cash and cash equivalents (for the purpose of Consolidated Cash Flow Statement)

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

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

2.21 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service rendered is accounted and when there is no uncertainty in availing/utilising the credits.

2.22 Operating Cycle

Based on the nature of activities of the group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the group has determined its operating cycle as 12 months for the purpose of classification of assets and liabilities as current and non-current.

Note	(Amount in ₹)			
	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
3. Share capital				
Authorised capital:				
Equity shares of ₹ 5 each with voting rights	270,000,000	1,350,000,000	270,000,000	1,350,000,000
		1,350,000,000		1,350,000,000
Issued and subscribed and fully paid-up capital:				
Equity shares of ₹ 5 each with voting rights	111,964,613	559,823,065	111,602,967	558,014,835
		559,823,065		558,014,835

Notes:**a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

Particulars	For the year ended March 31, 2014		For the year ended As at March 31, 2013	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Equity shares with voting rights				
Opening balance	111,602,967	558,014,835	111,415,262	557,076,310
Equity shares allotted pursuant to exercise of stock options	361,646	1,808,230	187,705	938,525
Closing balance	111,964,613	559,823,065	111,602,967	558,014,835

b. 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.

c. Details of shares held by each shareholder holding more than 5% of equity shares :

Name of the share holder	As at March 31, 2014		As at March 31, 2013	
	Number of shares held	%	Number of shares held	%
BVR Mohan Reddy	14,597,366	13.0%	14,588,220	13.1%
Carrier International Mauritius Ltd	15,292,960	13.7%	15,292,960	13.7%
First Carlyle Ventures Mauritius	11,099,416	9.9%	11,099,416	10.0%
B Sucharitha	6,541,200	5.8%	6,541,200	5.9%
ICICI Prudential Life Insurance Company Limited	5,899,708	5.3%	5,899,708	5.3%
Lavender Investments Limited	6,350,000	5.7%	-	-
Gagil FDI Limited *	1,812,223	1.6%	11,682,554	10.5%
GA Global Investments Ltd *	2,113,000	1.9%	2,113,000	1.9%

*shareholders are acting in concert

d. Aggregate number and class of shares allotted as fully paid up by way of bonus shares during 5 years immediately preceding the Balance Sheet date:

As at March 31, 2014 - 55,552,348 (March 31, 2013 - 55,552,348) equity shares of ₹ 5 each as fully paid-up by way of bonus shares by capitalising free reserves of the Company during the 5 years immediately preceeding the said dates (Refer Note 39).

e. Details of shares allotted under Associate Stock Option Plans (Refer Note 39)

- (i) 80,900 (As at March 31, 2013 - 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 (As at March 31, 2013 - 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 (As at March 31, 2013 - 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 (As at March 31, 2013 - 3,184,893) 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) 288,807 (As at March 31, 2013 - 38,813) 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)

f. Details of shares reserved for issue:

For details of shares aggregating 966,144 and 1,474,459, as at March 31, 2014 and March 31, 2013 respectively, reserved for issue under Associate Stock Options (Refer Note 39).

(Amount in ₹)

	As at March 31, 2014		As at March 31, 2013	
4. Reserves and Surplus				
a) Securities premium account				
Balance at the beginning of the year	3,691,644,410		3,667,307,838	
Add: Premium on shares issued during the year	52,864,256		24,336,572	
Balance at the end of the year		3,744,508,666		3,691,644,410
b) General reserve				
Balance at the beginning of the year	4,525,292,065		4,315,292,065	
Add: Transferred from surplus in Consolidated Statement of Profit and Loss	255,000,000		210,000,000	
Balance at the end of the year		4,780,292,065		4,525,292,065
c) Hedging reserve (Refer Note 26)				
On initial adoption - Balance at the beginning of the year	33,660,779		973,165	
Add: Changes in the fair value of effective portion of outstanding cashflow hedges (net)	207,993,639		83,391,096	
Less: Losses transferred to Statement of Profit and Loss on occurrence of forecasted hedge transactions during the year (net)	(33,660,779)		(50,703,482)	
Balance at the end of the year		207,993,639		33,660,779
d) Contingency reserve (Refer Note (i) below)		161,000,000		161,000,000
e) Surplus in the consolidated statement of Profit and Loss				
Balance at the beginning of the year	4,153,640,704		2,821,715,841	
Less: Adjustments on amalgamations (Refer Note 28)	-		183,146,020	
Add: Profit for the current period	2,660,020,403		2,310,590,874	
	6,813,661,107		4,949,160,695	
Less: Interim dividend	223,366,738		222,928,568	
Dividend proposed to be distributed to equity shareholders (Refer Note (ii) below)	335,893,839		279,007,418	
Tax on dividend [Net of ₹ 47,417,311 relating to dividend tax credit on dividend received from subsidiaries for 2012-13 (March 31, 2013- Nil)]	27,004,357		83,584,005	
Residual dividend tax	86,583		-	
Transfer to general reserve	255,000,000		210,000,000	
Balance at the end of the year		5,972,309,590		4,153,640,704
f) Currency translation reserve				
Balance at the beginning of the year	95,660,557		49,806,824	
Additions during the year (net)	359,065,673		45,853,733	
Balance at the end of the year		454,726,230		95,660,557
g) Capital reserve		2,614,267		2,614,267
TOTAL		15,323,444,457		12,663,512,782

Note: (i) Contingency Reserve pertains to certain tax liabilities. The Company is contesting the Income Tax Appellate Tribunal's (ITAT) order for the denial of certain export benefits under the Income Tax Act, 1961 on the grounds of the date of establishment of the Export Oriented Unit. The petition contesting the ITAT's Order has been admitted by the Honourable High Court of Andhra Pradesh and the case has not yet come up for hearing during the year. Further, the Company is contesting certain other disallowances made by the Deputy Commissioner of Income-tax for the assessment years 2002-03 to 2006-07. The matters have been taken up with the appropriate authorities and the Company is hopeful of the favourable resolution, based on professional advice. As a matter of abundant precaution, the Company has set aside an amount of ₹ 161,000,000 (March 31, 2013 - ₹ 161,000,000) as Contingency Reserve to meet any future eventuality.

(ii) The Board of Directors at its meeting held on April 24, 2014, have recommended a final dividend of ₹ 3 each per share

	(Amount in ₹)			
	As at March 31, 2014		As at March 31, 2013	
5. Long-term Provisions				
Provision for employee benefits				
Provision for gratuity (net) [Refer Note 30.2(i)]	208,634,409		205,778,289	
Provision for compensated absences [Refer Note 30.2(ii)]	173,080,278	381,714,687	152,056,200	357,834,489
Provision for taxation [Net of advances: Nil (As at March 31, 2013 ₹ 7,106,554)] (Refer Note below)		-		23,008,847
TOTAL		381,714,687		380,843,336

Note: Pertains to provision made for taxation in a foreign subsidiary

	(Amount in ₹)			
	As at March 31, 2014		As at March 31, 2013	
6. Short-term borrowings				
Secured				
Working capital loans		58,179,244		397,774
Unsecured				
Other loans		-		2,800,000
TOTAL		58,179,244		3,197,774

Note:

Loans repayable on demand (Unsecured):

During the previous year, the Company's wholly owned subsidiary Infotech Enterprises America Inc. borrowed one short loan aggregating ₹ 56,309,000 and repaid the same before end of the previous year.

	(Amount in ₹)			
	As at March 31, 2014		As at March 31, 2013	
7. Trade payables				
Other than acceptances (Refer note 25)		1,743,637,606		1,211,703,221
TOTAL		1,743,637,606		1,211,703,221

(Amount in ₹)

	As at March 31, 2014	As at March 31, 2013
8. Other current liabilities		
Unearned revenue	77,502,317	52,150,372
Unclaimed dividends (Refer note below)	4,247,197	3,184,348
Other payables		
- Statutory remittances and others (net)	477,159,848	372,472,442
- Derivative Liability (Refer Note 26.1)	72,547,328	55,391,649
- Payables on purchase of fixed assets	61,495,847	256,986,499
- Deferred premium/(discount) on forward Contracts	-	640,441
- Advance from customers	17,577,779	5,630,341
- Other liabilities	10,173,187	3,015,835
TOTAL	720,703,503	749,471,927

Note: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

(Amount in ₹)

	As at March 31, 2014	As at March 31, 2013
9. Short-term provisions		
Provision for employee benefits		
Provision for gratuity (net) [Refer Note 30.2(i)]	64,069,990	54,885,135
Provision for compensated absences [Refer Note 30.2(ii)]	116,031,806	100,567,054
Provision - others:		
Provision for warranty (Refer Note 38)	4,097,989	2,383,485
Provision for proposed equity dividend	335,893,839	279,007,418
Provision for tax on proposed equity dividend	57,085,158	47,417,311
Provision for taxation [Net of advances ₹ 23,922,941 (As at March 31, 2013: Nil)]	47,682,676	-
TOTAL	624,861,458	484,260,403

10. FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK			
	As at April 1, 2013	Additions during the year	Deletions/ Adjustments	Translation exchange difference	Balance March 31, 2014	As at April 1, 2013	For the year	Deletions/ Adjustments	Translation exchange difference	Balance March 31, 2014	As at March 31, 2014	As at March 31, 2013
A. Tangible Assets												
a. Land (Refer Note (i) below)	15,571,954	-	-	-	15,571,954	-	-	-	-	-	15,571,954	15,571,954
- Freehold	(15,571,954)	(-)	(-)	(-)	(15,571,954)	(-)	(-)	(-)	(-)	(-)	(15,571,954)	(15,571,954)
- Leasehold (Refer Note (ii) below)	149,219,020	-	-	-	149,219,020	27,140,441	4,433,528	-	-	31,573,969	117,645,051	122,078,579
(149,219,020)	(-)	(-)	(-)	(-)	(149,219,020)	(22,706,913)	(4,433,528)	(-)	(-)	(27,140,441)	(122,078,579)	(126,512,107)
b. Buildings (Refer Note (iii) below)	1,840,085,137	37,372,067	-	-	1,877,457,204	284,287,459	69,074,303	-	-	353,361,762	1,524,095,442	1,555,797,678
(1,711,940,422)	(129,751,913)	(1,607,198)	(1,607,198)	(-)	(1,840,085,137)	(219,302,230)	(65,599,624)	(614,395)	(-)	(284,287,459)	(1,555,797,678)	(1,492,638,192)
c. Leasehold improvements	97,618,929	704,046	4,362,790	9,535,677	103,495,862	46,950,946	8,714,260	4,362,790	4,077,461	55,379,877	48,115,985	50,667,983
(93,807,536)	(-)	(-)	(1,451,359)	(5,262,752)	(97,618,929)	(38,161,033)	(7,771,169)	(878,989)	(1,897,733)	(46,950,946)	(50,667,983)	(55,646,503)
d. Computers	1,605,288,805	74,756,219	53,747,637	17,313,940	1,643,611,327	1,265,624,770	183,416,894	53,634,429	15,304,316	1,410,711,551	232,899,776	339,664,035
(1,395,531,236)	(227,383,491)	(22,813,173)	(22,813,173)	(5,187,251)	(1,605,288,805)	(1,100,901,708)	(183,063,557)	(22,380,101)	(4,039,606)	(1,265,624,770)	(339,664,035)	(294,629,528)
e. Plant and equipment	707,890,785	55,605,767	2,104,641	-	761,391,911	327,663,268	66,305,703	1,943,640	-	392,025,331	369,366,580	380,227,517
(628,796,893)	(79,093,892)	(-)	(-)	(-)	(707,890,785)	(267,307,355)	(60,355,913)	(-)	(-)	(327,663,268)	(380,227,517)	(361,489,538)
f. Office equipment	380,776,163	39,252,804	4,456,001	24,419,654	439,992,620	246,810,635	24,767,681	3,217,685	20,282,003	288,642,634	151,349,986	133,965,528
(298,965,623)	(69,603,759)	(1,605,085)	(13,811,866)	(13,811,866)	(380,776,163)	(207,637,281)	(29,588,999)	(1,086,072)	(10,670,427)	(246,810,635)	(133,965,528)	(91,328,342)
g. Furniture and fixtures *	362,482,023	81,264,971	19,764,102	7,569,695	431,552,587	214,128,535	38,464,222	17,896,742	5,289,256	239,985,271	191,567,316	148,353,488
(333,278,688)	(29,272,940)	(2,399,250)	(2,329,645)	(2,329,645)	(362,482,023)	(186,220,439)	(28,842,123)	(2,397,564)	(1,463,537)	(214,128,535)	(148,353,488)	(147,058,249)
h. Electrical installations	363,821,919	39,980,085	5,543,355	321,632	398,580,281	150,023,253	38,340,636	3,112,108	26,525	185,278,306	213,301,975	213,798,666
(329,909,412)	(35,102,274)	(1,371,706)	(181,939)	(181,939)	(363,821,919)	(117,803,296)	(33,578,799)	(1,371,706)	(12,864)	(150,023,253)	(213,798,666)	(212,106,116)
i. Vehicles	13,371,099	-	5,397,994	-	7,973,105	8,520,021	1,561,470	5,397,994	-	4,683,497	3,289,608	4,851,078
(11,981,729)	(3,322,178)	(1,971,548)	(38,740)	(38,740)	(13,371,099)	(8,199,727)	(2,256,829)	(1,971,548)	(35,013)	(8,520,021)	(4,851,078)	(3,782,002)
TOTAL	5,536,125,834	328,935,959	95,376,520	59,160,598	5,828,845,871	2,571,149,328	435,078,697	89,565,388	44,979,561	2,961,642,198	2,867,203,673	2,964,976,506
Previous year	(4,969,002,513)	(573,530,447)	(33,219,319)	(26,812,193)	(5,536,125,834)	(2,168,239,982)	(415,490,541)	(30,700,375)	(18,119,180)	(2,571,149,328)	(2,964,976,506)	(2,800,762,531)
B. Intangible Assets												
a. Computer software	1,617,032,936	391,141,773	563,668	17,256,765	2,024,867,806	1,336,040,591	250,941,141	563,668	13,934,875	1,600,352,939	424,514,867	280,992,345
(1,368,892,797)	(220,692,797)	(92,589)	(7,539,931)	(7,539,931)	(1,617,032,936)	(1,157,394,042)	(170,258,714)	(72,119)	(8,459,954)	(1,336,040,591)	(280,992,345)	(231,498,755)
b. Other intangible assets	147,805,287	-	25,235,482	-	122,569,805	66,202,580	30,891,727	25,235,482	-	71,858,825	50,710,980	81,602,707
(Refer Note (iv) below)	(45,826,350)	(101,978,937)	(-)	(-)	(147,805,287)	(19,524,980)	(46,677,600)	(-)	(-)	(66,202,580)	(81,602,707)	(26,301,370)
TOTAL	1,764,838,223	391,141,773	25,799,150	17,256,765	2,147,437,611	1,402,243,171	281,832,868	25,799,150	13,934,875	1,672,211,764	475,225,847	362,595,052
Previous year	(1,434,719,147)	(322,671,734)	(92,589)	(7,539,931)	(1,764,838,223)	(1,176,919,022)	(216,936,314)	(72,119)	(8,459,954)	(1,402,243,171)	(362,595,052)	(257,800,125)
Grand Total	7,300,964,057	720,077,732	121,175,670	76,417,362	7,976,283,482	3,973,392,499	716,911,565	115,364,538	58,914,436	4,633,853,962	3,342,429,520	3,327,571,558
Previous year	(6,403,721,660)	(896,202,181)	(33,311,908)	(34,352,124)	(7,300,964,057)	(3,345,159,004)	(632,426,855)	(30,772,494)	(26,579,134)	(3,973,392,499)	(3,327,571,558)	(3,058,562,656)

* Including Interior Work

Notes: (i) Includes ₹3,947,700 (31.03.2012: ₹3,947,700) in respect of which land allocation letters have been received, pending execution of conveyance deed.

(ii) Includes ₹9,283,720 (31.03.2013: ₹9,283,720) in respect of which land allocation letter has been received, pending the lease deed execution.

(iii) Includes ₹756,531,129 (31.03.2013: ₹722,872,695) Building constructed on leasehold land.

(iv) Amortisation for the year include ₹Nil towards impairment of assets (2012-13 - ₹25,235,482). Also refer Note 41(a).

(v) Figures in brackets relate to the previous year.

C. Capital work-in-progress : Construction related contracts Other fixed assets	As at		For the year ended		For the year ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
- Depreciation and amortisation expense:						
- Depreciation and amortisation on Tangible assets	5,475,837	43,502,823	435,078,697	415,490,541		
- Amortisation on Intangible Assets	56,386,341	175,943,097	281,832,868	216,936,314		
- Amortisation of goodwill on consolidation			3,071,351	3,071,351		
TOTAL	61,862,178	219,445,920	719,982,916	635,498,206		

(Amount in ₹)

	As at March 31, 2014		As at March 31, 2013	
11. Non-Current Investments - Trade				
Unquoted Investments				
(a) Investment in Associate Company				
Infotech Aerospace Services Inc., USA	372,785,558		243,733,398	
490 shares of \$0.01 par value fully paid-up (March 31, 2013 : 490 shares of \$0.01 each fully paid)				
Add : Share of profit	152,049,600		129,052,160	
Less: Dividend received	-		-	
		524,835,158		372,785,558
(b) Other entities				
(i) Canesta, Inc (a California Corporation)		98,206		98,206
10,000 shares of \$ 0.19275 par value each fully paid-up (March 31, 2013 : 10,000 shares of \$ 0.19275 each fully paid)				
(ii) Trafficmaster Plc, United Kingdom				
35,088 ordinary shares of GBP 1 each fully paid-up (March 31, 2013 : 35,088 shares of GBP 1 each fully paid)	6,659,000		6,659,000	
Less: Provision for diminution in value of investment	6,551,990	107,010	6,551,990	107,010
TOTAL		525,040,374		372,990,774
Note :				
Aggregate cost of unquoted investments		525,040,374		372,990,774
Aggregate provision for diminution		6,551,990		6,551,990

(Amount in ₹)

	As at March 31, 2014		As at March 31, 2013	
12. Long term loans and advances				
(Unsecured)				
a) Capital advances, considered good		9,073,876		18,995,520
b) Security deposits				
Considered good	94,228,408		83,727,245	
Considered doubtful	16,200,000		16,200,000	
	110,428,408		99,927,245	
Less: Provision for doubtful deposits	16,200,000	94,228,408	16,200,000	83,727,245
c) Prepaid expenses, considered good		20,220,423		18,444,571
d) Advance income taxes (net of provisions)		269,921,988		257,823,344
e) MAT credit entitlement, considered good (Refer Note 35.5)		1,123,805		1,624,969
f) Forward contract receivables (net)		-		-
g) Balances with Government authorities				
Considered good	585,985,132		531,839,227	
Considered doubtful-Balance with Govt Authorities	452,559		452,559	
	586,437,691		532,291,786	
Less: Provision for other doubtful - Balance with Govt Authorities	452,559	585,985,132	452,559	531,839,227
TOTAL		980,553,632		912,454,876

	(Amount in ₹)	
	As at March 31, 2014	As at March 31, 2013
13. Other non-current assets		
(Unsecured)		
Long-term Deposits, Considered good	2,082,582	179,056
Other non-current assets	-	13,086
TOTAL	2,082,582	192,142

	(Amount in ₹)	
	As at March 31, 2014	As at March 31, 2013
14. Current Investments		
Quoted trade investments		
(at lower of cost and realisable value)		
Investment in mutual funds:		
Nil (31.03.2013 - 4,141,248) Units of ₹ 10 each		
Birla Sun Life Dynamic Bond Fund		
- Retail Plan - Monthly Dividend	-	43,636,788
Nil (31.03.2013 - 4,039,128) Units of ₹ 10 each		
Peerless Liquid Fund - Super		
Institutional Daily Dividend - Reinvestment	-	40,397,341
Nil (31.03.2013 - 39,950) Units of ₹ 1,000 each		
L&T Liquid Fund Daily Dividend Reinvestment Plan	-	40,414,877
Nil (31.03.2013 - 40,389) Units of ₹ 1,000 each		
Baroda Pioneer Liquid Fund Plan a -		
Daily Dividend Re - Investment	-	40,414,659
Nil (31.03.2013 - 3,875,259) Units of ₹ 10 each		
JM High Liquidity Fund - Daily Dividend Option	-	40,419,726
Nil (31.03.2013 - 4,988,982) units of ₹ 10 each		
HDFC Floating Rate Income Fund		
- Short Term Plan - Wholesale Option		
- Dividend Reinvestment	-	50,293,432
Nil (31.03.2013 - 4,184,507) Units of ₹ 10 each		
Sundaram Ultra Short Term Fund Regular Daily DR	-	41,999,900
Nil (31.03.2013 - 499,134) Units of ₹ 100 each		
Birla Sun Life Cash Plus - Daily Dividend		
- Regular Plan - Reinvestment	-	50,010,772
Nil (31.03.2013 - 12,013,375) Units of ₹ 10 each		
IDFC Ultra Short Term Fund - Daily		
Dividend - (Regular Plan)	-	120,283,918
Nil (31.03.2013 - 1,177,710) Units of ₹ 1,000 each		
Reliance Liquid Fund - Treasury Plan - Daily		
Dividend Option Dividend Reinvestment	-	20,134,005
Nil (31.03.2013 - 39,272) Units of ₹ 10 each		
Reliance Medium Term Fund - Daily		
Dividend Plan Dividend Reinvestment	-	60,036,050
Nil (31.03.2013 - 61,625) Units of ₹ 1,000 each		
Religare Ultra Short Term Fund - Daily Dividend	-	61,730,210
3,000,000 (31.03.2013-Nil) Units of ₹ 10 each 6547/ HDFC		
FMP 370D October 2013 (2) Series 28		
- Regular - Growth - INF179K018N7	30,000,000	

(Contd.)

(Amount in ₹)

	As at March 31, 2014	As at March 31, 2013
Current Investments (Contd.)		
4,707,294 (31.03.2013-Nil) Units of ₹ 10 each 3006 / HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment	50,068,662	-
39,552 (31.03.2013-Nil) Units of ₹ 1000 each L&T Floating Rate Fund - Daily Dividend Reinvestment Plan - INF917K)1AY5	40,012,084	-
26,192 (31.03.2013-Nil) Units of ₹ 1000 each Reliance Liquid Fund - Treasury Plan - Daily Dividend Reinvestment (LF-ID) ISIN : INF204K01UM1	40,040,988	-
50,044 (31.03.2013-Nil) Units of ₹ 1000 each Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	50,077,479	-
49,973 (31.03.2013-Nil) Units of ₹ 1000 each Religare Invesco Liquid Fund - Daily Dividend	50,027,381	-
40,001 (31.03.2013-Nil) Units of ₹ 1000 each IDFC Money Manager Fund-Investment Plan - Daily Dividend-(Regular Plan)	40,010,903	-
50,045 (31.03.2013-Nil) Units of ₹ 1000 each DSP Blackrock Liquidity Fund-Institutional Plan - Daily Dividend	50,060,640	-
44,918 (31.03.2013-Nil) Units of ₹ 1000 each TLS001 Tata Liquid Fund Plan A-Daily Dividend	50,061,465	-
TOTAL	400,359,602	609,771,678
Note: Aggregate cost of quoted investments	400,359,602	609,771,678
Aggregate market value of quoted investments	401,650,703	610,029,013

(Amount in ₹)

	As at March 31, 2014	As at March 31, 2013
15. Trade receivables		
(Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	237,948,399	285,888,416
Considered doubtful	126,485,153	96,082,511
	364,433,552	381,970,927
Less: Provision for doubtful trade receivables	126,485,153	96,082,511
Other trade receivables, considered good	4,561,845,235	3,658,353,299
TOTAL	4,799,793,634	3,944,241,715

(Amount in ₹)

	As at March 31, 2014		As at March 31, 2013	
16. Cash and bank balances				
Cash on hand		406,511		455,969
Cheques on hand		3,597,165		53,191,589
Balances with banks				
In current accounts	1,195,330,725		866,068,387	
In EEFC accounts	264,603,763		139,930,540	
In deposit accounts (Refer Note (i) below)	5,299,173,872		3,767,644,648	
In earmarked accounts				
Unpaid dividend accounts	4,250,458		3,184,348	
In deposits held as margin money/ security for bank guarantees (Refer Note (ii) below)	22,076,852	6,785,435,670	19,132,823	4,795,960,746
Remittance in transit		123,265,442		133,901,581
TOTAL		6,912,704,788		4,983,509,885
Of the above, balances that meet the definition of cash and cash equivalents as per AS-3 Cash Flow Statement is		6,886,377,478		4,961,192,714

Notes :

- (i) Balances with banks include deposits amounting to ₹ 54,176,286 (March 31, 2013 - ₹238,749,999) and margin monies amounting to ₹ 630,250 (March 31, 2013 - ₹630,250) which have an original maturity of more than 12 months. "Balances with banks include margin monies amounting to ₹ 630,250 (March 31, 2013 - ₹ 276,250) which have a maturity of more than 12 months from the Balance Sheet Date.
- (ii) Includes deposits placed in lien for credit facilities availed by a wholly owned subsidiary, Infotech Geospatial (India) Private Limited aggregating ₹ 18,531,010 (March 31, 2013 - ₹ 17,026,561) and margin monies amounting ₹ 601,250 (March 31, 2013 - ₹ 2,106,262).

(Amount in ₹)

	As at March 31, 2014		As at March 31, 2013	
17. Short-term loans and advances (Unsecured)				
Security deposits, considered good		40,000		56,500
Loans and advances to employees				
Considered good	55,786,538		24,704,722	
Considered doubtful	235,718		235,718	
	56,022,256		24,940,440	
Less: Provision for doubtful debts	235,718	55,786,538	235,718	24,704,722
Prepaid expenses, considered good		346,620,413		409,290,385
Forward contract receivables (net)		-		7,305,875
Derivative Asset (Refer Note 26.1)		280,540,967		56,828,828
Other loans and advances				
Considered good	103,403,995		91,065,096	
Considered doubtful	473,827		473,827	
	103,877,822		91,538,923	
Less: Provision for doubtful loans and advances	473,827	103,403,995	473,827	91,065,096
TOTAL		786,391,913		589,251,406

	As at March 31, 2014		As at March 31, 2013	
18. Other current assets				
Unbilled revenue (net)	1,180,723,519		861,364,794	
Less: Provision for unbilled revenue	-	1,180,723,519	1,202,694	860,162,100
Interest accrued on deposits		179,533,248		143,410,949
Others		188,249,267		63,237,091
TOTAL		1,548,506,034		1,066,810,140

	(Amount in ₹)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
19. Other income (net)		
Interest income (Refer note (i) below)	389,788,120	358,048,081
Dividend income from current investments	23,379,793	15,495,295
Gain/(loss) on Sale of Current Investment (net)	-	(4,470)
Gain/(loss) on foreign currency transactions and translations (net) (Refer Note 26.2)	(354,252,590)	(23,116,827)
Other non-operating income (Refer Note (ii) below)	110,485,255	30,677,179
TOTAL	169,400,578	381,099,258
Note:		
i. Interest income comprises of:		
Interest from banks on deposits	389,001,255	357,876,593
Others	786,865	171,488
Total interest income	389,788,120	358,048,081
ii. Other non-operating income comprises of :		
Liabilities/provisions no longer required written back (net)	54,637,202	1,278,334
Miscellaneous income	55,747,811	29,061,971
Profit/(loss) on sale of fixed assets (net)	(1,241,474)	(599,673)
Rental Income from operating lease	1,341,716	936,547
Total other non-operating income	110,485,255	30,677,179
* Includes write back off provision for customer receivables	-	2,319,739

	(Amount in ₹)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
20. Employee benefits expenses		
Salaries and bonus	11,914,640,711	10,019,831,033
Contribution to provident and other funds	251,880,184	220,504,116
Social security and other benefits for overseas employees	858,401,321	637,103,654
Gratuity	61,534,810	32,827,465
Staff welfare expenses	591,327,396	495,721,017
TOTAL	13,677,784,422	11,405,987,285

(Amount in ₹)

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	For the year ended March 31, 2014	For the year ended March 31, 2013
21. Operating, administration and other expenses		
Rent including lease rentals (Refer Note 33)	278,643,023	160,303,138
Rates and taxes	80,687,811	80,571,805
Insurance	46,372,849	54,035,439
Travelling and conveyance	1,043,316,929	978,574,507
Sub contracting charges	612,157,861	731,969,884
Communication	159,153,645	138,268,020
Printing and stationery	33,883,718	33,564,194
Power and fuel	221,513,438	187,794,582
Marketing expenses	210,089,011	110,499,599
Advertisement	3,953,000	9,362,656
Repairs and maintenance		
- Buildings	15,347,655	8,709,953
- Machinery	476,544,260	439,221,643
- Others	71,969,028	72,619,605
Directors remuneration:		
Non executive directors commission	4,500,000	7,650,000
Directors sitting fees	5,223,186	7,281,035
Legal & Professional charges	494,869,176	411,531,054
Bad debts/advances written off	1,822,325	1,800,017
Provision for doubtful debts	32,766,314	23,712,149
Trade receivables written off (net)	10,789,944	-
Less: Provision released	(10,789,944)	-
Loss on discard of fixed assets	2,084,504	22,156
Auditors' remuneration (refer note (i) below)	32,294,202	20,276,093
Recruitment expenses	39,800,420	43,851,390
Training and development	41,272,295	33,949,777
Purchase of computer software	114,559,407	135,868,281
Miscellaneous expenses	261,444,400	209,608,230
TOTAL	4,284,268,457	3,901,045,207

**i. Auditors' remuneration comprises of :
Company**

As auditors - statutory audit	5,500,000	5,000,000
For other services	700,000	800,000
For services rendered by affiliates of statutory auditors	3,216,920	1,069,011
Reimbursement of expenses	315,615	390,015

Subsidiaries

As auditors - statutory audit	22,561,667	13,017,067
Total Auditors' remuneration	32,294,202	20,276,093

(Amount in ₹)

	For the year ended March 31, 2014	For the year ended March 31, 2013
22. Financial costs		
Interest expense on borrowings	78,261	449,525
Interest expense others	13,592,162	2,424,819
TOTAL	13,670,423	2,874,344

23. List of Subsidiaries, Associate and Joint Venture considered for Consolidation

Sl. No.	Name of the Company	Country of Incorporation	Extent of holding (%) as on March 31, 2014	Extent of holding (%) as on March 31, 2013
Subsidiaries				
1.	Infotech Enterprises Europe Limited (IEEL)	U.K	100%	100%
2.	Infotech Enterprises Benelux, B.V. ^{@1}	Netherlands	100%	100%
3.	Infotech Enterprises GmbH, (formerly AGS Berne), ^{@1}	Switzerland	100%	100%
4.	Infotech Enterprises America, Inc. (IEAI)	U.S.A	100%	100%
5.	Infotech Software Solutions Canada Inc. ^{@2}	Canada	100%	100%
6.	Infotech Enterprises GmbH (IEG)	Germany	100%	100%
7.	Infotech Enterprises AB ^{@3}	Sweden	100%	100%
8.	Infotech Geospatial (India) Private Limited (IGIL) ^{@4}	India	100%	100%
9.	Infotech Enterprises Japan KK (IEJKK)	Japan	100%	100%
10.	Infotech Enterprises Information Technology Services Pvt Ltd (IEITS)	India	100%	100%
Associate				
1.	Infotech Aerospace Services Inc. ^{@5}	U.S.A	49%	49%
Joint Venture				
1.	Infotech HAL Limited ^{@6}	India	50%	50%

^{@1} Wholly owned by Infotech through its wholly owned subsidiary Infotech Enterprises Europe Limited.

^{@2} Wholly owned by Infotech through its wholly owned subsidiary Infotech Enterprises America Inc.

^{@3} Wholly owned by Infotech through its wholly owned subsidiary Infotech Enterprises GmbH.

^{@4} W.e.f., October 23, 2013, Infotech Geospatial (India) Limited was converted into a private limited company and was renamed as Infotech geospatial (India) private limited.

^{@5} The Company's associate Infotech Aerospace Services Inc. follows calendar year as its reporting period. The consolidated financial statements include audited figures of the associate for the year ended March 31, 2014 after making adjustments for the operations for the three months ended March 31, 2013 and the three months ended March 31, 2014.

^{@6} The 50% in the Joint Venture i.e., Infotech HAL Limited has been accounted for using proportionate consolidation in accordance with the Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures". Infotech's share in the assets, liabilities, incomes and expenses of the joint venture as adjusted for elimination from transactions with various companies in the group is included in the respective schedules in these consolidated financial statements.

24. Contingent Liabilities and Commitments

24.1 Contingent Liabilities

Particulars	(Amount in ₹)	
	As at March 31, 2014	As at March 31, 2013
Claims against the Company not acknowledged as debt (Refer Note (i) below)	396,821,168	632,027,223
Guarantees (Refer Note (ii) below)	1,043,841,250	443,662,000
Other money for which the Group is contingently liable (Refer Note (iii) below)	23,500,000	23,500,000

Notes:

- (i) a. The Company has disputed various demands (including draft notice of demand) raised by Income Tax authorities for the assessment years 1997-98 to 2009-10. The orders are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 204,461,783 (March 31, 2013 - ₹ 404,555,682). The Company is confident that these appeals will be decided in its favour, based on professional advice.

- b. The Company has disputed various demands raised by the Sales Tax authorities for the financial years 2004-05 to 2009-10. The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 20,096,061 (March 31, 2013 - ₹ 20,096,061). The Company is confident that these appeals will be decided in its favour, based on professional advice. The above does not include show cause notices received by the Company.
- c. The Company has disputed various demands raised by the Service Tax authorities for the financial years 2006-07 to 2012-13. The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 172,263,324 (March 31, 2013 - ₹ 207,375,480). The Company is confident that these appeals will be decided in its favour, based on professional advice. The above does not include show cause notices received by the Company.
- (ii) Corporate guarantee given to subsidiary's bankers to obtain line of credit ₹ 1,043,841,250 (March 31, 2013 - ₹ 443,662,000). The amount outstanding against such guarantee is ₹ Nil (March 31, 2013 - ₹ 397,774)
- (iii) The Group has certain obligations towards revenue authorities in a subsidiary company. Pending further evaluation, an amount of ₹ 15,916,183, net of ₹ 23,500,000 retained in an indemnity escrow account by the Escrow Agent under the share purchase agreement and available for adjustment of any liabilities pertaining to pre-acquisition period, has been provided.

24.2 Commitments

(i)	(Amount in ₹)	
	As at March 31, 2014	As at March 31, 2013
Particulars		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)		
Tangible assets	41,630,339	82,571,908
Intangible assets	82,268,922	51,930,958
Note: Commitment towards intangible assets include software and related purchases.		
(ii) IEAI has a commitment of ₹ 1,089,972,999 towards purchase of 100% shareholding in Softential Inc., (Refer Note 43)		

24.3 The Company has/had certain outstanding export obligations/commitments as at March 31, 2014 and March 31, 2013. The Management is confident of meeting these obligations/commitments within the stipulated period of time/obtaining suitable extensions, wherever required.

25. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the MSMED Act, 2006) claiming their status as micro or small enterprises. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by Management. This has been relied upon by the auditors.

26. Derivative Instruments and Hedging - Company

26.1 The Company has applied the hedge accounting principles set out in Accounting Standard – 30 "Financial Instruments – Recognition and Measurement" (AS-30) in respect of such derivative contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. Accordingly, in respect of all such contracts outstanding as on March 31, 2014, that were designated and effective as hedges of the future cash flows, gain aggregating ₹ 207,993,638 (net) (March 31, 2013 - ₹ 33,660,779) has been recognised directly in the Hedging Reserve account (Refer Note 4c).

The fair values of such derivative contracts outstanding are:

Particulars	(Amount in ₹)			
	Derivative Asset		Derivative Liability	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Current	280,540,967	56,828,828	72,547,328	55,391,649
Non-current	-	-	-	-

Outstanding forward exchange contracts as on March 31, 2014:

Currency	No of Contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
USD	34	85,792,760	5,545,282,580	Sell	Rupees
EURO	22	24,000,000	2,099,495,000	Sell	Rupees
GBP	12	2,400,000	255,394,000	Sell	Rupees
AUD	16	6,600,000	385,139,500	Sell	Rupees

Outstanding forward exchange contracts as on March 31, 2013:

Currency	No of Contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
USD	27	58,100,000	3,273,575,220	Sell	Rupees
EURO	15	14,250,000	1,061,700,276	Sell	Rupees
GBP	14	5,100,000	434,025,563	Sell	Rupees
AUD	15	3,600,000	205,599,529	Sell	Rupees

- 26.2** The Company used foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. In case of forward exchange contracts that are used to hedge foreign currency risk, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract.

Other income for the year under includes ₹ 7,993,550 (2012-13 - ₹ 87,310,292) towards loss on settlement of derivative contracts and ₹ Nil (2012-13 - loss ₹ 2,520,000) towards restatement gain on derivative contracts. ₹ 487,109,303 (2012-13 - ₹ 39,441,033) towards loss on settlement of derivative contracts under principles of AS-30 and ₹ 11,262,449 (2012-13 - loss ₹ 11,262,449) towards reversal of loss on derivative contracts considered ineffective under principles of hedging under AS-30.

- 26.3** Forward exchange contracts (being derivative instruments but not designated as hedging instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

Outstanding forward exchange contracts as on March 31, 2014.

Currency	No of Contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
EURO	Nil (3)	Nil (2,100,000)	Nil (153,342,000)	NA (Sell)	NA (Rupees)

Note: Figures in brackets relate to the previous year

26.4 The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Company:

As at March 31, 2014:

(Amount)

Currency	Cash and Cash equivalents	Current and Non-current		Trade and other receivables	Trade Payables	Other current liabilities	Total
		Loans & advances	Other current assets				
AED	134,748	48,475	-	23,000	(81,709)	-	124,514
AUD	1,371,818	101,128	632,573	6,615,198	(1,222,852)	-	7,497,866
BND	-	-	-	254,174	-	(21,831)	232,343
CAD	31,198	35,094	14,130	295,423	-	-	375,845
USD	1,425,647	5,297,847	6,448,093	22,862,237	(2,326,736)	(264,218)	33,442,870
GBP	277,687	292,979	387,659	2,416,382	(28,576)	(7,590)	3,338,541
EUR	1,977,684	544,009	2,326,668	3,489,116	(1,642,330)	-	6,694,147
NOK	22,633	25,902	46,761	186,533	(928,276)	-	(646,447)
MYR	564,357	36,027	398,419	2,346,661	(84,845)	(203,924)	3,056,695
SGD	84,486	10,699	7,750	268,789	(12,169)	(7,385)	352,170
KRW	694,294,714	9,456,043	6,599,031	31,617,044	-	-	741,966,832
NZD	96,310	-	-	541,399	(34,205)	-	603,504
JPY	-	-	4,951,139	79,176,160	(25,190,869)	(1,950,844)	56,985,586
QAR	-	-	-	287,241	(45,000)	-	242,241
CHF	-	-	40,495	148,279	-	-	188,774
SEK	-	430,151	-	-	(64,858)	-	365,294
SAR	-	-	-	-	(29,451)	-	(29,451)
TWD	3,732,767	-	-	614,245	(350,913)	(261,869)	3,734,230
₹ Equivalent	422,965,228	406,840,967	668,512,575	2,450,529,456	(378,223,629)	(23,444,762)	3,547,179,834

As at March 31, 2013:

(Amount)

Currency	Cash and Cash equivalents	Current and Non-current		Trade and other receivables	Trade Payables	Other current liabilities	Total
		Loans & advances	Other current assets				
AED	274,985	38,578	-	-	(559,848)	-	(246,285)
AUD	1,589,427	91,871	289,231	7,954,524	(811,057)	(370,620)	8,743,376
CAD	102,270	8,317	360,437	60,828	(98,779)	(95,200)	337,873
USD	2,030,210	4,316,263	7,765,025	15,030,464	(1,491,624)	-	27,650,338
GBP	51,524	141,063	230,962	1,021,162	(8,355)	-	1,436,356
EUR	1,497,140	154,134	1,762,081	1,279,761	(102,045)	-	4,591,071
NOK	5,201	25,902	42,657	105,281	(10,000)	-	169,041
MYR	9,116	10,450	2,312,817	973,392	(113,266)	(45,764)	3,146,745
SGD	96,667	5,598	-	167,489	(6,600)	(4,723)	258,431
KRW	3,264,452	3,812,058	-	-	(11,918,033)	-	(4,841,523)
NZD	14,179	-	10,940	173,437	(2,511)	-	196,045
JPY	-	-	165,458	29,175,735	(6,829,460)	(1,950,844)	20,560,889
QAR	-	-	-	995,641	(15,000)	-	980,641
CHF	-	-	63,141	-	-	-	63,141
SEK	-	-	-	56,078	-	-	56,078
DKK	-	-	-	51,167	-	-	51,167
SAR	-	-	-	-	(14,250)	-	(14,250)
₹ Equivalent	323,964,342	238,998,633	639,484,892	1,492,099,985	(147,887,075)	(19,210,548)	2,527,450,229

Subsidiaries:

Currency	March 31, 2014		March 31, 2013	
	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable) (Amount in ₹)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable) (Amount in ₹)
CHF	269,337	18,317,436	36,171	2,071,530
DKK	(1,183,179)	(13,142,042)	(835,078)	(7,816,331)
EUR	7,703,123	636,096,914	1,729,212	120,249,384
GBP	6,209,183	619,985,678	2,607,425	214,643,230
NOK	8,096,805	80,926,756	1,392,129	12,988,560
SEK	(23,383,464)	(215,394,440)	(5,993,578)	(50,226,185)
USD	4,138,462	248,720,749	4,175,179	227,088,000
AUD	153,308	8,531,628	-	-
CHF	(413,300)	(28,108,298)	(67,274)	(3,852,803)
DKK	529,349	5,879,691	601,654	5,631,479
EUR	(4,805,100)	(396,788,340)	(675,868)	(46,999,839)
GBP	(3,714,282)	(370,870,325)	(721,856)	(59,423,216)
NOK	(7,276,101)	(72,723,903)	(336,220)	(3,136,929)
SEK	(1,034,993)	(9,533,731)	(4,286,157)	(35,917,993)
USD	644,455	38,731,643	(400,554)	(21,786,123)

27. Disclosure required in terms of clause 13.5A of Chapter XIII on Guidelines for preferential issue, SEBI (Disclosure and Investor Protection) Guidelines, 2000.

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
2,724,000 Compulsorily convertible preference shares (CCPS) of ₹ 360 each issued to GA Global Investments Limited, Cyprus (Refer Note (i) below)	980,640,000	980,640,000
4,417,277 equity shares of ₹ 5 each at premium of ₹ 355 per share issued to GA Global Investments Limited, Cyprus	1,590,219,720	1,590,219,720
1,166,420 equity shares of ₹ 5 each at a premium of ₹ 355 per share issued to Carrier International Mauritius Limited, Mauritius	419,911,200	419,911,200
Total amount received on preferential issue of shares (A)	2,990,770,920	2,990,770,920
Amounts utilised out of the above:		
Purchase of fixed assets	662,833,608	662,833,608
Payment of fee for increasing authorised capital	5,750,000	5,750,000
Investment in wholly-owned subsidiary in Infotech Enterprises America, Inc.	508,553,272	508,553,272
Investment in wholly-owned subsidiary TTM (India) Private Limited	40,742,353	40,742,353
Investment in wholly-owned subsidiary TTM Institute of Information Technology Private Limited	100,000	100,000
Investment in 10% stake in Kalyani Net Ventures Limited	26,065,000	26,065,000
Repayment of outstanding Term Loan with Tamilnadu Mercantile Bank Limited	242,522,539	242,522,539
Total amount utilised (B)	1,486,566,772	1,486,566,772
Balance (C)=(A)-(B)	1,504,204,148	1,504,204,148
Sale of Investment in 10% stake in Kalyani Net Ventures Limited	16,882,171	16,882,171
Dividend received on investments	228,224,428	222,464,083
Interest received on investments (Net)	838,493,000	649,738,353
Interest accrued but not received, included above	(96,077,048)	(100,102,752)
Total (D)	987,522,551	788,981,855
Total Net Balance (E)=(C)+(D)	2,491,726,699	2,293,186,003
Total Net balance, represented by-		
Short-Term Deposits with various banks	2,461,726,699	2,187,819,003
Investments in Mutual Funds	30,000,000	105,367,000
	2,491,726,699	2,293,186,003

Notes:

- (i) The Company had issued 2,724,000 Compulsorily Convertible Preference Shares ("CCPS") with a face value of ₹ 360 on July 6, 2007 to M/s. GA Global Investments Limited ("GA" or "the Allottee"). The terms and conditions of the issue of these CCPS including the right to convert the CCPS into Equity Shares were subject to the provisions of the Agreement entered into between the Allottee and the Company, dated June 28, 2007, the guidelines issued by SEBI, RBI etc., and the Special Resolution passed in the Extraordinary General Meeting of members of the Company held on June 23, 2007. The CCPS were to be converted into equal number of equity shares within a period of 18 months from the date of allotment at the option of the Allottee and if no option is exercised, the same shall be automatically converted into equity shares at the end of 18 months.

GA Global investments exercised the option to convert the CCPS and in pursuance of this exercise the Company allotted 2,724,000 equity shares of ₹ 5 each, at a premium of ₹ 355 each on December 9, 2008. As such, there are no preference shares in the Company post the above conversion.

The Company altered the capital clause of the Memorandum of Association by deleting the reference to the clauses pertaining to Compulsorily Convertible Preference Shares (CCPS). The clauses were no longer relevant as the said CCPS were issued in 2007 and have since been converted into equity shares. Form 5 was filed with the Registrar of Companies, Andhra Pradesh, notifying the said alteration (as approved by the members through postal ballot) on June 1, 2010.

- (iii) The Company does not maintain a separate bank account to manage these funds received on a preferential basis. The above allocation is based on Management's information systems.

28. Amalgamation:**28.1 Daxcon Engineering Services Inc.**

- a. During the year 2011-12, Daxcon Engineering Services Inc., a wholly owned subsidiary of Infotech Enterprises America Inc., ("IEAI") was merged with IEAI. The amalgamation was in the nature of a merger and the difference between assets and liabilities taken over net of Goodwill was adjusted to the reserves. The Goodwill (net of amortisation of ₹ 41,418,884) adjusted to the surplus in the Consolidated Statement of Profit and Loss on amalgamation is ₹ 195,154,184. Deferred tax credit on amalgamation adjusted to reserves is ₹ 77,372,083.
- b. During the previous year, the balance amount of consideration relating to the performance payment was paid out amounting to ₹ 6,610,945. The same was adjusted to the surplus in the Consolidated Statement of Profit and Loss as amalgamation was effected w.e.f., April 01, 2011.

28.2 Wellsco Inc.

During the previous year, Wellsco Inc., a wholly owned subsidiary of Infotech Enterprises America Inc., ("IEAI") was merged with IEAI effective from April 01, 2012. The amalgamation was in the nature of a merger and the difference between assets and liabilities taken over net of Goodwill was adjusted to the reserves. The Goodwill (net of amortisation of ₹ 4,548,033) adjusted to the surplus in the Consolidated Statement of Profit and Loss on amalgamation is ₹ 90,371,720.

28.3 Infotech Enterprises Electronic Design Services Inc.

During the previous year, Infotech Enterprises Electronic Design Services., a wholly owned subsidiary of Infotech Enterprises America Inc., ("IEAI") was merged with IEAI effective April 01, 2012. The amalgamation was in the nature of a merger and the difference between assets and liabilities taken over net of Goodwill was adjusted to the reserves. The Goodwill (net of amortisation of ₹ 60,132,242) adjusted to the surplus in the Consolidated Statement of Profit and Loss on amalgamation is ₹ 89,219,953.

29. Goodwill

Particulars	(Amount in ₹)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening Balance	26,362,427	209,025,451
Less: Adjustments on amalgamation		
- Wellsco (Refer Note 28.2)	-	90,371,720
- IEEDS (Refer Note 28.3)	-	89,219,953
Gross Value	26,362,427	29,433,778
Less: Amortisation	3,071,351	3,071,351
Net Goodwill	23,291,076	26,362,427

30. Employee benefits:

The employee benefit schemes are as under:

30.1 Defined contribution plans

i. Provident Fund:

The Company and two of its subsidiaries and one joint venture makes provident fund contributions which are defined contribution retirement benefit plans for qualifying employees. Under the scheme, the Company, the subsidiaries and the joint venture are 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 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 ₹ 247,929,253 (2012-13 - ₹ 193,284,547).

ii. (a) Superannuation fund - India

The qualifying employees of the Company receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the Company contributes 15% of the basic salary of the covered employee. These contributions are made to a fund administered by Life Insurance Corporation of India. The Company's monthly contributions are charged to the Consolidated Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 26,633,378 (2012-13 - ₹ 23,601,447).

(b) Superannuation fund – Australia

The employees at the Australia branch of the Company are also covered under a superannuation scheme with various super funds. The Company contributes 9% of the basic salary of the employee. 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 ₹ 72,161,558 (2012-13 - ₹ 59,601,253).

30.2 Defined Benefit Plans

i. Gratuity

Gratuity expense for the Group for the year ended March 31, 2014 is ₹ 61,534,810 (2012-13 - ₹ 32,827,465).

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company and two of its subsidiaries provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Consolidated Statement of Profit and Loss in the period determined. The gratuity plan is administered by the Company's own trust which has subscribed to the "Group Gratuity Scheme" of Life Insurance Corporation of India.

The following table sets out the Defined Benefit Plan - as per actuarial valuation as at March 31, 2014 and March 31, 2013 for the Company and its subsidiary in India:

Particulars	(Amount in ₹)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Change in benefit obligation		
Projected benefit obligation at the beginning of the year	302,362,828	293,820,370
Current service cost	50,326,564	50,320,395
Interest cost	27,218,932	28,271,814
Actuarial (gain) / loss	(29,829,644)	(46,987,384)
Benefits paid	(24,905,504)	(23,062,367)
Projected benefit obligation at the end of the year	325,173,176	302,362,828
Change in Plan assets		
Plan assets at the beginning of the year	48,692,361	23,268,235
Expected return on plan assets	5,194,112	2,392,698
Employer contribution	39,825,903	45,504,573
Benefits payment	(24,905,504)	(23,062,367)
Asset loss	1,211,347	589,222
Plan Assets at the end of the year	70,018,219	48,692,361
Actual return on plan assets	6,405,459	3,134,676
Amount recognised in the balance sheet		
Projected benefit obligation at the end of the year	325,173,176	302,362,828
Fair value of plan assets at the end of the year	(70,018,219)	(48,692,361)
Liability recognised in the Balance Sheet	255,154,957	253,670,467
Cost of employee benefits for the year		
Current service cost	50,326,564	50,320,395
Interest cost	27,218,932	28,271,814
Expected return on plan assets	(5,194,112)	(2,392,698)
Net actuarial (gain) / loss recognised during the year	(31,040,991)	(47,576,606)
Past service cost	-	-
Net cost recognised in the Consolidated Statement of Profit and Loss	41,310,393	28,622,905
Actuarial Assumptions used in accounting for the Gratuity Plan		
Discount rate (%)	9.00%	8.00%
Expected return on plan assets	9.25%	9.25%
Long term rate of compensation increase (%)	6.00% - 8.00%	6.00% - 8.00%
Attrition (%)	17%	17%
Mortality table	IALM (2006-08) Ultimate	LIC (1994-96) Ultimate
Expected company contributions for the next year	60,761,565	56,512,000

Note:

The above table excludes provision for gratuity made at overseas subsidiaries.

Experience adjustments

(Amount in ₹)

Gratuity	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Fair value of plan assets, end of period	70,018,219	48,692,361	23,268,234	3,233,273	5,530,741
Projected benefit obligation, end of period	325,173,176	302,362,828	293,820,370	258,199,857	182,005,037
(Surplus)/deficit in the plan	255,154,957	253,670,467	270,552,136	254,966,584	176,474,296
Experience adjustments on plan assets	1,211,347	589,222	(863,656)	(427,125)	-
(Gains)/losses due to change in assumptions	(14,706,973)	(75,703,649)	(8,779,263)	12,905,568	(8,435,503)
Experience (gains)/losses on PBO	(15,122,671)	28,716,265	(8,537,801)	(5,771,633)	12,842,555
Total (gain)/loss	(29,829,644)	(46,987,384)	(17,317,064)	7,133,935	4,407,052

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 Balance Sheet date for the estimated term of the obligation.

Composition of plan assets

Plan assets comprise of 100% insurer managed funds. Fund is managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available

ii. a) Compensated absences – India:

Actuarial assumptions for long-term compensated absences	For the year ended March 31, 2014	For the year ended March 31, 2013
Discount rate	9.00%	8.00%
Expected return on plan assets	NA	NA
Salary escalation	6.00% - 8.00%	6.00% - 8.00%
Attrition	17.00%	17.00%

b) Compensated Absences – Overseas Branches and Subsidiaries:

Actuarial assumptions for long-term compensated absences	For the year ended March 31, 2014	For the year ended March 31, 2013
Discount rate	9.00%	8.00%
Expected return on plan assets	NA	NA
Salary escalation	4.00%	4.00%
Attrition	5.00%	5.00%

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at year-end as per Company's policy. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the 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 Balance Sheet date for the estimated term of the obligation.

(iii) IEAI 401(K) benefit plan :

The amount payable towards 401(K) benefit plan in IEAI was ₹ 1,605,328 (March 31, 2013 - ₹ 6,822,503).

31. Segment Information

Management evaluates Infotech Group's performance and allocates resources based on an analysis of various performance indicators by business verticals and geographical segmentation of customers.

The Infotech Group classifies its operations into two vertically oriented business segments: Network & Content Engineering (N&CE) and Engineering, Manufacturing, Industrial Products (EMI). Both businesses cater to the specific requirements of customers in their respective user segments.

Geographic segments of the Infotech Group are India, North America, Europe and Rest of the world.

The Infotech Group has identified business segments as its primary segment and geographic segments as its secondary segment.

I. Network & Content Engineering (N&CE)

N&CE vertical services customers in industries such as power, gas, telecom, transportation and local government. The Infotech Group service offerings to the N&CE vertical include data conversion, data maintenance, photogrammetry and IT services.

II. Engineering, Manufacturing, Industrial Products (EMI)

EMI 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.

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

Fixed assets used in the Infotech Group are not identified to any of the reportable segments and management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

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.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market /fair value factors.

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".

Business Segment	(Amount in ₹)		
For the year ended March 31, 2014	N&CE	EMI	Total
External revenue	7,781,556,434	14,308,444,439	22,090,000,873
Less Inter-segment revenues	4,586,029	21,087,229	25,673,258
Total revenue	7,776,970,405	14,287,357,210	22,064,327,615
Segment results	1,871,660,552	2,185,146,886	4,056,807,438
Un-allocable expenses (net of un-allocable income)			(518,785,463)
Profit before tax			3,538,021,975
Tax expense			1,030,051,172
Profit after tax before share of profit in associate company and minority interest			2,507,970,803
Share of profit in associate company			152,049,600
Profit for the year			2,660,020,403

(Amount in ₹)

For the year ended March 31, 2013	N&CE	EMI	Total
External revenue	6,199,655,053	12,558,770,003	18,758,425,056
Less Inter-segment revenues	6,002,889	21,788,612	27,791,501
Total revenue	6,193,652,164	12,536,981,391	18,730,633,555
Segment results	1,078,201,771	2,284,315,798	3,362,517,569
Un-allocable expenses (net of un-allocable income)			(196,189,798)
Exceptional item			(18,117,242)
Profit before tax			3,148,210,529
Tax expense			966,671,815
Profit after tax before share of profit in associate company and minority interest			2,181,538,714
Share of profit in associate company			129,052,160
Profit for the year			2,310,590,874

The segment disclosures for the previous year have been reclassified to conform to the current year's presentation.

Geographic Segments

(Amount in ₹)

Segment Revenue Geographic Location	For the year ended March 31, 2014	For the year ended March 31, 2013
India	4,890,414,505	5,091,748,862
North America	9,954,745,022	8,398,750,929
Europe	4,708,964,798	4,020,343,959
Rest of World	2,510,203,290	1,219,789,805
TOTAL	22,064,327,615	18,730,633,555

Segment Assets

(Amount in ₹)

Geographic Location	March 31, 2014	March 31, 2013
India	13,547,816,798	11,344,929,091
North America	3,348,172,069	2,206,230,147
Europe	2,213,342,531	1,796,640,075
Rest of World	2,56,392,808	687,440,731
TOTAL	19,368,724,206	16,035,240,044

Segment Capital Expenditure

(Amount in ₹)

Geographic Location	March 31, 2014	March 31, 2013
India	702,936,716	1,057,410,662
North America	57,903,256	39,915,753
Europe	19,071,153	18,321,686
Rest of World	2,028,785	-
TOTAL	781,939,909	1,115,648,101

32. Related Party Transactions

(i) Infotech Group has transactions with the following related parties:

a. Joint Venture:

Name of the Joint Venture Company	Country of incorporation	Extent of holding (%) as at March 31, 2014	Extent of holding (%) as at March 31, 2013
Infotech HAL Limited	India	50%	50%

b. Associate:

Name of the Associate	Country of incorporation	Extent of holding (%) as at March 31, 2014	Extent of holding (%) as at March 31, 2013
Infotech Aerospace Services Inc.,	USA	49%	49%

c. Other Entity

Name of the Other Entity

Key2Data GmbH, Germany

Note: Martin Trostel (Managing director of Infotech Enterprises GmbH) holds a 40% stake in Key2Data GmbH and therefore has significant influence on both companies.

d. Key Managerial Personnel:

Name	Designation
B V R Mohan Reddy	Chairman & Managing Director
B Sucharitha	Whole Time Director
Krishna Bodanapu	President & Chief Operating Officer and Relative of Chairman & Managing Director and Whole Time Director
Ajay Aggarwal	Chief Financial Officer
Martin Trostel	Managing Director – IEG
John Patrick Renard	Director - IEEL
Ravi Murty	Director – IEJJK

Relative of Chairman & Managing Director and Whole Time Director

Name	Designation
B. Ashok Reddy	President - Global Human Resources & Corporate Affairs

(ii) 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	(Amount in ₹)	
		For the year ended March 31, 2014	For the year ended March 31, 2013
Share of Profits from Associate	Investment in Infotech Aerospace Services Inc., Puerto Rico	152,049,600	129,052,160
Advances given/(recovered)	Infotech HAL Limited	240,471	-
Loans given	Infotech HAL Limited	3,750,000	-
Loans recovered	Infotech HAL Limited	937,500	-
Other Income	Infotech HAL Limited	678,039	661,500
Operating Expenses	Key2Data GmbH	-	5,131,145
Remuneration to Key Managerial Personnel #	Chairman & Managing Director	53,748,110	43,326,995
	Whole-time Director	2,345,995	2,371,467
	President & Chief Operating Officer (Refer Note below)	9,264,128	16,806,047
	Other KMP	68,858,949	41,079,804

(Contd.)

Transactions during the year (Contd.)

(Amount in ₹)

Nature of the transaction	Party name	For the year ended March 31, 2014	For the year ended March 31, 2013
Rental expenses	Whole time Director	5,734,416	5,461,346
Interest recovered from loan to KMP	B. Ashok Reddy Ajay Aggarwal	39,264 -	39,264 60,000
Repayment of Loan by KMP	B. Ashok Reddy Ajay Aggarwal	93,960 466,159	93,960 305,052
Remuneration to relative of Chairman & Managing Director and Whole Time Director	B. Ashok Reddy	8,790,598	7,104,322
Dividend	Dividend to KMPs	103,363,722	74,607,585

Does not include provision for compensated absences.

(b) Balances at the year-end:

Nature of the Balance	Party name	As at March 31, 2014	As at March 31, 2013
Advance receivable	Infotech HAL Limited	1,509,008	1,245,099
Outstanding loans	Infotech HAL Limited	2,812,500	-
Trade payable	Key2Data GmbH	-	544,498
Outstanding balance payable to KMP	Chairman & Managing Director President & Chief Operating Officer (Refer Note below)	49,858,261 -	35,594,886 7,440,000
Loan recoverable from KMP	B. Ashok Reddy Ajay Aggarwal	547,869 -	641,829 466,159

Note:

The Board of Directors on December 07, 2012 approved the increase in remuneration payable to the Chief Operating Officer effective April 01, 2012 to not exceed ₹ 12,000,000 per annum for the first year and the remuneration may progressively go up with a contingent 25% hike thereon each year for the next five years, as per industry trends and practices and an additional variable salary of 30% to 50% of his cost to Company based on his key performance indicators agreed at the beginning of the financial year. The members of the Company approved the increase by passing a special resolution on January 14, 2013. Pending Central Government approval, no payment was made for the increase in remuneration. The remuneration paid during the year is based on the existing approval from the Central Government vide its approval dated October 27, 2010.

As at March 31, 2014, the Company did not receive the said approval from the Central Government. Consequently, the provision made earlier for the increased remuneration ₹ 7,440,000 has been reversed in the financial statements as at March 31, 2014.

33. Lease payments made under operating leases aggregating to ₹ 278,643,023 (2012-13 - ₹ 160,303,138) have been recognised as an expense in the Consolidated Statement of Profit and Loss. The future minimum lease commitments of Infotech Group under non-cancellable operating leases are as follows:

(Amount in ₹)

	March 31, 2014	March 31, 2013
Maximum obligations on long-term non-cancellable operating leases		
Not later than one year	237,037,975	144,153,808
Later than one year but not later than five years	551,179,321	326,625,448
Later than five years	99,582,737	27,681,914
TOTAL	887,800,033	498,461,170

34. Earnings per Share (EPS)

Particulars	March 31, 2014	March 31, 2013
Profit after taxation (₹)	2,660,020,403	2,310,590,874
Basic:		
Number of shares outstanding at the year end	111,964,613	111,602,967
Weighted average number of equity shares	111,743,379	111,498,793
Earnings per share (₹)	23.80	20.72
Diluted:		
Effect of potential equity shares on employee stock options outstanding	483,953	251,998
Weighted average number of equity shares outstanding (including dilution)	112,227,332	111,750,791
Earnings per share (₹)	23.70	20.68

35. Provision for taxation

35.1 Current tax

Company:

The Company has made provision towards current tax in respect of its domestic operations for the year ended March 31, 2014. Further, the Management has assessed the Company's tax position in respect of its overseas operations taking into account the relevant rules and regulations as applicable in the respective countries. Based on professional advice, it has determined that the provision made currently is adequate and no additional provision for current tax for the current year needs to be made in respect of the same.

Subsidiaries:

An amount of ₹ 272,881,660 (2012-13 - ₹ 232,325,564) has been included under Current tax expense in respect of the subsidiaries of the Company.

35.2 Deferred Taxes

Company:

Particulars	(Amount in ₹)	
	As at March 31, 2014	As at March 31, 2013
(A) Deferred tax (liability)		
(i) Depreciation & Amortisation	(167,250,379)	(145,743,368)
Sub-Total (A)	(167,250,379)	(145,743,368)
(B) Deferred tax asset		
(i) Employee benefits	143,096,388	134,365,747
(ii) Others	36,316,846	26,310,893
Sub-Total (B)	179,413,234	160,676,640
Net Deferred tax assets/(liability) [(A) + (B)]	12,162,855	14,933,272

Subsidiaries:

The breakup of deferred tax assets/liabilities is as follows:

Particulars	(Amount in ₹)	
	As at March 31, 2014	As at March 31, 2013
(A) Deferred tax (liability)		
(i) Others	(51,758,956)	(45,073,722)
Sub-Total (A)	(51,758,956)	(45,073,722)
(B) Deferred tax asset		
(i) Employee benefits	2,567,287	1,578,504
(ii) Unabsorbed losses and depreciation	-	544,482
(iii) Fixed Assets	174,789	-
(iv) Others	58,630,813	21,340,022
Sub-Total (B)	61,372,889	23,463,008
Net Deferred tax assets/(liability) [(A) + (B)]	9,613,933	(21,610,714)

35.3 Tax pertaining to earlier years

Tax pertaining to earlier years relates to adjustment made to tax provision for earlier year arising from the Income tax assessments ₹ 1,264,263 (2012 – 13 ₹ 1,002,705).

35.4 Transfer pricing

The Company has entered into international transactions with related parties. In this regard, the Management is of the opinion that all necessary documents as prescribed by the Income Tax Act, to prove that these transactions are at arm's length are maintained by the Company and that the aforesaid legislation will not have any impact on the financial statements, particularly on the tax expense and the provision for taxation.

35.5 Minimum Alternate Tax (MAT) credit entitlement

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Opening MAT credit entitlement	1,624,969	-
Add: made during the year	-	62,179,626
Less: utilised during the year	501,164	60,554,657
Closing MAT credit entitlement	1,123,805	1,624,969

36. Research and Development Expenses - Company

Revenue expenditure pertaining to Research and Development charged to the Consolidated Statement of Profit and Loss ₹ 13,212,331 (2012-13 – ₹ 13,520,592).

37. Investment in Joint Venture : Infotech HAL Limited

The notes forming part of the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss include the following amounts towards Infotech's share in the Joint Venture:

Consolidated Balance Sheet:

Particulars	(Amount in ₹)	
	As at March 31, 2014	As at March 31, 2013
Reserves and surplus	(16,626,597)	(17,809,371)
Short-term provisions	41,461	18,485
Long-term provisions	362,362	227,966
Trade payables	9,215,488	5,757,444
Short-term borrowings	1,406,250	-
Other current liabilities	194,188	-
Fixed assets	104,638	81,042
Long-term loans and advances	2,065,154	1,155,235
Trade receivables	3,623,669	1,679,248
Cash and bank balances	2,715,287	2,129,145
Short-term loans and advances	300,298	347,108
Other current assets	5,784,071	2,802,748

Consolidated Statement of Profit and loss:

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Sale of services	14,302,222	13,167,447
Other Income	428,552	325,264
Employee benefits expenses	5,838,475	2,688,638
Other expenses	8,213,829	11,374,688
Finance costs	109,548	-
Depreciation and Amortisation expense	14,202	140,149

38. Details of provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	(Amount in ₹)				
	As at April 1, 2013	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at March 31, 2014
Provision for warranty	2,383,485 (2,325,197)	6,815,099 (2,383,485)	-	5,100,595 (2,325,197)	4,097,989 (2,383,485)

Note: - Figures in brackets relate to the previous year.

Of the above, the following amounts are expected to be incurred within a year:

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Provision for warranty	4,097,989	2,383,485

39. 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, 2014 & March 31, 2013, 80,900 equity shares of ₹ 10 each have been allotted to the Infotech ESOP trust.

Bonus Issue

The members of the Company during the previous year approved the Bonus Issue at the rate of one equity share of ₹ 5 each for every one equity shares of ₹ 5 each held on the record date for the financial year 2010-11. The effect of bonus issue has been applied to all the outstanding options as at the date of member's approval.

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, 2014, 1,650,630 (March 31, 2013 – 1,650,630) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2001 plan. Accordingly, options (net of cancellations) for a total number of Nil (March 31, 2013 – Nil) equity shares of ₹ 5 each were outstanding as at March 31, 2014.

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 the options were granted to the employees at the market price on the date of grant there is no cost relating to grant of options during the year.

Changes in number of options outstanding were as follows:

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Options outstanding at the beginning of the year	158,220	170,840
Granted	-	-
Forfeited	(158,220)	(12,620)
Exercised	-	-
Options outstanding at the end of year	-	158,220

There are no outstanding options pertaining to associates of subsidiary companies.

As at March 31, 2014, 2,123,507 (March 31, 2013 – 2,123,507) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2002 plan. Accordingly, options (net of cancellations) for a total number of Nil (March 31, 2013 – 158,220) equity shares of ₹ 5 each were outstanding as at March 31, 2014.

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 the options were granted to the employees at the market price on the date of grant there is no cost relating to grant of options during the year.

Changes in number of options outstanding were as follows:

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Options outstanding at the beginning of the year	217,276	1,618,618
Granted	-	-
Forfeited	(105,624)	(1,252,450)
Exercised	(111,652)	(148,892)
Options outstanding at the end of year	-	217,276

Out of the total outstanding options, Nil (March 31, 2013 - 6,079) options pertain to options granted to the associates of subsidiary companies. There are no Grants during the year

As at March 31, 2014, 3,296,545 (March 31, 2013 - 3,184,893) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2004 plan. Accordingly, options (net of cancellations) for a total number of Nil (March 31, 2013 - 217,276) equity shares of ₹ 5 each were outstanding as at March 31, 2014.

Associate Stock Option Plan - 2008 (ASOP 2008)

The Company instituted ASOP 2008 in July 2008 and earmarked 1,000,000 equity shares of ₹ 5 each for issue to the employees under ASOP. Under ASOP 2008, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

As the options were granted to the employees at the market price on the date of grant there is no cost relating to grant of options during the year.

Changes in number of options outstanding were as follows:

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Options outstanding at the beginning of the year	1,098,963	1,208,835
Granted	160,000	-
Forfeited	(52,885)	(71,059)
Exercised	(249,994)	(38,813)
Options outstanding at the end of year	956,144	1,098,963

Out of the total outstanding options, 90,000 (March 31, 2013 - 35,000) options pertain to options granted to the associates of subsidiary companies. During the year company has granted 160,000 options to the associates.

As at March 31, 2014, 288,807 (March 31, 2013 - 38,813) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2008 plan. Accordingly, options (net of cancellations) for a total number of 956,144 (March 31, 2013 - 1,098,963) equity shares of ₹ 5 each were outstanding as at March 31, 2014.

Proforma EPS

In accordance with Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the compensation cost for Stock Option plans been recognized based on the fair value at the date of grant in accordance with Black Scholes model, the proforma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
A. Profit After Tax		
- As reported (₹)	2,660,020,403	2,310,590,874
- Proforma (₹)	2,650,304,660	2,307,778,437
B. Earnings Per Share		
Basic		
- Weighted average number of shares	111,743,379	111,498,793
- EPS as reported (₹)	23.80	20.72
- Proforma EPS (₹)	23.72	20.70
Diluted		
- Weighted average number of shares	112,227,332	111,750,791
- EPS as reported (₹)	23.70	20.68
- Proforma EPS (₹)	23.62	20.65

The following assumptions were used for calculation of fair value of grants:

Particulars	March 31, 2014 Black-Scholes Model	March 31, 2013 Black-Scholes Model
Exercise price (₹) (ASOP 2004),(ASOP 2002)	184	125 - 188
Grant Date share price (₹) (ASOP 2008)	184	NA
Dividend yield (%)	2.44	1.93
Expected volatility (%)	52	46.50 - 51.30
Risk-free interest (%)	8.50 - 9.00	7.80 - 8.00
Expected term (in years)	1- 3	0.2- 2.2

During the year company has granted 160,000 options to the associates in respect of ASOP 2008.

As no grants were made during the year ended March 31, 2014 and March 31, 2013 in respect of ASOP 2002 and ASOP 2004, the assumptions have not been changed.

40. Share application money pending allotment

As at March 31, 2014, the Company has received an amount of ₹ 1,428,050 towards share application money towards equity shares of the Company (As at March 31, 2013 - ₹ 3,920,750). The share application money was received from associates pursuant to Associate Stock Option Plan (ASOP) 2004.

41. Intangible Assets

Intangible assets under development include amounts incurred by the Company to acquire right to use / right to exclusive supply arrangements. Subsequent to the completion of the projects the amounts would be capitalised as Intangible assets.

- On January 01, 2013, the Company capitalised as an Intangible asset an amount of ₹ 75,249,018 in relation to the agreement with Government of Karnataka for the Urban Property Ownership Records Project.
- The amount of capitalised as Intangible assets under development as at March 31, 2014 ₹ 8,999,949 (March 31, 2013 - ₹ 8,999,949) pertains to amounts incurred by the Company pursuant to an agreement with a customer to reengineer and design certain equipment for which the Company would acquire a right to exclusive manufacture and supply of the cases to the customers over the contracted period.

42. Exceptional item:

Exceptional item pertain to interest provided on certain disputed Service Taxes payable aggregating ₹ Nil (2012-13 - ₹ 18,117,242).

- 43.** Infotech Enterprises America Inc., a wholly-owned subsidiary of the Company, signed a share purchase agreement to acquire 100% shareholding in Softential Inc., on March 7, 2014. Pending fulfillment of certain closing conditions, the effect of the acquisition has not been given in the financial statements as on March 31, 2014. The transaction will conclude in April 2014.

- 44.** The Board of Directors has recommended the change of name of the Company from Infotech Enterprises Limited to Cyient Limited, which is subject to shareholder approval and other regulatory clearances.

45. 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
Chairman and Managing Director

B. Sucharitha
Whole-time Director

Ajay Aggarwal
Chief Financial Officer

Sudheendhra Putty
Company Secretary

Place : Hyderabad
Date : April 24, 2014

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956, relating to the Subsidiary Companies

Name of the Subsidiary Company	Infotech Enterprises Europe Limited	Infotech Enterprises America Inc.	Infotech Enterprises GmbH	Infotech Enterprises Japan KK	Infotech Geospatial (India) Private Limited	Infotech Enterprises Information Technology Services Private Limited
1. Financial year of the subsidiary ended on	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
2. Shares of Subsidiary Company held on the above date and extent of holding						
I) Number of Shares held	185,000,000	500,500	1126	900	4,000,000	10,000
II) Extent of holding	100%	100%	100%	100%	100%	100%
3. Net aggregate amount of profit/(losses) of the subsidiary for the above financial year so far as they concern members of Infotech Enterprises Limited						
I) dealt with in the accounts of Infotech Enterprises Limited Equivalent ₹	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL
II) not dealt with in the accounts of Infotech Enterprises Limited Equivalent ₹	(GBP 610,956) (₹ 55,231,258)	USD 6,733,584 ₹ 407,381,844	EUR 218,845 ₹ 21,731,249	(JPY 38,886,847) (₹ 23,634,816)	(₹ 19,928,315) (₹ 19,928,315)	₹ 52,223,922 ₹ 52,223,922
4. Net aggregate amount of profit/(losses) for previous financial years of the subsidiary so far as they concern members of Infotech Enterprises Limited						
I) dealt with in the accounts of Infotech Enterprises Limited Equivalent ₹	GBP 800,648 ₹ 64,840,475	USD 4,749,126 ₹ 260,297,301	EUR 3,227,778 ₹ 230,680,793	NIL NIL	NIL NIL	NIL NIL
II) not dealt with in the accounts of Infotech Enterprises Limited Equivalent ₹	(GBP 27,646) ₹ (7,898,970)	USD 20,646,832 ₹ 1,070,864,665	EUR 12,144,457 ₹ 744,768,012	(JPY 158,809,835) (₹ 79,801,120)	(₹ 28,805,369) (₹ 28,805,369)	(₹ 4,356,816) (₹ 4,356,816)

Information on Subsidiaries for 2013-14

Name of the Subsidiary Company	Infotech Enterprises Europe Limited	Infotech Enterprises America Inc.	Infotech Enterprises GmbH	Infotech Enterprises Japan KK	Infotech Geospatial (India) Private Limited	Infotech Enterprises Information Technology Services Private Limited
	₹	₹	₹	₹	₹	₹
Financial year of the subsidiary ended on	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
(A) Capital	145,442,075	992,873,272	25,427,950	4,787,622	40,000,000	100,000
(B) Reserves	52,440,680	920,721,012	857,467,493	(115,797,880)	(48,487,199)	56,580,738
(C) Total Assets	527,675,785	3,356,937,123	1,734,834,695	107,468,061	29,598,238	143,124,727
(D) Total Liabilities	329,793,030	1,443,342,839	851,939,252	218,478,319	38,085,436	86,443,989
(E) Details of Investment	144,328	98,206	-	-	-	-
(F) Turnover	1,206,802,682	10,214,436,396	3,674,179,003	142,736,653	9,083,000	296,902,975
(G) Profit Before Taxation	(43,154,342)	621,794,771	32,373,180	(23,593,062)	(18,825,922)	78,104,810
(H) Provision for Taxation	12,076,916	214,412,927	10,641,932	41,755	1,102,393	25,880,888
(I) Profit After Taxation	(55,231,258)	407,381,844	21,731,249	(23,634,817)	(19,928,315)	52,223,922
(J) Dividends paid	-	233,584,601	166,866,665	-	-	-

A 10 Year Historical Prespective - Standalone

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
(₹ Millions except per share data, other information and ratios)										
For the year										
Total Revenue	1,573.39	2,150.52	3,549.40	4,540.86	5,438.11	6,079.50	6,774.24	9,173.78	10,888.66	12,769.19
EBITDA	418.32	493.77	988.77	1,091.92	1,123.29	1,960.04	1,667.73	2,645.64	3,196.24	3,967.31
Financial charges	1.11	3.03	3.61	28.70	35.14	4.71	0.80	5.65	0.85	3.61
Depreciation & Amortization	124.07	139.34	222.69	343.03	426.64	407.07	375.48	411.59	563.23	648.66
Provision for Income Tax	92.50	65.00	100.08	94.30	110.00	125.70	125.78	714.59	699.14	763.12
Deferred Tax	(22.42)	(7.88)	(1.34)	25.02	(174.10)	154.92	9.76	(72.15)	71.45	2.77
Fringe Benefit Tax	-	10.51	13.27	15.29	17.00	-	-	-	-	-
Profit Before Exceptional item	223.06	283.76	650.45	585.57	708.62	1,267.65	1,155.91	1,585.96	1,861.56	2,549.15
Exceptional items	-	-	-	-	-	-	(22.89)	-	18.12	-
Profit after tax from ordinary activities	223.06	283.76	650.45	585.57	708.62	1,267.65	1,178.80	1,585.96	1,843.45	2,549.15
Dividend	22.09	34.24	51.92	62.55	82.84	222.00	138.97	278.54	585.50	559.26
As at the end of the year										
Share capital	147.27	152.19	230.77	1,241.28	276.15	277.50	556.38	557.08	558.01	559.82
Reserves and surplus	1,591.51	1,963.58	2,504.56	5,014.97	6,622.86	7,760.85	8,523.12	9,792.34	11,108.27	13,298.26
Net Worth	1,738.78	2,115.78	2,735.33	6,256.25	6,899.01	8,038.35	9,079.50	10,349.42	11,666.28	13,858.09
Share application money pending allotment	-	-	-	-	-	-	-	-	3.92	1.43
Loan funds	2.40	2.31	151.74	380.54	186.67	-	-	-	-	-
Gross block	1,126.36	1,679.44	2,323.50	3,703.78	4,542.28	4,836.26	5,350.39	5,976.23	6,810.10	7,226.05
Capital investment	241.45	553.09	644.06	1,380.27	838.50	293.99	514.12	625.84	833.87	415.95
Net Current assets	603.57	757.40	1,046.02	1,766.40	3,203.98	2,651.53	4,495.57	5,438.16	6,230.26	8,563.08
Debt - equity ratio	0.001	0.001	0.055	0.061	0.027	-	-	-	-	-
Per share data										
Bonus/Capital History	-	1:2	-	-	-	1:1	-	-	-	-
Basic earnings per share activities (₹) (EPS)	15.23	18.80	14.18	11.54	13.30	11.45	10.60	14.24	16.53	22.81
Dividend Per Share (₹) (DPS)	1.50	2.25	1.13	1.20	1.50	2.00	1.25	2.50	4.50	5.00
Dividend (%)	15.0%	22.5%	22.5%	24.0%	30.0%	40.0%	25.0%	50.0%	90.0%	100.0%
Dividend Pay-out (%)	9.9%	12.1%	8.0%	10.7%	11.7%	17.5%	11.8%	17.6%	27.2%	21.9%
Book Value (₹)	118	139	59	120	125	72	82	93	105	124
Face Value (₹)	10	10	5	5	5	5	5	5	5	5

Market capitalization is calculated by considering the share price at the National Stock Exchange on March 31 of the respective years on the share outstanding as that date.

Financial Analysis – Standalone Balance Sheet

		(₹ Million and Percentage)							
		2013-14	%	2012-13	%	2011-12	%	2010-11	%
SOURCES OF FUNDS									
Shareholders' Funds									
Share Capital	559.82	3.94		558.01	4.65	557.08	5.19	556.38	5.91
Reserves and Surplus	13,298.26	93.61		11,108.27	92.53	9,792.34	91.21	8,523.12	90.60
Net worth	13,858.09	97.55		11,666.28	97.18	10,349.42	96.40	9,079.50	96.52
Share application money pending allotment	1.43	0.01		3.92	0.03	-	-	-	-
Loan Funds									
Secured	-	-		-	-	-	-	-	-
Unsecured	-	-		-	-	-	-	-	-
Total debt	-	-		-	-	-	-	-	-
Long Term Liabilities								4.24	0.05
Long Term Provisions	346.58	2.44		334.94	2.79	386.41	3.60	323.35	3.44
TOTAL	14,206.09	100.00		12,005.14	100.00	10,735.83	100.00	9,407.09	100.00
APPLICATION OF FUNDS									
Fixed Assets Gross	7,226.05	50.87		6,810.10	56.73	5,976.23	55.67	5,350.39	56.88
Depreciation & Amortization	4,061.80	28.59		3,464.11	28.86	2,924.36	27.24	2,590.40	27.54
Net block	3,164.25	22.27		3,345.99	27.87	3,051.87	28.43	2,759.99	29.34
Non Current Investments	1,447.04	10.19		1,447.04	12.05	1,447.04	13.48	1,459.21	15.51
Deferred Tax Assets	12.16	0.09		14.93	0.12	86.38	0.80	14.23	0.15
Long Term loans & Advances	1,019.56	7.18		966.91	8.05	712.37	6.64	671.15	7.13
Other Non Current Assets	-	-		-	-	-	-	6.95	0.07
Current Assets									
Current Investment	400.36	2.82		609.77	5.08	222.49	2.07	334.12	3.55
Trade Receivables	2,664.47	18.76		1,802.63	15.02	1,813.01	16.89	1,424.55	15.14
Cash & Cash Equivalents	5,807.91	40.88		4,248.05	35.39	3,908.31	36.40	2,938.63	31.24
Short Term Loans and Advances	742.46	5.23		590.89	4.92	251.88	2.35	330.37	3.51
Other Current Assets	922.45	6.49		814.06	6.78	477.50	4.45	293.29	3.12
Total Current assets	10,537.65	74.18		8,065.40	67.18	6,673.19	62.16	5,320.96	56.56
Less: Current Liabilities	1,974.57	13.90		1,835.14	15.29	1,235.03	11.50	825.39	8.77
Net current Assets	8,563.08	60.28		6,230.26	51.90	5,438.16	50.65	4,495.57	47.79
TOTAL	14,206.09	100.00		12,005.14	100.00	10,735.83	100.00	9,407.09	100.00
								8,038.35	100.00

Profit and Loss Summary

	2013-14		2012-13		2011-12		2010-11		2009-10		%	
INCOME												
Revenue from Operations	12,244.89	95.89	10,515.56	96.57	8,638.00	94.16	6,476.67	95.61	5,618.00	92.41		
Other Income	524.30	4.11	373.10	3.43	535.79	5.84	297.57	4.39	461.50	7.59		
Total Income	12,769.19	100.00	10,888.66	100.00	9,173.78	100.00	6,774.24	100.00	6,079.50	100.00		
EXPENDITURE												
Employee Benefits Expense	5,716.49	44.77	4,994.72	45.87	4,247.76	46.30	3,320.94	49.02	2,786.82	45.84		
Operating, Administration And Other Expenses	3,085.39	24.16	2,697.70	24.78	2,280.38	24.86	1,785.56	26.36	1,332.64	21.92		
Finance Costs	3.61	0.03	0.85	0.01	5.65	0.06	0.80	0.01	4.71	0.08		
Depreciation And Amortisation Expenses	648.66	5.08	563.23	5.17	411.59	4.49	375.48	5.54	407.07	6.70		
Total Expenditure	9,454.14	74.04	8,256.51	75.83	6,945.39	75.71	5,482.79	80.94	4,531.24	74.53		
Profit before exceptional items and tax	3,315.04	25.96	2,632.15	24.17	2,228.40	24.29	1,291.45	19.06	1,548.26	25.47		
Exceptional items	-	-	18.12	0.16	-	-	(22.89)	(0.34)	-	-		
Profit after exceptional items and before tax	3,315.04	25.96	2,614.03	24.01	2,228.40	24.29	1,314.34	19.40	1,548.26	25.47		
Provision for Income Tax	763.12	5.98	699.14	6.42	714.59	7.79	125.78	1.86	125.70	2.07		
Deferred Tax	2.77	0.02	71.45	0.66	(72.15)	(0.79)	9.76	0.14	154.92	2.55		
PROFIT AFTER TAX	2,549.15	19.96	1,843.45	16.93	1,585.96	17.29	1,178.80	17.40	1,267.65	20.85		

Financial Analysis – Consolidated

Profit and Loss Summary

		(₹ Million and Percentage)							
		2013-14	%	2012-13	%	2011-12	%	2010-11	%
INCOME									
Revenues from Operations		22,064.33	99.24	18,730.63	98.01	15,531.33	98.88	11,883.12	97.76
Other Income		169.40	0.76	381.10	1.99	175.30	1.12	271.70	2.24
Total Income		22,233.73	100.00	19,111.73	100.00	15,706.63	100.00	12,154.82	100.00
EXPENDITURE									
Employee Benefits Expenses		13,677.78	61.52	11,405.99	59.68	9,525.70	60.65	7,413.11	60.99
Operating, Administration And Other Expenses		4,284.27	19.27	3,901.05	20.41	3,314.56	21.10	2,671.45	21.98
Finance Costs		13.67	0.06	2.87	0.02	7.34	0.05	9.57	0.08
Depreciation And Amortisation Expenses		719.98	3.24	635.50	3.33	494.13	3.15	485.91	4.00
Total Expenditure		18,695.71	84.09	15,945.41	83.43	13,341.74	84.94	10,580.04	87.04
Profit before exceptional items and tax		3,538.02	15.91	3,166.33	16.57	2,364.90	15.06	1,574.78	12.96
Exceptional Items		-	0.00	18.12	0.09	15.92	0.10	(22.89)	(0.19)
Profit after exceptional items and before tax		3,538.02	15.91	3,148.21	16.47	2,348.98	14.96	1,597.67	13.14
Provision for Income Tax		1,037.77	4.67	930.83	4.87	866.00	5.51	263.49	2.17
Deferred Tax		(7.72)	(0.03)	35.84	0.19	(30.67)	(0.20)	6.31	0.05
Fringe Benefit Tax		-	-	-	-	-	-	-	0.00
Profit Before Extraordinary Item		2,507.97	11.28	2,181.54	11.41	1,513.66	9.64	1,327.87	10.92
Extraordinary item (OCD's)		-	-	-	-	-	-	-	-
Share of Profit in Associate Company		152.05	0.68	129.05	0.68	100.09	0.64	70.05	0.58
Minority Interest		-	-	-	-	-	-	(1.03)	(0.01)
POST TAX PROFIT		2,660.02	11.96	2,310.59	12.09	1,613.75	10.27	1,396.89	11.49
								1,708.76	17.10

Ratio Analysis - Standalone

Ratio analysis for the year ended March 31		2014	2013	2012	2011	2010
cyient.com	Ratio - Financial Performance					
	Revenue from Operations/Total revenue (%)	95.89	96.57	94.16	95.61	92.41
	Other Income/Total revenue (%)	4.11	3.43	5.84	4.39	7.59
	Employee cost/Total revenue (%)	44.77	45.87	46.30	49.02	45.84
	Administration expenses/Total revenue (%)	24.16	24.78	24.86	26.36	21.92
	Operating expenses/Total revenue (%)	68.93	70.65	71.16	75.38	67.76
	Depreciation/Total revenue (%)	5.08	5.17	4.49	5.54	6.70
	Financial Charges/Total revenue (%)	0.03	0.01	0.06	0.01	0.08
	Tax /Total revenue (%)	5.98	6.42	7.79	1.86	2.07
	TAX/PBT (%)	23.02	26.75	32.07	9.57	8.12
	EBIDTA/Total revenue (%)	31.07	29.19	28.84	24.62	32.24
	Net Profit (PAT)/Total revenues (%)	19.96	16.93	17.29	17.40	20.85
	Net Profit (PAT)/Average net worth (%)	19.97	16.75	16.33	13.77	16.97
	ROCE (PBIT/Average capital employed) (%)	26.00	23.92	23.00	15.10	20.79
2013-14	Ratios- Balance sheet					
	Debt-equity ratio	-	-	-	-	-
	Debtors turnover (Days)	79	63	77	80	87
	Current ratio	5.34	4.39	5.40	6.45	2.61
	Cash & cash equivalents/Total assets (%)	35.89	30.69	34.51	32.01	19.17
	Cash & cash equivalents/Total revenue (%)	45.48	39.01	45.03	48.31	30.60
	Depreciation/Average gross block (%)	9.24	8.81	7.27	7.37	8.68
	Total Revenue/Average Net Fixed Assets	3.92	3.40	3.16	2.53	2.31
	Total Revenue/Average Total Assets	0.85	0.84	0.83	0.68	0.65
	Ratios - Growth*					
	Revenue from Operations revenue (%)	16.45	21.74	33.37	15.28	(0.84)
	Total revenue (%)	17.27	18.69	35.42	11.43	11.79
	Operating expenses (%)	14.42	17.83	27.84	23.96	(4.53)
	EBIDTA (%)	24.83	20.81	58.64	(14.91)	74.49
Annual Report	Net Profit (%)	38.28	16.24	34.54	(7.01)	78.89
	Per Share Data					
	Basic earnings per share (₹)	22.81	16.53	14.24	10.60	11.45
	Cash Earnings per share (₹)	28.56	21.56	17.93	13.98	15.09
	Book value (₹) **	123.77	104.53	92.89	81.67	72.42
	Price/Earning, end of year	14.28	10.29	10.49	15.26	16.10
	Price/Cash Earning, end of year	11.41	7.89	8.33	11.57	12.22
	Price /Book value , end of year	2.63	1.63	1.61	1.98	2.55
	Share price as on March 31 (National Stock Exchange)	325.80	170.15	149.30	161.75	184.43
	No. of Share Outstanding as on March 31, (in Millions)	111.96	111.60	111.42	111.18	111.00
	Dividend Per Share (₹)	5.00	4.50	2.50	1.25	2.00
	Dividend (%)	100%	90%	50%	25.0%	40.0%

Ratio Analysis - Consolidated

Ratio analysis for the year ended March 31		2014	2013	2012	2011	2010
cyient.com	Ratio - Financial Performance					
	Other Income/Total Revenue (%)	0.76	1.99	1.12	2.24	4.64
	Employee cost/Total Revenue (%)	61.52	59.68	60.65	60.99	54.30
	Operating & Administration expenses/Total Revenue (%)	19.27	20.41	21.10	21.98	20.22
	Depreciation & Amortization/Total Revenue (%)	3.24	3.33	3.15	3.99	4.36
	Financial Charges/Total Revenue (%)	0.06	0.02	0.05	0.08	0.31
	TAX/PBT (%)	29.11	30.71	35.56	16.89	24.28
	EBIDTA/Total Revenue (%)	19.21	19.91	18.25	17.03	25.48
	Net Profit/Total Revenue (%)	11.96	12.09	10.27	11.49	17.10
	Net Profit/Average Net Worth (%)	18.28	18.64	14.76	14.43	20.38
2013-14	ROCE (PBIT/Average capital employed)	24.41	25.56	21.70	16.37	25.18
	Ratios- Balance sheet					
	Debt-equity ratio	-	-	-	-	-
	Debtors turnover (Days)	87	95	99	96	96
	Current ratio	4.59	4.57	4.92	6.49	2.80
	Cash & Cash Equivalents/Total Assets (%)	35.51	30.95	34.07	32.41	20.74
	Cash & Cash Equivalents/Total Revenue (%)	31.09	26.08	30.45	31.61	23.38
	Depreciation & Amortization/Average gross block (%)	9.14	8.77	8.11	9.47	8.11
	Revenue/Average Net Fixed Assets	6.29	5.32	4.53	3.63	3.09
	Revenue/Average Total Assets	1.24	1.24	1.20	1.03	0.89
Annual Report	Ratios - Growth*					
	Operating Revenue (%)	17.80	20.60	30.70	24.68	7.12
	Operating Expenses (%)	17.16	19.80	27.33	35.40	4.72
	EBIDTA (%)	12.27	32.74	38.45	(18.71)	70.86
	Net Profit (%)	15.12	43.18	15.52	(18.25)	84.76
	Per Share Data					
	Basic earnings per share (₹)	23.80	20.72	14.49	12.56	15.44
	Cash Earnings per share (₹)	30.19	26.40	18.92	16.93	19.32
	Book value (₹)	141.86	118.67	103.89	92.58	81.65
	Price/Earning, end of year	13.69	8.21	10.30	12.87	11.95
	Price/Cash Earning, end of year	10.79	6.45	7.89	9.55	9.55
	Price /Book value, end of year	2.30	1.44	1.44	1.75	2.26
	Share price as on March 31 (National Stock Exchange)	325.8	170.15	149.30	161.75	184.43
	No. of Share Outstanding as on March 31, (in Millions)	111.96	111.60	111.42	111.18	111.00
	Bonus Issue				1:1	
	Dividend Per Share (₹)	5.00	4.50	2.50	1.25	2.00
	Dividend (%)	100.00%	90.00%	50.00%	25.00%	40.00%

It may please be noted that the company has changed its name from Infotech Enterprises Limited to Cyient Limited by means of a postal ballot and as approved by the Registrar of Companies, Hyderabad vide its revised certificate of incorporation dated 5 May 2014. As such, in this annual report, in all matters being reported, the name "Cyient" or "Cyient Limited" have been used in respect of such matters as happened or reported post the said date.

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. - US
	September	Infotech Enterprises receives an ISO 9001 for its software development services
	September	Infotech Enterprises earned the coveted Fast Track Award from Smallworld Pte. Ltd. U.K. for completion of a prestigious GIS project at Bharti Telenet Limited in a record time of five months
	November	Infotech Enterprises signed a shareholder agreement with Walden Nikko and GE Capital for issue of equity/optionally convertible debentures aggregating to 11,50,000 equity shares of ₹ 10 each at a price of ₹ 350 each
	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

2000	May	Infotech Enterprises enters into a Master Services Agreement with Pratt & Whitney, a division of United Technologies Corporation, a Fortune 100 company
	October	Infotech Enterprises announces the acquisition of a German company, Advanced Graphics Software GmbH (AGS). AGS is nine-year-old mechanical engineering software and services company specializing in 3D CAD/CAM
	November	Infotech Enterprises wins a multimillion dollar GIS project from the Dutch multi-national group, FUGRO
2001	April	Infotech Europe acquires European GIS distributor Map Centric - a leading independent GIS distributor in Europe
	May	Infotech Enterprises bags a contract worth US \$ 7 million to provide Photogrammetry service to Triathlon, a leading full fledged geomatics company in Canada
	May	Infotech Enterprises ranks 5th among Top Ten Exporters from Andhra Pradesh for the Year 2000-2001
	June	Infotech Enterprises acquires 10-acres of land to set up a software development campus at Manikonda, Hyderabad.
	July	Infotech Enterprises achieves the ISO 9001:2000 from BVQi and joins the list of top few companies in India and the first company in the GIS sector
	August	Infotech Enterprises attains the coveted SEI CMM LEVEL 4 certification for its software development centre at Infocity, Hyderabad
	November	Infotech Enterprises receives ISO 9001:2000 for Software and Engineering Services lines of business by BVQi London
	December	Infotech Enterprises announces the opening of the state-of-the-art Engineering services facility in Bangalore, India
2002	February	Infotech Enterprises Announces strategic business relationship with Pratt & Whitney Division of UTC. Pratt & Whitney to participate with up to ~18% equity stake in Infotech, demonstrating long term partnering intent and endorsing Infotech Business competence
	April	Infotech Enterprises achieves SEI CMM Level 5 for its Software Development & Services Division
	April	Infotech Enterprises' Board recommends issue of Bonus Shares at 1:1 ratio
	August	Infotech Enterprises bags a major GIS contract from KPN Telecom, the largest telecommunications company in the Netherlands, to provide spatial data management services.
	September	Company bags the Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI) Award for Best Information Technology (IT) Company in the state of Andhra Pradesh (2001-2002)
2003	April	Infotech Enterprises attains the best process improvement model-"The Level 5 of the CMMi Version 1.1 for the SW/SE/SS disciplines"
2003	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
2013	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

Shareholder Handbook

When was Infotech Enterprises Limited (company) founded?

The company was incorporated as 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.

What is the company's area of operations?

Infotech Enterprises provides leading-edge engineering solutions, including product development and life-cycle support, process, network and content engineering to major organizations worldwide. With over two decades of continuous growth, Infotech leverages a global delivery and collaborative engineering model to achieve measurable and substantial benefits for our clients. Whether your organization needs to design innovative products faster, optimize R&D costs, increase market share, enhance operational efficiency or maximize the return on investment in your networks, Infotech Enterprises is the ideal partner.

Infotech has 12,000+ associates across 36 global locations. We adopt a proactive approach to serve our clients with our best-in-class delivery centers in North America, Europe, Middle East and Asia Pacific. Our clients span multiple industries such as Aerospace, Consumer, Energy, Medical, Oil and Gas, Mining, Heavy Equipment, HiTech, Transportation, Telecom and Utilities and include 22 'Fortune 500' and 27 'Global 500' blue chip organizations.

In order to create and deliver services that exceed clients' expectations consistently and enhance their business agility, Infotech employs a framework of robust internal processes to ensure IP security, quality of solution and on-time delivery. Infotech aligns with industry best practices and internationally renowned standards and frameworks including International Standards Organization (ISO) 9001:2008, Information Security 27001:2005, Aerospace (AS9100 C), and Medical Devices (ISO 13485).

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?

Delivering Innovative Solutions together for a better future

What is the Mission Statement of the company?

Provide the best technology services and solutions to Industry and Government worldwide

What is the Quality Policy of the company?

To deliver innovative solutions that delight customers through deployment of robust processes.

What are the Quality Objectives of the company?

- Delight customers through delivery excellence.
- Attract, train and retain talented professionals through active employee engagement.
- Deliver solutions/services based on cutting edge tools, technologies and methodologies.
- Continuous process improvement and achieve operational excellence.

What are the quality certifications that the company has?

Infotech is certified by Bureau Veritas Certification (India) Pvt. Ltd. (BVCI) for compliance with ISO 9001:2008 (Quality Management Systems) and ISO 27001:2005 (Information Security Management Systems). The Aerospace Business Unit is certified by UL DQS Inc. for compliance with AS 9100 Rev C (Aerospace Quality Management Systems) covering Hyderabad & Bangalore locations. Medical and Rail practice groups are certified with respect to ISO 13485:2003 (Medical Devices Quality Management System) and IRIS Rev 2 (International Railway Industry Standards) for Hyderabad location.

All operating groups in Infotech- UTC Division providing various Engineering Services and IT Software Development have been assessed at ACE Gold Level (highest level) by the Customer. ACE stands for Achieving Competitive Excellence and forms the Quality Operating System of United Technology Corporation.

IT divisions of Infotech are gearing up for CMMI - DEV Version 1.3 appraisal in the first quarter of FY 2013-14.

Where is the company located?

The company is headquartered in Hyderabad, India and has a global presence across 38 locations. Full details of the locations are published elsewhere in this Annual Report.

What is the address of the company's registered office?

The Registered Office of the Company is located at

4th Floor, 'A' Wing

Plot No. 11, Software Units Layout,

Infocity, Madhapur, Hyderabad - 500 081, A.P.

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?

Internal Auditors: Bhaskara Rao & Company

Statutory Auditors: Deloitte Haskins & Sells

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?

Year	2007	2008	2009	2010	2011	2012 (Interim)	2012 (Final)	2013 (Interim)	2013 (Final)	2014*	2014^ (Final)
Dividend (%)	22.5%	24%	30%	40%	25%	25%	25%	40%	50%	40%	60%

* On 17 October 2013 the Board of Directors of the Company declared and paid an interim dividend of 40% for the financial year 2013-14

^ On April 24, 2014, the Board of Directors of the Company recommended a final dividend of 60% for the financial year 2013-14.

Is nomination facility available to the shareholders?

Yes. Nomination facility is available to the Shareholders under section 109A of the Companies Act, 1956. 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: Infotech Enterprises Limited/Cyient Limited

Plot No. 17 to 24, Vithalrao Nagar,

Madhapur, Hyderabad - 500 081.

Tel : +91-40-44655000/44655152

Fax : +91-40-44655024/23420814

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?

Infotech Enterprises' ISIN code is INE136B01020

How many shares are outstanding?

As of March 31, 2014, the company had 111,964,613 shares outstanding.

What is the record date and payment date of the interim/final dividend?

You can find the record date/payment date for the last announced dividend in the Announcements section of the Investor page on our website. These details are also notified to the stock exchanges on the same day of the announcement of the dividend and available on the BSE and NSE websites.

Does the company have a quiet period? When is that?

The quiet period at the company begins 14 days before the date of the board meeting and lasts until the day after the quarter's earnings release. During this period, the company's management refrains from communicating with market participants.

When is the AGM held?

The Annual General Meeting (AGM) is typically held in mid-July. The formal announcement will be published on the Investors page of our website, closer to the event. If you are a shareholder, you will receive a formal notice of the meeting, containing details of the date, time and venue, alongside the Annual Report.

How does a person buy the company's shares?

The company's shares can be purchased in the open market in India through either a stock broker or any financial institution that provides brokerage services at the BSE or NSE.

How can a shareholder access information about the company?

Information about the company is available on its website. Further, all information that is material in nature is notified to stock exchanges and appropriate advertisements are also issued in the news papers.

Does the company accept fixed deposits from the public?

The Company does not accept fixed deposits.

How does a shareholder record a change in my 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 updation 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.

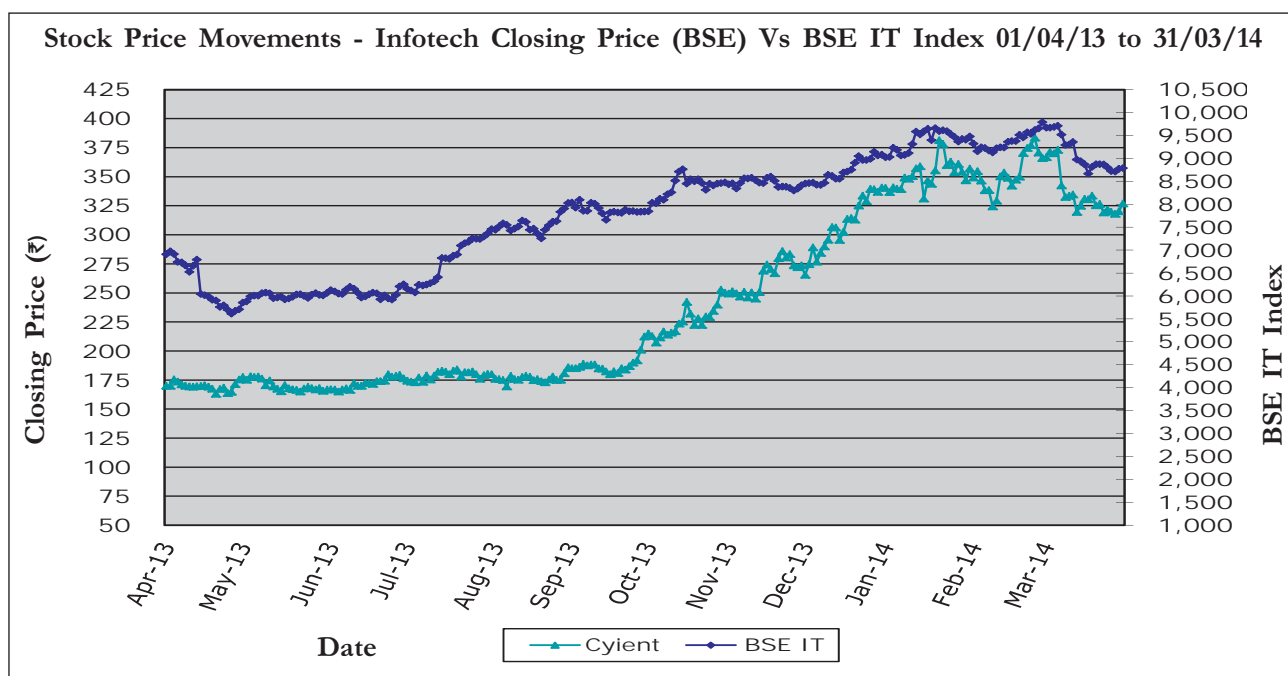
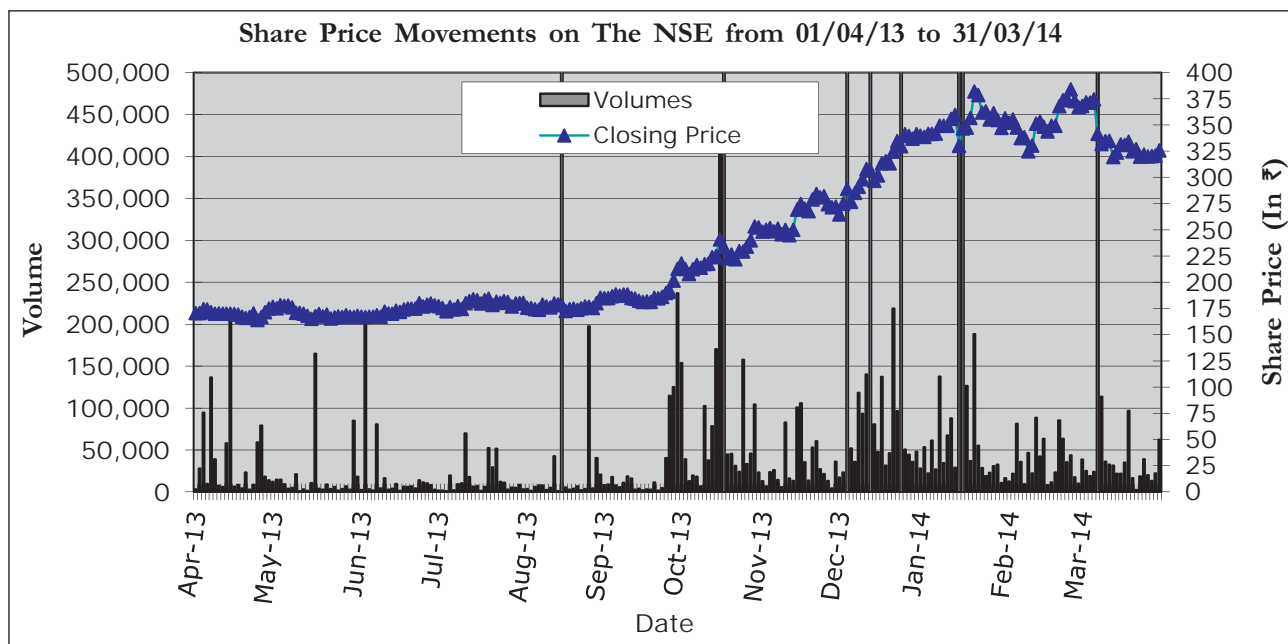
My dividend cheque is lost/was never received/has expired. How do I get a fresh cheque re-issued?

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.

Share Price Movements



Company cautions that the stock price performance shown in the graphs above should not be taken to be indicative of the potential future stock price performance.

Shareholders Queries may be addressed to :

Mr. Sudheendhra Putty
 Company Secretary
Infotech Enterprises Limited
 4th Floor, 'A' Wing, Plot No: 11, Software Units Layout,
 Infocity, Madhapur
 Hyderabad - 500 081, India
 Tel: +91-40 2312 4006
 Fax: +91-40 6662 4368
 E-mail: Sudheendhra.Putty@cyient.com

Queries relating to financial statements of the Company may be sent to :

Mr. Ajay Aggarwal
 Chief Financial Officer
Infotech Enterprises Limited
 4th Floor, 'A' Wing, Plot No: 11, Software Units Layout,
 Infocity, Madhapur
 Hyderabad - 500 081, India
 Tel: +91-40 2312 4004
 Fax: +91-40 6662 4368
 E-mail: Ajay.Aggarwal@cyient.com

Notes

cyient.com

2013-14

Annual Report

NOTE:

It may please be noted that the company has changed its name from Infotech Enterprises Limited to Cyient Limited by means of a postal ballot and as approved by the Registrar of Companies, Hyderabad vide its fresh certificate of incorporation dated 5 May 2014. As such, in this annual report, the name "Cyient" or "Cyient Limited" has been used in respect of such matters as happened or reported post the said date.

Cyient Limited

CIN : L72200AP1991PLC013134

Regd. Office: 4th Floor, A Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081

Tel: 91 40 23124006 Fax: 91 40 66624368

Website : www.cyient.com, Email: company.secretary@cyient.com

ATTENDANCE SLIP

(To be presented at the entrance)

23rd ANNUAL GENERAL MEETING

I hereby state that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on Thursday, the 17th day of July, 2014 at 2:30 p.m. at L&D Centre, Plot No. 2, IT Park, Nanakramguda, Manikonda, Hyderabad - 500 032, India, or/any adjournment thereof.

Name of the attending shareholder: _____
(in block letters)

Name of the proxy: _____
(to be filled in if proxy attends)

Signature of shareholder: _____

Signature of proxy: _____

Regd. Folio Number:
Or DP/Client ID No. _____

Number of shares held: _____

- Note:
1. Shareholders/proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the gate, affixing their signature on them.
 2. Members are informed that no duplicate attendance slips will be issued at the venue of the meeting.

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Cyient Limited

CIN : L72200AP1991PLC013134

Regd. Office: 4th Floor, A Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081

Tel: 91 40 23124006 Fax: 91 40 66624368

Website : www.cyient.com, Email: company.secretary@cyient.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name and Address of the Shareholder(s)

E-mail id : Folio No./ Dpid & Client id :

I/We being the member(s) of Shares of Cyient Limited, hereby appoint

1. Name : Email id :

Address :

Signature :

Or failing him

2. Name : Email id :

Address :

Signature :

Or failing him

3. Name : Email id :

Address :

Signature :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company at Thursday, 17 July 2014 at 2.30 p.m. at L&D Centre (company's Campus), Plot No. 2, IT Park, Nanakramguda, Manikonda, Hyderabad - 500 032, any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. To receive, consider and adopt, the audited statement of profit and loss for the financial year ended on 31 March 2014 and the balance sheet as at that date and the reports of the board of directors and auditors thereon.
2. To confirm the interim dividend paid during the year and declare final dividend on equity shares for the financial year 2013-14.
3. To appoint a Director in place of Mrs. B. Sucharitha, who retires by rotation and does not, offer herself for re-appointment.
4. To appoint a Director in place of Mr. G.V. Prasad, who retires by rotation and does not, offer himself for re-appointment.
5. To appoint a Director in place of Mr. Vikas Sehgal, who retires by rotation and does not, offer himself for re-appointment.
6. To re-appoint M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Reg. No. 008072S), as auditors of the company.

Special Business:

7. To appoint Mr. M.M. Murugappan as an independent director for a period of five years
8. To appoint Mr. K. Ramachandran as an independent director for a period of five years
9. To appoint Mr. Harsh Manglik as an independent director for a period of three years
10. To appoint Mr. Som Mittal as an independent director for a period of five years
11. To appoint Mr. Krishna Bodanapu as director who is liable to retire by rotation
12. To appoint Mr. B.V.R Mohan Reddy as executive chairman and fix remuneration
13. To appoint Mr. Krishna Bodanapu as managing director & CEO and fix remuneration
14. To revise the remuneration of the non-executive directors of the company

Affix
Revenue
Stamp

Signed this day of 2014

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.

Global Presence

Global Headquarters

Cyient Ltd.
Plot No. 11,
Software Units Layout
Infocity, Madhapur
Hyderabad - 500 081
Telangana, India
Tel: +91 40 2311 0357

APAC

Australia

Cyient Ltd.
Level 7, 320 Adelaide Street
Brisbane
Queensland 4000
Australia

Cyient Ltd.
Level 1, 350 Collins Street
Melbourne, Victoria 3000
Australia
Tel: +61 3 8605 4815

Cyient Ltd.
Level 5 / Nexus Norwest
4 Columbia Ct
Baulkham Hills, Sydney
NSW - 2153
Australia
Tel: +61 2 8896 4338

Cyient Ltd.
45 Ventnor Avenue
West Perth, WA 6005
Australia
Tel: + 61 8 9429 8812

New Zealand (Virtual Office)

Cyient Ltd.
Level 27, PWC Towers
188 Quay Street
Auckland

South Korea

Cyient Ltd.
21 F Seoul Finance Centre
136 Sejong-daero, Jung-gu
Seoul 100-768, South Korea
Tel: + 82 2 3782 4936

Taiwan

Cyient Ltd.
4F, No. 607, Ruiguang Rd.

Neihu Dist.
Taipei City 11492
Taiwan
Tel: +886 2 2799 7055

Japan

Cyient K.K.
Sho-Building 6F
3-14-5, Nihonbashi
Chuo-Ku,
Tokyo 103-0027 Japan
Tel: +81 3 3527 9825

Malaysia

Cyient Ltd.
Level 28
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Tel: +60 3 2298 7321

Philippines

Cyient Ltd.
Ground Floor
Le Metropole Building
326 De La Costa Street Corner
Tordesillas Street
Salcedo Village
Makati City, 1227
Philippines
Tel. No. +63-2 817-9704 to 07

Singapore

Cyient Ltd.
1 North Bridge Road
#19-04/05
High Street Centre
Singapore 179 094
Tel: +65 6337 2472

EMEA

Switzerland

Cyient Schweiz GmbH
Dorfstrasse 12
3032 Hinterkappelen
Switzerland
Tel: +41 31 382 6810

Netherlands

Cyient BV
Minervum 7491
4817 ZP Breda Oost, Breda
The Netherlands
Tel: +31 76 572 2966

UK

Cyient GmbH UK
Unit 20, Apex Court
Almondsbury Business Park
Bristol BS32 4JT, UK
Tel: +44 1454 205030

Cyient Europe Ltd.
High Holborn House
52-54 High Holborn
London WC1V 6RL, UK
Tel: +44 20 7404 0640

Sweden

Cyient AB
Lindholmspiren 3B
417 56 Göteborg
Sweden

Germany

Cyient GmbH
Mollenbachstr. 37
71229 Leonberg
Germany
Tel: +49 7152 94520

France

Cyient GmbH France
18, Rue Saint Vincent
78100
Saint-Germain-en-Laye
France
Tel: +33 130 611673

Cyient GmbH France
Regus
Immeuble Atria
8 esplanade Compans Caffare
31000 Toulouse
France
Tel. +33 562 305181

UAE

Cyient Ltd.
Dubai Airport Free Zone Authority
(DAFZA)
P.O. Box 54713
Dubai, UAE
Tel: +971 50 686 7045

North America

United States of America

Cyient, Inc.
211 N. Williamsburg Dr.
Suite D
Bloomington IL 61704
Tel: +1 309 664 6991

Cyient, Inc.
8001 North University Street
Peoria IL 61615
Tel: +1 309 697 5975

Cyient, Inc.
330 Roberts Street
Suite 102
East Hartford CT 06108
Tel: +1 860 528 5430

Cyient, Inc.
7021 Albert Pick Road
Suite F
Greensboro NC 27409

Cyient, Inc.
2885 McCullough Blvd
Suite E
Tupelo MS 38804
Tel: +1 662 620 6634

Cyient, Inc.
1707 Linwood Drive
Paragould AR 72450
Tel: +1 870 236 1080

Cyient, Inc.
510 E. Foothill #201
San Dimas CA 91773
Tel: +1 909 321 3760

Cyient, Inc.
23133 Hawthorne Blvd
Suite 101A
Torrance CA 90505
Tel: +1 310 378 5994

Cyient, Inc.
2055 Laurelwood Road
Santa Clara CA 95129
Tel: +1 408 213 0370

Cyient, Inc.
1401 Nolan Ryan Expressway
Arlington TX 76011
Tel: +1 817 268 9501

Cyient, Inc.
1001 State St., Suite 602
Erie PA 16501

Cyient, Inc.
100 Carpenter Drive, Suite 200
Sterling VA 20164
Tel: +1 571 313 1065

Canada

Cyient Canada Inc.
7575 Trans-Canada Hwy.
Suite 500
St. Laurent, Québec
H4T 1V6, Canada
Tel: +514 489-0370

India

Cyient Ltd.
Infotech IT Park
Plot No- 110A & 110 B
Phase 1, Electronics City
Hosur Road
Bangalore - 560 100
Tel: +91 80 2852 2341

Cyient Ltd.
Plot No. 2, IT Park
Nanakramguda, Gachibowli
Hyderabad - 500 032
Telangana, India
Tel: +91 40 6748 9100

Cyient Ltd.
NSL SEZ Arena Town Center
Block No. 1
Plot No. 6, Survey No. 1
IDA Uppal,
Hyderabad – 500039
Telangana, India
Tel: +91 40 6704 3434

Cyient Ltd.
Plot No: 1, 2, 3, 4 & 5A
IT SEZ, Sarpavaram
Kakinada Rural Mandal
East Godavari District
Kakinada - 533 005
Andhra Pradesh, India

Cyient Ltd.
B-11, Sector 63
Noida - 201 307
Tel: +91 120 416 1000

Cyient Ltd.
Survey No: 410
Plot No: 14, SEZ Unit
Hill No: 3, Madhurawada(V)
Rushikonda, Vizag
Andhra Pradesh, India



cyient.com