

**CYIENT**

# **THE POWER OF IDEAS**

Annual Report 2018-19





The background is a complex, abstract pattern of thin, curved lines in shades of blue and white, creating a sense of motion and depth. Scattered throughout the image are numerous small, semi-transparent numbers in various colors (blue, red, green, yellow), giving it a data-driven or digital feel.

# INNOVATE

...by using the power of digital.

# DISRUPT

...markets, processes, and status quo.

# LEAD

...stakeholders into the future.





# THE POWER OF IDEAS

Every once in a while, a new technology, an old problem, and a big idea turn into an innovation. At Cyient, we are making that a reality.

---

We do this by “applying technology imaginatively to solve problems that matter” and fostering an environment that encourages out-of-the-box thinking. As we expand from a services-led organization to offering intelligent solutions, we are improving our brand’s competitiveness, its value, and the impact on our stakeholders—clients, associates, industries, and the society.

# TABLE OF CONTENTS

---



02	KEY PERFORMANCE HIGHLIGHTS
07	CHAIRMAN'S MESSAGE
16	CEO'S MESSAGE
19	CORPORATE INFORMATION
40	BOARD OF DIRECTORS
42	SENIOR LEADERSHIP
44	AWARDS AND ACCOLADES
47	NOTICE OF ANNUAL GENERAL MEETING
62	DIRECTORS' REPORT
71	BUSINESS RESPONSIBILITY REPORT
85	SECRETARIAL AUDIT REPORT
92	MANAGEMENT DISCUSSION AND ANALYSIS
117	REPORT ON CORPORATE GOVERNANCE
142	STANDALONE ABRIDGED FINANCIAL STATEMENTS
165	CONSOLIDATED FINANCIAL STATEMENTS
242	HISTORICAL PERSPECTIVE
243	FINANCIAL ANALYSIS
252	SIGNIFICANT MILESTONES
255	SHAREHOLDERS' HANDBOOK
259	ATTENDANCE SLIP
260	LOCATION MAP
261	PROXY FORM
263	ECS MANDATE
265	GLOBAL PRESENCE



# KEY PERFORMANCE HIGHLIGHTS - FY19

## Maintained strong growth and a positive outlook

The strong performance for FY19 was in line with the business outlook for the year with significant progress marked in the Aerospace & Defense, Rail Transportation, Semiconductor, and Communications business units. This year saw an increased momentum in strategy execution resulting in the acquisition of AnSem N.V., a leading fabless, custom analog and mixed-signal application-specific integrated circuits (ASICs) design company, and 100% stake in Cyient Insights, a data science company of which, Cyient had acquired 51% stake in 2014.

This year, we also acquired a 100% stake in Cyient DLM enabling us to create a unique and comprehensive ecosystem of engineering capability, emerging technologies, and designed manufacturing capabilities. These well-rounded capabilities not only enable us to meet global market expectations, but also fulfill our strategic goal of providing complete systems and solutions to clients across industries.

Our outlook for FY20 is backed by a strong pipeline and order backlog.

## Revenue

\$660 Mn

↑ 8.7% YoY

(₹46,175 Mn at a growth rate  
of 17.9% YoY)

## Dividend Payout

82%

(Including buyback)

Highest ever at ₹15 per share



### Operating Profit

**\$91.9 Mn**

↑ 7.9% YoY

(₹6,443 Mn at a growth rate  
of 17.3% YoY)

### Normalized Net Profit

**\$69.8 Mn**

(₹4,898 Mn at a growth rate  
of 14.0% YoY)

### Cash Balance

**\$144.2 Mn**

(₹9,983 Mn on  
closing exchange rate)

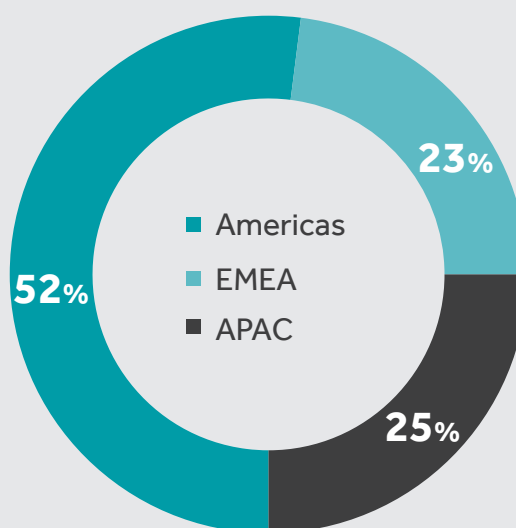
### Services Revenue

**\$580.2 Mn**

↑ 6.3% YoY



### Consolidated Revenue Segmentation By Geography





**55**  
LOCATIONS

**15,000+**  
ASSOCIATES

**20**  
COUNTRIES

**300+**  
CLIENTS



At the end of FY19, the total headcount stood at 15,084. Our global workforce spans across three major regions: Asia Pacific (84%), North America (12%), and Europe, the Middle East and Africa (4%).

We are committed to creating an organization and culture where our associates are empowered and engaged to be equal partners in our growth story. Our emphasis is on building an agile and inclusive organization that celebrates diversity.

### Listening to Our Employees

Our annual employee engagement survey has resulted in an improved score of 63% with a 90% response rate. This is an improvement over the previous year's score of 60%.

### Building Capability

Our learning and development initiatives are focused on building a future-ready workforce and equipping them with the right skills through industry and academia-led trainings. In FY19, our collaboration with online content providers has enriched our learning assets.

### Nurturing People

We strengthened our position as an 'Employer of Choice' resulting in an overall increase in headcount as well as an increase in lateral hires. Our focus on developing scalable policies and people practices has resulted in the introduction of new benefits across our regions.



Map is indicative and not to scale





# DIFFERENTIATING WITH DIGITAL TRANSFORMATION

Dear Shareholders,

Ones and zeros are defining today's world. Digital is now the byword for creating, storing, communicating, consuming, and analyzing information. From small businesses to large corporations, from government agencies to non-profits, there is intense focus to transform into "digital enterprises."

Digital, however, is not a new phenomenon. While the pre-digital era dominated the decades from 1950 until 1969 when the first high-level programming languages such as BASIC, COBOL, and FORTRAN were developed, the years between 1970 until around 2000 shaped the early digital enterprises. This era saw programming languages such as C, Ethernet technology, development of LAN, WAN, TCP/IP protocol suite, and eventually the World Wide Web. This era introduced email for enterprises to communicate, and websites to exhibit their content and market their products.

In the first decade of the new millennium, we witnessed organizations embracing the fusion of the Internet, cloud, communications technology, mobile, miniaturization, and sensorization of everything. This wave of digital saw the development of cloud and mobile computing, web-centric architectures, software-defined environments, social media, and API economy. These developments created interconnected, integrated, and interdependent industries and enterprises that seamlessly expanded beyond geographical borders and amplified the impact of the value chains.

For the past four to five years and coinciding with the advent of Industry 4.0, we are witnessing a growth in platform-based concepts and businesses as well as strong data-driven economies powered by IoT and AI-led services and products. Organizations are building end-to-end service offerings and developing abilities to define, design, build, operate, and maintain an entire value chain.

The increasing density of interconnection, integration, and interdependency across devices, technologies, people, and locations is helping organizations provide solutions and services in real-time. This is increasing the number of hybrid touchpoints between digital and analog worlds and enabling enterprises to differentiate in terms of business value.



**BVR Mohan Reddy**  
Founder and Executive Chairman



Against this backdrop, for an enterprise to truly differentiate itself and succeed in the digital era, I believe it is prudent to follow these five commandments:

- Make evidence-based “where-to-play” choices and actively prioritize to scale with a robust strategy
- Embrace open-innovation and leverage the partner ecosystem to build end-to-end solutions
- Evolve talent models that suit the digital era—redefine people supply chain by following the “right-skill, re-skill, up-skill” mantra
- Create an agile organization taking the best of domain, technical, and service line capabilities to deliver business value to customers continuously
- Pursue strategic and best-fit mergers and acquisitions to access relevant and advanced technologies, skills, regulatory practices, and markets; successfully integrate the acquired entities

Cyient embarked on its digital journey 28 years ago with digitization of maps and creation of digital map content for in-car navigation. Cyient stood the test of the time with a relentless pursuit to solve problems that matter by applying technology imaginatively. It went on differentiating through innovation and excellence. Allow me to enumerate how Cyient is diligently following these five commandments to win the confidence of customers, associates, shareholders, and society.

### Strategy

Technology transforms the relationship between businesses and customers. As digital began rewriting the rules of trade and

competition, the pace of this change is accelerating, making organizations embrace dynamic and robust strategies.

Cyient continues to implement its strategy to expand from services to systems and solutions with the AGILE 2030 execution framework. By developing capabilities across the design-build-operate-maintain continuum in our focus industries, we are creating differentiated business offerings and expanding our addressable market in the industries we play. This allows us to address a broader range of customer needs, be it in aerospace, defense, transportation, energy, utilities, healthcare, telecommunications, or manufacturing.

Cyient’s values and cultures underpin its strategy: Values FIRST (Fairness, Integrity, Respect, Sincerity, and Transparency) and the AGILE culture (Ambitious, Growth mindset, Inclusive, Lead by Example, and Empowered) frameworks guide our behaviors and actions and reinforce trust with our stakeholders.

Cyient recently adopted the “Readiness 2020” initiative that focuses on operational efficiency improvements across the organization to drive greater growth and profitability.

### Innovation

Innovation is the life-blood of a technology company. In the Industry 4.0 era, the days of simple process/product/business model innovations will not take companies far. Organizations have to reconfigure technology, talent, and ecosystems to address growing complexities in their markets and drive greater innovation in their offerings.

At Cyient, innovation is a cultural paradigm, and we continuously explore new avenues to meet evolving customer expectations. We launched the New Business Accelerator (NBA) in FY18 and made good progress through the course of FY19 by proactively identifying opportunities, engaging with and acquiring new technologies, new skills, new partners, and developing new solutions.

The NBA is incubating 18 new initiatives, and the first crop is at the market-entry stage, generating strong interest from our customers. The Cyient IoT Platform, Cyient Augmented/Virtual Reality Platform, and Cyient SmartCity Platform are a few examples. Our precision agriculture initiative (in cooperation with a major agriculture company) is showing promising results in increasing the net income of farmers, and we continue to test and develop our business model. These initial successes validate our approach to invest strategically in emerging technologies.

Taking our multi-pronged approach to innovation forward, Cyient made corporate venture investments in two medical start-ups in FY19. We also acquired the semiconductor firm, Ansem. Through this acquisition, Cyient is helping its clients develop smart analog sensors to capture data, while leveraging our IoT and analytics solutions to provide actionable insights.

### Skills, Leadership Development, and Diversity & Inclusion

In the digital era, talent is a strategic priority for every organization, and it is imperative to strengthen, re-engineer, and improve organizational leadership.

In FY19, Cyient meticulously chalked out and implemented a set of forward-looking initiatives in every aspect of people development.

Cyient expanded its access to fresh and industry-ready talent through digital campaigns and partnerships with educational institutions in India and North America respectively. Leadership development is integral to Cyient functioning, and our flagship programs continue to create a strong leadership pipeline. Design thinking, succession planning, career competency progression, and individual leadership development programs have been pivotal to our people development strategy in FY19.

To build sustainable and scalable people practices that support our long-term vision, Cyient strengthened its benchmarking efforts, introduced new benefits to reinforce our diversity and inclusion (D&I) values, and continued its competitive targeting performance differentiation. To augment learning and development, Cyient launched a host of initiatives to develop future-ready associates. Our associates leveraged Cyient's partnerships with digital learning platforms such as edX, NPTEL, Nasscom Future Skills Platform, utilized 2,000+ courses, and clocked around 200,000 corporate training hours in FY19.

I am delighted to share with you that our D&I efforts were recognized by the United Nations Global Compact Network India (UN-GCNI) with the prestigious "Best Innovative Practices Award for Women at Workplace." The recently launched Diversity, Inclusivity, and Equity-driven Leadership (DIEL) program, in its first cohort, will nurture 50 women in middle and senior management

roles through a one-year mentoring schedule. Our openness to diversity widened our access to the best talent in town, while inclusion allowed us to engage with that talent effectively. Diversity and inclusion enhanced our creativity, productivity, engagement, and reputation.

### Corporate Social Responsibility

Our commitment and tradition to support society bring us tremendous satisfaction and great recognition to our brand. FY19 was yet another exceptional year of driving our social responsibility initiatives with ever more vigor in the areas of education, skills, community, literacy, and healthcare.

We were consistent in our educational initiatives, adopting 25 government schools around our facilities in India and supporting 16,000+ children from pre-primary through high school. I am happy to say that our efforts have resulted in the overall pass percentage in these schools increasing to 86% and overall dropouts declining to 4%. It is particularly gratifying that women participated more actively in IT literacy training across 67 Cyient Digital Centers, from 42% of participants in FY18 to 56% in FY19.

Our initiative to nurture rural and urban communities picked up good momentum. We made neighborhoods safe and secure with zero open-defecation, zero infant and toddler deaths, and zero dropouts up to eighth grade. Cyient's social innovation initiative also leveraged healthcare innovations to provide preventive cardiac care and advisories on diet and lifestyle at a Cyient-adopted village.

Another area where the Cyient Foundation found it critical to

intervene as a direct response to poverty alleviation is skill development. The focus is on imparting skills to unemployed urban and rural youth and empowering them to become (self-) employable. We are glad that our local partnerships resulted in the setting up of Cyient Urban Micro Skill Center as per the guidelines of the National Skill Development Corporation (NSDC). The center is currently operational with a pilot batch of 300 beneficiaries.

As we firmly increased our societal commitment and engagement, four of our adopted schools received recognition at national and state levels. The much-coveted national and state-level CSR leadership/excellence awards gave us even more confidence that our social efforts are touching the lives of thousands of people. The overwhelming support of our associates, who pledged over 2.5 times more volunteering hours in FY19, is further testimony to that commitment.

### Conclusion

As the new government at the Center brings fresh hope and promise to the nation, which is on the threshold of reaping accelerated demographic dividends to create a knowledge economy, I want to assure you that Cyient remains deeply committed to delivering on our promises to shareholders, customers, associates, and society through our robust journey of growth.

Warm regards,



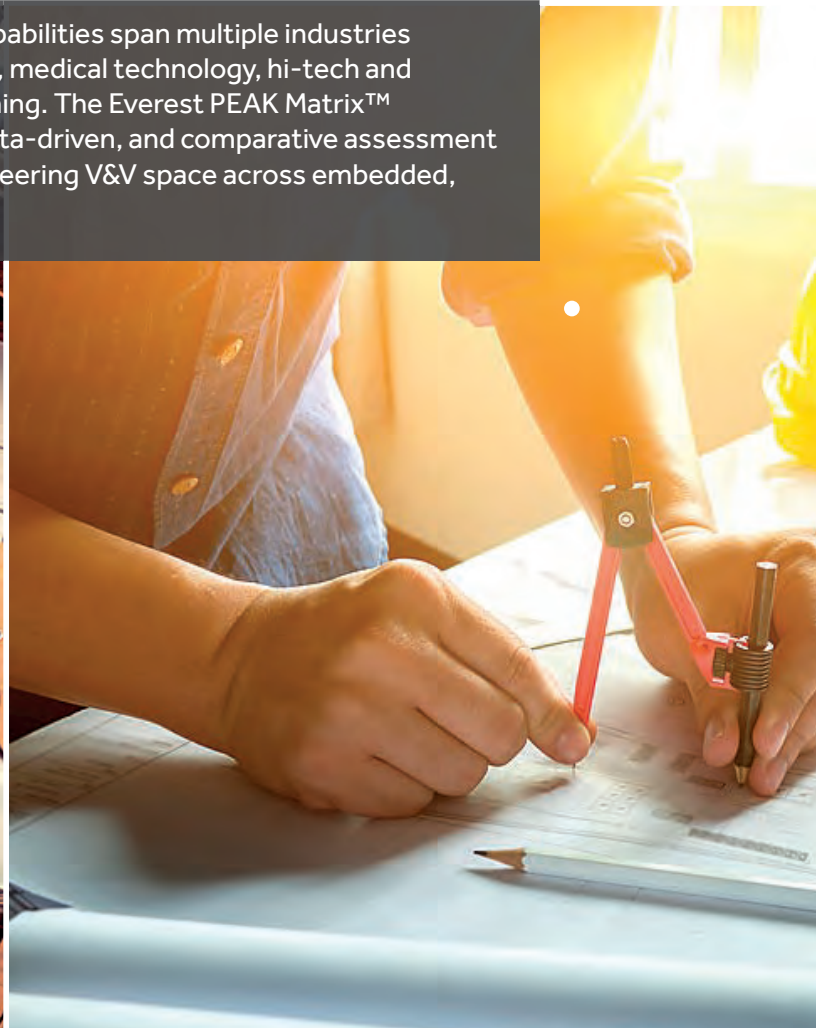
**BVR Mohan Reddy**  
Founder and Executive Chairman





## CYIENT IDENTIFIED AS A MAJOR CONTENDER IN THE EVEREST GROUP V&V ENGINEERING SERVICES PEAK MATRIX™ 2018

Our verification and validation (V&V) capabilities span multiple industries including aerospace, rail transportation, medical technology, hi-tech and electronics, industrial, oil & gas, and mining. The Everest PEAK Matrix™ Assessment 2018 used an objective, data-driven, and comparative assessment of global services providers in the engineering V&V space across embedded, software, hardware, and networks.



## THE POWER OF IDEAS

25

Schools supported

16,000

Children enrolled

67

Cyient Digital Centers

30,000

People have access  
to IT education

4,000

Cyient volunteers

54%

Girl child enrollment



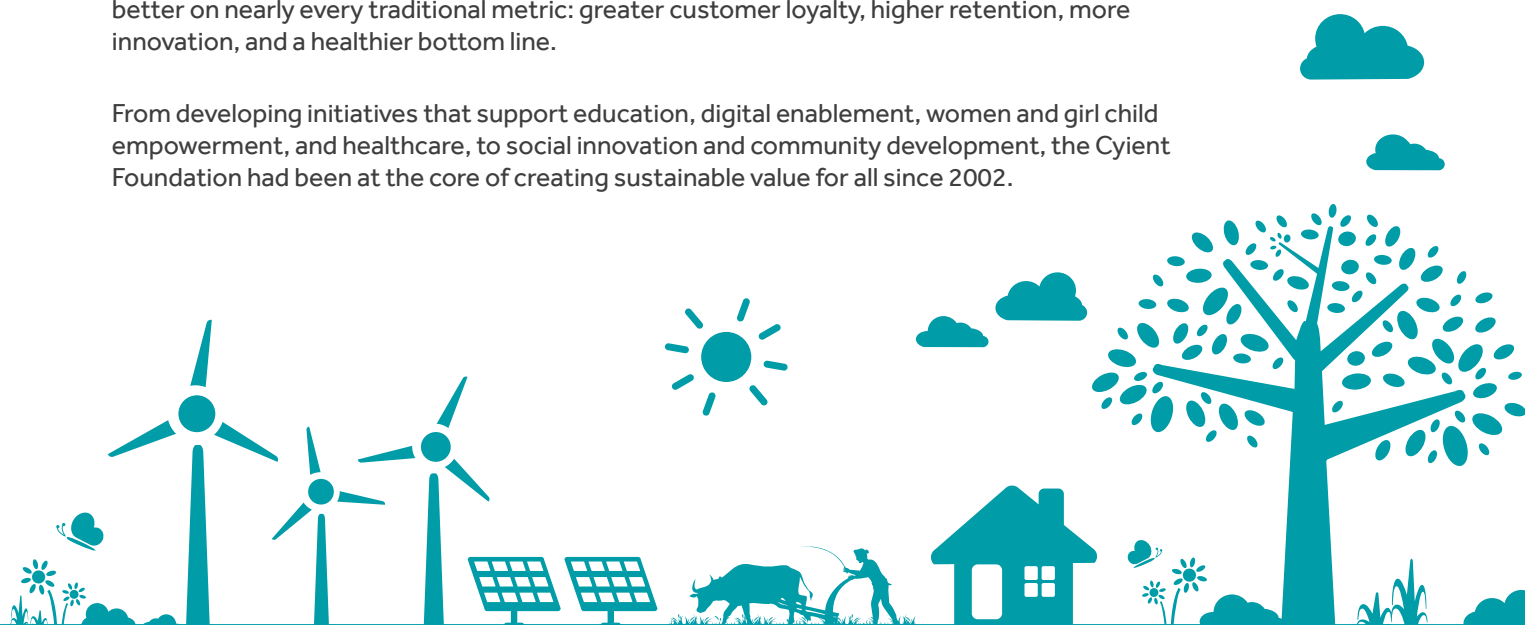
**Best Overall  
Excellence in CSR  
Award 2018**

From National Awards  
for Excellence in CSR  
& Sustainability

## The Cyient Foundation: Toward Sustainable Value Creation

There is a growing consensus among leaders today that business exists not just to be profitable, but to make the world a better place to live. Purpose-driven organizations are known to do better on nearly every traditional metric: greater customer loyalty, higher retention, more innovation, and a healthier bottom line.

From developing initiatives that support education, digital enablement, women and girl child empowerment, and healthcare, to social innovation and community development, the Cyient Foundation had been at the core of creating sustainable value for all since 2002.



The next pages have our stories



Read about E Ravali, who studied at a Cyient-supported school, and now teaches in one.



Learn more about our CSR initiatives on the next few pages.



Discover Mokshagundam, a smart village adopted by Cyient.



## THE POWER OF IDEAS

### Social Innovation and Community Development: Going Back to Our Grassroots

Cyient-adopted Mokshagundam is on track to becoming a smart village. From improved healthcare facilities and infrastructure to access to drinking water and education, this village's story is only a beginning.

In the Prakasam district of Andhra Pradesh, about 150 km from the closest cities of Kurnool and Vijayawada, a small, nondescript village of Mokshagundam is on a path of constant improvement. Until recently, the people of Mokshagundam only had access to the most basic healthcare services at their primary healthcare center (PHC). Advanced diagnostics, such as an ECG test, was a distant dream for the more than 3,000 residents of the village as well as the 20,000 people in surrounding areas.



### Social innovation in healthcare:

As a founding partner of MedTechConnect—an ecosystem platform that brings together members of the medical technology and healthcare communities to address three barriers to healthcare: access, affordability, and availability—the Cyient Foundation collaborated with Cardiac Design Labs to deliver a device that can detect more than 50 cardiac conditions for the people of the village and even trained the primary healthcare staff to use the device.

“Since 2015, when the Cyient Foundation adopted our village, along with other facilities, the PHC has significantly minimized the need for people to travel long distances for their healthcare needs,” says T Peddi Reddy, the former village head.

Earlier the villagers had to do an ECG check with the machine brought from outside once a month. “We used to collect phone numbers of patients who wanted to take the test and inform them a day before the screening,” says Sreedevi, the PHC nurse.

Things are different now for Mokshagundam and its residents. The Cyient Foundation supports the PHC and Homeo Hospital in the village, providing necessary infrastructure and medicines to the out-patients.

### Water availability and conservation go hand-in-hand:

The people of the village have also benefitted from the construction of water treatment plants and the installation of dispensing machines to supply potable drinking water through prepaid cards. Also, bore wells were dug to develop water harvesting pits. The Cyient Foundation has taken necessary steps to educate villagers on groundwater recharge processes and worked with the administration to supply piped water to homes across the village.

### Infrastructure development projects in place:

As part of our focus on infrastructure improvements at the village, the Foundation helped the administration successfully complete the CC road work. Also, as part of the Swachh Bharath Abhiyan, the Foundation worked with the government to build toilets for every household in Mokshagundam.

### Access to quality education is an enabler:

The Cyient-adopted school in Mokshagundam is equipped with efficient and optimized infrastructure for classrooms, improved sanitation facilities, and air-conditioned digital classrooms to facilitate technology-based learning.

For India to achieve inclusive growth, our villages must grow in tandem with cities. Going back to our grassroots and building sustainable communities in the nation’s hinterlands is only the beginning.





## THE POWER OF IDEAS

### Cyient Impact: Coming Full-Circle

E Ravali gets up early each day to help her mother with daily chores before heading out to the school where she works as a volunteer. It has been the same routine ever since she can remember. "Earlier I helped before going to school to learn, and now I help before going to school to teach," she says with a smile.

Ravali's father worked as a watchman and her mother was a cleaner at a Cyient-adopted school in Hyderabad. With no economic support, completing her education was a distant dream. Ravali started studying in the same school where her parents worked. After completing Grade 10, she was selected in the Civil Engineering Diploma program at the Polytechnic for Women in Vikarabad. However, financial constraints did not allow her to take up the program.

It was then that Ravali and her parents approached the Cyient Foundation for financial aid. "With the help of the Foundation, I could complete my engineering studies and earn this diploma," she says.

"When I was still a student, Cyient's Chairman, Mr. BVR Mohan Reddy visited our campus on Independence Day and spoke about giving back to society. Something clicked and I knew then that I would be part of that "giving back" process," she adds.

Today, Ravali is a diploma holder in civil engineering and also works as a vidya volunteer at another Cyient-adopted school. "I hope Cyient's warm-hearted association with me stays forever."

The Cyient Foundation hopes for that too.





## THE POWER OF IDEAS

### Chain of Change: It Begins with Us

Balancing the responsibilities of a full-time job with voluntary work is not easy. However, when you are employed with an organization that ardently gives back to society, it becomes just that much easier.

An active member of our more than 4,000 participants' strong CSR volunteer team, Siva Jyothi Sankham has regularly contributed to the community support programs initiated by the Cyient Foundation. From imparting computer education and leading summer camps at Cyient-supported schools to conducting career counseling sessions, and inspiring financially weak parents to educate their children, Siva Jyothi has done it all.

She has worked relentlessly to create health and hygiene awareness in Cyient adopted schools with special lectures for girls on menstrual hygiene and awareness and helped students learn ergonomic exercises. Conducting evening classes and raising

road safety awareness are some of her regular contributions. Such is her commitment that Siva Jyothi has also involved her family members in becoming involved in the causes she believes in.

"Every month, the first and third Saturdays are booked for school visits with my family who help conduct extracurricular activities for middle school students. It's so humbling to be greeted by these children who welcome me with 'Namaskaram teacher' or 'Good morning akka' and enthusiastically ask about the programs I will be conducting next."

Her nine-year-old daughter is an active participant in all of Siva Jyothi's sessions and is already turning into an art and craft mentor for the students at the Cyient-supported school. Cyient Foundation is privileged to have associates who go all out to make a difference in the world we live in.



# CEO'S MESSAGE

Dear Shareholders,

Over the last couple of years, technology has transformed the way we do business. A number of industries now leverage technology in unique ways to deliver differentiated products and services.

In the next five years, emerging technologies, such as the Internet of Things (IoT), Data Analytics, Robotics, Augmented and Virtual Reality (AR/VR), Artificial Intelligence (AI) and Machine Learning (ML), will disrupt many industries and change the way we work with our clients. The emergence and adoption of these technologies gives us a unique opportunity to significantly increase our value proposition and create differentiated positioning in the market.

Our vision to "apply technology imaginatively to solve problems that matter" focuses on helping our clients solve key business and technological challenges that have a larger societal impact. To achieve this vision, we implemented the S3 strategy, which focuses on building our capabilities and providing greater ownership and accountability across the product life cycle, as well as expanding our offerings across the value continuum from Services to Solutions.

In this context, FY 19 was a strong year. We made significant progress on key strategic initiatives and delivered a solid performance. Our revenue grew by 10.1% YoY in constant currency. The growth was led by a strong performance in the Semiconductor, Communications, Transportation and Aerospace & Defense business verticals. We also recorded our highest ever PAT at ₹ 4,898 Mn, an increase of 14% YoY. Conversion of free cash to EBITDA stood at 48.4% resulting in the highest ever operating free cash flow of ₹ 3,770 Mn. This year we also declared our highest ever dividend of ₹15/ share. Our earnings per share for the year stood at ₹ 43.4. Our key clients witnessed a growth of 8% YoY. We also witnessed additions across top client categories of 1+ Mn, 5+ Mn, and 10+ Mn clients.

This year saw an increased momentum in strategy execution resulting in a number of key acquisitions. We acquired AnSem N.V, a leading fabless, custom analog and mixed-signal application-specific integrated circuits (ASICs) design company. We also acquired a 100% stake in Cyient Insights, a data science company (formerly named Invati Insights), of which Cyient had acquired a 51% stake in 2014.





**Krishna Bodanapu**  
Managing Director & CEO

We also acquired an additional 26% stake in Cyient DLM which now means Cyient owns 100% of Cyient DLM. These acquisitions allow us to create a unique and comprehensive ecosystem of engineering, emerging technologies, and design-led manufacturing capabilities. They also allow us to meet the complex requirements of our clients and strengthen our portfolio across the S3 continuum. As an organization we have a well laid out M&A strategy with a focus on building comprehensive engineering capabilities in areas of embedded software, connected technologies, Design Led Manufacturing (DLM) and emerging technologies. We will leverage the cash available in the business to focus on acquisitions that fill the gaps in our strategy. Over the year, we made strides in sharpening our business unit (BU) strategy by developing specific industry solutions and capabilities to strengthen our position as an industry leader. We also continue to make investments in building capabilities and infrastructure such as labs, prototyping facilities, manufacturing capabilities and offices to drive strategy execution.

Accelerating innovation is a key part of our strategy, and we continue to invest in innovation through the New Business Accelerator (NBA) group. As part of NBA, we are focused on leveraging new technologies to develop solutions for our clients' problems. We are working on developing 18 solutions across industries with a focus on high growth technologies such as IoT, AR/VR, additive manufacturing, radar solutions, drone systems, smart cities, connected equipment, AI and ML. Over the last year, we have developed a few solutions that are at a mature stage of development, and we will monetize the same during the course of the year.

Overall, the NBA is garnering good traction and we are confident that it will materially add to the company's EPS in the near future.

Along with developing key technologies, we are also focused on developing the next generation of leadership within Cyient. We have identified leadership interventions across all levels of the organization, such as the First Time Managers (FTM) Program, Emerging Leaders Program (ELP) for new managers, Business Leaders Program (BLP) for middle managers, or Succession Planning and Global Leaders Program (GLP) for senior management. Our focus is on empowering employees and developing leaders at all levels of the organization.

From an execution perspective, we focus on stakeholder satisfaction. We continue to operate within the framework of our guiding principles of Values FIRST (Fairness, Integrity, Respect, Sincerity, and Transparency) and the AGILE (Ambition, Growth Mindset, Inclusive, Lead by example and Empowered) culture, forming the basis of how we do things at Cyient. From a stakeholder satisfaction perspective, we fared well on both the customer satisfaction (CSAT) and associate satisfaction (ASAT) surveys for FY 19. Our CSAT score saw an improvement of 4.7 points YoY, while our ASAT score saw a 3% improvement YoY. Our focus on improving Diversity and Inclusion (D&I) is gaining momentum. Last year we launched many initiatives across geographies, including the Global Mentorship Program that will help develop 50 women leaders for higher roles within the organization.

Over the year we also won many awards and accolades and were recognized by major industry analysts. These achievements

include Pratt & Whitney's supplier awards for "Supplier Highest Productivity", "Supplier Innovation" and "Consistent Supplier Productivity." The awards reflect Cyient's continued focus on excellence, innovation, and success within its Pratt & Whitney Centre of Excellence (CoE). Cyient was also recognized among the Top 20 most promising Aerospace Tech solutions providers for driving innovation and growth across the Aerospace & Defense lifecycle. In the Zinnov Zones' ER&D Services Report for 2018, we were recognized as an "Established and Expansive" player. We maintained our leadership position in the "Overall Ratings" category for the seventh consecutive year and were placed in the "Leadership Zone" in four key industry verticals. Along with this, we were also recognized as a "Major Contender" in Everest Group's Peak Matrix: Medical Devices Engineering Services Assessment 2019. The recognition further strengthens Cyient's position as a leading global medical technology and healthcare solutions provider.

Every business faces challenges in succeeding in today's market, while accelerating innovation across industries. We are excited about the prospects of the future and realize the immense opportunity ahead of us to make a difference. Our innovation and strategy execution positions us well to achieve significant growth. We have a strong outlook for FY 20 and will continue to focus on our commitment to our stakeholders.

Thank you.



**Krishna Bodanapu**  
Managing Director & CEO



# Corporate Information

## Registered Office

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

## Auditors

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

## Internal Auditors

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

## Secretarial Auditor

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

## Tax Advisors

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

## Bankers

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

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

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

## Company Secretary & Compliance Officer

**Sudheendhra Putty**  
4<sup>th</sup> Floor, 'A' Wing,  
11, Software Units Layout  
Infocity, Madhapur  
Hyderabad – 500081  
Tel: +91 40 6764 1322

## Registrar & Share Transfer Agents

**Karvy Fintech Private Limited**  
Karvy Selenium  
Tower B, Plot No 31&32  
Financial District, Gachibowli  
Hyderabad – 500032  
Tel: +91 40 6716 1562

## THE POWER OF IDEAS

Streamline non-conformance  
resolution with digital tech

By offering efficiency improvements of up to 40%, our solution helped a leading aero OEM achieve annual savings of \$2.5 million





## Ensuring High-Quality Manufacturing Processes in A&D

In the A&D industry, while each component of an aircraft engine is designed according to certain parameters and standards, it is often only in the build (manufacturing or assembling) phase that discrepancies in terms of its dimensions and/or materials used are discovered. The non-conformance of a physical product with its required quality triggers an engineering Quality Notification (QN) to take remedial action.

Given its focus on safety and compliance, the high number of QNs in the aircraft engine manufacturing process makes it difficult to apply corrective measures for the concerned components efficiently and is often a manual, time-consuming process.

To overcome this issue, Cyient designed a digital tool that enables clients to electronically document, manage, and track non-conformance with materials, work-in-process or finished components. The Quality Notification Solution enables effective quality management and cross-functional communication between inventory control managers, manufacturing engineering managers, production control teams, and quality inspectors.

### INNOVATE

The Quality Notification Solution ensures an automated and transparent product life cycle. It also helps OEMs to error-proof the process flow with integrated engineering limits. The solution is also highly secure and can be deployed on the cloud or on-premise and can be configured to provide role-based access to users.

### DISRUPT

By using a machine learning model, we designed a solution that automates the data review process of the QN and delivers recommendations on possible solutions (dispositions). The solution also monitors repetitive QNs to identify process inefficiencies. The reports and dashboards provide real-time visibility and insights across systems, sub-systems, vendors, and process stages.

### LEAD

Significant time reduction in QN processing with over 80% accuracy rate in the manufacturing and inspection process leads to faster time-to-market and lower OPEX. A result of years of experience in addressing manufacturing defects, our solution can be applied to any industry that deals with manufacturing defects, improving their efficiency and processes.

## THE POWER OF IDEAS

Tune into the future with  
augmented and virtual reality





# Enabling Reality-Led, Immersive Workforce Experiences

Augmented reality (AR) and virtual reality (VR) applications are no longer futuristic experiences of science fiction. Today, industries are using this technology to solve real-world operating challenges or to enhance their product offerings in innovative ways. New products are becoming increasingly complex to assembly, service, inspect, and even promote in the market.

Additionally, production and maintenance leaders are under constant pressure to increase productivity and reduce operating costs. Virtual reality training and augmented reality workforce applications can help simplify operations, close the barriers of distance and scale workforce expertise more quickly. With our extensive domain experience, Cyient's AR/VR applications help bring product, process, and operations information to life. AR/VR headsets, tablets, and mobile phones become powerful, effective, and collaborative workforce tools to minimize production and maintenance errors, improve quality and safety, and save cost.

## INNOVATE

Develop and deploy AR/VR content for the workforce with Cyient's AR/VR Application Development Platform. Our solution accelerates conversion of technical publications, CAD models, and composite processes into immersive training apps and tools. Businesses can train and scale their workforce rapidly on complex assembly processes, reducing defects and manufacturing cycle times.

## DISRUPT

Drive sales of new equipment or systems with a dynamic 3D experience. AR/VR sales and marketing apps can transform a static experience into a 3D model or a simulated environment. For complex products or infrastructure such as medical equipment, telecom towers, and aircraft engines, AR/VR apps can help see, hear, touch, and experience the value of new products.

## LEAD

With Cyient's AR/VR platform, businesses can reach farther to support customers and provide real-time product updates and information, or promptly connect with product experts and support teams on-site. AR apps help our clients in the field safely install, operate, test, or inspect complex or hazardous equipment.

THE POWER OF IDEAS

Future-ready  
telecom networks





## Enhancing Experience with Improved Network Quality

Telecom networks are not static and their quality is impacted by multiple factors. Communications Service Provider (CSPs) undertake several steps to improve and ensure premium network quality—from effective network roll-out planning, continuous maintenance of the network KPIs, to short- and long-term transformational changes in the network.

This constant focus on quality makes it critical for CSPs to look toward partners who can help manage this network transformation. It is critical to jointly define network performance elements and objectively quantify the network quality. Cyient's IP in network planning brings the right tools and techniques to capture an exhaustive set of KPIs for measurement of these metrics that need to be accentuated. With our Network Performance Analyzer solution, CSPs can now drive the entire process to ensure effective network planning, especially in the era of 5G, resulting in consequent commercial benefits in the form of reduced customer churn.

### INNOVATE

Based entirely on open source technologies, Cyient's Network Performance Analyzer solution records and decrypts real-time messages from disparate radio bands during testing. The solution provides a user-friendly interface with automated post-processing and reporting modules. This significantly reduces the turnaround time needed to get insights on the network KPIs.

### DISRUPT

As opposed to employing traditional approaches, Cyient's IP in wireless planning enables measurement of network KPI on the latest Mobility Radio technologies (mainly LTE/VoLTE/MIMO/CA) based on 3GPP R-12 specifications. The solution can be simply deployed on an Android handheld device and provides a cost-effective mechanism for network assessment.

### LEAD

The solution provides a quick, easy, and cost-effective mechanism for CSPs to evaluate network KPIs—measure key network parameters and predict, plan, and benchmark network quality. This significantly improves Net Promoter Score and enhances customer experience management.

## THE POWER OF IDEAS

Minimize asset downtime and  
operational and safety risks





# Building Operational Intelligence with Connected Equipment

Within a competitive marketplace, original equipment manufacturers (OEMs), and equipment owners and operators must find creative ways to drive business growth and efficiency with minimal risk. Cyient's Connected Equipment offering helps organizations respond to market demands such as optimized equipment uptime, increased operational safety and efficiency, and reduced operating expenses. Combining advanced analytics, IoT connectivity, and asset health monitoring, our offering enables safer, smarter, and more reliable equipment. With a connected equipment strategy, clients can enhance their customer experiences, offer new digital products and services, and even build additional revenue models, improve operational excellence, create a digital workforce, and ensure stronger management, safety, compliance, and security capabilities.

## INNOVATE

Our Connected Equipment offering has helped our clients enable a digital workforce using predictive maintenance, detect wear-based loss of equipment that had been visually obscured, prevent accidents with non-invasive machine vision, and reduce data transmission costs by creating a flexible master architecture in multi-asset configurations.

## DISRUPT

Our clients can now transform maintenance operations from a reactive to proactive approach, prevent downstream equipment damage with improved risk management, increase safety with an automated system for monitoring equipment failure, and verify approved consumable media (filters, oil, etc.) used on equipment to modify warranty support.

## LEAD

This offering will enable clients to claim a leadership role in the marketplace by maximizing equipment uptime, allowing end customers to track and evaluate equipment performance, achieving safety excellence, and building a dedicated OEM operations center for asset management.

## THE POWER OF IDEAS

### Gear up for Industry 4.0





## Driving IoT-Enabled Decision-Making

In the digital age, Industrial Internet of Things or IIoT, connects companies to their physical assets, creating a network of endpoints to collect and utilize data to drive smarter business decisions.

Implementing IIoT in industrial environments comes with unique challenges including highly complex machinery and operations, product diversity, and varying optimal connectivity and communications protocol. Companies understand the benefits IIoT can bring to their ecosystem but want a simple approach to implementation that minimizes disruption, provides security, is flexible to work with their existing systems, and provides a solid return on investment.

Cyient combines industry-specific domain experience with digital and analytics expertise to solve unique client challenges. Our offering starts with assessing requirements and sees clients through to design, development, and deployment. Whether just starting on a digital journey or looking to get more insights from big data, Cyient is a digital solutions partner focused on your outcome.

### INNOVATE

Our data scientists process data from IIoT-enabled endpoints and apply analytics, machine learning, and AI algorithms to help drive proactive diagnostic and preventive actions for clients. Cyient's Preventative Maintenance solutions allow companies to minimize equipment failures and downtime, to optimize resources, improve workplace safety, and reduce costs.

### DISRUPT

Tracking capital intensive assets in the field, factory operations, inventory, or repair facilities can be expensive. Cyient's **Asset Tracking and Management Solutions** leverage IIoT to collect data on assets and aggregate it centrally, utilizing analytics and application dashboards that enable improved operating efficiency, loss prevention, and reduced expenditures.

### LEAD

Monitoring an asset's historical data patterns, health, and performance profiles can help alert companies to changes in their performance. This insight helps prioritize service calls, reduce equipment failure and downtime, and facilitate expense forecasting. Cyient's **Remote Asset Monitoring** solutions help clients realize cost savings, reduce risk, and make smarter decisions.

## THE POWER OF IDEAS

Healthcare technologies  
reach untapped markets



## Designing a Protein Analyzer for Emerging Markets

Cyient helped an India-based in vitro diagnostics company design, develop and manufacture a tabletop protein analyzer that can test for up to 40 parameters, including HbA1c and CRP, and also enables simultaneous measurement of eight samples. This legacy product was designed for developed markets, with major component obsolescence.

We supported the technology transfer of the product, incorporating new features, obsolescence management, and cost reduction while also ensuring the product was launched within a 15-month time frame in the Indian market. Our team leveraged expertise in platform engineering techniques to enable process automation and reduction in sample-time analysis. By developing a localized supply chain, the product cost was reduced to fit the constraints of a price-sensitive local market.

### INNOVATE

The new protein analyzer enabled our client to conduct eight measurements in just 35 seconds, nearly doubling their throughput with a time precision of one microsecond and a volume precision of one microlitre, while also reducing analysis time. Cyient obtained these results without compromising the reliability or accuracy of the analyzer.

### DISRUPT

Since the analyzer had been manufactured overseas, it was not cost-competitive. Cyient redesigned more than fifty mechanical parts to help our client achieve desired cost targets. By establishing the supply chain in India and China, the product parts were sourced more efficiently, leading to a significant reduction in costs.

### LEAD

By helping our client incorporate additional features into its protein analyzer, remediate obsolete parts, and reduce the product cost by 15%, Cyient ultimately supported the launch of a product that would be suitable for the demands of a local market.



## THE POWER OF IDEAS

### A one-stop cab event response output device for increased rail safety

“ We at Deutsche Bahn believe that safety is key for the rail segment. Our industry is proud that we represent the safest transport mode statistically. It is imperative for the continued success of the rail industry to ensure this will be also the case in future by putting our joint focused efforts on this important aspect. I am happy to see that Cyient as engineering solutions provider in the rail industry is taking another step toward embracing technology for increased safety in rail. ”

– Uwe Guenther, CPO, Deutsche Bahn



## Enabling Safer Train Journeys for Passengers

Passenger and asset safety is highly critical in the railway industry, with the train driver playing a major role in ensuring the same. Cyient has introduced a device that supports ensuring that no alarm raised for the train driver goes unnoticed. Cycero™, Cyient's Cab Event Response Output, is a more reliable yet highly scalable supplementary alarm notification solution for the train driver. Cycero alerts the driver by playing preconfigured tones associated with specific events prompting immediate corrective action. The modular and scalable architecture accommodates options to plug smart and intelligent features to suit specific customer requirements—whether for new builds, refurbishment of existing builds, or for substitution of incumbent generic devices.

### INNOVATE

Cycero™ leverages state-of-the-art technology making it one of the most advanced and flexible alarm units among its contemporaries. Automatic sound adjustments based on ambient noise, input trigger prioritization, tone configuration, remote upgradation are few of the key features of this device.

### DISRUPT

Cycero™ is a reliable, configurable, and expandable substitute to the prevailing generic alarm units installed in driver cabs. The device features an Ethernet port as an additional source of input, providing customers the opportunity to significantly reduce operational cost.

### LEAD

Leveraging 15 years of sub-system design and vehicle integration expertise, Cyient provides end-to-end offering, covering device configuration to meet client requirements, system integration support, and after sales service. Cycero™ is based on an optimized operations and maintenance approach leveraging our domain knowledge for enhanced safety and reliability in rail.

## THE POWER OF IDEAS

Chip that converts any wire  
into a communication cable





## Enabling Video On Demand—Anywhere in the Home

Today, internet service providers (ISPs) offer total communication and entertainment solutions, enabling mobile connectivity and interactive television across the user's home. To meet the needs of an increased number of concurrent users, and improve image and connection quality, many homes require a reliable high-speed digital connection in every room. Unfortunately, wireless communication often is not sufficient, and adding wired connections strain the budget and damage walls.

But, what if customers were able to reuse existing wiring? At AnSem, a Cyient company, we solved this problem by developing an on-chip integrated analog front end (AFE) that was designed to adapt to existing and future multi-standard protocols. Using orthogonal frequency-division multiplexing (OFDM) modulated signals, this solution supports a range of in-house wires and overcomes traditional limitations. With our solution, end customers can now use existing wiring like phone cables, coaxial cable, and power cables at their homes to drive interactive TV signals at a much higher speed.

### INNOVATE

The biggest challenge in enabling communication over any wire is converting signals at a very high speed without losing data over a wide range of temperatures, from  $-45^{\circ}\text{C}$  to  $+125^{\circ}\text{C}$ . Our engineers were able to resolve this by developing a solution that is ready to meet current and future requirements and deliver flawless viewer experiences.

### DISRUPT

The solution included building a full MATLAB™ system model during the architectural design phase without sacrificing performance. We designed a disruptive high-speed (400Mbps), highly accurate signal conversion solution capable of calibrating automatically on the chip itself. This disruptive technology helped us build a chip that enables communication over any wire.

### LEAD

We designed the chip to efficiently handle signals under harsh conditions that power cables are exposed to, ensuring higher data rates and long-distance coverage. It also enabled multiple inputs and outputs over the same wire, which allowed concurrent users to open multiple applications over the existing wire networks in their homes.

THE POWER OF IDEAS

X-Band TRM for increased  
performance and reduced costs



# Maximizing Productivity of Radar Surveillance Systems

Commercial Aerospace & Defense applications of radar technology are expanding, and OEMs for radar systems are looking to innovate both in technology and cost. Transmit/Receive Modules (TRMs) are key building blocks for Active Electronically Scanned Array (AESA) radar systems, adjusting the phase and amplitude of Radio Frequency (RF) signal transmission and reception and interfacing with radar electronics to steer beams and control power.

Cyient is driving a unique approach to manufacturing by helping OEMs significantly bring down radar surveillance system costs while remaining competitive in performance. Cyient's Transmit and Receive Module increases power efficiency with GaN MMIC power amplifiers; is 20% lower in module weight; and uses commercial, non-ITAR components that speed qualification and provide an ITAR-free module option for intelligence, surveillance, and reconnaissance (ISR) radar systems. Unlike conventional TRM modules, Cyient's X-Band TRM can provide a valuable boost to performance while reducing manufacturing costs.

## INNOVATE

While conventional TRM manufacturing requires costly chip and assembly processes, specialized machines, and highly-skilled workforce, the Cyient TRM—a single-channel module—uses high-quality, hybrid PCB technology and commercial off-the-shelf surface mount components along with a modular architecture to optimize processes and costs.

## DISRUPT

While the market for ITAR-free radar systems is large, OEMs have limited options for modules with ITAR-free components. Systems that do not require ITAR compliance are often expensive, have limited component availability, and increased complexity. Cyient is leading the way with high-performance modules that simplify processes while saving costs.

## LEAD

Cyient has long-standing partnerships with leaders in the A&D industry across the design, build, maintain phases. Our domain expertise, market knowledge, and engineering experience come together with our X-Band TRM solution, providing advanced technology, high quality and reliability, reduced size and lower weight at an improved cost over conventional offerings.



THE POWER OF IDEAS

## Data monitoring solution for Utilities



## Leveraging Satellites for Field Asset Safety

The increased availability and frequency of satellite data over the last few years has irrevocably changed the landscape for Earth observation. The ability to closely monitor and analyze assets and remote sensing of the environment is not for the exclusive use of government and defense organizations any longer. Moreover, advanced satellite systems today provide unrivaled scale, cadence, and economy.

The geospatial industry, driven by the exponential growth of artificial intelligence (AI), is uniquely positioned to leverage this increased data availability. In particular, the ability to analyze data and gain insights in near-real time adds significant value for time-critical processes.

Satellite imagery provides both multi-band optical and radar (SAR) data. SAR enables analysis beyond what is visible to the human eye by highlighting hidden details; and can penetrate cloud cover, day or night, providing consistent levels of change detection.

### INNOVATE

We have developed solutions that analyze optical and SAR data sets to detect subtle geospatial changes using AI and machine learning. These solutions are being leveraged across areas including utility infrastructure, water resource management, and crop health monitoring—where change detection is critical for service continuity and safety.

### DISRUPT

Satellite data monitoring is a burgeoning area with more and more clients considering remote sensing alternatives to traditional methods of aerial and ground inspections for change detection. These conventional methods are costly, resource-intensive, and offer only a periodic snapshot when compared to the real-time monitoring that remote sensing and satellites provide.

### LEAD

Clients who leveraged our remote sensing change detection solutions have been able to reduce operational costs, adapt quickly, and respond proactively to risks to field assets. They also benefit from time-lapsed business intelligence to address changes to assets, which would not be apparent on visual inspection alone.

# BOARD OF DIRECTORS

The Cyient Board of Directors is committed to serving the goals of the company and help it achieve sustainable growth in market value. The Board ensures that the company makes a positive difference to the industries it serves and upholds the long-term interests of our stakeholders. Cyient has been growing in scale and diversity under their guidance.



**BVR Mohan Reddy**  
Executive Chairman

Appointed in 1991



**Krishna Bodanapu**  
Managing Director & CEO

Appointed in 2014



**MM Murugappan**  
Non-Executive  
Non-Independent Director

Appointed in 1997





**Alain De Taeye**  
Non-Executive  
Non-Independent Director

Appointed in 2010



**Som Mittal**  
Independent Director

Appointed in 2014



**Vinai Thummalapally**  
Independent Director

Appointed in 2017



**Vikas Sehgal**  
Independent Director

Appointed in 2018



**Matangi Gowrishankar**  
Independent Director

Appointed in 2019



**Vivek N Gour**  
Independent Director

Appointed in 2019

# SENIOR LEADERSHIP

The senior leadership team is at the forefront of nurturing new opportunities for Cyient in the dynamic and digital business landscape, combining strategies and data science to design innovative, high-value solutions for our clients.



**Krishna Bodanapu**  
Managing Director & CEO



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



**Ajay Aggarwal**  
President & CFO



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



**Katie Cook**  
Sr. VP - Energy & Utilities



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



**NJ Joseph**  
Sr. VP - Corp. Strategy &  
Marketing, and MD & CEO, CSS



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



**Sunil Kumar Makkena**  
Sr. VP - Operations



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



**Suman Narayan**  
Sr. VP - Semiconductor,  
IoT and Analytics



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



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



**John Renard**  
President - Industrial & Geospatial  
& President EMEA



**Rajendra Velagapudi**  
Sr. VP - MD & CEO, Cyient DLM



**Brian Wyatt**  
Sr. VP - Medical Technology  
and Healthcare



# AWARDS AND ACCOLADES



Cyient receiving Pratt & Whitney Supplier Awards, 2018

**John Deere Supplier  
Award, 2018**

For "Commendable Performance"  
in the Engineering Solutions  
category



**Pratt & Whitney Supplier  
Awards, 2018**

In three categories: Supplier  
Highest Productivity, Supplier  
Innovation; and Consistent  
Supplier Productivity



**Rail & Road Transport  
Award, 2018**

In the Best Railway Signaling  
Design Company category



**Everest Group's Peak  
Matrix™ Assessment, 2019**

Recognized as a  
"Major Contender" in the  
Medical Device Engineering  
Services category



**HfS Research**

Recognized in the Top 10  
Telecom Engineering  
Service Provider 2018 Report



**Lifetime Achievement  
Award**

Presented to Executive Chairman,  
BVR Mohan Reddy, by Hyderabad  
Software Enterprises Association



**Best Innovative Practices  
Award, 2018**

In the "Women at Workplace"  
category at the Gender Equality  
Summit hosted by the UN Global  
Compact Network, India



**CFO of the Year Award and  
Excellence in FP&A Award**

At the CFO Executive  
Leadership Summit 2018





A joint venture between **CYIENT** & **BlueBird Aero Systems**

## **CSS WON ITS FIRST ORDER FROM INDIAN ARMY FOR THE SPYLITE MINI UAS, AUGUST 2018**

Cyient Solutions & Systems (CSS), a joint venture between Cyient and BlueBird Aero Systems, Israel, received its first order from the Indian Army for its SpyLite mini UAV systems—the only system to pass the army's extremely-high-altitude trials.

CSS' SpyLite is an advanced, combat-proven, electric, mini unmanned aerial system optimized to offer extended range real-time visual intelligence. Fully autonomous, from launch to accurate parachute recovery, the system delivers enhanced reliability even in severe weather conditions.



# Notice of Annual General Meeting

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the shareholders of the company will be held on Thursday, 6 June 2019 at 3:00 p.m. at L&D Centre (Company's Campus), Plot No.2, IT Park, Manikonda, Hyderabad – 500 032, Telangana, to transact the following business:

## Ordinary Business

1. To receive, consider and adopt:
  - a. the audited standalone financial statements of the company for the financial year ended 31 March 2019 together with the reports of the board of directors and the auditors thereon
  - b. the audited consolidated financial statements of the company for the financial year ended 31 March 2019, together with the report of the auditors thereon.
2. To confirm the interim dividend paid during the year and declare the final dividend on equity shares for the financial year 2018-19.
3. To appoint a Director in place of Mr. M.M.Murugappan (DIN: 00170478), who retires by rotation and being eligible, offers himself for re-appointment as a Director liable to retire by rotation.
4. To consider and if thought fit to pass with or without modification(s), the following resolution as an **ordinary resolution**:

"RESOLVED THAT pursuant to the provisions of sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and of Board of Directors of the Company, M/s. S.R Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. FRN 101049W/E300004) be and is hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of 33<sup>rd</sup> (Thirty third) Annual General Meeting to be held in the year 2024 at such remuneration plus applicable taxes and actual out of pocket expenses incurred in connection with the audit as may be mutually agreed between the board of directors of the company and the auditors."

## Special Business

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the

Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr. Vikas Sehgal (DIN: 05218876), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 17 October 2018 in terms of Section 161(1) of the Act and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing his appointment to the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, for a term from 17 October 2018 to 16 October 2021."

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 sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Ms. Matangi Gowrishankar (DIN: 01518137), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 25 April 2019 in terms of Section 161(1) of the Act and whose term of office expires at the Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing her appointment to the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, for a term from 25 April 2019 to 24 April 2022."

7. 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 sections 149, 150, 152 and any other applicable provisions of the

Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr. Vivek N. Gour (DIN: 00254383), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 25<sup>th</sup> April, 2019 in terms of Section 161(1) of the Act and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing his appointment to the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, for a term from 25 April 2019 to 24 April 2022."

8. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Som Mittal (DIN: 00074842), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term from 6 June 2019 to 6 February 2022 and whose office shall not be liable to retire by rotation".

9. 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 with effect from 24 April 2019 till 31<sup>st</sup> March, 2020 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 not exceed ₹ 25,00,000 (Rupees Twenty Five lakhs only) per month.

#### II. Commission

The Percentage of net profits of the company as commission payable shall be determined by the Leadership, Nomination & 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 Leadership, Nomination & 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 Leadership, Nomination & 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

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

10. 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. Krishna Bodanapu (DIN: 05301037) as Managing Director & Chief Executive Officer for a period of five years with effect from 24 April 2019 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 Leadership, Nomination & Remuneration committee of directors.

#### II. Commission

The Percentage of net profits of the company as commission payable shall be determined by the Leadership, Nomination & 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 Leadership, Nomination & 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 Leadership, Nomination & 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.

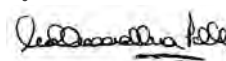
#### VII. Termination

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

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, the recommendation/approval of Leadership, Nomination and Remuneration Committee and Audit Committee and the Board of Directors at their meetings held on 24 & 25 April 2019 and subject to such other approvals as may be necessary, the approval of the shareholders be and is hereby accorded to the re-appointment of Mr. Ashok Reddy Bodanapu, (relative of Mr. B.V.R.Mohan Reddy, Executive Chairman of the Company), to hold office or place of profit under the Company with designation President – Global Corporate Affairs & Infrastructure for a period from 1 April 2019 till 30 June 2020 at a remuneration upto ₹ 1,40,00,000/- (Rupees One crore forty lakhs) per annum."

By Order of the Board



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

Place: Hyderabad  
Date: 25 April 2019

#### Registered Office

4<sup>th</sup> Floor, A Wing, Plot No.11,  
Software Units Layout, Infocity,  
Madhapur, Hyderabad 500 081.  
Telangana.

CIN: L72200TG1991PLC013134

Email: company.secretary@cyient.com

Website: www.cyient.com

## Notes

1. A shareholder entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll on behalf of him and the proxy need not be a member. The proxy form should be deposited at the registered office of the company not less than 48 hours before the commencement of the AGM. A person can act as proxy on behalf of shareholders not exceeding fifty (50) in number and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other shareholder.
2. Corporate shareholders intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the board resolution to the company authorizing them to attend and vote on their behalf at the AGM.
3. The Register of Members and the Share Transfer Books of the company will remain closed from 3 June 2019 to 6 June 2019 (both days inclusive) in connection with the AGM and for the purpose of dividend.
4. An explanatory statement pursuant to provisions of section 102 of the Companies Act, 2013 ('Act') is annexed hereto in respect of item numbers 4 to 11.
5. The Board of Directors of the company had declared an interim dividend of ₹ 6/- per share i.e., at the rate of 120% on face value of ₹ 5/- on 17 October 2018. The same was paid on 6 November 2018.
6. Final dividend of ₹ 9/- per share, i.e., at the rate of 180% on face value of ₹ 5/- each for the year ended 31 March 2019, as recommended by the board, if declared at the AGM, will be payable to those persons whose names appear in the Register of Members of the company as at the close of business hours on 31 May 2019. Dividend will be paid on 20 June 2019.
7. The relevant details as required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015) and Secretarial Standard on General Meetings (SS 2) issued by the Institute of Company Secretaries of India, of director seeking re-appointment under Item Nos. 3, 5 to 10 above is annexed hereto.
8. Shareholders/proxies are requested to bring their copies of the Annual Report to the AGM and the attendance slip duly filled in for attending the AGM.
9. Shareholders desirous of obtaining any information concerning the accounts and operations of the company are requested to send their queries to the registered office of the company at least seven days before the date of the AGM, so that the information requested may be made available.
10. Shareholders holding shares in physical form may write to the company/company's R&T agents for any change in their address and bank mandates; shareholders holding shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to dispatch dividend warrants at their correct addresses, where applicable.
11. In terms of Schedule I of the SEBI (LODR) Regulations, 2015, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders. Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their bank details to the company's Registrar and Transfer Agent.
12. Shareholders who wish to claim unclaimed dividends of the past years, are requested to correspond with Mr. N. Ravi Kumar, Deputy Company Secretary, at the company's registered office. Pursuant to provisions of sections 124 and 125, and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividends for a period of seven years from the date they become due for payment are required to be transferred to the Investor Education Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, shareholders are requested to claim the dividend from the company within the stipulated timeline.
13. The certificates from the auditors of the company under SEBI (Share Based Employee Benefit) Regulations, 2014, as amended, will be available for inspection by the shareholders at the AGM.
14. In consonance with the company's sustainability initiatives and Regulation 36 of the SEBI (LODR) Regulations, 2015, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Shareholders are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic format, therefore, are requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form may submit their PAN and other details

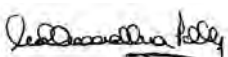
to the company's R&T Agents in accordance with SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April 2018.

16. SEBI has recently amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from 1 April 2019. The shareholders who continue to hold shares in physical form even after this date, will not be able to lodge the shares with company / its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the RTA.
17. Pursuant to section 72 of the Act, shareholders are entitled to make a nomination in respect of shares held by them. Shareholders desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH-13, to the R&T Agent of the company. Further, shareholders desirous of cancelling/ varying nomination pursuant to the rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the R&T Agent of the company.
18. Shareholders holding shares in physical form, in identical order of names, in more than one folio are requested to send to the R&T Agent of the company, the details of such folios together with the share certificates for

consolidating their holdings into one folio. A consolidated share certificate will be issued to such shareholders after making requisite changes.

19. In case of joint holders attending the AGM, the shareholder whose name appears as the first holder in the order of names as per the Register of Members of the company will be entitled to vote.
20. All documents referred to in the accompanying notice will be available for inspection at the registered office of the company during business hours on all working days up to the date of declaration of the result of the 28<sup>th</sup> AGM of the company.
21. Route map to the venue of the AGM is published elsewhere in the Annual Report.

By Order of the Board



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

Place: Hyderabad  
Date: 25 April 2019

**Registered Office**

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



## Guidelines for Electronic Voting

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

Mr. S Chidambaram, Practicing Company Secretary has been appointed as the Scrutineer to scrutinize the voting process in a fair and transparent manner.

- a) The remote e-voting period commences on 3 June 2019 (09:00 am IST) and ends on 5 June 2019 (05:00 pm IST). During this period, shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 31 May 2019, may cast their votes electronically. The remote e-voting module will be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder will not be allowed to change it subsequently or cast the vote again.
- b) Any person, who acquires shares of the company and becomes a shareholder of the company after dispatch of the notice of AGM and holds shares as on the cut-off date i.e. 31 May 2019, may obtain user ID and password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com). However, if you are already registered with Karvy for e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset the password by using 'Forgot User Details/Password' option available on '[https:// evoting.karvy.com](https://evoting.karvy.com)'
- c) The shareholders who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but will not be entitled to cast their vote again.
- d) The facility for voting through ballot paper will be made available at the AGM venue and the shareholders attending the AGM, who have not cast their vote by remote e-voting will be able to exercise their right at the AGM venue through ballot paper. Shareholders who have not cast their vote electronically, by remote e-voting, may only cast their vote at the AGM through ballot paper.
- e) The voting rights of shareholders will be in proportion to the shares held by them, as on the cut-off date of 31 May 2019.
- f) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman, with the assistance of the scrutineer, will order voting through ballot paper for all those shareholders who are present

at the AGM but have not cast their votes electronically using the remote e-voting facility.

- g) Immediately after the conclusion of voting at the AGM, the Scrutineer will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company. The Scrutineer will prepare a consolidated Scrutineer's Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who will then declare the result of the voting.
- h) The voting results declared along with the Scrutineer's Report will be placed on the company's website [www. cyient.com](http://www.cyient.com) and on the website of Karvy immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results will also be immediately forwarded to the BSE Ltd. and National Stock Exchange of India Ltd.

### Guidelines for e-voting:

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

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

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

- iii. After entering these details appropriately, click on "LOGIN".
- iv. In case of first login, shareholders holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat

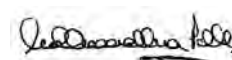
holders for voting for resolution of any other company on which they are eligible to vote. System will prompt you to change your password and update any contact details like mobile number, email ID etc on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- x. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xi. Corporate/Institutional Members (corporate / Fls/Flls/ Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutineer through e-mail to schid285@gmail.com with copy to evoting@karvy.com. The file/scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no."

By Order of the Board



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

Place: Hyderabad  
Date: 25 April 2019

#### Registered Office

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

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

### Item Nos. 5 to 7: Appointment of Mr. Vikas Sehgal, Ms. Matangi Gowrishankar and Mr. Vivek N. Gour as Independent Directors:

Mr. Vikas Sehgal, Ms. Matangi Gowrishankar and Mr. Vivek Gour were appointed as Additional Directors (Independent Directors) by the Board of Directors with effect from 17 October 2018, 25 April 2019 and 25 April 2019 respectively, pursuant to section 161 (1) of the Companies Act, 2013 and hold office upto the date of 28<sup>th</sup> Annual General Meeting.

The Company has received a declaration from each of them on their being eligible for appointment as Independent Directors. Further each of the Directors has provided consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time. The Company has also received a declaration from Mr. Vikas Sehgal, Ms. Matangi Gowrishankar and Mr. Vivek Gour confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(b) of the Listing Regulations, as amended from time to time. Mr. Vikas Sehgal, Ms. Matangi Gowrishankar and Mr. Vivek Gour are not disqualified from being appointed

as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, they fulfill the conditions specified in the Companies Act, 2013 and are independent of the management.

In terms of Section 160 of the Companies Act, 2013, the Company has received notice in writing from members proposing the candidacy of Mr. Vikas Sehgal, Ms. Matangi Gowrishankar and Mr. Vivek Gour to be re-appointed as an Independent Directors of the Company as per the provisions of the Companies Act, 2013 along with a deposit of Rs.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.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

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 Nos. 5 to 7 of the accompanying Notice.

Your Directors recommend each of the resolutions above for your approval.

#### **Item No. 8: Re-appointment of Mr. Som Mittal as an Independent Director**

Mr. Som Mittal was appointed as an Independent Director of the Company by the members at the 23<sup>rd</sup> AGM of the Company held on 17 July 2014 for a period of five consecutive years. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term. Based on the recommendation of Leadership, Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Som Mittal, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for a second term from 6 June 2019 upto 6 February 2022. The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mr. Som Mittal fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company and is independent of the management.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing the candidacy of Mr. Mittal to be re-appointed as an Independent Director of the Company as per the provisions of the Companies Act, 2013 along with a deposit of Rs.1,00,000 (Rupees one lakh) as required under the aforesaid section.

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

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Except the director 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. 8 of the accompanying Notice.

Your Directors recommend the resolution for your approval.

#### **Item No. 9: Appointment of Mr. B.V.R. Mohan Reddy as Executive Chairman**

Mr. B.V.R. Mohan Reddy was appointed as Executive Chairman and Whole-time Director of the Company for a period of five years with effect from 24 April 2014, post approval of the Members.

The Board has, in its meeting held on 25 April 2019, based on the recommendation of the Leadership, Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. B.V.R. Mohan Reddy as Executive Chairman up to 31 March 2020 on such terms and conditions including remuneration as recommended by the Leadership, Nomination and Remuneration Committee of the Board and approved by the Board.

Mr. B.V.R. Mohan Reddy is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Executive Chairman of the Company. Mr. B.V.R. Mohan Reddy satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. B.V.R. Mohan Reddy as Executive Chairman of the Company, in terms of the applicable provisions of the Act and the relevant Rules made thereunder. This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Mr. B.V.R. Mohan Reddy as the Executive Chairman of the Company.

Except Mr. B.V.R. Mohan Reddy and Mr. Krishna Bodanapu, Managing Director and CEO, none of the other Directors or Key Managerial Personnel (KMP) or relatives of other directors and KMP is concerned or interested in the Resolution at Item No. 9 of the accompanying Notice.

There is no change in the remuneration compared with the previous appointment and approval in 2014.

Your Directors recommend the resolution for your approval.

#### **Item No. 10: Appointment of Mr. Krishna Bodanapu as Managing Director & Chief Executive Officer**

Mr. Krishna Bodanapu was appointed as Managing Director & Chief Executive Officer of the Company for a period of five years with effect from 24 April 2014, post approval of the Members.

The Board has, at its meeting held on 25 April 2019, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. Krishna



Bodanapu as Managing Director & Chief Executive Officer for a further period of five years, on terms and conditions including remuneration as recommended by the Leadership, Nomination and Remuneration Committee of the Board and approved by the Board.

Mr. Krishna Bodanapu is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Managing Director & Chief Executive Officer of the Company. Mr. Krishna Bodanapu satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Krishna Bodanapu as Managing Director & Chief Executive Officer of the Company, in terms of the applicable provisions of the Act and the relevant Rules made thereunder. This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Mr. Krishna Bodanapu as the Executive Chairman of the Company.

Except Mr. Krishna Bodanapu and 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. 10 of the accompanying Notice.

There is no change in the remuneration compared with the previous appointment and approval in 2014.

Your Directors recommend the resolution for your approval.

#### **Item No. 11: Re-appointment of Mr. B. Ashok Reddy as President – Global Corporate Affairs & Infrastructure**

Mr. B. Ashok Reddy is President –Corporate Affairs & Infrastructure of the company. He was appointed post approval by the members in 2015. He heads the global legal and secretarial, corporate social responsibility (CSR) and infrastructure functions in the company. He has fiduciary responsibility vis-à-vis the various subsidiaries of the company and chairs the respective boards. He is also a director on the board of the company's Bangalore based Joint Venture, Infotech HAL Limited. Mr. Ashok Reddy has been with the company since June 1999 and until 2014, also headed the global HR functions of the company. Mr. Reddy's appointment to this position in 2015 was approved on the same terms.

Under Mr. Ashok Reddy's able stewardship, the company has designed and implemented robust, effective and laudable corporate governance practices, many of them voluntarily much before being mandated by the law. Under his leadership the company won the 14<sup>th</sup> ICSI National Award for Excellence in Corporate Governance. The company also obtained a CGR 2+ rating for its corporate governance practices from ICRA during November 2017 and the same was reaffirmed in 2018-19. Mr. Ashok Reddy also heads the Global Governance Committee of the company that has oversight on the compliance and governance aspects of the global operations of the company.

In the months and years to come, plans are afoot to entrench the good governance practices across the group.

At the helm of affairs on the CSR front, Mr. Ashok Reddy has led the Cyient Foundation to adopt/support 25 government schools and presently supports over 16,000 children. He helped metamorphose the digital literacy mission to a hybrid model with integrated digital class rooms, digital library and adult digital literacy centres by developing Cyient Digital Centres (CDCs). Currently the mission is operating 67 CDCs in and around Hyderabad. This has enabled access to digital literacy to more than 30,000 children and citizens living around the centres. He was also instrumental in setting up Cyient Urban Micro Skill Centre Foundation to impart skills to unemployed urban and rural communities for their employability. Mr. Reddy has been played the role of a catalyst as regards community development (smart ward and Swacch Bharat & Swacch Pathshala) and social innovation involving health care.

On the infrastructure front, Mr. Ashok Reddy helped create best in class physical and IT infrastructure for the company across Hyderabad, Bangalore, Noida, Warangal, Kakinada and Visakhapatnam. This state of the art infrastructure facilitation has been developed in a cost effective manner and conforms to the highest quality standards. At each centre, utilization has been maximised and in SEZs it has helped optimise tax benefits. As part of its growth strategy, the company proposes to augment its infrastructure by construction of a new manufacturing facility for UAVs in Hyderabad, a second electronics manufacturing line in Hyderabad to supplement Mysore facility, and spread its foot print in the SEZ locations.

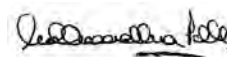
Recently, Mr. Ashok Reddy was bestowed the 'ILA Pride of India Award' by the Indian Lawyers Association.

Except Mr. B.V.R. Mohan Reddy, Executive Chairman, none of the other 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.

There is no change in the remuneration compared with the previous appointment and approval in 2015.

Your directors recommend the resolution for your approval.

By Order of the Board



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

Place: Hyderabad  
Date: 25 April 2019

#### **Registered Office**

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

**ANNEXURE TO THE EXPLANATORY STATEMENT PURSUANT TO REGULATION 36 OF THE LISTING REGULATIONS AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED IS FURNISHED BELOW:**

<b>Name of the Director</b>	<b>M.M. Murugappan</b>	<b>Som Mittal</b>	<b>Vikas Sehgal</b>	<b>Matangi Gowrishankar</b>	<b>Vivek N. Gour</b>	<b>B.V.R. Mohan Reddy</b>	<b>Krishna Bodanapu</b>
Directors Identification Number (DIN)	00170478	00074842	05218876	01518137	00254383	00058215	05301037
Nationality	Indian	Indian	Indian	Indian	Indian	Indian	Indian
Date of birth	12 November 1955	7 February 1952	23 May 1974	27 February 1958	10 November 1962	12 October 1950	28 August 1976
Qualification	B.E., MS	B.Tech., MBA	MS., MBA	B.A., MBA	B.Com, MBA	M.Tech.	B.E., MBA
Experience and expertise	Strategy, business development, technology and finance	Engineering, automotive and manufacturing industries and information technology/ software services	Manufacturing, automotive, mergers and acquisitions and strategic affairs	Human resources	e-commerce, IT enabled services and aviation	Cutting edge engineering, research and development, innovation and strategy	Engineering, business management and strategy
Date of first Appointment on the Board of the Company	11/08/1997	24/04/2014	17/10/2018	25/04/2019	25/04/2019	28/08/1991	24/04/2014
Shareholding in the Company	30,000	NIL	NIL	NIL	NIL	33,58,254	18,50,760
List of Directorship held in other companies	Please refer Report on Corporate Governance						
Membership / Chairmanship in Committees of other companies as on date	Please refer Report on Corporate Governance						
Relationships between Directors inter-se	There is no <i>inter-se</i> relationship among the directors					Relative of Mr. Krishna Bodanapu	Relative of Mr. B.V.R. Mohan Reddy

## BRIEF PROFILES OF AUDITORS/DIRECTORS BEING APPOINTED/RE-APPOINTED

### Item No. 4

#### Appointment of Auditors

Pursuant to Section 139 of the Companies Act, 2013 ("Act") and the Rules made thereunder, it is mandatory for the Company to rotate its statutory auditors on completion of the maximum term as prescribed thereunder. M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), have been the statutory auditors of the Company since the financial year 2009-10 and have completed their term of 10 years from the date of first appointment. Accordingly, it is proposed to appoint M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as the statutory auditor of the Company, to hold office for a period of five consecutive years from the conclusion of the 28th Annual General Meeting of the Company till the conclusion of the 33rd Annual General Meeting to be held in the year 2024.

The annual remuneration / fee for the financial year ending March 31, 2020 is proposed at ₹ 8,000,000/- (Rupees Eighty lakhs only), plus out of pocket expenses and taxes at the applicable rates, for the purpose of the statutory audit of the Company, which is not a material change from what was paid to M/s Deloitte Haskins & Sells for the same scope of work. The Board, including relevant committee(s) thereof, shall be given the power to agree, alter and vary the terms and conditions of such appointment, remuneration etc. including by reason of necessity on account of conditions as may be stipulated by the Companies Act, 2013, in such manner and to such extent as may be mutually agreed with the auditors. In addition to the above and in accordance with the provisions of the Act, the Board / committees thereof, may approve other services, as deemed appropriate, and remuneration for such services as required by law or otherwise, subject to the provisions of section 144 of the Act.

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants have confirmed their eligibility to be appointed as Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable rules. The management and the board had carried out a detailed evaluation process of various audit firms based on which the board has recommended the appointment of M/s S.R. Batliboi & Associates LLP, Chartered Accountants as the statutory auditors of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the passing of this resolution.

#### Brief Profile of the auditors

M/s. S.R. Batliboi & Associates LLP (FRN 101049W/E300004), ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was established in the year 1965 and

is a limited liability partnership firm ("LLP") incorporated in India. It has registered office at 22, Camac Street, Kolkata and has 10 branch offices in various cities in India. The Audit Firm has valid Peer Review certificate and is part of S.R. Batliboi & Associates network of audit firms. It is primarily engaged in providing audit and assurance services to its clients.

### PROFILE OF THE DIRECTORS

#### Item No. 3

#### Mr. Murugappan - Non-Executive, Non-Independent Director

Mr. Murugappan is the Executive Chairman of Murugappa Corporate Advisory Board. He has over 40 years of experience in diverse areas including strategy & business development, technology, R&D and human resources. Holds a Bachelor's degree in Chemical Engineering from the AC College of Technology, University of Madras, India and a Master of Science Degree in Chemical Engineering from the University of Michigan, Ann Arbor, Michigan, USA. Is the chairman of TI Financial Holdings Limited, Cholamandalam MS General Insurance Company Ltd, Coromandel International Ltd (CIL), Tube Investments of India (TII) and Carborundum Universal (CUMI). He is an independent director on the boards of companies outside the Murugappa Group such as Mahindra & Mahindra Ltd. (Mumbai).

Served on the Board of Governors of IIT Madras, for six years till November 2011 and has enabled many industry – academic partnerships. Now serves on the board of the IIT-Madras Research Park and is a mentor to many companies incubated there. He is a Trustee of the Group's AMM Foundation, actively involved in the development of various citizenship initiatives, particularly in education, health care, performing arts and sport.

#### Item No. 5

#### Mr. Vikas Sehgal - Independent Director

Mr. Vikas Sehgal is the Executive Vice Chairman of Rothschild & Co, responsible for the South & South East Asian businesses and also its global automotive business.

He is former Chairman of the World Economic Forum's (WEF) Global Agenda Council for Automotive and Transportation, and a member of its Global Future Council for mobility. Vikas has been associated with WEF since 2012, working on a range of issues pertaining to manufacturing, automotive, and mobility. In addition, he is a Member of the Board of Houghton International, a US-based industrial chemicals company and has been a strategic advisor to Peugeot Citroen (PSA).

Since January 2016, Mr. Sehgal has been an advisor to the Government of India, working closely with the office of the Prime Minister. He is part of the Ministry of Heavy Industries (on automotive and industrial policy) and the Department



of Industrial Policy and Promotion (for FDI in India). He is also acting adviser to the Government's Working Group on Aluminum Industry, which aims to develop a sustainable aluminum sector in the country.

Prior to joining Rothschild & Co in 2011, Vikas managed the automotive and engineering business of Booz Allen Hamilton and was instrumental in setting up the company's office in India. Prior to this, he worked in engineering roles at the Ford Motor Company and Daewoo Motors.

Mr. Sehgal did his B.E., mechanical, from the Delhi College of Engineering (DCE) and went on to earn an MS degree in industrial engineering from the University of Florida and MS in mechanical engineering and technology policy planning from MIT, Massachusetts. He is also an MBA in Finance and International business from the University of Chicago.

The youngest ever recipient of the Yuva Ratan Award, Vikas was recognized for exemplary contribution to society through academics and community service. He is the first Indian to be awarded the International Outstanding Student Officer Award from the Society of Automotive Engineers and is also the recipient of the Most Outstanding Student Award, DCE, and the National Science Foundation Scholarship and Ford Fellowship, MIT.

Mr. Sehgal is a published author with "Higher Education in Third World Countries: Revamping Technical Education Policy" by Uppal Publishing, and more than 20 papers and articles in leading global journals to his credit. He is frequently quoted in print and electronic media.

Mr. Sehgal has lived, studied, and worked in USA, Germany, UK, France, Italy, China, Japan, and India.

#### Item No. 6

##### **Ms. Matangi Gowrishankar - Independent Director**

Ms. Matangi Gowrishankar carries more than three decades of senior leadership experience spanning multiple industries. Her professional acumen and knowledge of workforce management have helped her effectively spearhead senior roles in human resources for a range of companies including Reebok India, General Electric, and Zensar Technologies.

Her expertise lies in the areas of Leadership and Organization development with a deep commitment to help organizations and teams achieve their strategic intent through people and strong people processes.

Ms. Gowrishankar was a Board Member of the NHRDN (National HRD Network in India) with several publications to her credit. She was part of the Strategic Human Resources Programme from Harvard Business School and is a Certified Coach—Neuro-leadership Group, Certified Assessment Centre (Design & Conduct) from SHL and Certified Facilitator & SATE Practitioner from IBM Skillbase.

Ms. Gowrishankar is passionate about building high-performance teams and is a recognized mentor. Her extensive business and HR experience make her a true asset to the organization.

She holds a BA in Sociology with a post-graduation in Personnel Management & Industrial Relations from XLRI.

#### Item No. 7

##### **Mr. Vivek N. Gour - Independent Director**

Mr. Vivek N. Gour is an independent director with over 15 years of experience as a Board member of large operating companies in India, USA and the Middle East in diverse industries such as e-commerce, ITES, and aviation.

Since 2010, he has served on the board of MakeMyTrip.com, as the Chairman of the audit committee and also serves on the board on IndiaMART, Affle Global, and ASK Investment Managers as the Chairman of the audit committee. In his previous assignments, Vivek has held leadership roles as Managing Director of Air Works India, Global CFO of Genpact Ltd, Chairman of Empire Aviation, Dubai, CFO of GE Capital India, and various leadership roles at GE Capital.

Currently, he volunteers his time as a social impact investor in large impact projects creating skilling and employment for rural youth and providing pediatric medical care for the underprivileged.

Mr. Gour has 34 years of work experience. He is a graduate of Harvard Business School's OPM programme. He has an MBA from FMS, University of Delhi, and a B.Com from the University of Mumbai.

#### Item No. 8

##### **Mr. Som Mittal - Independent Director**

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

Having completed his graduation and post-graduation from IIT Kanpur and IIM, Ahmedabad, Mr. Mittal held senior corporate leadership roles for over three decades in the IT industry at companies such as Wipro, Digital, 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 global CXO positions and managed businesses across geographies.

Mr. Mittal has worked and influenced governments of various countries in developing policies to promote trade. He served as member of the Prime Minister's Committee on National e-Governance and was the Chairman of the Council which developed the IT vision for Indian Railways. He is also on the Governing Council of several academic institutions and social organizations, and is a Board Member of Axis Bank, Cyient Ltd, EXL Services Inc., Sheela Foams and TATA Singapore Airlines Ltd. and chairs several Board committees.

He is Chairman of leading NGOs like Charities Aid Foundation, India; NCPEDP; Museum of Art and Photography.

He is also on the Governing Council in Lady Shri Ram College & GMR Foundation.

He is an Advisor to a number of organizations including McKinsey and BCG and is a Beachhead Advisor to NZ Trade and Enterprise.

Mr. Som Mittal was honoured in 2019 with a Lifetime Achievement Award by Indian Merchants Chamber for his contribution to the IT industry. He also honoured with a Lifetime Achievement Award in 2013 for outstanding dedication to the growth of the global ICT Industry by the World Information Technology and Services Alliance. He was recognized as a Distinguished Alumni from IIT Kanpur.

#### Item No. 9

##### **Mr. B.V.R. Mohan Reddy - Executive Chairman**

Mr. B.V.R. Mohan Reddy is an Indian entrepreneur who has firmly placed India on the global map for leading-edge Engineering, and Research and Development (ER&D) Services by establishing Cyient (formerly Infotech Enterprises) in 1991. His efforts have led Cyient to contribute more than \$3 billion in cumulative exports from India to Fortune 100 companies and have created direct employment for about 15,000 engineering professionals in 47 locations across 21 countries.

Reddy has taken up several leadership positions to promote higher education in India. He is currently the Co-Chair of CII's Education Council, and also Chairman of NASSCOM's Sector Skill Council. Mr. Reddy is currently the Chairman of the Board of Governors of IIT-Hyderabad, a member on the Board of National Skill Development Corporation (NSDC), and member of Court of Governors of Administrative Staff College of India (ASCI).

Reddy has served as the Chairman of NASSCOM (National Association of Software & Service Companies) in India during 2015-16. He has served as the Chairman of Confederation of Indian Industry (CII), Southern Region (2008-2009). Mr. Reddy is also the Founding Director of T-Hub, the largest start-up incubation center in India. Mr. Reddy acts as the Honorary Consul of the Federal Republic of Germany for the states of Telangana and Andhra Pradesh and also serves on the Board of Coromandel International Limited.

Mr. Reddy received India's fourth highest civilian award-the Padma Shri-in 2017 for his contribution to trade and industry in the country. He is the recipient of the Distinguished Leadership Award of the American Society of Mechanical

Engineers (CIE Division) in 2011. He is a distinguished alumnus of IIT-Kanpur.

Mr. Reddy holds postgraduate degrees – from Indian Institute of Technology (IIT), Kanpur, and from University of Michigan, Ann Arbor, USA. He is the recipient of honorary doctorates from JNTU-Hyderabad, Andhra University, KL University, and JNTU-Kakinada.

#### Item No. 10

##### **Mr. Krishna Bodanapu - Managing Director & CEO**

As Managing Director and Chief Executive Officer, Krishna provides the strategic direction for growth and is responsible for all operations at Cyient.

Mr. Krishna initially joined Cyient as a Sales Manager for engineering services in Europe. He later moved to India, where he held dual roles of Marketing Manager and Key Account Manager for the company's aerospace vertical. As Marketing Manager, he worked with several key aerospace customers and was an integral part of many successful client engagements. As Key Account Manager, he was responsible for relationship building and account management for several primary clients in engineering services.

Advancing into the role of Chief Operating Officer, Krishna contributed significantly to Cyient's consistent growth in terms of revenue, margin, and customer and associate satisfaction.

Before Cyient, Krishna worked with Altera Corporation, a leading semiconductor manufacturer based in San Jose, California and was responsible for the company's flagship product line, APEX.

Mr. Krishna is also the Vice Chairman for the Confederation of Indian Industry (CII), Telangana, for 2019-20. In this capacity, he works closely with the state government and industry members to promote industry competitiveness, investments, and international relations as well as constructive steps for the betterment of the society.

Mr. Krishna holds a bachelor's degree in Electrical Engineering from Purdue University and a Master's Degree in Business Administration from the Kellogg School of Management, at Northwestern University.





CYIENT MOVED TO AN UPGRADED OFFICE IN PEORIA HEIGHTS, IL, USA, TO SUPPORT OUR CONTINUED GROWTH AND STRENGTHEN OUR LOCAL PRESENCE AS AN INNOVATIVE SOLUTIONS COMPANY.





# Director's Report

Dear Shareholders,

Your directors have pleasure in presenting the 28<sup>th</sup> Directors' Report on the business and operations of your company, for the financial year ended 31 March 2019.

## 1. FINANCIAL HIGHLIGHTS

(Amount in ₹ Million)

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Total Income	47,515	40,694	17,770	16,320
EBIDTA	7,668	6,873	5,932	5,671
Finance Cost	326	204	11	6
Depreciation and amortization expense	1,114	1,052	509	508
Exceptional Items	35	50	-	(103)
Profit Before Tax	6,193	5,567	5,412	5,260
Current Tax	1,512	1,493	1,179	1,285
Deferred Tax	(85)	(113)	(174)	(43)
Share of profit / (loss) in associate company	-	(160)	-	-
Share of profit in Joint Venture	5	4	-	-
Non-controlling Interest	(14)	(23)	-	-
Profit After Tax	4,785	4,054	4,407	4,018
Basic Earnings per share (Rs.)	42.43	36.00	39.07	35.69
Diluted Earnings per share (Rs.)	42.36	35.85	39.01	35.54
Interim Dividend paid (Rs./ share)	6	9	6	9
Final dividend recommended (Rs./ share)	9	4	9	4
Paid up Equity Share Capital	552	563	552	563
Reserves	25,089	22,876	21,813	20,051

## 2. STATE OF AFFAIRS / COMPANY'S PERFORMANCE

Your Company provides engineering, manufacturing, geospatial, network and operations management services to global industry leaders. It delivers innovative solutions that add value to businesses through the deployment of robust processes and state-of-the-art technology. The Company's high quality products and services help clients leverage market opportunities and gain the competitive advantage.

On a consolidated basis, the revenue from operations for FY 2019 at ₹ 46,175 million was higher by ₹ 7,000 million over the last year. The profit for the year attributable to shareholders and non-controlling interests was ₹ 4,771 million, recording an increase of ₹ 740 million over FY 2018. The profit after tax attributable to shareholders of the company was ₹ 4,785 million, 17.90% higher than that of the previous year ₹ 4,054 million.

On a standalone basis, the revenue from operations for FY 2019 at ₹ 16,149 million, was higher by 12.2% over the last year ₹ 14,397 million in FY 2018. The profit for the year was ₹ 4,407 million, registering a growth of 9.7% over the PAT of ₹ 4,018 million in FY 2018.

There is no change in the nature of business during the year.

## 3. DIVIDEND

Your directors have recommended a final dividend of ₹ 9.00 per share (180%) on par value of ₹ 5.00 per share. During the year, the Company declared Interim Dividend of ₹ 6.00 per equity share [120%] on 17 October 2018. Total dividend (excluding dividend distribution tax) as a percentage of profit after tax of the standalone financial statements were 37.8% as compared to 36.4% in the previous year. In terms of regulation 43A of SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015, the Company has formulated and uploaded dividend policy on the corporate website ([www.cyient.com/investors/corporate-governance](http://www.cyient.com/investors/corporate-governance)).

## 4. TRANSFER TO RESERVES

Your Company has not transferred any amount to reserves during the year under review and proposes to retain the entire amount of ₹ 4,407 million in its Statement of Profit and Loss/retained earnings.

During the year, the Company has created capital redemption reserve of ₹ 13 Million out of the General

reserve, on account of Buyback of equity shares, in accordance with section 69 of the companies act, 2013.

## 5. LIQUIDITY

Your Company continues to be debt-free and maintains sufficient cash reserves to meet its operations and strategic objectives. As at 31 March 2019, your company had liquid assets of ₹ 7,405 million as against ₹ 8,396 million at the previous year end. These funds have been invested in short term fixed deposits and mutual funds with scheduled banks, financial institutions and debt based mutual funds.

## 6. PUBLIC DEPOSITS

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

## 7. SHARE CAPITAL

Your Company has allotted 4,48,689 equity shares of ₹ 5.00 each to the associates of the company and its subsidiaries upon exercise of an equal number of stock options vested in them pursuant to the extant Restricted Stock Units and Stock Option Schemes of the company. Further, 19,30,102 shares which were bought back by the company from the open market through the stock exchange mechanism were duly extinguished in accordance and consonance with the Companies Act, 2013 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 . Pursuant to the allotments and extinguishment of shares as above, as on 31 March 2019, the paid up capital of the Company was ₹ 55,55,72,945/- consisting of 11,11,14,589 equity shares of ₹ 5.00 each.

During the month of April 2019, the company has extinguished 11,93,861 equity shares, which were bought back. The share capital of the company as on date of the report is ₹ 54,96,03,640/- consisting of 10,99,20,728 equity shares of ₹ 5.00 each.

## 8. BUYBACK OF SHARES

The Board of Directors of the Company had, at its meeting held on 1 February 2019, approved the Buyback of its fully paid-up Equity Shares of the face value of ₹ 5/- each, from its members/beneficial owners, other than those who are promoters or the persons in control of the Company and the promoter group, from the open market through the stock exchange mechanism, in accordance with the Companies Act, 2013 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018. The maximum size of the buyback was ₹ 200 crores, and at a maximum price not exceeding ₹ 700/- per Equity Share, payable in cash. The Company commenced the buy-back of Equity Shares from 12 February 2019 and closed on 11 April 2019. The Company has bought back and extinguished a total of 31,23,963 Equity Shares at an average price of ₹ 640.2105 per Equity Share. Accordingly,

Company has deployed ₹ 1,99,99,94,028.90 (Rupees One Hundred Ninety Nine Crores Ninety Nine Lacs Ninety Four Thousand Twenty Eight and Ninety paise only) which represents 99.9997% of the Maximum Buyback Size.

## 9. SUBSIDIARIES

### Cyient, Inc. (CI)

Headquartered in East Hartford, Connecticut, Cyient Inc. provides engineering, manufacturing, geospatial, network, and operations management services to customers in North America. Cyient Inc. closed the year with 24 offices across the US and Canada, and 1,816, associates sourced primarily from within the geography. CI has over 175 active clients across our seven business units, ranging from Fortune 500 companies to small organizations and local, state, and federal government agencies. CI operates in 40 states and four Canadian provinces, and generates \$294M in annual revenues.

CI leverages both the local and global delivery capability of Cyient while executing projects across North America. CI is also principal unit for executing the acquisition strategy in North America. During the year, CI acquired B&F Design Services, a Connecticut based company, engaged in the design and manufacturing of tools, which will focus on machining development hardware for the aerospace and defense industry .

### Cyient Europe Limited (CEL)

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

Its services are designed to cater to leading Tier-1 and Tier-2 Telcos, gas, electric and water utility companies, public sector agencies, and commercial businesses. In addition it provides world-class engineering services as well as big data and analytics capabilities to rail, aerospace and manufacturing companies. The company enjoys long-term relationships with several of its partners and customers and has built a strong foundation of trust and reliability.

Cyient Europe Ltd has 4 wholly owned subsidiaries. The oldest, Cyient Benelux BV, based in Breda, Netherlands, provides support to its customers and business in the Benelux region while Cyient Schweiz GmbH, based in Bern, provides support and local presence for our long standing engagement with Swisscom. Cyient SRO, based on Prague in the Czech was established in September 2015. Its primary focus is to provide engineering services to our rail and aerospace customers across Europe and has now grown to a team of over 120 associates. The most recent subsidiary is Ansem NV, a Belgium company that CEL acquired in April 2018. Ansem is a specialist solutions company, focused on the design and prototyping of analogue semi-conductor chips for a wide range of industrial clients.

The November 2016 acquisition of Blom Aerofilms Ltd, the UK subsidiary of NRC Group from Norway is progressing

well. The business bought a team with complementary skills of around 40 associates, mostly based out of their offices in Cheddar, Somerset, who have now been fully integrated into Cyient's European operations.

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

#### **Cyient GmbH (CG)**

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

After becoming a part of the Cyient Group in 2000, it extended its foray into other service areas like GIS and IT solutions. Owing to the large pool of engineering, GIS and IT resources, CG provides high-quality services and solutions to a wide range of clients with offshore cost advantage and onsite project management. Growth in the recent past has included Telecom Plan and Design services into the German market as well as semiconductor design and verification services. We recently moved our offices from Leonberg to Stuttgart to reflect this growth and expansion.

#### **Cyient Australia Pty Limited (CAPL)**

Established in 2014, Cyient Australia provides engineering design and network operations services to diverse industries to its Asia Pacific customers. CAPL supports its customers especially Telecommunication, Utilities and Rail transportation from global delivery centres in Sydney and Melbourne with operations Australia wide and across the APAC region. CAPL has over 600 associates operating from our global delivery centres and customers across Australia. Melbourne is the APAC headquarter.

#### **Cyient KK (CKK)**

Established in 2008 in Central Tokyo, CKK is a leading engineering service provider in Japan. CKK provides end-to-end engineering services and solutions to manufacturing industries. CKK leverages the global delivery capability of the parent organisation, while maintaining client relationships and managing projects locally.

During the year CAPL has acquired 86% stake in CKK. It brought down the shareholding of the Company in CKK to 14%.

#### **Cyient Singapore Pte Limited (CSPL)**

Established in 2015, Cyient Singapore is the South East Asia headquartered CSPL provides services and solutions to diverse industries such as aerospace,

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

#### **Cyient Engineering (Beijing) Limited (CEBL)**

Cyient established its presence by setting up a subsidiary in Beijing in 2017. CEBL sees China as having long term market not only to support its global customers in China but also to capture huge potential that the China market brings to its future growth. Particular focus is on semiconductor, manufacturing and energy markets.

#### **Cyient Israel India Limited (CIIL)**

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

#### **Cyient DLM Private Limited (CDLMPL)**

CDLMPL is recognised as a market leader in High-Mix, HighTech Electronic & Mechanical manufacturing Services in Aerospace & Defense, Rail Transportation, Medical Technology, Telecom & Industrial business segments. CDLMPL possesses and maintains quality certifications that enable it to design and manufacture products to clients in these industry verticals.

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

During the year, Company has acquired 100% stake in CDLMPL.

#### **Cyient Insights Private Limited (CIPL)**

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

Cyient Insights enables its customers to derive end to end business excellence and derive quantifiable business results through gamut of machine learning and deep



learning capabilities and associated actionable insights. Cyient Insights stands apart from its peers with its capability to acquire, manage and analyse vast amount of data generated by sensors embedded in machines and devices, and the unmatched commitment to add value to customers with the proven global delivery model. Cyient Insights brings in domain specialists through Cyient's decades of work with verticals such as Aerospace & Defence, Heavy Engineering, Transportation, Medical, Telecommunications, Utilities, and Energy & Natural Resources and marries it to its data science capability to execute projects.

During the year, Company has acquired 100% stake in CIPL.

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

In April 2017, Cyient Solutions and Systems Private Limited (CSS) was established to focus exclusively on business in the Indian Defence Sector. CSS underlines Cyient's commitment to the Make in India initiative that reflects the nation's aspirations for increased self-reliance in Defence. Cyient has been actively investing in technology IP, design, development, manufacturing and system integration capabilities to address critical technology requirements of the Defence sector. CSS signed a collaboration agreement with BlueBird Aero Systems Israel to design, manufacture, and maintain UAV Systems for Indian defence, paramilitary and homeland security agencies. BlueBird's world-class technology combined with Cyient's manufacturing, aftermarket capabilities and local presence offers exceptional value to the rapidly expanding market for UAV solutions in India.

#### **Cyient Urban Micro Skill Centre Foundation (CUMSCF)**

In October 2018, company incorporated CUMSCF as a non-profit organisation under section 8 of the Companies Act, 2013. This will enable more focus on urban micro skills. The operations of the company will commence in FY 2019-20.

#### **Infotech HAL Limited (IHL)**

Infotech HAL Ltd (IHL), a joint venture (50:50) between CYIENT Ltd (formerly known as Infotech Enterprises Limited) and Hindustan Aeronautics Limited (HAL). The Engineering services wing of IHL provides Conceptual design, Development of Digital mockups, Tool design, detail design and analysis, prototyping, Software Design and Database Management. IHL delivers engineering as well as aftermarket engineering and support services, i.e., Technical publications, service bulletins, Electronic Manuals, Computer Based Training, etc. in the Aerospace and Defense area.

IHL will partner with customer to provide manufacturing program management from receipt of drawing to delivery of hardware, including production and recertification with minimum involvement of customer resources and acts as customer representative to the vendors in India

IHL is well positioned to undertake work from various OEMs under offset program. IHL services leverage offshore execution of projects with onsite program management of manufacturing at our approved vendors".

### **10. QUALITY**

Your company is committed to creating and delivering engineering services and solutions that exceed customer expectations and enhance the level of business profitability. Your company's quality implementation efforts are all pervasive, beginning with a stated goal. True to the image as a global player, the company has developed a reputation for providing its clients with world class quality; the clients trust the strength of quality processes that have always assured them of timely defect-free deliverables.

The quality management system (QMS) is a testimony derived and optimized with experiences and best practices that are aligned with the internationally renowned quality standards and models like ISO 9001:2015, ISO 27001:2013, AS 9100 D, ISO 13485:2016, ISO 22163: 2017- (IRIS), TL- 9000 R 6.0/R5.5 V, ISO 14001:2015, BS-OHSAS 18001-2007, ISO 20000 and CMMI-DEV Version 1.3 Level 5 (pursuing CMMI DEV Version 2.0). Quality policy and objectives are mentioned elsewhere in the annual report.

### **11. BUSINESS RESPONSIBILITY REPORT**

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

### **12. CORPORATE SOCIAL RESPONSIBILITY**

Your 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 Cyient Foundation. During the year, the company also set up a wholly owned subsidiary licensed under section 8 of the Companies Act, 2013, Cyient Urban Micro Skill Centre Foundation (CUMSCF) to cater exclusively to the skill development initiatives. An elaborate report on CSR is published elsewhere in this annual report. The CSR Annual Report is enclosed as Annexure 'B'.

### **13. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL**

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

## Appointments/Re-appointments

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. M. M. Murugappan, non-independent and non-executive Director retires by rotation and being eligible, offers himself for re-appointment. During the year, Mr. M. M. Murugappan was re-designated as a Non-Executive, Non-Independent Director, w.e.f. 7 October 2018.

On the recommendations of the Leadership, Nomination and Remuneration Committee, the Board appointed Mr. Vikas Sehgal, Ms. Matangi Gowrishankar and Mr. Vivek Gour, as Independent Directors of the Company with effect from 17 October 2018, 25 April 2019 and 25 April 2019 respectively. Mr. Som Mittal is being proposed for re-appointment as Independent Director for a second term.

Mr. B.V.R. Mohan Reddy has been re-appointed as Executive Chairman of the Company w.e.f. 25 April 2019 till 31 March 2020 and Mr. Krishna Bodanapu has been re-appointed as a Managing Director & CEO of the Company w.e.f. 25 April 2019 for a period of five (5) years on the terms and conditions as recommended by the Leadership, Nomination and Remuneration Committee and approved by the Board of Directors of the Company in their meeting held on 25 April 2019, subject to the approval of shareholders.

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

Mr. K. Ramachandran, Mr. John Paterson and Ms. Andrea Bierce will complete their respective terms as independent directors on the board of the company at the conclusion of the 28<sup>th</sup> AGM. The board thanks the directors for their contribution during their tenure.

## Key Managerial Personnel

Mr. B.V.R. Mohan Reddy, Executive Chairman; Mr. Krishna Bodanapu, Managing Director & CEO; Mr. Ajay Aggarwal, CFO and Dr. Sudheendhra Putty, Company Secretary are Key Managerial Personnel of the Company in accordance with the provisions of Section(s) 2(51), and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. There has been no change in the Key Managerial Personnel during the financial year.

## 14. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

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

## 15. NUMBER OF BOARD MEETINGS DURING THE YEAR

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

## 16. BOARD EVALUATION AND ASSESSMENT

The company believes that 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. For the company, evaluations provide an ongoing means for directors to assess their individual and collective performance and effectiveness. In addition to greater board accountability, evaluation of board members helps in:

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

By focusing on the board as a team and on its overall performance, the company ensures that communication and overall level of participation and engagement also improves.

In order to facilitate the same, the board undertook a formal board assessment and evaluation process during 2018-19. The board evaluation was performed after seeking inputs from all the directors and included criteria such as the board composition and structure, effectiveness of board processes, information and functioning as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January 2017 and the amendments brought in SEBI (LODR) Regulations in 2018. The Leadership, Nomination & Remuneration Committee has overall stewardship for the process. The evaluation process covers the following aspects:

- Peer and self-evaluation of performance of directors
- Evaluation of the performance and effectiveness of the board
- Evaluation of the performance and effectiveness of Board Committees
- Evaluation of the performance of the Executive Chairman and the Managing Director & CEO
- Feedback on management support to the Board

The evaluation process elicits responses from the directors in a judicious manner - ranging from composition and induction of the board to effectiveness and governance. It also sought feedback on board and committee charters, strategy, risk management and

quality of discussion and deliberations at the board. The evaluation process also ensures the fulfilment of independence criteria as specified in the applicable regulations and that the latter are independent of the management. The independent directors concerned do not participate in the evaluation process.

## 17. AUDITORS

Pursuant to Section 139 (2) of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014 made thereunder, it is mandatory for the Company to rotate its current statutory auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration No. 008072S), on the completion of the maximum period of two terms of five years each.

Accordingly, based on the recommendations of the Audit Committee, the Board of Directors of the Company, at its meeting held on 17 January 2019, have recommended the appointment of M/s. S R Batliboi & Associates LLP (ICAI Firm Registration No. 101049W/E300004) as the statutory auditors of the Company, who will hold office for a period of five consecutive years from the conclusion of the 28<sup>th</sup> Annual General Meeting of the Company scheduled to be held in the year 2019 till the conclusion of the 33<sup>rd</sup> Annual General Meeting to be held in the year 2024, subject to the approval of the shareholders of the Company. Accordingly, requisite resolution forms part of the notice convening the AGM.

## 18. AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

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

During the year, the statutory auditors and secretarial auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act.

Report of the secretarial auditor is given as an annexure which forms part of this report (Annexure 'C'). Company also obtained the secretarial audit report for its subsidiary companies in India.

## 19. EMPLOYEE STOCK OPTION PLANS

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

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

The details are enclosed as Annexure 'E'.

## 21. MANAGEMENT DISCUSSION & ANALYSIS

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

## 22. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

## 23. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

## 24. RELATED PARTY TRANSACTIONS

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

## 25. EXTRACT OF ANNUAL RETURN (MGT 9)

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



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

## 26. PARTICULARS OF EMPLOYEES

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

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

Executive Directors	Ratio to Median remuneration
B V R Mohan Reddy	131.86
Krishna Bodanapu	169.30

#### Independent Directors

K. Ramachandran	1.63
Som Mittal	1.63
John Paterson	4.88
Andrea Bierce	4.88
Vikas Sehgal*	1.63
Vinai Thummalapally	4.88
M.M. Murugappan (Non-Executive & Non-Independent)	1.63

\* Since this information is for part of the year, the same is not comparable.

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
B.V.R Mohan Reddy	8.00%
Krishna Bodanapu	8.30%
Ajay Aggarwal	21.70%
Sudheendra Putty	10.40%

There is no change in the remuneration of Non-Executive Director compared with last year.

### c. The percentage increase in the median remuneration of employees in the financial year: 8.16%

### d. The number of permanent employees on the rolls of Company: 12,287

### e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are

### any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 8.16%. and the average annual increase managerial personnel 8.15%

### f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

### g. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

## 27. PARTICULARS RELATING TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always provided a safe and harassment free workplace for every individual working in its premises through various policies and practices. The company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. Your company has been actively involved in ensuring that the associates are aware of the provisions of the POSH Act and rights thereunder.

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All associates of the company are covered under this policy.

During the year, the company conducted awareness campaigns at all locations in India

1. Held awareness sessions on a quarterly basis at all locations in India through specific connect sessions by in-house women leaders and 'floor connect'
2. Enhanced the Internal web portal – 'also ensured more online and digital learning through dcafe for associates.
3. Have made POSH MODULE as Mandatory in the digital induction.
4. Nominated the POSH panel (across India locations) to attend related sessions on POSH being conducted by various organizations such as IWN, NHRD and CII for better understanding of the Act and its requirements
5. Nominated associates to attend women safety sessions.

6. Devised plan of action for financial year 2019.

During the year, two cases were registered and both the cases have been closed within the stipulated time limits and in accordance with the law. There are no pending complaints either at the beginning or end of the financial year.

## 28. RISK MANAGEMENT

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

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

## 29. CORPORATE GOVERNANCE

Your Company will continue to uphold the true spirit of Corporate Governance and implement the best governance practices. A report on Corporate Governance pursuant to the provisions of Corporate Governance Code stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. Full details of the various board committees are also provided therein along with Auditors' Certificate regarding compliance of conditions of corporate governance is enclosed as Annexure 'I'.

## 30. DISCLOSURE REQUIREMENTS

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

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

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

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the section 177(9) of the Act and

Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (<http://www.cyient.com/investors/corporate-governance>).

There are no orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## 31. CEO's DECLARATION

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

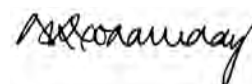
The CEO/CFO certification to the board pursuant to Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed Annexure 'K'.

## 32. ACKNOWLEDGMENTS

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

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

For and on behalf of the Board



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

Place: Hyderabad  
Date: 25 April 2019

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





OUR GERMANY OFFICE MOVED TO A  
CONTEMPORARY, MODERN FACILITY IN  
STUTT GART MARKING A NEW CHAPTER OF  
GROWTH FOR THE COMPANY.





# Business Responsibility Report

Annexure-A

## Section A: General Information about the Company

1	Corporate Identification Number (CIN)	L72200TG1991PLC013134
2	Name of the Company	Cyient Limited
3	Registered address	4th Floor, 'A' Wing, Plot No. 11, Software, Units Layout, Infocity, Madhapur Hyderabad, Telangana - 500 081
4	Website	<a href="http://www.cyient.com">www.cyient.com</a>
5	Email address	<a href="mailto:company.secretary@cyient.com">company.secretary@cyient.com</a>
6	Financial year reported	1 April 2018- 31 March 2019
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	62099-Other information technology & computer service activities
8	Three key products/services manufactured/ provided by the Company	<ul style="list-style-type: none"> <li>Engineering services addressing engineering solutions manufacturing &amp; infrastructure verticals in mechanical, plant, manufacturing, electrical engineering etc.</li> <li>Design Led Manufacturing in mechanical and electronic domain along with semi-conductor design services, engineering application software development &amp; IP and allied services</li> <li>Geospatial services like photogrammetry, remote sensing navigational data mapping, location-based services to the utilities and telecom sectors</li> <li>Data transformation and analytics services like advanced analytics, big data consulting, IoT and M2M to the utility and transportation segments for public and private realm &amp; product realization</li> </ul>
9	Total number of locations where business activity is undertaken by the Company	Full list forms part of this Annual Report
9a	Number of International Locations (Provide details of major 5)	East Hartford - USA; London -UK; Leonberg -Germany; Melbourne -Australia; Singapore – Singapore
9b	Number of National Locations	8 Locations
10	Markets served by the Company- Local/State/ National/International	International

## Section B: Financial Details of the Company

1	Paid up capital (₹)	555,572,945
2	Total turnover(₹)	16,149,132,286
3	Total profit after tax(₹)	4,406,693,088
4	Total spending on CSR as percentage of profit after tax	1.82% (73/4,018) (2% of average of 3 preceding financial years)
5	List of the activities in which expenditure in 4 above has been incurred	<ol style="list-style-type: none"> <li>1. Improve the Quality Education through</li> <li>2. Community Development</li> <li>3. IT Literacy to Community through Digital Literacy Mission</li> <li>4. Healthcare to the Needy</li> <li>5. Social Innovation – LVPEI Srujana Innovation center.</li> </ol>

## Section C: Other Information

1	Does the Company have any Subsidiary Company/ Companies?	Yes, 11 Subsidiaries
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes, 11 Subsidiaries
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	30%-60%

## Section D: BR Information

### 1. Details of Director/s responsible for BR

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

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

#### b) Details of BR head:

1	DIN number	01848553
2	Name	B. Ashok Reddy
3	Designation	President - Corporate Affairs & Infra
4	Contact number	+91-40-67641000
5	Email	Ashok.Reddy@cyient.com

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

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

### 3. Details of compliance (Reply in Y/N)

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

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

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

#### 4. Governance related to BR

1	<b>Governance related to BR</b>	The BR performance of the company is assessed every 3 – 6 months. The company publishes the Business Responsibility Report annually in the Annual Report. ( <a href="https://www.cyient.com/investors/corporate-governance/">https://www.cyient.com/investors/corporate-governance/</a> ) The company is in the process of adopting sustainability reporting guidelines
---	---------------------------------	--

### Section E: Principle wise Performance

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

Cyient Limited creates long term value for stakeholders through unwavering adherence to the FIRST values, our Code of Conduct, our vigil mechanism, data privacy policies and tools, as well as our grievance mechanism. These are the tools that guide and enable the senior management and every employee of the company to conduct business with utmost integrity, commitment and high ethical and moral standards.

##### Our Values

Cyient Limited is guided by the values 'FIRST' (Fairness, Integrity, Respect, Sincerity and Transparency) across all our relationships with clients, stakeholders and associates. We strongly believe that our vision of 'Designing Tomorrow Together' can be achieved by maintaining highest standards of corporate ethics and good governance practices keeping our core values intact.

##### Code of Conduct

The Company has adopted 'Code of Conduct' for its Board of Directors and senior management personnel in order to strengthen the corporate governance practices. The company has several policies guided by the 'Code of Conduct' which includes code of conduct for Directors and Senior Management, code of conduct for prevention of insider trading, code of practices and procedures for fair disclosure of unpublished price sensitive information. Other policies including our Board Diversity policy, policy for determination of materiality, policy on related party transactions etc. strengthen our corporate governance system.

##### Vigil Mechanism

###### Anti-Corruption Policy

Anti-corruption policy provides a detailed guidance on the business ethics, values, policies and procedures to prevent bribery in all the activities and business dealings of Cyient Limited. It sets forth the policy of zero tolerance of bribery applicable to the organisation and its subsidiaries who have an obligation to have adequate procedures for monitoring, detecting, preventing and punishing any violations of the Anti-bribery laws and other anti-corruption laws.

Cyient Limited also provides a platform for employees, employee's representatives and other stakeholders to submit their suggestions and feedback to the legal cell of the Company at the designated e-mail.

###### Whistle Blower Policy

The policy provides the associates, clients, vendors an avenue to raise their concerns in line with Cyient's commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. Moreover, to provide necessary safeguards for protection of associates, clients and vendors from reprisals or victimization, for whistle blowing in good faith.

##### Data Privacy

We acknowledge the needs of the client in protecting their personal and confidential data during their dealing with us. The Company endeavours to preserve the confidentiality of un-published price sensitive information and prevent its misuse. We lay emphasis on process improvements and deploy additional tools to enhance information and cyber security controls. We have deployed 'Data Leak Prevention (DLP) tool to protect the organisation and customer intellectual property. We have a robust policy in place "Code of practices and procedures for fair disclosure of unpublished price sensitive information" to maintain uniformity, transparency and fairness in dealing with all its stakeholders.

##### Grievance Mechanism

Cyient Limited has a transparent grievance mechanism and details of the investor complaints and disposals are discussed in the company's Report on Corporate Governance. During the financial year, 111 complaints were received and all have been solved to the satisfaction of the stakeholders.



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

From quieter flights and safer train rides to more reliable energy supply, we strive to provide comprehensive solutions that help our clients achieve their operational and business goals. Cyient's technical expertise, domain knowledge, and service offerings differentiate us as a Design, Build, Operate & Maintain Partner, committed to meeting our Client's needs and solving more problems. We leverage the power of digital technology to offer complete solutions across our clients' value chains.

The following is an overview of our goods and services and how they are aligned with sustainability:

Services	Value to our Clients	Sustainability
Design: <ul style="list-style-type: none"> <li>Product engineering</li> <li>Networks &amp; operations</li> </ul>	We partner with our clients to design next generation of products, networks and systems.	Designing products networks and systems that are more efficient, faster and more cost-effective, often leads to lowering energy and material footprint of these systems
Build: <ul style="list-style-type: none"> <li>Electronics &amp; mechanical manufacturing</li> <li>Systems &amp; applications</li> <li>Geospatial data</li> </ul>	We offer flexible manufacturing services that enable our clients to achieve a sustainable competitive advantage. We help our Clients stay agile and competitive through our products.	Our manufacturing facilities for electronics manufacturing and mechanical manufacturing are continuously working on increasing efficiency and environment management. Further we leverage digital technologies including smart sensors to monitor the performance of our machinery and product lines, and predictive analytics to decrease reactive maintenance life cycles.
Operate & Maintain: <ul style="list-style-type: none"> <li>Aftermarket services</li> <li>Operations support</li> <li>Asset management</li> <li>Data maintenance</li> </ul>	We enhance the quality, reliability and performance of our Client's products.	Through improved operation and maintenance of technology solutions, we enable our Clients to reduce inefficiencies and downtime, thereby maximizing the output achieved with a given level of resources.
Digital <ul style="list-style-type: none"> <li>Internet of Things</li> <li>Analytics</li> <li>Additive Manufacturing</li> <li>Mobility</li> <li>Augmented Reality</li> <li>Digital Reality</li> </ul>	Our solutions help businesses: <ul style="list-style-type: none"> <li>build the right capabilities to garner insights that enable better decisions to create value</li> <li>convert raw and unstructured data into actionable insights</li> <li>deploy end-to-end connected device solutions seamlessly.</li> </ul>	By empowering our Clients to access more insights, we empower them to make better decisions – which may lead to increasing productivity, reducing inefficiencies and solving more problems.

**Case Study: Predictive Analytics Solution for Off-Highway equipment**

Services	Predictive Analytics Solution for Off-Highway Equipment
Problem statement	Our client is one of the world's leading manufacturers of off-highway equipment. They approached us to help them reduce their cost of operations and improve the asset longevity through informed and effective decision-making in the maintenance of an asset and its components. They wanted to reduce downtime and production losses by effectively prioritizing maintenance activities and proactively replacing components before failure.
Solution	We designed an ensemble of advanced analytics solutions that could predict when asset components will fail and align replacements with planned maintenance schedules. We also built predictive algorithms, which evaluate a machine's exception or repair history, operating and maintenance practices, etc. to predict the catastrophic premature failure risk before planned maintenance. We created a predictive model assessing the relative performance of an asset health, ranging from 100 (new) to 0 (failed) based upon the asset risk categories created, to help evaluate the estimated remaining useful life of the asset.
Key Business Benefits	<p><b>Maintenance effectiveness:</b></p> <ul style="list-style-type: none"> <li>8% reduction in maintenance costs</li> <li>10% reduced asset downtime</li> <li>Improved management of asset maintenance schedules and performance through executive and asset manager self-service dashboards</li> </ul> <p><b>Productivity improvement:</b></p> <ul style="list-style-type: none"> <li>13% improvement in overall asset productivity</li> <li>Increased efficiency of scheduling fleet and individual machine maintenance</li> </ul> <p><b>Value add to external stakeholders:</b></p> <ul style="list-style-type: none"> <li>Potential reduction in parts inventory within the dealer/operations network</li> <li>Additional insights, which can be utilized by the end-user for operations and equipment monitoring</li> </ul>

### Principle 3: Businesses should promote the wellbeing of all employees.

Cyient Limited is an employee-centric organisation which focuses on creating a work environment that provides new learning and growth opportunities to our talent along with ensuring their health and safety at workplace. We provide our associates with clean and hygienic workspaces with a well-defined access control system. We regularly organise health check-up camps and train our employees via fire and mock drills to tackle situations of emergency. Our well-defined security system and automation in transportation strengthens our internal security for ensuring employee-safety at workplace.

We ensure a good mix of local hires in our talent acquisition process and carry out employee engagement initiatives that fosters innovation and collaboration. We promote diversity and inclusion within the organisation by building awareness among associates on various parameters like generational diversity, gender know your brand, self-dependence etc. The strategy of our HR team is completely aligned with our vision of 'Designing Tomorrow Together' that is aimed at nurturing and retaining the quality talent.

We have also partnered with various academic institutions and consulting companies globally for training and development. We provide training to employees on various areas viz., role specific training; project group / function specific training; emerging technologies; and leadership qualities.

We have more than 2000 online courses available for associates at various levels. Besides, bite sized learning, community based learning continue to be available online for our employees. Blended learning is the next prevalent with a combination of more than one learning methodology viz., classroom, remote delivery, online, action learning, and mentoring. Depending on geographic location of the employee and the kind of learning, methodology is identified and implemented accordingly. From safety view point, we have facilities teams across all locations that drive EHS initiatives in partnership with Human resources.

Parameter	Value / Description		
Total number of employees	12,287		
Total number of employees hired on temporary/contractual/casual basis	688		
Number of permanent women employees	2,676		
Number of permanent employees with disabilities	16 associates in India		
Do you have an employee association that is recognized by management	No		
Percentage of your permanent employees part of recognized employee association	0%		
Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	Our anti-discrimination and anti-harassment policies apply to everyone involved in the operations of the Company. There are forums to deal with any issues and concerns raised by our employees .		
	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
	Child labour/forced labour/ involuntary labour	0	0
	Sexual harassment	2	0
	Discriminatory employment	0	0
	The details of workplace sexual harassment complaints in India, reported as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Ministry of Women and Child Development notification dated December 9, 2013 are as follows (Fiscal 2018) :		
Percentage of employees were given safety & skill up-gradation training in the last year: • Permanent Employees • Permanent Women Employees • Casual/Temporary/Contractual Employees • Employees with Disabilities	Our training programs cover all our employees irrespective of race, gender, or physical disability. Our Learning and Development group offers industry-benchmarked learning programs to ensure talent enablement for the safety and security of the employees, awareness sessions, mock drills, classroom sessions and periodic demonstrations related to safety, security and wellbeing are regularly conducted		
Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Yes. Policy applicable across Cyient Ltd and its subsidiaries and affiliate companies. It is also applicable to suppliers and contractors.		
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	We have various grievance redressal channels to deal with issues related to discrimination, retaliation and harassment. The complainants are assured of complete anonymity and confidentiality		

Although, we engage in various activities that revolve around employee-centricity, some of the recent highlights of these methods of engagement are:

**MagnifiCyient:** Our employees have enthusiastically embraced this rewards and recognition platform that promotes a culture of peer recognition via non-monetary rewards. Various features that have led to wide acceptance is usage of appreciation notes and presence of a dashboard consisting of social features that allows associates to like/comment on each reward.

**Monetary Recognition:** Awards like Most Valuable Performer Bronze, Silver, and Gold for Individuals and Teams; and the Star Performer awards recognize exceptional and organization-wide contribution also foster a sense of belongingness and collaboration among the associates. These awards are easy to use in redeemable form that work across all GEOs without the currency conversion barrier.

**Technology-driven:** We have work day implementation across geographies covering 100% associates, implemented LMS to facilitate day to day learning activities. Cyient Limited facilities have D Café for promoting virtual learning and also launched Global Time and expense (Concur) platform to expedite expense reimbursement process. Also, in order to gauge associate satisfaction level on an annual basis, ASAT, a third party managed online surveys on an annual basis. The Company also introduced Global Help Desk (GHD) services for associates across the globe for faster query resolution.

Some of the new health and wellness initiatives launched keeping employee well-being in mind include launching of wellness app 'E-Kincare app' to assess health risks, participate in Corporate Challenge of the National Steps Challenge and a physical activity campaign initiated by the Health Promotion Board in Singapore. Development initiatives like merging learning and development with the HR function, introducing talent review on succession planning and launching of leadership programmes focus on career development of employees.

#### Case Study: Launch of wellness app

Initiative	E-Kincare App
Description	E-Kincare app is a wellness app launched in collaboration with E-Kincare in January 2018 to promote the health and wellness of employees within the organisation. The app aids awareness creation amongst the associates based on its offerings that include health risk assessment, digitized medical records, customized fitness challenges, diet plans that are based on the assessment carried out and access to free of cost online consultations with Doctor.

#### Case Study: Diversity and Inclusion Resource Groups

Initiative	D&I Resource Groups
Description	<p>Cyient Limited lays emphasis on becoming a workplace that is home to a diverse group of individuals from different backgrounds and experiences, Cyient is able to effectively market to all groups of consumers, from a wide range of racial and ethnic backgrounds, gender, age and sexual orientation.</p> <p>We have D&amp;I Resource groups in place whose driving focus is on key areas of diversity, including gender, disability, veterans affairs, cultural awareness, and health and wellness. The group aims at creating diversity awareness within the organisation, plan educational events and drive the changes within important policies and programs.</p> <p>We organise sessions and panel discussions with experts from the Industry in building awareness among associates on various D&amp;I parameters like gender, generational diversity programmes, know your brand, being self-independent etc. We organise sessions for the managers as well as honour internal specially-abled associates. We also organise LGBT awareness sessions post introduction of Act 377 apart from various leadership and mentoring programmes for our associates.</p>

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

Cyient Limited has mapped its internal stakeholders as the associates volunteering their manhours for the organisational activities and external stakeholders as the community members, NGO's, individuals and family members of our associates. The company ensures rigorous stakeholder engagement in order to assess their requirements. We also ensure timely response to their needs in an effective manner. The company has identified four key stakeholder groups including associates, investors, customers and the society and as documented/detailed elsewhere, caters to each of their requirements.

Various surveys like customer satisfaction survey, associate engagement survey and investor satisfaction survey are conducted at regular intervals every year in order to assess and gauge the feedback of the respective stakeholders. Thorough analysis on the information gathered is then assessed carefully to ensure further improvement. The Company hosts an annual Investor Day at its premises. The Company also engages an external agency to carry out an independent Investor Satisfaction Survey and the results of the survey are analysed and improvements are implemented.

We carry out various CSR activities through Cyient Foundation to give back to the society within which we operate. The details of these initiatives have been described in Principle 8.



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

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

### **Mechanisms to promote human rights**

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

### **Policy on Sexual harassment**

We as a company are an equal employment opportunity provider and are committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The company also believes that all associates of the company, have the right to be treated with dignity and respect. Sexual harassment at the work place or other than work place if involving associates is a grave offence and hence, punishable. In keeping with our avowed commitment to the adoption of best practices, the principles of Values FIRST and compliance of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has adopted and implemented a Policy to prevent and prohibit sexual harassment at the work place. The policy further provides for the redressal of complaints of sexual harassment. Implementation of this policy also makes us compliant to the Convention on the Elimination of all Forms of Discrimination against Women (United Nations Entity for Gender Equality and the Empowerment of Women). Cyient has also published a Modern Slavery Statement on the corporate website, which outlines the steps that the company has taken to ensure that there is no modern slavery in our business and supply chains. In addition to ensuring compliance with the applicable laws, this demonstrates Cyient's commitment to transparent business practices and commitment to protection of workers' rights.

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

Cyient Limited is extremely conscious about the environmental impact of the activities it undertakes as an organisation. The Company has a robust mechanism to ensure that the impact on environment of its activities is limited and health & safety risks within the management framework are righteously addressed by virtue of its Environmental, Occupational Health & Safety (EOHS) Policy. Some of the objectives of this policy applies to all its suppliers and contractors which directs them to adopt optimal utilisation of natural resources and minimal pollution causing activities. Apart from the policy, we have environment management system to mitigate any environmental risks within the organisation.

Various initiatives have been launched in the direction of effective environment management which includes energy conservation measures, reducing GHG emissions by optimising business travel via SAP Concur and effective waste disposal methods. We have adopted various power saving initiatives like heat load monitoring on a daily basis, installation of LED lighting instead of conventional lighting, regular maintenance of electrical equipment and promote awareness creation among our associates to ensure judicious utilisation of energy resources at workplace.

### **Energy management:**

We have undertaken various clean energy and energy efficiency initiatives at our workplaces including:

- Solar power procurement at Manikonda location
- Replacement of existing conventional lighting fixtures with the LED fixtures with occupancy sensors
- Daily monitoring of heat load on floors & other critical areas
- Regular maintenance of electric motors, AC's and other equipment.
- Procurement of energy saving equipment including LED lights, energy start rating AC machines etc.
- Awareness building among employees and associates to adopt power saving measures such as turning off lights and computers when not in use

### **GHG emissions management:**

Apart from reducing GHG emissions through improved energy management at the workplace, we endeavour to reduce our carbon footprint by creating awareness and motivating employees to adopt less-carbon intensive modes of transportation and car-pooling.

### **Waste management:**

We frequently send e-mails to our associates creating awareness on waste management, and providing data and observations on the basis of continuous monitoring after office hours and during weekends. In the domain of waste disposal, we sell our e-waste (hard-disks, printers, old systems) to a firm approved by the 'Pollution Control Board.' Further, we have partnered with ITC for using our paper waste from various workplaces for manufacturing recycled paper.

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

The Company is member of the following associations:

National Education Council – CII, Confederation of Indian Industry  
All India Committee for Technical Education  
Atal Ranking of Institutions on Innovation Achievements  
Administrative Staff College of India (ASCI)  
Indian Institute of Technology, Hyderabad  
National Association of Software and Service Companies  
Global Compact Network India  
Indo-American Chamber of Commerce  
National HRD Network  
The Federation of Telangana and AP Chambers of Commerce and Industry and  
Hyderabad Management Association

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

In FY19, Mr Reddy has spent significant time in promoting, reforming, reinventing higher education, especially technical education in India. He also worked relentlessly on innovation, reskilling and digital talent development, entrepreneurship development in India. The following are a few activities under the multi-pronged approach he has taken to contribute to the policy and society during FY19.

1. **Technical Education reforms in India:** The All India Committee for Technical Education (AICTE), under the aegis of Union Ministry of Human Resources Development (MHRD), has constituted a committee with BVR Mohan Reddy as its chairman for developing a short and medium-term perspective plan for technical education in the country. The committee studied the engineering education landscape in the country and submitted its report in December 2018 titled, Engineering Education in India: Short & Medium-term Perspectives.

The committee studied the current state of engineering education across the states in India in depth and forward evidence-based, and consensus-based recommendations. The Committee put forward comprehensive perspectives and recommendations that are relevant in short and medium terms impacting all the stakeholders. The recommendations address the issues of excess supply of engineering capacity, poor employability of engineering graduates, poor competencies of faculty, pedagogy and curricula issue and put forward its recommendations for the corrective measures needed.

AICTE has started implementing several of the recommendations put forward by the committee.

2. **Atal Ranking of Institutions on Innovation Achievements (ARIIA):** To nurture the environment of innovation and entrepreneurship within the higher educational institutions in the country, the Ministry of Human Resources Development (MHRD), launched the Atal Ranking of Institutions on Innovation Achievements (ARIIA). ARIIA aims to systematically rank all major higher educational institutions and universities in the country on indicators related to the promotion of innovation and entrepreneurship development amongst students and faculties. BVR Mohan Reddy is the chairman of the evaluation committee for ARIIA 2019 ranking and played a key role in developing the evaluation criteria for the ranking. The first round of ranking was announced on April 8, 2019.
3. **Developing Digital Talent:** Mr Reddy is part of Niti Aayog's Expert Committee on evolving a Roadmap for 'Development of Digital Talent in India' with 5-10 year horizon. Mr Reddy studied the technical education and talent ecosystem in the country deeply and identified issues for discussion. These include (but not limited to) - demand and supply issues of digital talent at undergraduate and post graduate levels; necessary skills to be imparted at secondary school, polytechnic and industrial training institutes; appropriate categorisation of digital work; need to move from STEM education to STEAM education; proactive stakeholder participation. This activity is work-in-progress.
4. **Indian Institute of Technology, Hyderabad:** Mr BVR Mohan Reddy is appointed as the chairman of the Board of Governors for the third consecutive term in October 2018. Under his leadership, IIT Hyderabad (which is just completing 10 years of existence), has made great strides in education and research. In the recently published National Institutional Ranking Framework by Ministry of Human Resource Development, Government of India, IITH is ranked 8th in NIRF-Engineering. In Atal Ranking of Institutions on Innovation Achievements (ARIIA) which systematically ranks all major higher educational institutions and universities in India on indicators related to "Innovation and Entrepreneurship Development" amongst students and faculties, IITH was ranked 10th. He taught a 1-credit course to fourth year engineering students on 'Leadership & HR' in February-March 2019 and introduced several novel pedagogy practices.
5. **Administrative Staff College of India (ASCI)** – As part of the ASCI committee, chairman- Cyient began examining the directions in which ASCI should grow in the next 5-10 years. This activity is work-in-progress.
6. **T-HUB: Promoting entrepreneurship in Telangana** – recommendations and suggestions on launching a T-Fund (Telangana Venture Capital Fund), as a SEBI-registered venture capital fund operating in Telangana and backed by State & Central Government financial institutions. Recommended the Fund to receive a subscription from premier institutions such as

Telangana State Industrial and Infrastructure Development Corporation Limited - TSIIDC, Telangana State Financial Corporation - TSFC, and Small Industries Development Bank of India - SIDBI.

7. **National Education Council – CII:** Mr BVR Mohan Reddy elected as the co-chair of National Education Council, CII.

8. **National Skills Development Corporation:** Mr. Reddy serves as Chairman of Sectoral Skills Council of NASSCOM and Director on the Board of National Skills Development Corporation NSDC).

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

Cyient Limited acknowledges its responsibility towards the society and supports inclusive growth and equitable development of all its stakeholders. We strongly believe in growing together responsibly leading to success of our business. We aim at balancing the needs and address the concerns of our stakeholders and endeavours to take into the consideration of the impact it has on the environment, society and the community as much as its vision of designing tomorrow together.

Cyient Limited is committed to giving back to the society within which it operates and flourishes and as part of this principle, we have chosen our initiatives around education, literacy, skills, health, sanitation and community development. The Company carries out various initiatives under the aegis of 'Corporate Social Responsibility' and are undertaken through in-house team, volunteers and own foundation. We also engage NGO's and other Government entities and work in four thematic areas to empower the community. These four areas include:



The Company undertakes these initiatives via its Corporate Social Responsibility arm Cyient Foundation which adopts a three-pronged approach that focuses on health, digital literacy and community development with education and innovation at the core. We also carried out impact assessment for the initiatives undertaken and received Andhra Pradesh State Government Award on community development for Village Adoption program that helped us in achieving highest community participation.

#### Case Study: Education Initiative - Adoption of Schools & Support Children from EWS Sections

Initiative	<b>We support pre-primary children all the way through to high school students. Adopting schools primarily for benefit of children belonging to economically weaker sections of society</b>
Description	<p>There is a challenge in increasing new admissions and reducing dropouts in Government Schools. Most of the children from low socio-economic background discontinue education due to financial and social reasons and due to lack of basic amenities. CYIENT intends to improve the quality of education through adoption of Govt. schools, CYIENT Foundation had adopted 25 schools in and around our facilities and presently, we support 15,000+ children from primary education to high schooling. This initiative started in January 2018 at Serilingampally, Hyderabad, Telangana &amp; Sarpavaram, Kakinada, East Godavari, Andhra Pradesh &amp; Mysore, Karnataka, &amp; Noida, Uttar Pradesh and is a continued support till date.</p> <p>We aim to provide basic facilities and amenities at these schools which include:</p> <ul style="list-style-type: none"> <li>• Construction of separate washroom for girl students</li> <li>• Conduct career guidance and counselling programs</li> <li>• Infrastructure development such as construction of additional classrooms for higher classes, development of play areas and proper fencing of boundary for additional security.</li> <li>• Carry out restoration of power facilities in school buildings</li> <li>• Appointment of qualified teaching staff</li> <li>• Distribute school bags, notebooks, exam kits and teaching aids every year</li> <li>• Provide mid-day meals and nutritional supplements to school kids</li> </ul> <p>More than 3100 enthusiastic Cyient Associates across pan India are volunteering in enlightening the children in realizing their dreams. In the current year, 25300+ volunteering hours (2300+ hours per month) are spent by our associates and their family members in various CSR events till date. This directly reduce the operational costs in executing our initiatives. They utilize their valuable time in teaching computers, train the teachers on using computers. More than 1080+ female associates do deliver the career counselling and personal hygiene to girl students. Our associates also conduct Sports, Extra Curricular and Motivational sessions periodically on every Saturday and out of business hours. More than 380 associates supporting the exclusively smart classrooms and had trained the teachers on the usage of the audio-visual equipment and the technology</p>



	<p>usage to 320+ government teaching staff, this initiative was applauded by Deputy Chief Minister and Minister for Education – Telangana State Government. Cyient also engages not for profit entities to execute programs, NGO's, Community, Schools and Government Bodies are part of the implementation.</p> <p>Cyient Foundation shall monitor the implementation of its CSR Policy through periodic reviews and present their annual budgets and list of programmes, projects, and activities to the CSR Committee for its approval. The monitoring and reporting mechanism is divided into three distinct areas:</p> <ul style="list-style-type: none"> <li>• Program Monitoring • Evaluation • Reporting and Documentation</li> </ul> <p>In the current Financial year 2018 spent ₹ 3.12 Crores (as on February '19) and budgeted ₹ 3.25 Crores for the upcoming financial year 2019.</p>
<b>Impact</b>	<p>The initiative made a remarkable progress in giving as good as corporate schools education to underprivileged children.</p> <ul style="list-style-type: none"> <li>• Girl Student Enrolment had increased to 54% in Adopted schools by improving sanitation and watch &amp; ward, dropout % reduced to 3% from 13%. Girl student pass% has improved from 31% to 88%.</li> <li>• The overall pass out rate has improved to 85%, overall dropouts reduced to 4% from 14% - New Admissions improved to 24% from 13%.</li> <li>• We have received great appreciation from Honourable President of India, Governor of Telangana &amp; AP and Telangana educational Minister on the Smart Classrooms Initiative.</li> <li>• Received appreciation from STATE EDUCATION Department for maintaining around 1:30 teacher to student ratio with the introduction of smart classrooms in adopted schools.</li> <li>• Received best government school's awards in cleanliness and hygiene.</li> </ul> <p>An impact assessment by the Third party has yielded following key findings related to the initiative:</p> <ul style="list-style-type: none"> <li>• Improved teacher student ratio, although with scope of improvement as per RTE Act 2009</li> <li>• 86% of the students who received this support found it useful and the quality to be 'very nice'. 3% of students were not happy with support leading another key area for improvement</li> <li>• 94.5% of students felt that there are enough washrooms in their school. However, 5% felt that there aren't enough washrooms for boys in their school while all the Headmasters in all the adopted schools strongly agreed that washrooms positively impacted the enrolment of girls and boys.</li> <li>• 4% students shared that the washrooms are generally not clean or need repairs paving way for another scope of improvement</li> <li>• 89% of the students feel that meal supplements help them in their studies and both students and teaching staff feels that the food supplements to children has brought drastic improvement in the health of students.</li> </ul> <p>We have received huge requests from the local communities and the Government to adopt more schools and increase the scale of the initiative.</p>

#### Case Study: IT Literacy to communities through Digital Literacy Mission

<b>Initiative</b>	Digital Literacy – Cyient Digital Centres
<b>Description</b>	<p>The Company currently operates 57 'Cyient Digital Centres' providing more than 24000 people access to education in the field of 'Information Technology.' The students get access to high-tech digital classrooms and libraries that provide them good quality digital educational resources and content.</p> <p>To promote digital literacy and create awareness about the same, Cyient also organised Hackadrone, India's first UAV Hackathon in February 2018, in partnership with DJI, Microsoft and Telangana Government. The event aimed at developing 'drone solutions' for industries within various sectors that saw huge participation across various geographies.</p>
<b>Impact</b>	70% students found the IT Education useful while more than 9000 students completed their L1 & L2 IT literacy programs.

#### Case Study: "Engineering the Eye", Cyient's Eye-care Initiative

<b>Initiative</b>	Social Innovation - Eye-Lens Project
<b>Description</b>	<p>"Engineering the Eye" is our eye-care initiative that meets at the intersection of business and social innovation. We have recently carried out social innovation via 'Eye-lens project' from the Srujana Center for Innovation at LV Prasad Eye Institute by developing a low-cost vision screening device. We have calibrated this device using our data-driven approach which is based on most commonly observed refractive error ranges which makes the product easy to understand and intuitive to use. This was an indirect spend through Hyderabad Eye Research Foundation.</p>
<b>Impact</b>	<ul style="list-style-type: none"> <li>• Low-cost device for refractive error screening</li> <li>• Early-age blindness prevention in low resource schools and remote areas</li> </ul>

The total CSR expenditure of the company in these areas for the financial year FY 2018-19 amounted to ₹ 74 mn. The impact created by our CSR program is evaluated using beneficiary surveys carried out by CSR volunteers. We regularly monitor and publish the results of impact assessment studies.

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

The company is committed to creating and delivering engineering services and solutions that exceed customer expectations and enhance the level of business profitability. We consistently strive forth to ensure higher customer satisfaction and providing them great value for money via our efforts in product innovation, R&D activities and ensuring enhanced life-cycle of the product. Our efforts in ensuring good cost to benefit ratio along with reduction in time consumption, we use our knowledge and skills to create solutions that are future facing, imaginative and practical for our customers.

We stand firm to our reputation for providing our clients with world class quality through an effective Quality Management system in place and best practices that are aligned with the internationally renowned quality standards and models like ISO 9001:2015, ISO 27001:2013, AS 9100 D, ISO 13485:2003, ISO 22163: 2017 (IRIS), TL 9000 R 5.5, ISO 14001:2015, BS-OHSAS 18001-2007 and CMMI-DEV Version 1.3 Level 5.

All interactions with our customers are based on a strong foundation of our 'Values First' philosophy of Fairness, Integrity, Respect, Sincerity and Transparency. We carry out Customer Satisfaction Surveys on annual basis. This provides valuable feedback for the Company for providing the best possible service to customers and continuously improve our engagement with them.

---

### **Cyient positioned in the 2017 winner's circle of HfS blueprint for aerospace engineering services**

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

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

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

---

### **Cyient collaborates with Xynteo and India2022 coalition to develop diagnostic healthcare solutions**

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

---

## Annual Report on CSR Activities

### Annexure-B

- The company believes in the philosophy of returning the benefits to society as a measure of gratitude for what it has taken from it. In view of this, the company's corporate social responsibility (CSR) aims to extend beyond charity and enhance social impact.

#### CSR vision:

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

#### CSR mission:

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

The CSR policy, projects and programmes may be accessed at <http://www.cyient.com/about-us/corporate-social-responsibility>

- The CSR committee of the company is comprised of: Mr. K. Ramachandran, Mr. B.V.R. Mohan Reddy and Mr. Krishna Bodanapu. Mr. B. Ashok Reddy, President - Corporate Affairs & Infrastructure is a permanent invitee to the committee.
- Average net profit of the company for last three financial years: ₹ 3,423 Million
- Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): ₹ 68 Million
- Details of CSR spent during the financial year.
  - Total amount to be spent for the financial year: ₹ 74 Million
  - Amount unspent, if any; Nil
  - Manner in which the amount spent during the financial year is detailed below:

#### CSR Amount spent during the year 2018-19

Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or Other (2) Specify the state and district where projects or programs undertaken	Amount outlay (budget) project or program wise (₹) Million	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs. (2) Overheads: (₹) Million	Cumulative expenditure upto the reporting period (₹) Million	Amount Spent: Direct or through implementing agency
1	Improve Quality of Education	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	With in 20 Kilometers radius from the CYIENT Offices located in Hyderabad - Telangana, Kakinada - Andhra Pradesh	32.00	32.772	32.772	Direct and Implementation Partners
2	Community Development	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water: (x) rural development projects.	Village Adopted is located 350 Kilometers from CYIENT Hyderabad Office, Prakasam District - Andhra Pradesh. Swachh Pathashala activities are with in 20 Kilometers radius from the CYIENT Offices located in Hyderabad - Telangana, Kakinada - Andhra Pradesh	13.00	14.356	14.356	Direct and Implementation Partners

(Contd.)



**CSR Amount spent during the year 2018-19**

Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or Other (2) Specify the stateand district where projects or programs undertaken	Amount outlay (budget) project or program wise (₹) Million	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs. (2) Overheads: (₹) Million	Cumulative expenditure upto the reporting period (₹) Million	Amount Spent: Direct or through implementing agency
3	IT literacy to community	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	National Digital Literacy Mission Centers are located with in 20 Kilometers radius from the CYIENT Offices located in Hyderabad - Telangana, Kakinada - Andhra Pradesh Digital Libraries are in the CYIENT Adopted Schools located with in 20 Kilometers radius from the CYIENT Offices located in Hyderabad - Telangana, Kakinada - Andhra Pradesh.	7.00	7.723	7.723	Direct and Implementation Partners
4	Skill development initiative	Employment enhancing vocational skills;	Skill Development Initiatives for the unemployed youth in the communities around our facilities. CYIENT IT/ITES SKILL DEVELOPMENT CENTER is established by CYIENT FOUNDATION(CF) in association with Swarna Bharat Trust- Hyderabad Chapter (SBT-HYD) is helping to bridge the gap between Academia and Industry to enhance employability quotient of youth in the TELANGANA state. CYIENT URBAN MICRO SKILL CENTER (CUMSC): CUMSC is an innovative and direct response to poverty alleviation, it has been developed with PPP (Public Private Partnership) Model. Impart skills and provide support to empower participants to be Self/Employable	15.00	17.801	17.801	Direct and Implementation Partners
5	Administrative expenditure	Cyient Foundation	Cyient Foundation - Administrative Expenditure	1.30	1.311	1.311	Direct
				<b>68.300</b>	<b>73.963</b>	<b>73.963</b>	

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



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



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

Place : Hyderabad  
Date : 24 April 2019

# SECRETARIAL AUDIT REPORT

Annexure-C

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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

To,  
The Members,  
Cyient Limited  
Hyderabad.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided and declarations made by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March, 2019 according to the provisions of:

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

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


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

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

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

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

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



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

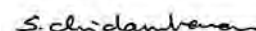
Place : Hyderabad  
Date : 23 April 2019



To  
The Members,  
**Cyient Limited**  
Hyderabad.

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

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



**S. Chidambaram**

Practicing Company Secretary

FCS No. 3935

C P No: 2286

Place : Hyderabad  
Date : 23 April 2019

## Details of Stock Options pursuant to SEBI regulations

Annexure-D

Sl. No.	Description	Associate Stock Option Plan 2008	Associate Stock Option Plan 2015	Restricted Stock Units Scheme 2016
1.	Number of options outstanding at the beginning of the period	3,83,625	1,46,200	5,56,332
2.	Options granted during the year	Nil	264,000	Nil
3.	Pricing formula	Market price as defined in SEBI (Share Based Employee Benefits) Regulations, 2014		Grant price is the face value of the equity shares of the Company, i.e., ₹ 5.00
4.	Options vested	1,76,584	14,620	5,56,332
5.	Options exercised	70,129	Nil	5,47,820*
6.	Total no. of shares arising as a result of exercise of options	70,129	Nil	3,78,560
7.	Options lapsed	15,750	13,880	8,512
8.	Variation of terms of options	Nil	Nil	Nil
9.	Money realized by exercise of Options (₹)	2,01,23,296	Nil	18,92,800
10.	Total no. of options outstanding at the end of the period	297,746	396,320	Nil
11.	Total no. of options exercisable at the end of the period	90,705	13,609	Nil
12.	Employee wise details of options granted to			
	i) Senior Managerial Personnel and KMP:			
	Ajay Aggarwal	Nil	15000	Nil
	Anand Parmeswaran	Nil	5000	Nil
	Brian Wyatt	Nil	5000	Nil
	John Renard	Nil	5000	Nil
	Katie Cook	Nil	5000	Nil
	N J Joseph	Nil	5000	Nil
	PNSV Narasimham	Nil	5000	Nil
	Prabhakar Atla	Nil	5000	Nil
	Rajendra Velagapudi	Nil	5000	Nil
	Sanjay Krishnaa	Nil	5000	Nil
	Sudheendhra Putty	Nil	1500	Nil
	Suman Narayan	Nil	10000	Nil
	Sunil Kumar Makenna	Nil	5000	Nil
	Tom Edwards	Nil	5000	Nil
	ii) Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year:	Nil	Nil	Nil
	iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:	Nil	Nil	Nil

\*Out of total exercised RSU's 169,260 have been settled in cash and balance 378,560 are in equity

(Contd.)

Sl. No.	Description	Associate Stock Option Plan 2008	Associate Stock Option Plan 2015	Restricted Stock Units Scheme 2016
13.	Diluted EPS	₹ 35.54		
14.	i) Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the fair value of the stock options		
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	Nil		
	iii) The Impact of this difference on profits and on EPS of the Company	Not Applicable		

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

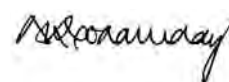
Stock Options granted on	Weighted average exercise price (in ₹)	Weighted average fair value (in ₹)	Closing market price at NSE on the date of grant (in ₹)
12/06/14	324.00	325.00	325.00
16/07/15	559.00	531.50	531.95
14/01/16	487.00	466.50	468.35
13/07/16	500.00	499.90	502.55
30/03/17	5.00	455.40	474.35
11/10/17	518.00	654.45	518.90
17/01/18	583.00	629.00	590.20
11/07/18	741.00	744.00	740.50
24/08/18	730.00	727.00	730.00
16/10/18	678.00	688.80	677.40
16/01/19	615.00	616.05	614.60

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

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

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

On behalf of the Board of Directors



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

Place : Hyderabad  
Date : 25 April 2019



## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS & OUTGO

### 1. Conservation of Energy

It is our continuous endeavor 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 and Cyient DLM, Mysore facilities. Also, as part of energy conservation, we have initiated the process of implementing energy savings practices at organization level and this has resulted in considerable savings to the organization. This includes, replacing the existing conventional lighting with LED lighting, creating awareness to associates by sending mailers, continuous monitoring after office hours and during weekends and send mailers on observations and also installed Motion sensors in all the common areas and restrooms and Aerators are fixed to all the taps in the restrooms to reduce the water consumption. 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 Boards and the systems will go to the auto sleep mode when not in use and this reduces the power consumption

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 and the recycled water used in restrooms, Aerators are fixed to all the taps in the restrooms to reduce the water consumption 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.

Overall we have saved around 10 lakh units in the financial year 2018-19 compared to the previous financial year.

### 2. Research & Development and Benefits thereon

Our New Business Accelerator (NBA) which started in 2017, is continuing to drive business innovation in Cyient. The number of initiatives under development has increased to 19 in total with more to come. The first initiatives are now in the market entry stage and we see strong interest from our customers in this new offerings. These include for example the Cyient IoT Platform, the Cyient Augmented/Virtual Reality Platform or our SmartCity Platform. Our Precision Agriculture initiative (in cooperation with a major Agriculture company) shows very promising results already in significantly

increasing the net income of farmers and we continue to test and develop our business model. We continue to build partnerships to accelerate our initiatives, the co-innovations with IIIT Hyderabad and with LV Prasad Eye Institute being two of the prime examples.

The first successes confirm our approach to strategically invest into promising technologies.

(₹ in million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Capital Expenditure	23	Nil
Revenue Expenditure	276	Nil
Total R&D Expenditure	299	65
R&D Expenditure as percentage of Total Revenue	1.86%	0.45%

### 3. Technology Absorption, Adaptation and Innovation

Information technology continues to remain a key lever in driving productivity across the company. FY2019 saw successful launch of several transformative initiatives.

We have implemented SAP's next generation business suite SAP S/4HANA in-place of existing legacy SAP ECC ERP system across Cyient. SAP S/4HANA is an entirely new generation Business Suite that is characterized by simplifications, massively increased efficiency, improved data model, faster analytics & reporting, and compelling features such as planning and simulation options in many conventional transactions. This implementation defined as a single instance model, whereby both project and production support activities will take place in one system. Cyient is targeting to use HANA with operational and analytical capability, with scalability options to accommodate further expansion, and to remove the requirement to maintain multiple systems in the future. 34 entities are covered as part of implementation scope across the globe which covers APAC, EMEA, NAM regions.

Another important addition to our Information Technology portfolio is the Cyber Security Operations Centre (SOC). Cyber threats continue to evolve and are becoming more sophisticated, evasive, and persistent. With attackers finding resourceful ways to penetrate organizations by avoiding detection and breaching security controls, the key to cyber defense is to develop a SOC that will continuously evolve to effectively counter such advanced attacks. SOC where our security analysts and partner security analysts work together to monitor, detect, assess, and mitigate any potential cyber threat to the organization. SOC will help us to detect potential

cyber threats, create workarounds to neutralize them, and take suitable proactive measures to strengthen existing security systems.

We have deployed in-house developed Asset Management System (AMS) tool for all pan India sites. AMS is a fully integrated, real-time Asset Management System which allows us to streamline life cycle management operations of IT assets and workspace management across departments and locations while providing comprehensive, improved support and enhanced decision-making experience.

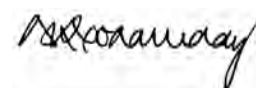
In addition to the above three initiatives we have implemented Disaster Recovery (DR) for corporate critical IT applications. DR allows to maintain and quickly resume mission-critical functions within a pre-defined recovery time during any disaster or natural calamities such as storms, earthquakes, floods, hurricanes, tsunamis etc and other incidents like cyber-attacks, equipment failures and even terrorism. The DR site is hosted at a third party Teir-3 ISO27001 certified data center which resides in a different seismic zone about 500 KM away from the primary data center. DR ensures business continuity, prevention of data loss and safeguards our IT setup from unexpected failures.

#### 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 82% of the total income. In order to promote product sales and services, your company participated in various exhibitions and carried product promotion activities. Details of Foreign Exchange Earnings and Outgo areas follows:

(₹ in million)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Foreign Exchange Earning	14,577	13,266
Foreign Exchange Outgo	1,816	1,765

On behalf of the Board of Directors



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

Place : Hyderabad  
Date : 25 April 2019



THE CYIENT BLACKTOWN, SYDNEY, OFFICE OPENED A NEW EXPERIENCE CENTER TO SHOWCASE KEY SOLUTIONS AND INITIATIVES THAT ADDRESS THE NEEDS OF THE DYNAMIC COMMUNICATIONS INDUSTRY.





# Management Discussion and Analysis

Annexure-F

## Global Economic Outlook

The global economy is expected to slow down in 2019, particularly in developing economies where growth is projected to be 4.2%. International trade and investment are moderating and trade tension and financial market pressures are expected to escalate the slowdown in global activity.

In all, global growth is projected to grow at 2.9 percent in 2019 and 2.8 percent in 2020-21, as economic slack continues, monetary policy accommodation in advanced economies is reversed and global trade gradually slows<sup>1</sup>.

## Aerospace & Defense

The global Aerospace & Defense (A&D) industry is expected to witness growth over the year. With strong commercial aircraft order backlog and a strengthening defense expenditure, there is continued optimism across global markets. After periods of spending austerity early in the decade, the next couple of years will see a fresh recapitalization cycle on a global level, and growth in the Asia Pacific region in particular.

The Aerospace and Defense Business Unit (BU) witnessed growth driven growth in key accounts and new solution development. Over the year the BU made significant investments in digital solutions and manufacturing capabilities which is expected to contribute to the growth in the coming years. Cyient became the first India-based company to receive Part Manufacturing Approval (PMA) from the FAA for various aircraft—a key development in this fiscal. Additionally, we rolled out a new digital quality notification solution that was designed and built by Cyient and was successfully delivered to multiple clients across the world. This year we won a contract from a major European OEM to build and lead an engineering Centre of Excellence (CoE) in India focused on avionics solutions. We also formed a partnership with a technical publication solutions provider that will allow us to build on our S1000D expertise for rapid technical publication development and digital content management.

We also won many awards and accolades and were recognized by major industry analysts. The key among them being Pratt & Whitney supplier awards for "Supplier Highest Productivity" Award, "Supplier Innovation Award" and "Consistent Supplier productivity" Award. We were also identified as a "Major Contender" in the Everest Group Verification & Validation Engineering Services PEAK Matrix™ 2018 and were named as one of the Top 20 Most Promising Aerospace Tech Solutions Providers by CIO Review.

## Transportation

The Transportation industry has outperformed predicted growth forecasts, supported by strong growth in rolling stock and signaling. With these segments being our core focus areas, the general long-term outlook for Transportation BU remains positive. Our value proposition continues to resonate well with the key industry trends of multimodality, standardization, digitization, and internationalization.

We unveiled our new product, Cycero™, for rail cab audio alarm notification, at the industry's flagship event, InnoTrans

2018, in Berlin. Aligned with our S3 strategy and approach to expanding the project and product value chain of our key clients, Cycero™, is a testimonial of our commitment towards safety in Rail. Along with a number of solutions leveraging technology to address emerging industry trends such as augmented reality and smart asset maintenance. These new offerings have been well received by our key clients and the industry, and have been endorsed by leading industry experts as well.

The Zinnov Zones for Product Engineering Services report positioned Cyient in the "Leadership Zone" in the transportation industry for the year. This is the seventh consecutive year that we have been placed in the leadership zone.

Our outlook for FY20 and beyond continues to be positive. This is driven by industry growth in our focus segments of rolling stock and signaling, our strong long-term client relationships, a robust opportunity pipeline, and the increasing momentum in strategy execution.

## Energy & Utilities

From FY20 onwards the Energy & Natural Resources Business in IENR BU and the Utilities business in U&G BU will be combined into a new business unit called Energy & Utilities (E&U). The intent of doing this is to leverage synergies in these segments to build end to end capabilities across the energy value chain including raw material mining, power generation, transmission & distribution and the associated equipment.

From the industries outlook perspective, the oil & gas industry continues to recover from the last few years of weak prices, enforced capital discipline, portfolio realignments, and productivity efficiencies. The outlook for the mining sector is positive with rising commodity prices. The sector is experiencing strong outlook of future orders and reduced operational costs. On the mining front, there is expected to be an upturn in the next one to two years and new deposits have been identified in key minerals that supply the electronics industries; i.e., lithium.

The utilities industry is witnessing significant growth due to an investment in distributed and renewable power generation projects and increasing regulatory driven requirements. Large investments in grid modernization, renewable, mobility and smart metering continue to dominate capital investments, supported by operational processes to manage increasing volumes of data.

The growth in the BU was driven by new customer additions and new solutions offerings. More established solution offerings like iDMS for utilities continue to gain traction. There is increased focus on ADMS readiness, data quality and governance across utilities and solutions for remote sensing and change detection from satellite imagery. Along with this, we will focus on key strategic offerings around connected equipment, asset management, plant engineering and digital twin solutions for capital projects. We also see opportunities

in predictive analytics, manufacturing engineering and renewables.

The outlook for FY 20 continues to remain strong with growth expected in Europe and North America markets. We continue to focus on the development of solutions and working with our expanding partner ecosystem to secure deals that bring on-board both synergic and complementary technologies.

### SIA

Cyient's Semiconductor, IoT, and Analytics (SIA) BU focuses on building capabilities to strengthen our leadership position in digital transformation solutions for our clients across industries. SIA BU is expected to witness strong growth with focus on expanding markets for custom semiconductor and digital services. The full integration of Ansem N.V. a custom analog acquisition, gives Cyient turnkey integrated circuit, enabling the development of custom ASICs, including smart analog sensors that transform real-world signals into digital data. With more than 600 innovative IPs in its portfolio the BU delivers specialized, mixed-signal circuits for RF design, power management, reliability requirements and unique form factors across growing markets like industrial, automotive, medical technology and healthcare. Along with this our 100% acquisition of Cyient Insights has enabled us to provide advanced analytics capabilities that help our clients solve complex problems and make smarter, data-driven decisions to improve their business outcomes. Over the year, we also made tremendous progress in positioning Cyient as a connected car and automotive technology solutions and services provider in embedded systems, software and turnkey mixed-signal & analog ASIC solutions. We also successfully won business from some top tier-1 automotive suppliers. We continue to make progress by offering unique solutions for digital cockpits, autonomous driving, connected mobility and electrification of cars.

Despite significant headwind and margin pressure on our traditional layout and physical design services, we increased our focus on pre-silicon verification and post-silicon validation in semiconductor design services, establishing innovative equipment in our Hyderabad and Bangalore labs. This focus is helping us create momentum with clients. We continue to work with new clients, expanding our foray into unique and growing applications in AI and autonomous driving.

### Medical Technology & Healthcare

The Medical device industry is poised for steady growth, with the industry expected to grow at a rate of ~5% during the year. Digital technologies such as Robotic Process Automation (RPA), cloud, artificial intelligence (AI), and robotics, to internet of medical things (IoMT), digital and virtual reality will continue to see increased investments with focus on patient centered care, increased access and affordability, improved quality and lower costs.

The Medical Technology and Healthcare (MTH) BU witnessed growth through the year driven by growth in cardiology and in-vitro diagnostics segments. In line with the S3 strategy, we continue to invest in developing solutions. Our current portfolio of solutions includes a pupil screening device and a wearable cardiac device.

In the second year of partnership with Xynteo, a Norway based international advisory firm, we have conceptualized an ecosystem platform, MedtechConnect aimed at minimizing the time to take a product from lab to market. The platform connects players from all aspects of the medical technology value chain—innovation, product development, and commercialization, with the intent of taking affordable diagnostics to the rural in India. We also expanded our corporate venture-capital portfolio for medical technology by investing in two innovative technologies, one in point-of-care (PoC) diagnostics and the other one in wearables. For FY20, we expect growth to be driven by new clients and through monetizing solutions developed.

### Communications

The communications industry growth will be driven primarily by broadband rollout as demand for high speed data continues to increase. The trend of increased data consumption will persist in 2019 with even greater volumes of data generated by new technologies. The industry will witness massive investments in the next wave of technology and infrastructure upgrade to establish a 5G ecosystem.

The communications BU continued to play a significant role in enabling service providers to achieve their objectives. Cyient plays a strong role in designing and building fibre networks, small cell, and 5G rollouts. The growth for our business continues to be strong, we will see continued momentum in FY20 and beyond. Our investments on forging strong relationships with global CSP's are showing results as we work towards expanding our services and solutions play and align them to industry requirements.

Our strategy to invest in people, technology, and infrastructure is paying dividends where we see traction in newer services and solutions around SDN, 5G, IoT, and analytics including implementation of massive MIMO and network planning and optimization. The communications BU has been focused on developing client-focused solutions and integrating them into our portfolio to provide clients with a robust and end-to-end offerings.

A problem-solution approach to building proof of concept with CSPs in-line with our wireless strategy, is now getting translated into building frameworks that address client issues. These frameworks leverage our core strengths in both wireline and wireless solutions. This year we established a state-of-the-art experience centre at our office in Sydney, Australia. The experience center demonstrates innovative solutions and products using technologies such as IoT, artificial intelligence, analytics, and augmented/virtual reality amongst others to bring innovation close to our clients.

### Geospatial

The geospatial industry is projected to grow at a CAGR of 13.6% owing to increasing democratization of geospatial information and its integration with IT. The global key drivers of growth are demand for spatial dimension and locational context becomes critical for many diverse businesses and applications. There is an increasing focus on mobile solutions, as well as AR/VR, 3D, and indoor-mapping. The growth in the

BU was driven by new customer additions and new solutions offerings. More established solution offerings The BU expects a strong growth in backed by a strong pipeline and continued interest in solutions across all geographies.

### NBA

Cyient's New Business Accelerator (NBA) is the innovation hub set up to develop solutions across different industries. Developed as an R&D incubator for new technology solutions and business models, the NBA has grown to include 100+ engineers, product designers and technologists today. By providing a startup-like environment, NBA helps unleash the imagination of our engineering teams towards the rapid development of new solutions that address customer pain points across a variety of industries. A key focus of the program is to recruit innovative talent and develop high performance teams. We have put unique processes in place to identify "intrapreneurs" with subject matter expertise to build the solutions. NBA focuses on understanding the client problem, defining, developing, and validating solutions and identify the best strategy and business model for market success.

We started the innovation hub at our Hyderabad and Bangalore offices and are in the process of expanding this to other geographies. Setting innovation hubs across geographies will allow us better engage with clients to develop solutions. Currently, we have 18 solutions being developed. Our first set of solutions are expected to be launched in the market in the coming year. We are witnessing strong traction from clients for digital solutions such as AR/VR and our drone security application which we successfully demonstrated with the Hyderabad police. We will continue to invest in developing our solutions capability in line with our S3 strategy and execution focus.

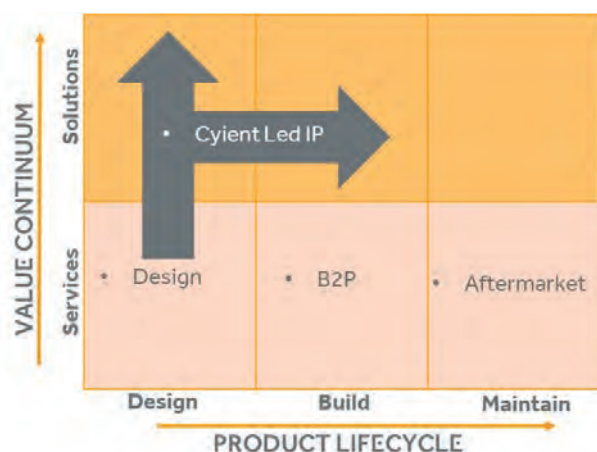
### Business Strategy

Cyient's business landscape is continually changing and with change comes the opportunity to transform our business and significantly accelerate growth. We need to evaluate how we can leverage the expanding opportunities in front of us to further enhance our value proposition and create a differentiated position in the market.

In this context, our vision statement defines **Where** we want to be in the future, the S3 strategy articulates **How** we will get there and the AGILE execution framework defines **What** actions we must take to get there.

Cyient's vision is to "Apply technology imaginatively to solve problems that matter". Combining our technology capabilities with "the power of ideas" we can make a distinctive and positive impact in the markets we serve.

While the vision statement articulates our future, S3 strategy defines how we intent to get there. S3 articulates our two-pronged approach to expand from Services to Systems and Solutions.



We will build capability across the Design-Build-Operate-Maintain continuum that define our industries. This will allow us to create a differentiated business offering, expand our addressable market and command better margins.

We will also focus on leveraging key technology drivers to move up the value continuum—from offering discrete services to integrated solutions. Examples include the iDMS solution from the Utilities BU, and the outcome based cost optimization initiative by the Aerospace & Defense BU and Cab alarm unit for Transportation BU.

S3 execution is based on the AGILE framework that identifies objectives, actions and measures. The AGILE framework focuses on five strategic goals:

1. **Ambition:** Expanding from services to solutions
2. **Growth:** Delivering Industry leading earnings growth
3. **Investments:** Prioritizing Investments and maximize returns
4. **Leadership:** Developing 2030's talent
5. **Execution:** Building an AGILE Culture

### Business Outlook

The changing business landscape provides opportunity for innovation and technology adoption. As we embark on this journey we see immense opportunities for us in the future. As an organization, we will strive towards our aspirations without compromising on our core values. Our outlook for FY 20 continues to remain strong. We are confident of a strong performance through the year.

### Internal Controls and adequacy

Our organizations values "Values FIRST" are defined, communicated and constantly reinforced to ensure that we adhere to these values as our guiding principles. The Company's global presence across multiple countries and large associate strength makes it imperative for us to have a robust internal controls framework. The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets



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

M/s Ernst & Young LLP carried out the internal audit for the financial year 2018-19 based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors (M/s Deloitte Haskins & Sells) and the Audit Committee. The internal audit process is designed to review the adequacy of internal control checks and covers all significant areas of the Company's global operations.

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

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

The statutory auditors have also independently audited the internal financial controls over financial reporting as on March 31, 2019 and have opined that adequate internal controls over financial reporting are existing and that such controls were operating effectively.

### Enterprise Risk Management (ERM)

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

The Company also has an internal risk committee which reviews the risk management process on periodic basis.

The Company received an award on "Best risk management framework and systems" from Kamikaze B2B Media.

### Investor Engagement

The Company communicates the business outlook, strategies and new initiatives to its investors in a regular and structured manner. We believe that communication with the investor community is as important as timely and reliable financial performance. We engage multiple communication channels for this purpose. The Company's dedicated investor relations department, along with the Company's senior management team, participate in various road shows and investor conferences. The Company hosts an annual Investor Day at its premises. The Company also engages an external agency

to carry out an independent Investor Satisfaction Survey and the results of the survey are analysed and improvements are implemented.

### Whistle-blower policy

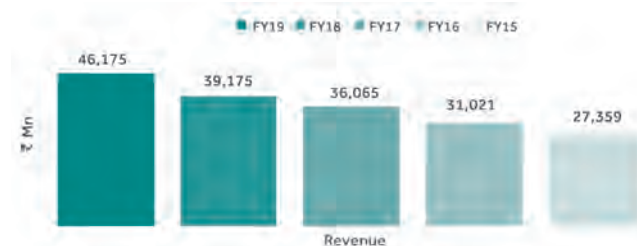
Cyient firmly believes in Values FIRST (Fairness, Integrity, Respect, Sincerity, Transparency) and the organization-wide Whistle-Blower policy is a step towards ensuring transparency and accountability. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner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

### Shareholder Value Creation

As a result of our significant growth in revenue and profit over the last 5 years, dividend payout has substantially improved over last 5 years from 25% in FY 14 to 41% in FY19 (excluding impact of buyback in FY19). The Company has achieved significant improvement in free cash flow (FCF) generation capabilities of the business with an increased focus on receivables management, tax optimization and prudent capex strategy. These improvements in business performance also resulted in increase in market capitalization. Our market capitalization has shown CAGR of ~ 6% in last 5 years.

### Revenue Growth

The Company has witnessed strong revenue growth of 8.7% Y-o-Y in \$ terms and 10.1% in constant currency basis. It has also sustained robust revenue growth momentum in the last 5 years with an impressive compounded annual growth rate (CAGR) of 14%. The revenue for the Company is driven by focus on a well-diversified business and geography portfolio.



### Revenue by Geography



The Company has delivered robust growth in Asia Pacific (APAC) with significant growth of 19.1% in \$ terms and America has grown by 11.1% in \$ terms due to Cyient's sustained investment in market development.

### Revenue by Operating Segments

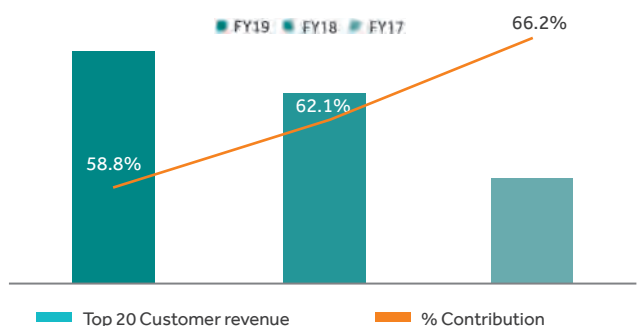
The Company is operating by three Operating Segments and each of the segments have grown strongly across all the geographies and industry segments.



### Better Client Mining

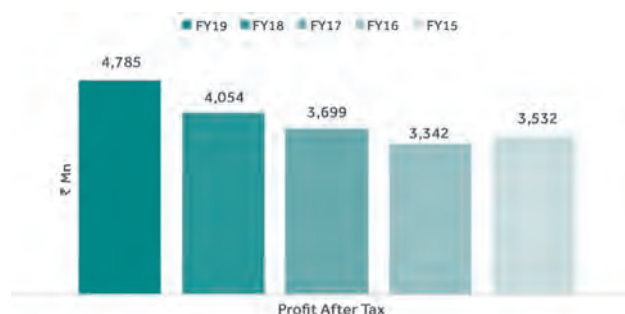
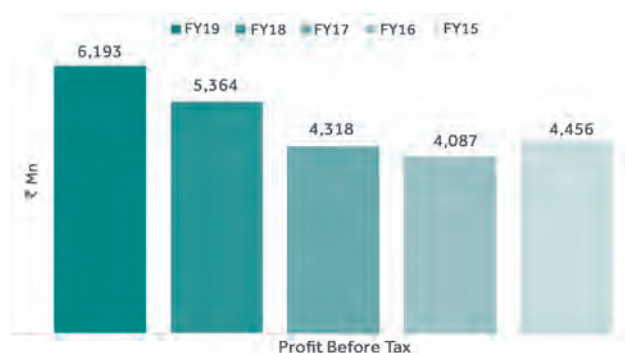
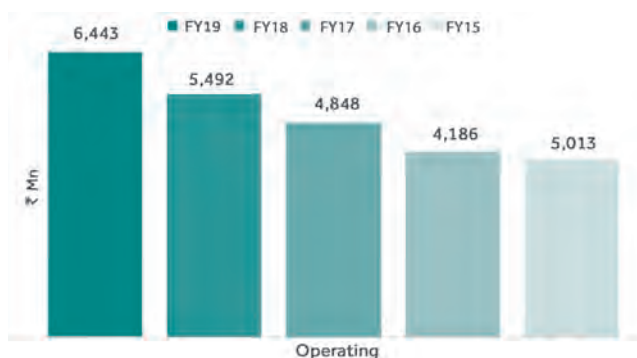
The Company continues to focus on improving revenue per customer by focusing on strategic customers and generating more up-sell and cross-sell opportunities.

Below chart depicts the contribution of revenue from top 20 customers over the last three financial years.



### Profits Trend

The Company achieved significant growth on all measures of profitability. Net profit has shown double digit growth of 18% and 5 year CAGR stands at 8%.



### Business Free Cash Flow (FCF) Generation

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

In FY'19, the Company generated Free Cash Flow (FCF) at ₹ 3,770 Mn against FCF generated in FY'18 at ₹ 2,706 Mn. The Company's FCF to EBITDA conversion increased from 39% in FY'18 to 48.4% in FY'19, due to positive cash generation in DLM business of ₹ 111 Mn, improved working capital management, optimizing the capital expenditure and efficient tax management.

### Days Sales Outstanding (DSO)

The Company has delivered consistent improvement in Days Sales Outstanding (DSO) in recent past owing to focus on better collection cycle management. Total DSO stands at 88 days in FY 19 as compared to 80 days in FY 18. Increase is primarily attributable to the increase in unbilled revenue. The Company is confident of continued improvement in DSO and is taking steps to reduce the DSO further.

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

### Tax Rate

The effective tax rate for the organization has decreased by 270 bps from 25.7% in FY'18 to 23% in FY'19, due to various tax initiatives taken during the financial year.

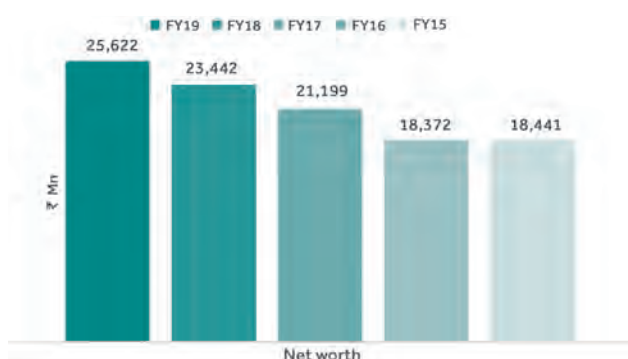
### Capex

The Company ended the FY'19 with capital expenditure of ₹ 1,367 Mn, which is 3% of total revenue.

### Net worth

Net worth of the company has grown by 39% in last 5 years from ₹ 18,441 Mn to ₹ 25,622 Mn. It is mainly attributed to

the profitable growth in each of the last years, driven by both organic and inorganic initiatives.

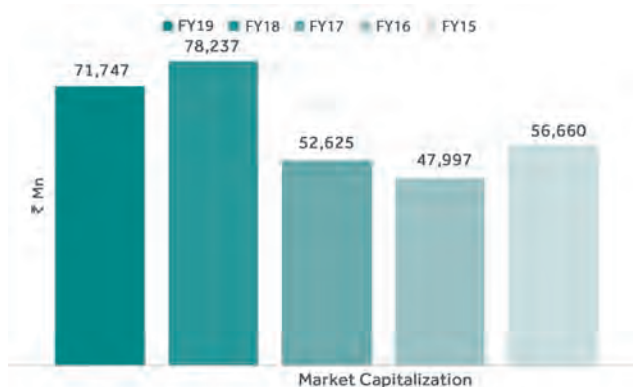


### Return to investors

Dividend payment trend for the company has improved substantially in last 5 years. The dividend payout for the Company stands at 41% (excluding impact of buyback in FY19). The dividend for the full year at ₹ 15 per share, which is the highest ever. During the year, the Company has also bought back equity shares at an average price of ₹ 640.21 per share. The Company expects the current dividend payout ratio to be maintained in the near term.

### Market Capitalization

Market capitalization of the Company has improved significantly in last 5 years. The market capitalization of the Company has grown from ₹ 56,660 Mn in FY 2015 to ₹ 71,747 Mn in FY 2019.



### FINANCIAL PERFORMANCE FOR THE YEAR 2018-19 (CONSOLIDATED)

The financial results of Cyient Limited under Indian AS discussed below are for the Consolidated results of Cyient Limited and its subsidiaries, which includes the performance of its subsidiaries, joint venture and associate. Preparation and presentation of such consolidated financial statements depicts comprehensively the performance of the Cyient group of companies and is more relevant for understanding the overall performance of Cyient. Standalone results of Cyient excludes the performance of its subsidiaries, joint venture and associate. This part of the Management Discussion and Analysis refers to the consolidated financial statements of Cyient ("the Company") and its subsidiaries, joint venture

and associate referred to as "the Group". The discussion should be read in conjunction with the consolidated financial statements and related notes to the consolidated accounts of Cyient for the year ended March 31, 2019.

### CONSOLIDATED FINANCIAL RESULTS

Particulars	31-Mar-19		31-Mar-18	
	₹ Mn	% of Revenue	₹ Mn	% of Revenue
Revenue from operations	46,175	100%	39,175	100%
Other income	1,340	2.9%	1,519	3.9%
<b>Total income</b>	<b>47,515</b>		<b>40,694</b>	
Expenses				
Employee benefits expense	25,374	55.0%	21,877	55.8%
Cost of materials consumed	3,936	8.5%	3,272	8.3%
Purchases of stock-in-trade	108	0.2%	-	-
Changes in inventories of finished goods, stock-in-trade and work in progress	141	0.3%	-201	-0.5%
Excise duty on sale of goods	-	0%	36	0%
Operating, administration and other expenses	10,288	22.3%	8,837	22.6%
Finance costs	326	0.7%	204	0.5%
Depreciation and amortisation expense	1,114	2.4%	1,052	2.7%
<b>Total expenses</b>	<b>41,287</b>	<b>89.4%</b>	<b>35,077</b>	<b>89.5%</b>
<b>Profit before tax, share of profit from associate &amp; JV, exceptional item and non-controlling interest</b>	<b>6,228</b>	<b>13.5%</b>	<b>5,617</b>	<b>14.3%</b>
Exceptional Items	35	0.1%	50	0.1%
<b>Profit before tax, share of profit from associate &amp; JV and non-controlling interest</b>	<b>6,193</b>	<b>13.4%</b>	<b>5,567</b>	<b>14.2%</b>
Tax expense	1,427	3.1%	1,380	3.5%
<b>Profit before share of profit from associate company &amp; JV and non-controlling interest</b>	<b>4,766</b>	<b>10.3%</b>	<b>4,187</b>	<b>10.6%</b>
Share of profit from associate company & Joint Venture	5	0%	-156	-0.3%



Particulars	31-Mar-19		31-Mar-18	
	₹ Mn	% of Revenue	₹ Mn	% of Revenue
Share of non-controlling interest	14	0.03%	23	0.05%
<b>Net Profit attributable to the shareholders</b>	<b>4,785</b>	<b>10.4%</b>	<b>4,054</b>	<b>10.3%</b>

## ANALYSIS

### Revenue

Revenue grew by 17.9% in rupee terms and by 8.7% in US\$ terms. The growth in constant currency is 10.1%. Growth was recorded across major geographies.

### Other income

Other income for FY 19 was at ₹ 1,340 Mn as compared to ₹ 1,519 Mn in FY 18. Reduction in other income is primarily on account of loss on forward contracts settlement and foreign exchange loss on remeasurement, compensated with an increase in tax incentives on export of merchandise and reversal of certain liabilities no longer required.

The movement of Rupee against major currencies was as follows:

	YE March 2019		YE March 2018	
	Closing	Average	Closing	Average
USD	69.22	69.93	65.10	64.50
EUR	77.77	80.97	80.09	75.43
GBP	90.42	91.81	91.32	85.51
AUD	49.06	50.98	50.04	49.89

### Employee benefits expense

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

Employee benefits expense as a percentage of revenue from operations stands at 55% for FY19 as compared to 55.8% in FY18. Despite the increase in headcount we have been able to control the cost through operational efficiencies.

### Operating, administration and other expenses

	YE March 2019		YE March 2018	
	₹ Million	% of Revenue	₹ Million	% of Revenue
Rent	1,051	2.3%	796	2.1%
Travel	1,501	3.3%	1,337	3.4%
Subcontracting charges	3,539	7.7%	2,825	7.2%
Repairs and maintenance	1,184	2.6%	972	2.5%
Others	3,013	6.4%	2,907	7.4%
<b>Total</b>	<b>10,288</b>	<b>22.3%</b>	<b>8,837</b>	<b>22.6%</b>

Increase in subcontracting charges is in line with revenue growth and directly related.

Travel and Repairs & maintenance expenses have remained flat as a percentage of revenue.

Rent expense increased due to addition of new leased premises in India and increase in hardware lease rental charges.

### Finance costs

Finance costs is at 0.7% as a percentage of revenue, marginal increase of 0.2% is due to increase in borrowings related to an acquisition, in line with Company policy.

### Depreciation and amortisation expense

Depreciation and amortisation expense remained constant ₹ 1,114 Mn in FY 19 (2.4% of revenue) as compared to ₹ 1,052 Mn in FY 18 (2.7% of revenue).

### Exceptional item

Exceptional item for FY 19 relates to net impact of ₹ 35 Mn on dissolution of Cyient Insights LLC, wholly owned subsidiary of Cyient Insights Private Limited.

Exceptional item for FY 18 relates to loss on divestment of its investment of 49% shareholding in Infotech Aerospace Services Inc ( Associate company).

### Tax expense

The effective tax rate has decreased from 25.7% in FY 2018 to 23% in FY 2019.

Decrease in tax expense is on account of tax initiatives taken during the financial year.

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

The share of profit from associate company and joint venture has increased from ₹ (156) Mn in FY 18 to ₹ 5 Mn in FY 19.

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

### Net Profit attributable to the shareholders

The net profit stands at ₹ 4,785 Mn for FY 19, which is an increase of 18% over FY 18.

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

	₹ Million	
	31-Mar-19	31-Mar-18
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
- Share capital	552	563
- Reserves and surplus	25,070	22,879
<b>Total - Shareholders' funds</b>	<b>25,622</b>	<b>23,442</b>
<b>Non-current liabilities</b>		
- Long-term borrowings and liabilities	1,813	1,009

	₹ Million	
	31-Mar-19	31-Mar-18
- Long-term provisions	1,157	898
- Deferred tax liabilities (net)	405	356
<b>Total - Non-current liabilities</b>	<b>3,375</b>	<b>2,263</b>
<b>Current liabilities</b>		
- Short-term borrowings	2,137	1,780
- Trade payables	3,712	3,813
- Other current liabilities	3,333	2,483
- Short-term provisions	713	545
<b>Total - Current liabilities</b>	<b>9,895</b>	<b>8,621</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>38,892</b>	<b>34,326</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
- Property, plant and equipment	5,563	4,941
- Goodwill	5,257	3,549
- Non-current investments	267	298
- Deferred tax assets (net)	294	321
- Other non-current assets	1,658	1,761
<b>Total - Non-current assets</b>	<b>13,039</b>	<b>10,870</b>
<b>Current assets</b>		
- Inventories	1,833	1,312
- Current investments	278	1,130
- Trade receivables	8,137	6,913
- Cash and cash equivalents	9,705	9,807
- Other current assets	5,900	4,294
<b>Total - Current assets</b>	<b>25,853</b>	<b>23,456</b>
<b>TOTAL ASSETS</b>	<b>38,892</b>	<b>34,326</b>

### Share capital

The company has only one class of shares – equity shares of par value of ₹ 5 each. The Authorised share capital of the Company was 280,000,000 equity shares.

### Buyback of equity shares:

- The Board of Directors, at its meeting held on February 1, 2019, approved a proposal for the Company to buy back its fully paid-up equity shares of face value of ₹ 5 each from the eligible equity shareholders of the Company other than promoters, promoter group and persons who are in control of the company, at a price not exceeding ₹ 700 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹ 200 crore ( Maximum Buy back size), payable in cash from the open market route through the stock exchange mechanism under the Buyback Regulations and the Companies Act.

- The Buyback shall not exceed ₹ 2,000 Mn (Maximum Buy back size) excluding the transaction charges. The Maximum Buyback Size represents 9.79% of aggregate of the Company's paid up equity capital and free reserves based on the standalone audited financial statements of the Company as at March 31, 2018, which is in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Sec 68(2) of Companies Act, 2013.
- As of March 31, 2019, the scheme of Buyback was open and as of March 31, 2019, the Company bought back 2,570,518 equity shares as a part of the aforementioned buyback process resulting in total cash outflow of ₹ 1,695 Mn (including ₹ 27 Mn towards transaction costs of buyback). Out of 2,570,518 equity shares bought back, the Company extinguished 1,930,102 shares as at March 31, 2019 and the remaining were extinguished in the month of April 2019 as per the records of the depositories. In line with the requirement of Companies Act, 2013, an amount of ₹ 1,682 Mn have been utilised from the securities premium account for the Buyback. Further, in accordance with section 69 of the Companies Act 2013, capital redemption reserve of ₹ 13 Mn, representing the nominal value of shares bought back, has been created as an appropriation from general reserve.

### Reserves and Surplus

Reserves and surplus as at March 31, 2019 stood at ₹ 25,070 Mn as compared to ₹ 22,879 Mn as at March 31, 2018.

- Securities premium account decreased by ₹ 1,483 Mn majorly on account of utilization for Buyback of equity shares.
- Balance in profit and loss, after appropriation of dividend, stood at ₹ 16,515 Mn (₹ 13,584 Mn as at March 31, 2018).
- Foreign currency translation reserve increased from ₹ 549 Mn as at March 31, 2018 to ₹ 640 Mn as at March 31, 2019, due to movement in currency exchange rates during the year. Use of different exchange rates for translation (income & expenses at average rates and assets & liabilities at closing rates) gives rise to exchange difference which is accumulated in foreign currency translation reserve.

### Borrowings

The long term borrowings increased from ₹ 1,009 Mn as at March 31, 2018 to ₹ 1,813 Mn as at March 31, 2019.

The short-term borrowings increased from ₹ 1,780 Mn as at March 31, 2018 to ₹ 2,137 Mn as at March 31, 2019.

These funds have been utilized for acquisition during the year and other working capital requirements.

### Trade payables

Trade payables consist of payables towards purchase of goods and services and stood at ₹ 3,712 Mn as at March 31, 2019 (₹ 3,813 Mn as at March 31, 2018).

### Short-term provisions

Short term provisions increased from ₹ 545 Mn as at March 31, 2018 to ₹ 713 Mn as at March 31, 2019 due to increase in income tax payable (net of advance taxes) and current portion of employee benefits.

### Property, plant and equipment

Increase of ₹ 622 Mn in property, plant and equipment is primarily attributable towards the additions of computer software, infrastructure facilities and assets acquired from the acquisitions.

Further, Company has entered into an agreement with a third party, wherein it was granted technology license to develop, test and commercially utilise the benefits from such testing and development activity. Development costs incurred during the year ended March 31, 2019 was ₹ 217 Mn.

### Goodwill

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

- Goodwill as at March 31, 2019 stood at ₹ 5,257 Mn (₹ 3,549 Mn as at March 31, 2018) and the increase is due to acquisition of Ansem NV and New Technology Precision Machining Co. Inc.
- On April 4, 2018, the Company through its wholly-owned step down subsidiary Cyient Defense Services Inc. acquired 100% equity shares of New Technology Precision Machining Co., Inc., USA ("New Tech"). New Tech is in the business of providing precision machining services primarily making tools and parts according to the customer specifications.
- On April 26, 2018, the Company through its wholly owned subsidiary Cyient Europe limited has acquired AnSem NV, a leading custom analog and mixed-signal application-specific integrated circuits (ASICs) design company. AnSem specializes in advanced analog, radio frequency, and mixed-signal integrated circuit design and provides custom ASICs for clients around the world across key industries, including automotive, medical, industrial, smart home, and smart grid, with long-life applications of five to ten years.

### Non-current investments

Non-current investments have reduced from ₹ 298 Mn as at March 31, 2018 to ₹ 267 Mn as at March 31, 2019 on account of:

- During the previous year, the entire shareholding of VIOS Medical Instruments Inc. ("VIOS") was acquired by Murata Manufacturing Co. Limited ("Murata"), Japan, as part of a plan of its merger. The Company received shares of Murata on October 13, 2017 as consideration in lieu of its shares held in VIOS and accordingly recognized the gain of ₹ 192 Mn as a part of its other comprehensive income

in previous year. During the year, Company sold 24,375 shares held in Murata for a consideration of ₹ 236 Mn (USD 3,470,675) resulting into gain of ₹ 109 Mn (net of tax of ₹ 45 Mn), being transferred from 'other comprehensive income' to 'retained earnings'. Balance shares continue to be fair valued through other comprehensive income.

- The Company has invested an amount of ₹ 104 Mn (USD 1,500,000) as a part of 'simple agreement for future equity' ("SAFE") with Spry Health Inc. during the year. The Company has right to certain shares of Spry Health Inc. based on terms and conditions specified in the agreement.
- The Company has also invested an amount of ₹ 69 Mn (USD 1,000,000) in Series A Preferred Stock in Jana Care Inc. during the year.

### Cash and cash equivalents

Total cash and cash equivalents consists of:

	(₹ Million)	
	As at March 31, 2019	As at March 31, 2018
Cash and bank balances	9,705	9,807
Investment in Mutual funds	278	1,130
<b>Total</b>	<b>9,983</b>	<b>10,937</b>

Cash and bank balances including investment in mutual funds has decreased from ₹ 10,937 Mn as at March 31, 2018 to ₹ 9,983 Mn as at March 31, 2019, mainly due to buyback of equity shares.

The Company deploys its surplus funds in investments in fixed deposits and in debt-based mutual funds in line with an approved policy.

### Trade receivables

The trade receivables have increased from ₹ 6,913 Mn as at March 31, 2018 to ₹ 8,137 Mn as at March 31, 2019 mainly due to increase in business.

### Other current assets

Other current assets have increased from ₹ 4,294 Mn as at March 31, 2018 to ₹ 5,900 Mn as at March 31, 2019, primarily due to increase in unbilled revenue during the year and receivables from government authorities on export incentives and other statutory receivables. The Company regularly monitors unbilled revenue, separately as well as collectively, along with trade receivables.

### Financial Ratios

Following are ratios for the current financial year and their comparison with preceeding financial year, along with explanations where the change has been 25% or more when compared to immediately preceeding financial year:



Sl. No	Ratio description	March 31, 2019	March 31, 2018	Change %	Explanation
1	Debtors Turnover (in days)	88	80	10%	
2	Inventory Turnover (in days)	121	125	-3%	
3	Interest coverage ratio	20.1	27.6	-27%	Refer note (i)
4	Current ratio	2.61	2.72	-4%	
5	Debt equity ratio	0.15	0.13	15%	
6	Operating margin (%)	14%	14%	0%	
7	Net profit margin (%)	10%	10%	0%	
8	Return on Net Worth (%)	19.5%	18.2%	7%	Refer note (ii)

(i) Decrease in 'interest coverage ratio' is due to increase in interest expense for borrowings availed for acquisitions and working capital requirements.

(ii) The increase in 'return on net worth' is mainly attributable to 10% growth in net profit during the year.

### Threats, Risks and Concerns

Risk description	Risk impact	Risk mitigation
Shift in US Visa policies	Higher immigration costs due to tougher application procedures	Our focus is on hiring local talent within each of our global regions including US.
Foreign currency volatility	A major portion of our revenues are in foreign currencies and significant portion of our expenses are in Indian rupees. Volatility in exchange rates between Indian rupee and other foreign currencies may impact our operating results.	There is Board-approved hedging policy in place, which is reviewed periodically. Prudent hedging against adverse foreign exchange movements helps in minimizing the impact.
Global economic uncertainty	Economic uncertainties in leading economics like US and Europe can impact the demand for our services. Overall economic environment continues to be volatile and such volatility may affect business sentiments.	Broad-based and well diversified business mix across geographies allows us to minimize the impact on our business.
Cost pressures	Increase in employee costs and other operating expenses may create pressure on margins	There is a continuous focus on increasing productivity and employee utilization. Offshoring of services is also explored wherever possible. There is a regular process of employee pyramid correction.
Competition risks	In this highly competitive environment, there may be severe impact on margins due to pricing pressures	There is focus on providing higher value and differentiated services We are also getting into new business models.
Integration risks in Mergers & Acquisitions	Misaligned acquisitions or mismanaged integration may result in failure to achieve the strategic objectives of the acquisition	There is a dedicated team monitoring the post-merger integration with well laid out plans. There is a periodic review of the activities and the same are reported to the Board
Data privacy and cyber security	In a connected world, businesses are extremely vulnerable to cyber-attacks, leading to loss of data and damage to reputation.	The Company has a stringent Cyber Security policy which ensures timely resolution of incidents. The Company also has in place firewalls, data encryption, data backup mechanism, patches etc. There are also audits conducted periodically by external agencies.
Compliance risks	Being a global company, we are exposed to laws and regulations of multiple countries	The Company has an in-house compliance team which monitors global compliances. The team receives updates on changes in regulations from specialist consultants and circulates the same internally.

### People Function

As an organization we constantly strive to be the employer of choice for our associates. Cyient's people function is very closely aligned to our Vision and the S3 strategy and work towards talent acquisition, talent retention and developing next line of leaders.

We constantly try to incorporate healthy and innovative HR practices that provide us an edge over our competition. Over the last year we made good progress on our strategy actions and are well aligned to achieve them. The total head count as on 31 March 2019 was 15,084.

Some of the key initiatives we embarked on over the year are as follows:

### Early Career Initiatives

As part of early career initiative our focus has been on innovative ways to recruit fresh talent into the organization that gives us an edge over our competition. Key actions initiated as part of this program are as follows:

#### India

Cyient and TASK Sign an MOU to Help Engineering Students Build Skills and Improve Employability.

Getting industry-ready talent has always been a challenge. Cyient has, therefore, adopted a Train + Hire Model to address this critical gap in employability. Under this model, students across colleges are trained by different agencies in critical skills to help them become job-ready. As part of this Cyient has partnered with Telangana Academy of Skills and Knowledge (TASK) is a government non-profit organization set up to create synergy between industry, academia, and the government to enable skill development and creation of talent specifically required by the industry. TASK currently operates in the State of Telangana with almost 550 registered colleges. As part of this initiative our focus will be on the following:

- Enhance our talent pipeline
- Access to industry-ready talent
- Reduced training investments

### Fresher Campus Hiring:

Each year Cyient approaches select colleges across India for its campus hiring program. However, this year, we moved to a different model to target hiring the right talent. We launched a digital campaign for hiring campus fresher's for the year. As part of this we received 75,000 profiles. As a next step all the profiles were scrutinized and shortlisted candidates were put through an online assessment, which was conducted across India at nodal centers identified by Cyient. Currently, shortlisted candidates are going through the interview process. This initiative helped us expand our reach beyond the colleges we had established relations with and tap into a larger more diversified resource pool.

#### North America

In FY19, we launched the Early Career Program initiative NAM with focus on developing industry-ready engineers through the "Train to Hire" model. The program is custom-designed in partnership with educational institutions to create a path to employment for students, helping them gain the skills and knowledge that Cyient require.

As part of this initiative we shortlisted six community colleges across North America to help us drive the Train+ Hire model of recruitment. We are now in the planning phase to design and customize the training program across these colleges.

### EMEA

Our recent acquisition Ansem N.V in Belgium has a long-standing relationship with one of Europe's leading technical universities, KU Leuven, in Belgium. Through this partnership Ansem recruits graduates and interns as part of their future talent development plans. We plan to expand this to the rest of the organization in the coming years.

### Leadership Development

#### Emerging Leader and Business Leader program

Leadership development continues to be a key focus area for Cyient. Our flagship leadership training programs for Emerging Leaders and Business Leaders continue, and we have trained 56 managers across both the programs during the year. The coverage for these programs continues to be across business units, functions, and our markets. These programs are spread over nine months and include working on action learning projects where managers work on as part of cross-functional teams and take on business challenges outside their normal work scope.

Along with this succession planning and the individual leadership development process has been further strengthened by extending the talent review process to the next layer of leadership—essentially covering the top 5% of senior managerial talent across the company through this structured process. The process is now built into Workday, our HCM tool, to make it scalable.

For senior management development, we have initiated a pilot program with a world-renowned consulting company to assess and coach our high-potential business leaders to enable them to build on their strengths and be future ready.

#### Executive Leadership Program

Another initiative started as part of leadership development is the Executive Leadership Program. As part of this program senior leaders at Cyient are exposed to the learnings in global business schools with the focus on providing them transformational learning experience and develop them for global leadership roles. As part of this program three senior leaders attended global programs across major business schools.

#### Career and Competency Progression Initiative

The Career and Competency Progression Initiative was launched to redefine the technical career path for associates and define the critical competencies for career progression. Under the initiative, a competency framework is developed to outline the roles and processes along with the design, launch, and implementation of technical career paths. This initiative was first launched in the Rail Transportation BU

with initial focus on completing the evaluation of associate competencies and identifying gaps. These gaps will be addressed through an Individual Development Plan. The initiative received an enthusiastic response and will be rolled out to other functions in FY20.

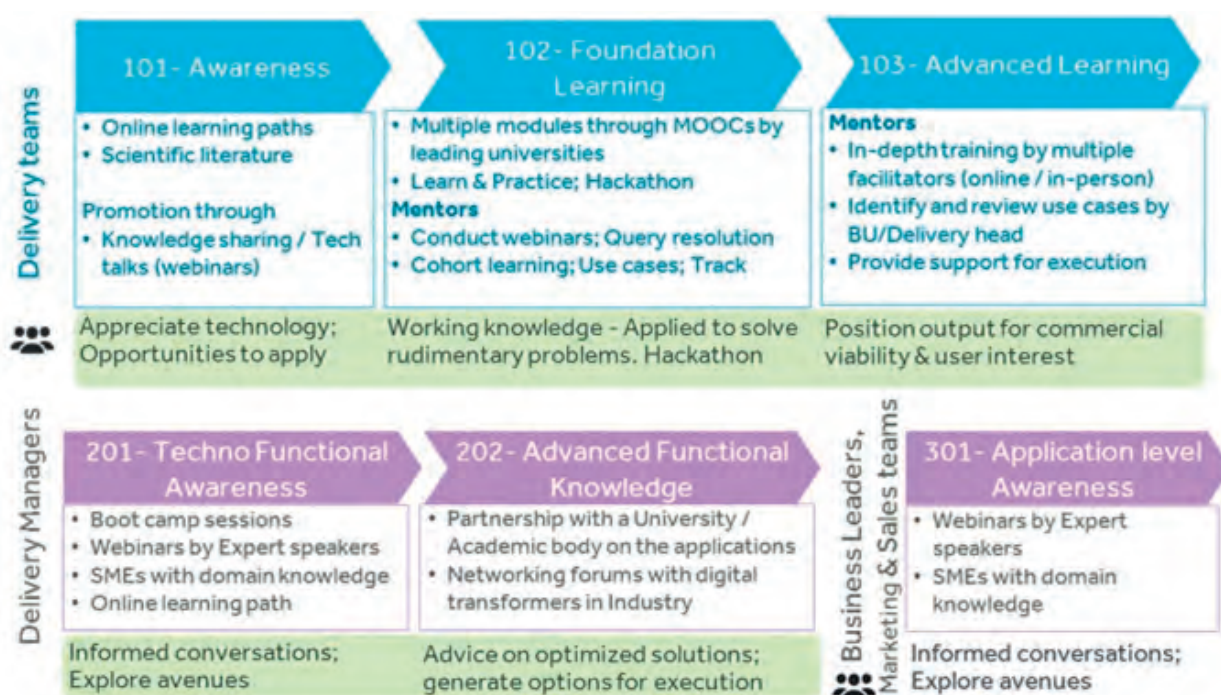
### Design Thinking Program

As part of the NBA initiative we rolled out a design thinking training for our associates with an intent to build the innovative mindset. As part of this program associates were exposed to the concepts of design thinking. They were able to apply them in the workshop and to the projects. A lean start-up methodology was used where associates were encouraged to do real-time research and come up with possibilities and MVPs. In some cases, just applying the design thinking mindset helped resolve issues and generate solutions.

### Emerging Skills Development

Adoption of digital technologies is crucial for Cyient to offer optimized solutions. Digital technologies equip Cyient to respond rapidly to market changes and deliver the innovation that customers need. Opportunities to leverage these technologies exist across the business value chain ranging from spotting opportunities, participating in or managing multidisciplinary projects, and delivering digitally-driven projects, to engaging with customers and emphasizing the benefits of adopting digital technologies.

A number of initiatives were undertaken at Cyient to prepare us for the future business landscape. One such step is the establishment of a framework to provide orientation and develop capabilities in emerging technologies. The framework has varied program structures targeting roles of associates and specific learning outcomes.



Technical delivery associates have a structured learning path (101 to 103), which begins with an appreciation of technology and being an advocate of technology. The learning path allows enthusiasts to pursue proficiency in building models and deep dive into technology with mentoring support. Delivery managers and business leaders have different learning paths that enable them to have informed conversations with stakeholders. Multiple methodologies—online, remote, classroom, and practice sessions—are used for learning.

### Key Diversity and inclusion Initiatives

#### Global Mentorship Program

Cyient is committed to being a diverse and inclusive organization. As part of this our key focus is on gender diversity. To drive gender diversity one key initiative we started was the global mentorship program called 'DIEL' (Diversity, Inclusivity and Equity-Driven Leadership). The first series of this program will kick-start with 50 women associates. This will enable an increase in the number of women in leadership roles at Cyient. Cyient is making significant investments in this program to improve its gender diversity ratios in the mid and senior management levels.

This program will provide yearlong mentoring to 50 women associates. Cyient has tied up with the Hay Group (Korn Ferry), a leading global HR consultancy, to program manage this initiative at global level.

<sup>1</sup> Thailand Economic Monitor: Inequality, Opportunity And..., <http://documents.worldbank.org/curated/en/154541457736805518/Thailand-Economic-M>



## Form No. AOC-2

Annexure-G

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

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

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

The company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.

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

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

Sl. No.	Name of the Company	Relationship
1	Cyient Europe Limited	Subsidiary
2	Cyient Benelux BV	Step down subsidiary
3	Cyient Schweiz GmbH	Step down subsidiary
4	Cyient SRO	Step down subsidiary
5	AnSem NV	Step down subsidiary
6	AnSem B.V.	Step down subsidiary
7	Cyient Inc.	Subsidiary
8	Cyient Canada Inc.	Step down subsidiary
9	Cyient Defense Services Inc.	Step down subsidiary
10	B&F Design Inc.	Step down subsidiary
11	New Technology Precision Machining Co., Inc.	Step down subsidiary
12	Cyient GmbH	Subsidiary
13	Cyient AB	Step down subsidiary
14	Cyient KK	Step down subsidiary
15	Cyient Insights Private Limited	Subsidiary
16	Cyient DLM Private Limited	Subsidiary
17	Cyient Australia Pty Limited	Subsidiary
18	Cyient Singapore Private Limited	Subsidiary
19	Cyient Israel India Limited	Subsidiary
20	Cyient Engineering (Beijing) Limited	Subsidiary
21	Cyient Solutions and Systems Private Limited	Subsidiary
22	Cyient Urban Microskill Centre Foundation	Subsidiary
23	Infotech HAL Limited	Joint Venture

**(b) Nature of contracts/arrangements/transactions**

IT Enabled Engineering Services & Geospatial Services.

**(c) Duration of the contracts/arrangements/transactions**

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

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

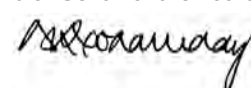
To provide IT Enabled Engineering Services & Geospatial Services to the client/customers to the company as a tripartite agreement.

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

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

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

For and on behalf of the Board



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

Place : Hyderabad  
Date : 25 April 2019

## CELEBRATING 20 YEARS OF PARTNERSHIP WITH ESRI

Recognized as a "Cornerstone Partner" by Esri. We have been working seamlessly with our clients to deliver Esri-based solutions across industries.



*Jack Dangermond, President, Esri (center)  
with Cyient representatives at the Esri Partner Conference*

## Form No. MGT-9

Annexure-H

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31 MARCH 2019

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

#### I. REGISTRATION AND OTHER DETAILS:

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

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
Software Enabled Engineering and GIS services	62099	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND JOINT VENTURE COMPANIES

Sl. No.	Name and address of the Company#	CIN / GLN	Country of Incorporation	Extent of holding (%)		Applicable Section
				As at March 31, 2019	As at March 31, 2018	
	<b>Subsidiaries</b>					
1	Cyient Europe Limited	Not Applicable	U.K.	100%	100%	Sec. 2(87)
2	Cyient Benelux BV	Not Applicable	Netherlands	100%	100%	Sec. 2(87)
3	Cyient Schweiz GmbH	Not Applicable	Switzerland	100%	100%	Sec. 2(87)
4	Cyient SRO	Not Applicable	Czech Republic	100%	100%	Sec. 2(87)
5	Cyient Inc.	Not Applicable	U.S.A	100%	100%	Sec. 2(87)
6	Cyient Canada Inc.	Not Applicable	Canada	100%	100%	Sec. 2(87)
7	Cyient Defense Services Inc.	Not Applicable	U.S.A	100%	100%	Sec. 2(87)
8	Certon Software Inc. <sup>(i)</sup>	Not Applicable	U.S.A	-	100%	Sec. 2(87)
9	Certon Instruments Inc. <sup>(i)</sup>	Not Applicable	U.S.A	-	100%	Sec. 2(87)
10	B&F Design Inc	Not Applicable	U.S.A	100%	100%	Sec. 2(87)

(Contd.)



Sl. No.	Name and address of the Company#	CIN / GLN	Country of Incorporation	Extent of holding (%)		Applicable Section
				As at March 31, 2019	As at March 31, 2018	
11	Cyient GmbH	Not Applicable	Germany	100%	100%	Sec. 2(87)
12	Cyient AB	Not Applicable	Sweden	100%	100%	Sec. 2(87)
13	Cyient KK	Not Applicable	Japan	100%	100%	Sec. 2(87)
14	Cyient Insights Private Limited	U72200TG2013PTC087527	India	100%	51%	Sec. 2(87)
15	Cyient Insights LLC <sup>(iii)</sup>	Not Applicable	USA	-	51%	Sec. 2(87)
16	Cyient DLM Private Limited	U31909KA1993PTC014470	India	100%	74%	Sec. 2(87)
17	Cyient Australia Pty Limited	Not Applicable	Australia	100%	100%	Sec. 2(87)
18	Cyient Singapore Private Limited	Not Applicable	Singapore	100%	100%	Sec. 2(87)
19	Cyient Israel India Limited	Not Applicable	Israel	100%	100%	Sec. 2(87)
20	Cyient Solutions and Systems Private Limited	U72501TG2017PTC116600	India	51%	100%	Sec. 2(87)
21	Cyient Engineering (Beijing) Limited <sup>(iii)</sup>	Not Applicable	China	-	-	Sec. 2(87)
22	AnSem NV <sup>(iv)</sup>	Not Applicable	Belgium	100%	-	Sec. 2(87)
23	AnSem B.V. <sup>(iv)</sup>	Not Applicable	Netherland	100%	-	Sec. 2(87)
24	New Technology Precision Machining Co., Inc. <sup>(iv)</sup>	Not Applicable	USA	100%	-	Sec. 2(87)
25	Cyient Urban Microskill Centre Foundation <sup>(v)</sup>	U85300TG2018NPL127543	India	-	-	Sec. 2(87)
	<b>Joint Venture</b>					
26	Infotech HAL Limited	U29200KA2007PLC043691	India	50%	50%	Sec. 2(6)

# Addresses of subsidiaries: Details of subsidiaries/joint venture company address are listed elsewhere in the Annual Report.

**Notes:**

- (i) During the year, Certon Software Inc. was merged into Cyient Inc. and Certon Instruments Inc. was dissolved.
- (ii) During the year, Cyient Insights LLC was dissolved.
- (iii) On March 25, 2016, the Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China. There is no investment in the subsidiary till March 31, 2019 and the subsidiary is yet to commence commercial operations.
- (iv) Companies acquired during the year.
- (v) Company incorporated during the year.

iv) i) **SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Sl. No	Category of Shareholder	No. of shares held at the beginning of the year (1 April 2018)				No. of shares held at the end of the year (31 March 2019)				% Change during the Year
		No of shares in Demat form	No of shares in Physical form	Total	% of total shares	No of shares in Demat form	No of shares in Physical form	Total	% of total shares	
(A)	PROMOTER AND PROMOTER GROUP									
1	INDIAN									
(a)	Individual/HUF	8,088,085	0	8,088,085	7.18	8,098,085	0	8,098,085	7.29	0.11
(b)	Central Government/State Government(s)	0	0	0	0	0	0	0	0.00	0
(c)	Bodies Corporate	16,884,951	0	16,884,951	15.00	16,884,951	0	16,884,951	15.20	0.20
(d)	Financial Institutions/Banks	0	0	0	0	0	0	0	0.00	0
(e)	Others	0	0	0	0	0	0	0	0.00	0
	Sub-Total A(1) :	24,973,036	0	24,973,036	22.18	24,983,036	0	24,983,036	22.48	0.30
2	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
(e)	Others	0	0	0	0	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	24,973,036	0	24,973,036	22.18	24,983,036	0	24,983,036	22.48	0.30
(B)	PUBLIC SHAREHOLDING									
1	INSTITUTIONS									
(a)	Mutual Funds/UTI	20,905,093	0	20,905,093	18.57	15,026,734	0	15,026,734	13.52	-5.05
(b)	Financial Institutions/Banks	18,295	0	18,295	0.02	33,917	0	33,917	0.03	0.01
(c)	Central Government/State Government(s)	0	0	0	0	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
(e)	Insurance Companies	7,998,732	0	7,998,732	7.10	7,746,797	0	7,746,797	6.97	-0.13
(f)	Foreign Institutional Investors	45,515,730	0	45,515,730	40.42	49,445,158	0	49,445,158	44.50	4.08
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0.0000	0.00
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.0000	0.00
(i)	Others	0	0	0	0	0	0	0	0.0000	0.00
	Foreign Collaborators	1,500,000	0	1,500,000	1.33	15,00,000	0	15,00,000	1.35	0.02
	Sub-Total B(1) :	75,937,850	0	75,937,850	67.44	73,752,606	0	73,752,606	66.38	-1.06
2	NON-INSTITUTIONS									
(a)	Bodies Corporate	665,802	1,500	667,302	0.59	1,281,238	1500	1,282,738	1.15	0.56
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	5,028,032	317,742	5,345,774	4.75	5,450,150	285,492	5,735,642	5.16	0.41
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	1,685,833	0	1,685,833	1.50	1,506,440	0	1,506,440	1.36	(0.14)

(Contd.)

Sl. No	Category of Shareholder	No. of shares held at the beginning of the year (1 April 2018)				No. of shares held at the end of the year (31 March 2019)				% Change during the Year
		No of shares in Demat form	No of shares in Physical form	Total	% of total shares	No of shares in Demat form	No of shares in Physical form	Total	% of total shares	
(c)	Others									
	Alterate Investment Fund	0	0	0	0	29,366	0	29,366	0.03	0.03
	NBFCs registered with RBI	75,210	0	75,210	0.07	325	0	325	0.00	-0.07
	Foreign Nationals	288,893	16,050	304,943	0.27	265,777	16,050	281,827	0.25	-0.02
	Foreign Bodies	0	0	0	0	0	0	0	0	0.00
	Clearing Members	152,758	0	152,758	0.14	184,660	0.00	184,660	0.17	0.03
	Non Resident Indians	2,757,559	417,000	3,174,559	2.82	2,901,598	200,550	3,102,148	2.79	-0.03
	Trusts	54,375	162,120	216,495	0.19	260	162,120	162,380	0.15	0.03
	IEPF	62,242	0	62,242	0.06	93,421	0	93,421	0.08	0.03
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
	<b>Sub-Total B(2) :</b>	<b>10,770,704</b>	<b>914,412</b>	<b>11,685,116</b>	<b>10.39</b>	<b>11,713,235</b>	<b>665,712</b>	<b>12,378,947</b>	<b>11.14</b>	<b>0.76</b>
	<b>Total B=B(1)+B(2) :</b>	<b>86,708,554</b>	<b>914,412</b>	<b>87,622,966</b>	<b>77.83</b>	<b>85,465,841</b>	<b>665,712</b>	<b>861,31,553</b>	<b>77.52</b>	<b>0.30</b>
	<b>Total (A+B) :</b>	<b>111,681,590</b>	<b>914,412</b>	<b>112,596,002</b>	<b>100.00</b>	<b>110,448,877</b>	<b>665,712</b>	<b>111,114,589</b>	<b>100.00</b>	<b>0.00</b>
(C)	Shares held by custodians, against which	0	0	0	0	0	0	0	0.00	0.00
	Depository Receipts have been issued	0	0	0	0	0	0	0	0.00	0.00
1	Promoter and Promoter Group	0	0	0	0	0	0	0	0.00	0.00
2	Public	0	0	0	0	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A+B+C) :</b>	<b>111,681,590</b>	<b>914,412</b>	<b>112,596,002</b>	<b>100.00</b>	<b>110,448,877</b>	<b>665,712</b>	<b>111,114,589</b>	<b>100.00</b>	<b>0.00</b>

**Note:** i. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholders.  
ii. Change in Percentage adjusted after Buyback & ESOP.

## ii) Shareholding of Promoters

Sl. No.	Shareholder's name	Shareholding at the beginning of the year (1 April 2018)			Shareholding at the end of the year (31 March 2019)		
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares
1	B.V.R. Mohan Reddy	3,358,254	2.98	0	33,68,254	3.03	0.00
2	Krishna Bodanapu	1,850,760	1.64	0	1,850,760	1.67	0.00
3	B. Sri Vaishnavi	1,793,008	1.59	0	1,793,008	1.61	0.00
4	B. Sucharitha	912,883	0.81	0	912,883	0.82	0.00
5	D. Nageswara Reddy	115,200	0.10	0	115,200	0.10	0.00
6	Carol Ann Reddy	38,400	0.03	0	38,400	0.03	0.00
7	B.V.S. Ratna Kumari	15,600	0.01	0	15,600	0.01	0.00
8	A. Amala Reddy	3,680	0.00	0	3,680	0.00	0.00
9	B. Ashok Reddy	300	0.00	0	300	0.00	0.00
10	Vineyard Point Software Private Limited	11,256,634	10.00	0	11,256,634	10.13	0.00
11	Infocad Enterprises Private Limited	5,628,317	5.00	0	5,628,317	5.07	0.00
	<b>Total</b>	<b>24,973,036</b>	<b>22.18</b>	<b>0</b>	<b>24,983,036</b>	<b>22.48</b>	<b>0.00</b>



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

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	B.V.R. Mohan Reddy	3,358,254	2.98		
	Increase/Decrease during the year	10,000	0.04		
	At the end of the year			33,68,254	3.03
2	B. Sucharitha	912,883	0.81		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			912,883	0.82
3	Krishna Bodanapu	1,850,760	1.64		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			1,850,760	1.67
4	B. Sri Vaishnavi	1,793,008	1.59		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			1,793,008	1.61
5	D. Nageswara Reddy	115,200	0.10		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			115,200	0.10
6	Carol Ann Reddy	38,400	0.03		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			38,400	0.03
7	B.V.S. Ratna Kumari	15,600	0.01		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			15,600	0.01
8	A. Amala Reddy	3,680	0		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			3,680	0
9	B. Ashok Reddy	300	0		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			300	0
10	Vineyard Point Software Private Limited	11,256,634	10.00		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			11,256,634	10.13
11	Infocad Enterprises Private Limited	5,628,317	5.00		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			5,628,317	5.07

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

Sl. No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Amansa Holdings Private Limited	7,235,341	6.43	7,435,341	6.69
2	ICICI Prudential Life Insurance Company Limited	4,895,072	4.35	5,500,426	4.95
3	T. Rowe Price International Discovery Fund	4,349,392	3.86	4,349,392	3.91
4	First State Investments ICVC	3,848,615	3.42	3,991,981	3.59
5	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund	6,096,318	5.41	3,626,204	3.26
6	Fidelity Investment Trust Fidelity Series Emerging	-	-	3,526,987	3.17
7	Reliance Capital Trustee Co. Ltd- Reliance ETF Dividend Opportunities	5,851,927	5.20	3,442,414	3.10
8	Franklin Templeton Mutual Fund A/C Franklin India Taxshield	4,662,015	4.14	3,340,758	3.01
9	Government Pension Fund Global	4,114,502	3.65	2,405,832	2.17
10	RBC Emerging Markets Small - Cap Equity Fund	1,916,675	1.70	2,128,480	1.92

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

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

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	B.V.R Mohan Reddy — Executive Chairman	3,358,254	2.98		
	Increase/Decrease during the year	10,000	0.04		
	At the end of the year			3,368,254	3.03
2	Krishna Bodanapu — Managing Director & Chief Executive Officer	1,850,760	1.64		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			1,850,760	1.67
3	M.M. Murugappan —Independent Director	30,000	0.03		
	Increase/Decrease during the year	Nil	Nil		
	At the end of the year			30,000	0.03
4	Ajay Aggarwal — Chief Financial Officer	20,375	0.02		
	Increase/Decrease during the year	9,109	Nil		
	At the end of the year			29,484	0.03
5	Sudheendhra Putty — Company Secretary	0	0		
	Increase/Decrease during the year	168	Nil		
	At the end of the year			168	0

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

## V. INDEBTEDNESS

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		B.V.R. Mohan Reddy Executive Chairman	Krishna Bodanapu MD & CEO	
1	Gross salary	18,000,000	14,400,000	32,400,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,948,184	6,768,000	14,716,184
	(c) Profits in lieu of salary under section 17(3) Incometax Act, 1961	Nil	Nil	Nil
2	Stock Options	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	(a) as % of Profit	55,180,528	82,770,791	137,951,319
	(b) Others, Specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total (A)</b>	<b>81,128,712</b>	<b>1,03,938,791</b>	<b>185, 067 503</b>
	Ceiling as per the Act	282,800,204	282,800,204	565,600,408

### B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Commission
<b>1</b>	<b>Independent Directors</b>	
i	K. Ramachandran	1,200,000
ii	Som Mittal	1,200,000
iii	John Paterson	2,807,368
iv	Andrea Bierce	2,807,368
v	Vinai Kumar Thummalapally	2,807,368
vi	Vikas Sehgal	1,406,706
	<b>Total (1)</b>	<b>12,228,810</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	
i	Alain De Taeye	Not claimed
ii	M.M. Murugappan	1,200,000
	<b>Total (2)</b>	<b>1,200,000</b>
	<b>Total (B) =(1+2)</b>	<b>13,428,810</b>
	Overall Ceiling as per the Act	622,160,449
	<b>Total Managerial Remuneration (A+B)</b>	<b>198,496,313</b>



**C. Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Directors and/or Manager:** (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of KMP other than MD/WTD/Manager		Total
		Ajay Aggarwal Chief Financial Officer	Sudheendhra Putty Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,081,243	2,647,378	25,728,621
	(b) Value of perquisites u/s 17(2)			
	Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	5,096,258	280,955	5,377,214
2	No. of Stock Options exercised	9,109	168	9,277
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	(a) as % of Profit	Nil	Nil	Nil
	(b) Others, Specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total (A)</b>	<b>28,177,501</b>	<b>29,28,333</b>	<b>31,105,835</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

**A. COMPANY**

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

**B. DIRECTORS**

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

**C. OTHER OFFICERS IN DEFAULT**

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

# Independent Auditor's Certificate on Corporate Governance

Annexure-I

To  
The Members of Cyient Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated July 18, 2018.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Cyient Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

## Managements' Responsibility

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

## Auditor's Responsibility

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

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

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

## Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**

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

  
**C. Manish Muralidhar**

Partner  
(Membership No. 213649)

Place : Hyderabad

Date : April 25, 2019

UDIN: 19213649AAAAAJ3848

# Managing Director & CEO'S Declaration

Annexure-J

I, Krishna Bodanapu, Managing Director & CEO do hereby declare that pursuant to the provisions of Schedule V of the SEBI LODR Regulations, 2015 all the members of the Board and Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company, for the financial year ended 31 March 2019.

For Cyient Limited,

  
**Krishna Bodanapu**  
Managing Director & CEO

Place: Hyderabad  
Date : 25 April 2019

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

Annexure-K

The Board of Directors  
Cyient Limited  
Hyderabad.

25 April 2019

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

- A. We have reviewed financial statements and the cash flow statement (standalone and consolidated) for the year 2018-19 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the audit committee
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.



**Krishna Bodanapu**  
Managing Director & CEO



**Ajay Aggarwal**  
Chief Financial Officer





## CYIENT POSITIONED AS AN “ESTABLISHED AND EXPANSIVE” PLAYER IN ZINNOV ZONES’ ER&D SERVICES REPORT 2018

We maintained our leadership position in the “Overall Ratings” category for the seventh consecutive year and were also placed in the “Leadership Zone” in four key industry verticals— aerospace, energy & utilities, transport, and construction & heavy machinery.



In addition, we were placed in the “Execution Zone” for medical devices and semiconductor, and as an “Established and Niche” player in three horizontals— design and simulation engineering, quality assurance engineering, and user experience engineering.



# Report on Corporate Governance

## Company's Philosophy on Corporate Governance

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

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

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

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

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

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

Sustainable development of all stakeholders	Company ensures the growth of all those associated with it on a sustainable basis
Effective management and distribution of wealth	Company maximizes wealth and judiciously deploys the wealth so created for providing maximum benefit to all stakeholders; it enhances wealth creation capabilities to promote sustainability
Discharge of social responsibility	Company takes a holistic approach to stakeholders by including the entire society and contributing to its welfare

Application of best management practices	Excellence in functioning permeates every level of the company
Compliance of law in letter and spirit	Enhancing value to all stakeholders by appropriate compliance of law and maintaining the socio-economic balance
Adherence to ethical standards	Ensuring fairness, integrity, respect, sincerity and transparency in all its dealings with stakeholders

## Best Governance Practices

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

- Implementing a group governance policy
- Voluntary rating of corporate governance practices by third party
- Paperless and interactive communication amongst the directors through a customized web based portal - a sustainability initiative that helps in ease and pace of decision-making
- Following all the Secretarial Standards issued by the Institute of Company Secretaries of India
- Increased board and board committee interaction through optimum use of technology - conduct of board meetings in the electronic mode
- Vendor, Investor and associate satisfaction surveys conducted to elicit feedback from stakeholders
- Policies and procedures for disclosure and dissemination of information by the company
- Internal Audit conducted by independent professionals
- All board committees headed by independent directors
- Separate meetings of independent directors
- Board committee on Diversity and inclusion.

## Good governance policies

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

- Code of conduct for board of directors and senior management
- Code of business conduct for all associates
- Code of Conduct for prevention of insider trading



- Code of Practices & Procedures for disclosure of unpublished price sensitive information
- Prevention of sexual harassment policy
- Policy on related party transactions
- Policy on material subsidiaries
- Data privacy policy
- Whistle blower policy/vigil mechanism
- Policy on board diversity
- Environment, health and safety policy
- Anti-corruption policy
- Policy on preservation of documents
- Dividend payment policy
- Criteria of Payment of Remuneration to Non-Executive Directors of the Company
- Familiarization Programme for Non-Executive Directors

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

#### Global compliance initiatives

The company adopted a global compliance framework to further accentuate its governance process and articulate how the values, purpose and structure contribute towards its stakeholders and society. The initiative ensures that the best governance practices percolate across the group and there is uniformity in the governance regime.

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

The company published a Modern Slavery Statement outlining the steps that it has taken to ensure that there is no modern slavery in its business and supply chains. In addition to ensuring compliance with the applicable laws, this demonstrates company's commitment to transparent business practices and to protection of workers' rights.

#### Ratings and recognitions

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

As the company is debt free, no credit ratings were obtained.

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

#### Compliance with SEBI Regulation on Corporate Governance

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

#### The rights of shareholders

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

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

#### Timely information

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

#### Equitable treatment

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

- All shareholders of the same series are treated equally.
- Effective shareholder participation in key corporate governance decisions, such as the nomination and election of members of board of directors, is facilitated.
- Exercise of voting rights by foreign shareholders is facilitated.
- The company has devised and implemented a framework to avoid insider trading and abusive self-dealing.

- v. Processes and procedures for general shareholder meetings allow for equitable treatment of all shareholders.
- vi. Procedures adopted by the company do not make it unduly difficult or expensive to cast votes.

#### Role of stakeholders in corporate governance

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

#### Disclosure and transparency

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

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

#### Board of Directors

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

- a. guide, review and approve corporate strategy and financial planning, including major capital expenditures, acquisitions and divestments;
- b. monitor the effectiveness of the company's governance practices, environmental practices, and social practices, and adhere to applicable laws;
- c. embody high standards of business ethics and oversee the implementation of codes of conduct that engender a corporate culture of integrity;
- d. oversee the management of potential conflicts of interest, such as those which may arise around related party transactions;
- e. oversee the integrity of the company's accounting and reporting systems, its compliance with

internationally accepted standards, the effectiveness of its systems of internal control, and the independence of the external audit process;

- f. oversee the implementation of effective risk management and proactively review the risk management approach and policies annually or with any significant business change;
- g. ensure a formal, fair and transparent process for nomination, election and evaluation of directors;
- h. appoint the Chief Executive Officer (CEO) and develop succession plans;
- i. align CEO and senior management remuneration with the long term interests of the company and its shareholders; and
- j. conduct an objective board evaluation on a regular basis, consistently seeking to enhance board effectiveness.

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

#### Board Composition and Category of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The composition of the Board and category of Directors are as follows:

Promoter, Executive Directors	1) B.V.R. Mohan Reddy 2) Krishna Bodanapu
Independent Directors	1) K. Ramachandran 2) Som Mittal 3) Andrea Bierce 4) John Paterson 5) Vinai Kumar Thummalapally 6) Vikas Sehgal*
Non-Executive, Non-Independent Directors	1) M.M. Murugappan** 2) Alain De Taeye

\*He was appointed as an additional director on 17 October 2018.

\*\*He was re-designated as Non-Independent, Non-Executive director w.e.f. 7 October 2018, consequent upon amendments to SEBI (LODR) Regulations.

Mr. Krishna Bodanapu is the son of Mr. B.V.R. Mohan Reddy. None of the other directors are related to any other director on the Board.

The Board's decisions and actions are aligned with the company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The board critically evaluates the company's strategic direction, management policies and their effectiveness. It acts on an informed basis and in the best interests of the company with good faith, care and diligence, for the benefit of shareholders, while having regard to all relevant stakeholders.



As on 31 March 2019, the board has 10 directors, comprising (i) 6 Independent (ii) 2 Executive and (iii) 2 Non-Executive. The composition of the board is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A. The Board met six times during the year. The Board meets at least four times a year with a maximum gap of not more than one hundred and twenty days between any two meetings. Additional meetings are held, whenever necessary.

B. The names and categories, inter personal relationship of the Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting (AGM), as also the details of Directorships across all Companies and Committee membership/chairpersonship held by them are given below:

S. No.	Name of the Director	Designation	Attendance of Meetings held on						Attendance at last AGM on 12-07-2018	No. of Equity shares held on 31.03.2019
			19-04-2018	12-07-2018	17-10-2018	6-11-2018	17-01-2019	01-02-2019		
1	B.V.R. Mohan Reddy	Promoter, Executive Chairman	Y	Y	Y	Y	Y	Y	Yes	33,68,254 <sup>§</sup>
2	Krishna Bodanapu	Promoter, MD & CEO	Y	Y	Y	Y	Y	Y	Yes	18,50,760
3	K. Ramachandran	Independent, Non-Executive	Y	Y	Y	Y	Y	N	Yes	Nil
4	Som Mittal	Independent, Non-Executive	Y	Y	Y	Y	Y	Y	Yes	Nil
5	John Paterson	Independent, Non-Executive	Y	Y	Y	N	Y	N	No	Nil
6	Vinai Thummalapally	Independent, Non-Executive	Y	Y	Y	N	Y	Y	Yes	Nil
7	Vikas Sehgal*	Independent, Non-Executive	NA	NA	Y	N	Y	Y	NA	Nil
8	Andrea Bierce	Independent, Non-Executive	Y	Y	Y	Y	N	Y	Yes	Nil
9	M.M. Murugappan	Non - Independent, Non-Executive	Y	Y	N	Y	Y	Y	Yes	30,000
10	Alain De Taeye	Non - Independent, Non-Executive	Y	N	Y	N	Y	N	No	Nil

\* The board of directors appointed Mr. Vikas Sehgal as an additional director on 17 October 2018.

<sup>§</sup> During the year, Mr. B.V.R. Mohan Reddy has purchased 10,000 Equity Shares on the stock exchange on 23 October 2018.

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

Name	DIN	Designation	Audit and Risk Management Committee	Stakeholders Relationship Committee	Leadership, Nomination & Remuneration Committee	Corporate Social Responsibility Committee
K. Ramachandran	00193357	Independent Director	Chairman*	Chairman	Member*	Chairman
Som Mittal	00074842	Independent Director	Member	--	--	--
John Paterson	07102549	Independent Director	--	--	--	--
Andrea Bierce	06997266	Independent Director	--	--	--	--
Vinai Thummalapally	07797921	Independent Director	--	--	Chairman*	--
Vikas Sehgal	05218876	Independent Director	--	--	--	--
M.M. Murugappan	00170478	Non-Executive, Non-Independent Director	Member*	--	Member	--
Alain De Taeye	03015749	Non-Executive, Non-Independent Director	--	--	--	--
B.V.R. Mohan Reddy	00058215	Promoter, Executive Chairman	--	Member	--	Member
Krishna Bodanapu	05301037	Promoter, Managing Director & CEO	--	Member	--	Member

\*Change in the constitution of committees.

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

Details of skills / expertise / competence of the Board of Directors:

S.No.	Skills / expertise / competence identified for the company's business	Existing Skills / expertise / competence
1	B.V.R. Mohan Reddy	Innovation & Entrepreneurship
2	Krishna Bodanapu	Strategy & leadership
3	M.M. Murugappan	Audit & governance
4	Alain De Taeye	Technology
5	K Ramachandran	Audit & Human Resources
6	Som Mittal	Industrial affairs
7	Andrea Bierce	Risk Management & Strategy
8	John Paterson	Technology & Strategy
9	Vinai Thummalapally	Government affairs
10	Vikas Sehgal	Investment Banking

The above are in addition to experience and expertise in general management.

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

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

Name	No. of other Directorships and Committee Membership / Chairmanship			
	Board#		Committee**	
	Chairmanship	Directorships*	Chairmanship	Membership
B.V.R. Mohan Reddy	Nil	2	Nil	1
Krishna Bodanapu	Nil	Nil	Nil	Nil
M.M. Murugappan	6	2	3	1
K. Ramachandran	Nil	2	Nil	1
Som Mittal	Nil	3	2	Nil
Andrea Bierce	Nil	Nil	Nil	Nil
John Paterson	Nil	Nil	Nil	Nil
Vinai Kumar Thummalapally	Nil	Nil	Nil	Nil
Alain de Taeye	Nil	Nil	Nil	Nil
Vikas Sehgal	Nil	Nil	Nil	Nil

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

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

# Details of directorships of aforesaid Directors, in other listed entities are given below:

S. No.	Name of the Director	Name of the listed entity	Category
1	B.V.R Mohan Reddy	Coromandel International Limited	Independent Director
2.	Krishna Bodanapu	Nil	-
3	M.M. Murugappan	Coromandel International Limited	Chairman
		Carborundum Universal Limited	Non-Executive, Non- Independent Chairman
		Tube Investments of India Limited	Non- Independent Chairman
		Cholamandalam Financial Holdings Limited	Non-Executive, Non- Independent Chairman
		Mahindra And Mahindra Limited	Independent Director
		Cholamandalam Investment and Finance Company Limited	Non-Executive, Non- Independent Chairman
4	K. Ramachandran	Vodafone Idea Limited	Additional Director
		Nelco Limited	Independent Director

S. No.	Name of the Director	Name of the listed entity	Category
5	Som Mittal	Axis Bank Limited	Independent Director
		Sheela Foam Limited	Independent Director
6	Andrea Bierce	Nil	-
7	John Paterson	Nil	-
8	Vinai Thummalapally	Nil	-
9	Alain de Taeye	Nil	-
10	Vikas Sehgal *	NA	-

\*The Board of Directors appointed Mr. Vikas Sehgal as an additional director on 17 October 2018.

### Meetings of the Board

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

During the financial year 2018-19, the Board met 6 times on the following dates:

Quarter	Date of meeting
First Quarter (1 April 2018 to 30 June 2018)	19 April 2018
Second Quarter (1 July 2018 to 30 September 2018)	12 July 2018
Third Quarter (1 October 2018 to 31 December 2018)	17 October 2018; 6 November 2018
Fourth Quarter (1 January 2019 to 31 March 2019)	17 January 2019; 1 February 2019

The necessary quorum was present at all the meetings.

Resolutions by circulation were passed on 7 October 2018.

Mr. S Chidambaram, Company Secretary in practice has certified that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed to this report.

### Information given to the Board

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

- Annual operating plans and budgets, capital budgets, updates and all variances;
- Quarterly, Half yearly, Nine months and Annual results of the company and its subsidiaries;
- Detailed presentations on the business performance of the company, its BUs and its material subsidiaries;
- Minutes of meetings of the Audit Committee and other committees;
- Contract in which Directors and Senior Management Personnel are interested, if any;
- Update on the significant legal cases of the Company;

- Subsidiary company's minutes, financial statements and significant investments;
- Reviews the compliance reports of all laws applicable to the Company;
- Evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices; and
- Any other matter that requires the attention and intervention of the Board.

### Code of Conduct

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

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

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

### Board Effectiveness

An effective board is a key feature of the governance journey to building a successful company. The duty of the board is to represent and protect the interests of all the stakeholders. The board's role is to provide entrepreneurial leadership of the company within a framework of prudent and effective

controls which enables risks to be assessed and managed. An effective board develops and promotes its collective vision of the company's purpose, its culture, its values and the behaviour it wishes to promote in conducting its business. In particular, it:

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

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

### Board accountability

The board presents a fair, balanced and understandable assessment of the company's position and prospects.

This responsibility extends to interim and other price sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements. The board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The board also maintains sound risk management and internal control systems.

### Board membership criteria

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

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

against objective criteria and with due regard for the benefits of diversity on the board.

### Term of Board membership

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

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

### Memberships in other boards

Executive directors are allowed to serve on the boards of corporate or government bodies whose interests are germane to the future of the IT and engineering service business or the key economic or academic institutions of the nation, or whose prime objective is to benefit society.

Independent directors are expected not to serve on the boards of competing companies. There are no other limitations except those imposed by law and good corporate governance practices.

### Training of board members

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

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

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

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

### Board Evaluation and Assessment

Board evaluation processes, including in relation to the chairman, individual directors and committees, constitute a powerful and valuable feedback mechanism to improve board effectiveness, maximise strengths and highlight



areas for further development. In addition to greater board accountability, evaluation of board members helps in:

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

By focusing on the board as a team and on its overall performance, the company ensures that communication and overall level of participation and engagement improves.

In order to facilitate the same, the board undertook a formal board assessment and evaluation process during 2018-19 which was administered by means of an online tool. The board evaluation was performed after seeking inputs from all the directors and included criteria such as the board composition and structure, effectiveness of board processes, information and functioning as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January 2017 and the amendments brought in by the SEBI (LODR) Regulations in 2018. The Leadership, Nomination & Remuneration Committee has overall stewardship for the process. The evaluation process covers the following aspects:

- Peer and self-evaluation of performance of the Directors
- Evaluation of the performance and effectiveness of the board
- Evaluation of the performance and effectiveness of Board Committees
- Evaluation of the performance of the Executive Chairman and Managing Director & CEO and
- Feedback on management support to the Board

The evaluation process elicited responses from the directors in a judicious manner - ranging from composition and induction of the board to effectiveness and governance. It also sought feedback on board and committee charters, strategy, risk management and quality of discussion and deliberations at the board. The evaluation process also ensures the fulfilment of independence criteria as specified in the applicable regulations and that the latter are independent of the management. The Independent Directors do not participate in the evaluation process.

### **Board processes, procedures and practices**

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

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

These include:

#### *Annual Calendar*

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

#### *Board Charter*

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

#### *Meeting location*

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

#### *Frequency of meetings*

A minimum of four board meetings are held each year with the time gap between any two successive meetings not exceeding 120 days. Meetings of the committees are also planned and scheduled to be held along with the board meetings.

#### *Board agenda*

The agenda is structured such that routine and administrative matters do not consume too much board time. Those items that are strategic in nature are given sufficient time for cogitation and decision making. The agenda also shows the amount of time allocated for each item. The agenda is made available to the directors along with supporting documents sufficiently in advance of the meetings.

#### *Briefing papers*

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

### *Decision making process*

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

### *Directors' participation*

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

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

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

### *Board Minutes*

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

### *E-Initiatives*

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

### *Availability of information to the board*

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

### *Action Taken Report*

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

## **Role of the Chairman**

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

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

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

## **Role of Managing Director & CEO**

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

The CEO, with the support of the executive team, has primary responsibility for communicating to the people working within the business the expectations of the board in relation to the

company's culture, values and behaviours, and for ensuring that the appropriate standards of governance permeate down to all levels of the organisation.

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

### Role of Non-Executive Directors

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

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

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

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

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

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

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

### Role of Independent directors

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

### Declaration by Independent Directors

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

During the financial year 2018-19, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements), 2015, has been placed before the Board for its consideration.

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

During the year, no Independent Director has resigned before expiry of his tenure.

### Declaration by Board

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

### Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on 19 April 2018, to discuss, *inter alia*:

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

All the Independent Directors were present at the Meeting.

### Performance evaluation criteria for Independent Directors

The performance of Independent Directors is evaluated annually on the following parameters:

- understanding of the company's business as well as the markets and industry it operates in
- effective usage of the experience brought to the board
- level of involvement and participation in the meetings as also in the affairs of the company
- engagement with other directors and senior leadership of the company.

## Decision making at the board

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

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

## Succession planning at the board and senior management levels

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

- Interviewing potential candidates;
- Recommending candidates to the board;
- Ensuring each new Board member receives induction and training; and
- Developing a database of eligible board candidates on a continuous basis.
- The CEO, along with the head of HR, makes a presentation to the LNR Committee about the succession plan of senior management on an annual basis. The same is updated to the board.

## Committees of the Board

The Board Committees focus on specific areas and make informed decisions within the authority delegated. The committees also make specific recommendations to the board on various matters, within the scope delegated to them, whenever required. All observations, recommendations and

decisions of the Committees are placed before the Board for information or for approval.

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

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

## Audit & Risk Management Committee

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

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

During the financial year 2018-19, the Committee met four times and the gap between no two meetings exceeded 120 days. All the members of the audit committee are financially literate. The Chairman attended the last annual general meeting to answer shareholders' queries. The Particulars of composition of the audit committee and the details of attendance is as follows.

S. No.	Name of the Director	Designation	Attendance of Meetings held on			
			18 April 2018	11 July 2018	16 October 2018	16 January 2019
1.	K. Ramachandran	Chairman, Independent Director	Yes	Yes	Yes	Yes
2.	M.M. Murugappan	Member, Non-Executive & Non-Independent Director	Yes	Yes	Yes	Yes
3.	Som Mittal	Member, Independent Director	Yes	Yes	Yes	Yes

Mr. Murugappan was the chairman for April and July 2018 meetings

Mr. K. Ramachandran was the chairman for October 2018 and January 2019 meetings

The specific charter of the Committee is:

*Audit:*

- Recommend appointment and remuneration; evaluate performance of the auditors and effectiveness of the audit process.
- Evaluate the independence of auditors and their areas of un-resolved concerns if any.



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

#### Financial Review:

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

#### Risk Management:

- Assessing and providing oversight to management with regards to the identification and evaluation, of major strategic, operational, regulatory, information and external risks inherent in the business of the Company and the control processes with respect to such risks;
- Overseeing the risk management, cyber security, compliance and control activities of the company, including but not limited to the development and

execution by management of strategies to mitigate risks;

- Overseeing the integrity of the company's governance framework of operational controls with respect to legal and regulatory compliance

Further, the committee reviews the adequacy of internal controls over financial reporting and the company-level control systems.

It reviews the quarterly, half-yearly and annual financial results before their submission and adoption by the board.

The committee also reviews corporate governance, processes and procedures.

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

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

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

The total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is ₹ 35 mn.

#### Leadership, Nomination & Remuneration Committee

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

- Evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), Key Managerial Personnel,
- Framing of policies and systems of the Employee Stock Option Scheme and
- Reviewing and resolving issues relating to major HR policies.
- During the financial year 2018-19, the Committee met three times. The below table gives the composition and attendance record of the Committee.

S. No.	Name of the Director	Designation	Attendance of Meetings held on		
			18 April 2018	16 October 2018	16 January 2019
1.	Vinai Thummalapally	Chairman, Independent Director	Yes	Yes	Yes
2.	K. Ramachandran	Member, Independent Director	Yes	Yes	Yes
3.	M.M. Murugappan	Member, Non-executive & Non-Independent Director	Yes	Yes	Yes

Mr. Ramachandran is the Chairman for April and October 2018 meetings.

Mr. Vinai Thummalapally is the Chairman for January, 2019 meeting.

## Remuneration policy

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

This Policy is accordingly derived from the said Charter.

### Criteria of Selection of Non-Executive Directors

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

### Remuneration

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

### Criteria for selection/appointment of Managing Director & CEO and CFO

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

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other

qualifications as laid down under the Companies Act, 2013, or other applicable laws.

### Remuneration for the Managing Director & CEO

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

### Remuneration Policy for the Senior Management Employees including CFO

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

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

## Directors Remuneration

### a) Executive Directors

The remuneration paid/payable to the Executive Directors is given below:

(Amount in ₹)

S. No.	Name of the Director	Salary	Commission	PF	Superannuation	Total
1	B.V.R. Mohan Reddy	2,10,88,184	5,51,80,528	21,60,000	27,00,000	8,11,28,712
2	Krishna Bodanapu	1,72,80,000	8,27,70,791	17,28,000	21,60,000	10,39,38,791

- None of the directors have exercised/ been granted stock options/RSUs during the year.
- The above amounts do not include provisions for encashable leave, gratuity and premium paid for Group Health Insurance as separate actuarial valuation/premium paid are not available for the Executive Chairman and Managing Director & CEO.
- The percentage of commission (incentive) is linked to the overall performance of the Executive Director and the company.
- The terms and conditions including remuneration is as per the resolution passed by the shareholders at their meeting held on 17 July 2014.
- The notice period is two months/six months on either side.

### b) Non-Executive Directors

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

The company does not pay any sitting fees to its directors.

The details of remuneration paid to non-executive directors is as follows:

(Amount in ₹)

Name of the Director	Commission
M.M. Murugappan	12,00,000
K. Ramachandran	12,00,000
Som Mittal	12,00,000
John Paterson	28,07,368
Andrea Bierce	28,07,368
Vinai Thummalapally	28,07,368
Vikas Sehgal	14,06,706
Alain De Taeye <sup>®</sup>	-
<b>TOTAL</b>	<b>1,34,28,810</b>

<sup>®</sup>Mr. Alain De Taeye has waived the amount.

As per the practice, commission to the Directors is paid after the annual accounts are adopted by the members at the AGM.

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

Criteria of the payment of remuneration to Non-Executive Directors has been published on the website of the company (<https://www.cyient.com/investors/corporate-governance>).

## Stakeholders' Engagement Committee

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

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

The Committee consists of three Directors and during the financial year 2018-19, the Stakeholders' Engagement Committee met twice and all the members were present for the meeting.

S. No.	Name of the Director	Designation	Attendance of Meetings held on	
			17 October 2018	16 January 2019
1.	K. Ramachandran	Chairman, Independent Director	Yes	Yes
2.	B.V.R. Mohan Reddy	Member, Executive Director	Yes	Yes
3.	Krishna Bodanapu	Member, Executive Director	Yes	Yes

**Status of Investor Complaints as on 31 March, 2019 and reported under Regulation 13(3) of the Listing Regulations is as under:**

Particulars	Number of complaints
Complaints as on 1 April, 2018	Nil
Received during the year	111
Resolved during the year	111
Number of pending complaints as on 31 March 2019	Nil

The complaints have been resolved to the satisfaction of the shareholders. The Company Secretary of the Company act as the secretary of the Committee and also designated as Compliance Officer.

#### SCORES

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

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

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

#### Corporate Social Responsibility Committee (CSR)

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 Committee met on 19 April 2018 and all the members attended the meeting. Composition of the committee during the year 2018-19 is as follows:

S.No.	Name of the Director	Designation
1.	K. Ramachandran	Chairman, Independent Director
2.	B.V.R. Mohan Reddy	Member, Executive Director
3.	Krishna Bodanapu	Member, Executive Director

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

#### Buyback Committee

The Board of Directors of the Company had, in its meeting held on 1 February, 2019, approved the Buyback of its fully paid-up Equity Shares of the face value of ₹ 5/- each, under the open market route through stock exchanges mechanism, for a maximum amount not exceeding ₹ 200 crores, and at a maximum price not exceeding ₹ 700/- per Equity Share, payable in cash. The Board has set up a Buyback Committee to administer the buyback process, including the monitoring of market trend, quantity of sale, price, trades and extinguishment of the shares bought back and the compliances. The committee comprises both the directors and executives of the company

Composition of the committee is as follows:

Name of the member	Position
B.V.R Mohan Reddy	Chairman
Krishna Bodanapu	Member
B. Ashok Reddy	Member
Ajay Aggarwal	Member
Sudheendhra Putty	Member
Samir Desai	Member

During the period the committee met 7 times.

#### Strategy & Client Engagement Committee

During the financial year 2018-2019, the Strategy and Client Engagement committee reviewed the strategy and execution progress at both an organization and business unit level. It monitored the company's performance in the context of Cyient's "Design-Build-Operate-Maintain" strategy. As always, the committee shared valuable perspectives on the



macro environment that encouraged some of the businesses to rethink certain elements of strategy execution by taking into account the impact of economic and geopolitical changes. The committee assessed various acquisition targets pursued by the company and its feedback ensured a more robust evaluation of business and financial metrics on these transactions.

On the Client Engagement front, the committee reviewed annual CSAT results and the actions being taken to improve customer and associate satisfaction.

It gave recommendations on how the CSAT process can be improved, which were taken into consideration by the management team in the FY19 survey.

In January 2019, the company organized a strategy off site attended by the board of directors and leadership team. The focus was on Cyient's articulation of Vision 2030 and an update on the AGILE framework (Ambition, Growth, Investment, and Leadership & Execution) that provides the basis to deliver the vision. The Board along with the management team discussed and debated several facets of the vision around business transformation, prioritizing investments, building new talent and developing a winning culture of the company. The recommendations resulting from the offsite have been incorporated into the AGILE execution plan.

The composition of the Strategy & Client Engagement Committee as on 31 March 2019 is as follows:

Name of the Member	Position
Andrea Bierce	Chairperson
Som Mittal	Member
Alain De Taeye	Member
John Paterson	Member
Vikas Sehgal*	Member

\*Mr. Vikas Sehgal appointed w.e.f. 17 October 2018.

The committee met four times during the year

#### Diversity & Inclusion Committee

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

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

Composition of the committee is as follows:

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

#### Role of company secretary in overall governance process

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

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

#### STATUTORY AND REGULATORY DISCLOSURES

Disclosure on Materially Significant Related Party Transactions:

The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimisation of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates.

All the contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on arm's length basis.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

None of the transactions with any of related parties were in conflict with the Company's interest.

The Company's policy on Materiality of Related Party transactions and on dealing with Related Party Transactions is uploaded on the Company's website and can be accessed at <https://www.cyient.com/investors/corporate-governance/>

## General Body Meetings

### (a) Annual General Meetings:

Year(s)	Date of AGM	Time	Venue	No. of special resolutions passed
2017-18	12 July 2018	3.00 PM	L&D Centre (company's campus), Plot No. 2, IT Park, Manikonda, Hyderabad- 500032, Telangana	Nil
2016-17	13 July 2017	3.00 PM	-do-	1
2015-16	29 August 2016	3:00 PM	-do-	Nil

### (b) Extraordinary General Meeting

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

### (c) Postal Ballot

During the year, the shareholders of the company passed no resolutions through postal ballot.

### (d) Procedure for postal ballot

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

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

### (e) Disclosures

- The Managing Director & CEO and Chief Financial Officer have given a Certificate to the Board as contemplated in SEBI (LODR) Regulations, 2015. This is published elsewhere in the Annual Report.
- There are no materially significant related party transactions please refer note No. 32 of the consolidated financial statements, forming part of this Annual Report
- There were no pecuniary transactions with any of the Non-Executive Directors, except payment of commission.
- A compliance report of all applicable laws and regulations duly signed by the Executive Chairman, Chief Financial Officer and the Company Secretary is placed at periodic intervals for review by the Board. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.
- The board considers materially important show cause/demand notices received from statutory authorities and the steps/action taken by the company in this regard. A status report of material legal cases and disputed liabilities pending before the various courts/judicial forums is also put up to the board on a quarterly basis. During the year the company received no such notices.

- The board of directors has laid-down a 'Code of Conduct' (Code) for all the board members and senior management personnel of the company and this Code is posted on the website of the Company. Annual declaration is obtained from every associate covered by the Code. The declaration of the Managing Director & CEO, as required under SEBI (LODR) Regulations, 2015, is published elsewhere in the Annual Report.

- The board regularly discusses the significant business risks identified by the management and the mitigation process being taken up. On a quarterly basis, the CEO also presents an update to the Board. 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.

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

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

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

- Mr. Krishna Bodanapu is the son of Mr. B.V.R. Mohan Reddy. There are no *inter-se* relationships between and among any other directors.

- The company is preparing its financial statements in line with the accounting standards prescribed under section 133 of the Companies Act, 2013.

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

- The board has accepted all recommendations made by the respective committees, as applicable.

### (f) Whistle blower policy

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations

and Disclosure Requirements), 2015 for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The Whistle blower Policy is available on the website of the Company i.e. [www.cyient.com](http://www.cyient.com). The company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements), 2015. The company implemented a web based/online mechanism under the whistle blower policy. This mechanism encompasses the entire trail from the login of a complaint to its eventual redressal. The system also affords a dial-in facility to associates in various languages across the countries where the company has its operations.

**(g) Subsidiary Companies**

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

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

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

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

**Mandatory**

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

**Non-Mandatory**

**a. Shareholder Rights**

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

**b. Audit qualification**

The Company is in the regime of unmodified audit opinion.

**c. Reporting of Internal Auditor**

The Internal Auditor directly reports to the Audit Committee.

**(j) CEO and CFO Certification**

The Chief Executive Officer and the Chief Financial Officer of the company have given certification on financial reporting and internal controls for the financial year 2018-19 to the Board of Directors at their meeting held on 25 April 2019, as required under regulation 17(8) of SEBI (LODR), Regulations, 2015.

**(k) Means of Communication**

**(i) Publication of results in newspapers**

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

**(ii) Website and News Release**

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

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

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

**(iii) Channels of Communication with the investors**

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

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

## (II) E-voting

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

## (m) Additional Shareholders' Information

### Annual General Meeting:

**Date** : 6 June 2019

**Time** : 3:00 PM

**Venue** : L&D Centre (company's campus), Plot No. 2, IT Park, Manikonda, Hyderabad-5000 032, Telangana

### Financial Calendar

Financial Year - 1 April 2018 to 31 March 2019

### Tentative calendar for declaration of financial results in financial year 2019-20

Results for the quarter ended	On or before
30 June 2019	18 July 2019
30 September 2019	17 October 2019
31 December 2019	16 January 2020
31 March 2020	23 April 2020

### Book Closure dates

The dates for book closure are from 3rd June, 2019 to 6th June, 2019 (both days inclusive) (both days inclusive).

### Date of Payment of Dividend

The directors have recommended a final dividend of ₹ 9/- per equity share of face value of ₹ 5.00 (180%) each for the financial year ended March 31, 2019. Subject to the approval of the shareholders, the dividend will be paid on 20 June 2019.

### Code of Conduct for prohibition of Insider trading

Your company has adopted a Code of conduct as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended in 2019. All Directors, Senior Management Personnel, person forming part of Promoter(s)/Promoter(s) Group(s) and such other Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. During the year, the Company had made due compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The code of conduct is available on the website of the Company i.e. [www.cyient.com](http://www.cyient.com) Company Secretary of the Company is appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

## Listing on Stock Exchanges

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

The listing fee for the financial year 2019-20 has been paid to both the stock exchanges.

### Stock Code:

a) Trading scrip code on BSE: 532175

b) Trading scrip code on NSE: CYIENT/EQ

c) ISIN of the company: INE136B01020

### Market Price Data

The Monthly high and low prices of your company's share at BSE and NSE for the year ended 31 March 2019 are as under:

(in ₹)

Month	NSE		BSE	
	High	Low	High	Low
Apr-2018	780.00	621.15	779.45	624.00
May-2018	887.00	731.10	887.00	727.90
Jun-2018	775.00	659.80	775.65	660.50
Jul-2018	777.70	670.65	778.00	674.00
Aug-2018	748.00	646.00	746.75	644.65
Sep-2018	819.50	690.65	821.00	660.00
Oct-2018	779.95	602.20	777.20	603.40
Nov-2018	670.60	592.80	672.00	591.05
Dec-2018	660.00	597.50	662.15	593.00
Jan-2019	637.00	570.90	636.20	571.10
Feb-2019	649.50	576.05	646.50	580.60
Mar-2019	693.80	642.95	692.30	642.00

### Share price performance in comparison to broad-based indices

Particulars	Share price v/s NSE		Share price v/s BSE	
	Share Price (in ₹)	Nifty	Share Price (in ₹)	BSE Sensex
As on 2 April 2018	687.70	10,211.80	686.25	33,255.36
As on 29 March 2019	649.45	11,623.90	647.95	38,672.91
Changes (%)	(5.56)	13.83	(5.58)	16.29

### Share Transfer System

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

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

Karvy Fintech Private Limited  
Unit: Cyient Limited  
Karvy Selenium Tower B, Plot 31&32,  
Financial District, Gachibowli,  
Nanakramguda, Hyderabad – 500 032, Telangana.  
Contact Person: Mr. Mohd Mohsin Uddin,  
Manager – Corporate Registry,  
Ph: 040- 6716 1562, Email: mohsin.mohd@karvy.com

#### Address for correspondence

Investors' correspondence may be addressed to Mr. Ravi Kumar Nukala, Dy. Company Secretary and any queries relating to the financial statements of the Company may be addressed to Mr. Piyush Parekh, Manager, Investor Relations at the Registered Office of the Company at 4<sup>th</sup> Floor, 'A' Wing, Plot No.11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081 Tel:+91-40-6764 1696 / 1537, E-mail : [company.secretary@cyient.com](mailto:company.secretary@cyient.com) / [Piyush.Parekh@cyient.com](mailto:Piyush.Parekh@cyient.com).

#### Secretarial Audit

Secretarial audit for the financial year 2018-19 was done by Mr. S Chidambaram, a Company Secretary in practice. It, *inter alia*, includes audit of compliances with the Companies Act, 2013, and the rules made under the Act, Listing Regulations

and applicable regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standard issued by the Institute of the Company Secretaries of India. The Secretarial Audit forms part of the Annual Report.

#### Reconciliation of Share Capital

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

#### Dematerialization of Shares and liquidity

Dematerialization of shares is done through M/s. Karvy Fintech Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents. As on 31 March 2019, 99.40% of the total shares have been dematerialized.

Total equity share capital as on 31 March 2019 was ₹ 55,55,72,945 comprising of 11,11,14,589 equity shares (previous year INR 56,29,80,010 comprising of 11,25,96,002 equity shares) of Rs.5/- each.

Particulars	No. of Shares	%
National Securities Depository Limited (NSDL)	10,65,95,952	95.93
Central Depository Services (India) Limited (CDSL)	38,52,925	3.47
Physical Shares	6,65,712	0.60
<b>Total</b>	<b>11,11,14,589</b>	<b>100.00</b>

#### Distribution Schedule as on 31 March 2019

No. of shares	No. of Shareholders	% of total shareholders	No. of shares	% to Total Capital
Upto – 500	32,843	95.97	28,76,529	2.59
501 - 1000	578	1.69	8,00,525	0.72
1001 - 2000	374	1.09	10,87,768	0.98
2001 - 3000	94	0.27	4,75,256	0.43
3001 - 4000	43	0.13	3,01,337	0.27
4001 - 5000	48	0.14	4,35,051	0.39
5001 - 10000	69	0.20	9,86,369	0.89
10001 and above	174	0.51	10,41,51,754	93.73
<b>Total</b>	<b>34,223</b>	<b>100.00</b>	<b>11,11,14,589</b>	<b>100.00</b>

## Distribution of Shareholding on the basis of ownership as on 31 March 2019

Category	No. of Holders	Total Shares	% to Equity
Promoters	11	2,49,83,036	22.48
Foreign Portfolio Investors	139	4,94,45,158	44.50
Mutual Funds	19	1,50,26,734	13.52
Insurance Companies	5	77,46,797	6.97
Resident Individuals	32,620	72,42,082	6.52
Non Resident Indians	1,014	31,02,148	2.79
Foreign Collaborators	1	15,00,000	1.35
Bodies Corporates	338	12,82,738	1.15
Foreign Nationals	21	2,81,827	0.26
Clearing Members	41	1,84,660	0.17
Trusts	5	1,62,380	0.15
I E P F	1	93,421	0.08
Banks	3	33,917	0.03
Alternative Investment Fund	3	29,366	0.03
NBFC	2	325	0
<b>Total</b>	<b>34,223</b>	<b>11,11,14,589</b>	<b>100.00</b>

## Shareholders of the company, having more than 1% shareholding as on 31 March 2019

S.No.	Name	Shares	%	Category
1	Vineyard Point Software Private Limited	1,12,56,634	10.13	Pro
2	Amansa Holdings Private Limited	74,35,341	6.69	FPI
3	Infocad Enterprises Private Limited	56,28,317	5.07	Pro
4	ICICI Prudential Life Insurance Company Limited	55,00,426	4.95	IC
5	T. Rowe Price International Discovery Fund	43,49,392	3.91	FPI
6	First State Investments ICVC- Stewart Investors AS	39,91,981	3.59	FPI
7	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund	36,26,204	3.26	MF
8	Fidelity Investment Trust Fidelity Series Emerging	35,26,987	3.17	FPI
9	Reliance Capital Trustee Co. Ltd- Reliance Etf Dividend Opportunities	34,42,414	3.10	MF
10	BVR Mohan Reddy	33,68,254	3.03	Pro
11	Franklin Templeton Mutual Fund A/C Franklin India Taxshield	33,40,758	3.01	MF
12	Government Pension Fund Global	24,05,832	2.17	FPI
13	RBC Emerging Markets Small - Cap Equity Fund	21,28,480	1.92	FPI
14	First State Investments ICVC- Stewart Investors	20,07,302	1.81	FPI
15	B G V Krishna	18,50,760	1.67	Pro
16	Bodanapu Sri Vaishnavi	17,93,008	1.61	Pro
17	Tele Atlas Data 'S Hertogenbosch B V	15,00,000	1.35	FC
18	Goldman Sachs India Limited	12,83,438	1.16	FPI
19	First State Investments ICVC- Stewart Investors GI	12,76,235	1.15	FPI
20	Highclere International Investors Emerging Markets	11,41,010	1.03	FPI

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

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

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

## Plant Locations

Details of locations of the company's offices are listed forms part of the Annual Report.

## Unclaimed Shares / Dividend

Unpaid / Unclaimed Dividends in accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority

In accordance with the said IEPF Rules and its amendments,

the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

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

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, during the financial year 2018-19, 31,179 shares were transferred to the Investor Education and Protection Fund.

Due dates for transfer of dividend unclaimed to IEPF are as follows:

Financial Year	Rate of Dividend	Amount of unclaimed dividend outstanding as on 31 March, 2019 (Rs.)	Date of Declaration of Dividend	Last date for claiming un-paid dividends by Investors	Due date for transfer to IEPF
2011-12 (Final)	25%	4,40,436	July 18, 2012	August 24, 2019	September 23, 2019
2012-13 (Interim)	40%	4,86,564	November 7, 2012	December 13, 2019	January 12, 2020
2012-13 (Final)	50%	6,87,668	July 18, 2013	August 24, 2020	September 23, 2020
2013-14 (Interim)	40%	4,23,770	October 17, 2013	November 23, 2020	December 22, 2020
2013-14 (Final)	60%	16,53,318	July 17, 2014	August 23, 2021	September 22, 2021
2014-15 (Interim)	60%	27,30,885	September 29, 2014	October 28, 2021	November 27, 2021
2014-15 (Final)	100%	19,75,975	July 16, 2015	August 22, 2022	September 21, 2022
2015-16 (1st interim)	60%	6,70,816	October 15, 2015	November 21, 2022	December 20, 2022
2015-16 (2nd Interim)	80%	6,86,572	March 17, 2016	April 23, 2023	May 22, 2023
2016-17 (Special)	50%	7,29,364	August 29, 2016	October 5, 2023	November 4, 2023
2016-17 (Interim)	60%	7,77,498	October 13, 2016	November 19, 2023	December 18, 2023
2016-17 (Final)	100%	10,00,150	July 13, 2017	August 19, 2024	September 18, 2024
2017-18 (1st Interim)	100%	21,48,860	October 12, 2017	November 15, 2024	December 14, 2024
2017-18 (2nd Interim)	80%	16,49,304	January 18, 2018	February 21, 2025	March 20, 2025
2017-18 (Final)	80%	14,06,096	July 12, 2018	August 18, 2025	September 17, 2025
2018-19 (Interim)	120%	929,148	October 17, 2018	November 20, 2025	December 19, 2025

The movement of unclaimed shares in the "Cyient Ltd – Unclaimed Suspense Account" during the year as follows:-

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 April 2018	53	32,778
Shareholders who approached the company for transfer of shares from suspense account during the year	3	2,460
Shareholders to whom shares were transferred from suspense account during the year	3	2,460
Shareholders whose shares are transferred to the demat account of the IEPF authority as per Section 124 of the Act	19	10,275
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March, 2019	31	20,043

The voting rights on the shares outstanding in the suspense account as on 31 March 2019 shall remain frozen till the rightful owner of such shares claims the shares.

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

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



The Members,  
Cyient Limited,  
Hyderabad.

**SUB:** Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

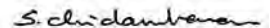
I, S. Chidambaram, Practicing Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of **CYIENT LIMITED** (CIN: L72200TG1991PLC013134) having its Registered Office at "4<sup>th</sup> Floor, 'A' Wing, Plot No.11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500081, Telangana State, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2019.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2019:

List of Director of the Company as on 31<sup>st</sup> March, 2019 :

Sl. No	DIN No	Name of the Director	Designation
1	00058215	Venkat Rama Mohan Reddy Bodanapu	Executive Chairman
2	05301037	Ganesh Venkat Krishna Bodanapu	Managing Director & CEO
3	00193357	Krishnan Ramachandran	Independent Director
4	00074842	Som Mittal	Independent Director
5	06997266	Andrea Higgins Bierce	Independent Director
6	07102549	Paterson John Paul	Independent Director
7	07797921	Vinai Kumar Thummalapally	Independent Director
8	05218876	Vikas Sehgal	Additional Director (Independent)
9	00170478	Murugappan Murugappan Muthiah	Non-executive & Non independent Director
10	03015749	Alain A De Taeye	Non-executive & Non independent Director

Signature:



**S. Chidambaram**

Practicing Company Secretary:

FCS No. 3935

C P No: 2286

Place: Hyderabad  
Date: 23 April 2019

## ASSOCIATE CAREER AND COMPETENCY PROGRESSION PLAN

As the organization gears toward building capabilities to become a technology partner of choice, it is critical to define an enabling career framework that helps sustain this goal.

With this in mind, we launched the Associate Career and Competency Progression initiative to redefine the technical career path for associates and describe the critical competencies for individual career progression.

Rail Transportation became the first business unit to work on this initiative. The response has been enthusiastic, and as we head into FY20, we look forward to its full-fledged roll-out across the business.



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

## TO THE MEMBERS OF CYIENT LIMITED

The accompanying abridged standalone Ind AS financial statements of **CYIENT LIMITED** ("the Company"), which comprise Abridged standalone Balance Sheet as at March 31, 2019, Abridged standalone Statement of Profit and Loss (including Other Comprehensive Income), Abridged Cash Flow Statement and Abridged Statement of Changes in Equity for the year then ended, and related notes, are derived from the audited standalone Ind AS financial statements of the Company for the year ended March 31, 2019. We expressed an unmodified audit opinion on those standalone Ind AS financial statements in our report dated April 25, 2019.

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

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

The Company's Board of Directors is responsible for the preparation of the abridged standalone Ind AS financial statements in accordance with the requirements specified under Section 136(1) read with Rule 10 of the Companies (Accounts) Rules, 2014, as amended, based on the audited standalone Ind AS financial statements of the Company for the year ended March 31, 2019, prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act and accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the abridged standalone Ind AS financial statements.

## Auditor's Responsibility

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

## Opinion

In our opinion and to the best of our information and explanations given to us, the abridged standalone Ind AS financial statements prepared in accordance with Rule 10 of the Companies (Accounts) Rules, 2014, as amended, derived from the audited standalone Ind AS financial statements of the Company for the year ended March 31, 2019 prepared in accordance with the Ind AS prescribed under Section 133 of the Act and accounting principles generally accepted in India, are a fair summary of those audited standalone Ind AS financial statements.

For **DELOITTE HASKINS & SELLS**

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



**C. Manish Muralidhar**

Partner

(Membership No. 213649)

Place : Hyderabad

Date : April 25, 2019

# INDEPENDENT AUDITOR'S REPORT

To The Members of Cyient Limited

Report on the Audit of the Standalone Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of Cyient Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone financial statements

in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>Refer Note 17A to the Standalone Financial Statements.</p>	<p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"><li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li><li>• Tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls.</li><li>• Performed the following procedures:<ul style="list-style-type: none"><li>• Analysed and identified the distinct performance obligations in the contracts.</li><li>• Compared these performance obligations with that identified and recorded by the Company.</li><li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li><li>• Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</li><li>• In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual efforts from the time recording system.</li></ul></li><li>• Sample of revenues were tested with the performance obligations specified in the underlying contracts.</li><li>• Performed analytical procedures for reasonableness of revenues disclosed by contract type and service offerings.</li></ul>



### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Management discussion & Analysis and Business responsibility report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

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

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



**C. Manish Muralidhar**  
Partner  
(Membership No. 213649)

Place : Hyderabad  
Date : April 25, 2019

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

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

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

We have audited the internal financial controls over financial reporting of Cyient Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
**C. Manish Muralidhar**

Partner

(Membership No. 213649)

Place : Hyderabad

Date : April 25, 2019

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) Some of the property, plant and equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noted on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of freehold land	Gross Block as at 31.03.2019 (₹ in million)	Net Block as at 31.03.2019 (₹ in million)	Remarks
Freehold land located at Nanakramguda Village, admeasuring 10 acres.	4	4	Pending completion of legal formalities relating to conveyance

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

- ii. The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- iii. According to the information and explanations given to us, the Company has granted loans, unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any outstanding unclaimed deposits as at March 31, 2019 and therefore, reporting under clause (v) of the Order is not applicable.
- vi. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Services Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.



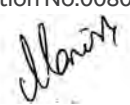
- (c) Details of dues of Sales Tax, Service Tax, and Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ in million)
Central Sales Tax Act, 1956	Sales Tax	Sales Tax Appellate Tribunal	2004-05 to 2009-10 & 2012-13	8
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Sales Tax Appellate Tribunal	2005-06 to 2009-10 & 2015-16	2
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal	2006-07 to 2010-11 & 2013-14 to 2015-16	130
Income Tax Act, 1961	Income Tax	The High Court of Telangana	2001-02, 2004-05	16
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2010-11	10
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2003-04, 2011-12	22

There are no dues of Customs Duty, as on March 31, 2019 on account of disputes.

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

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

  
**C. Manish Muralidhar**  
Partner  
(Membership No. 213649)

Place : Hyderabad  
Date : April 25, 2019


## Abridged Balance Sheet as at March 31, 2019

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,460	2,252
Capital work-in-progress	287	213
Intangible assets	204	292
Intangible assets under development	468	251
Financial assets		
(a) Investments	5,101	4,639
(b) Loans	491	127
(c) Other financial assets	197	193
Deferred tax assets (net)	194	167
Income tax assets (net)	320	392
Other non-current assets	462	507
<b>Total non-current assets</b>	<b>10,184</b>	<b>9,033</b>
<b>Current assets</b>		
Financial assets		
(a) Investments	278	1,130
(b) Trade receivables	5,079	4,151
(c) Cash and cash equivalents	6,998	7,200
(d) Other bank balances	129	66
(e) Loans	320	267
(f) Other financial assets	1,805	1,628
Other current assets	1,008	536
<b>Total current assets</b>	<b>15,617</b>	<b>14,978</b>
<b>Total assets</b>	<b>25,801</b>	<b>24,011</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	552	563
Other equity	21,813	20,051
<b>Total equity</b>	<b>22,365</b>	<b>20,614</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Provisions	863	701
<b>Total non-current liabilities</b>	<b>863</b>	<b>701</b>
<b>Current liabilities</b>		
Financial liabilities		
(a) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	1	1
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,962	1,932
(b) Other financial liabilities	137	173
Income tax liabilities (net)	48	44
Provisions	97	71
Other current liabilities	328	475
<b>Total current liabilities</b>	<b>2,573</b>	<b>2,696</b>
<b>Total liabilities</b>	<b>3,436</b>	<b>3,397</b>
<b>Total equity and liabilities</b>	<b>25,801</b>	<b>24,011</b>
Accompanying notes form an integral part of the abridged financial statements		

In terms of our report attached

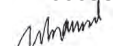
For **Deloitte Haskins & Sells**  
Chartered Accountants

  
**C. Manish Muralidhar**  
Partner

Place : Hyderabad  
Date : April 25, 2019

For and on behalf of the Board of Directors

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

  
**Ajay Aggarwal**  
President &  
Chief Financial Officer

Place : Hyderabad  
Date : April 25, 2019

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

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

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

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME</b>		
Revenue from operations	16,149	14,397
Other income	1,621	1,923
<b>Total income</b>	<b>17,770</b>	<b>16,320</b>
<b>EXPENSES</b>		
Employee benefits expense	7,546	6,758
Finance costs	11	6
Depreciation and amortisation expense	509	508
Other expenses	4,292	3,891
<b>Total expenses</b>	<b>12,358</b>	<b>11,163</b>
<b>Profit before exceptional item and tax</b>	<b>5,412</b>	<b>5,157</b>
Exceptional item	-	(103)
<b>Profit before tax</b>	<b>5,412</b>	<b>5,260</b>
<b>Tax expense</b>		
Current tax	1,179	1,285
Deferred tax	(174)	(43)
<b>Total tax expense</b>	<b>1,005</b>	<b>1,242</b>
<b>Profit for the year</b>	<b>4,407</b>	<b>4,018</b>
<b>Other comprehensive income (OCI)</b>		
(a) Items that will not be reclassified subsequently to statement of profit and loss:		
(i) Remeasurements of the net defined benefit liability	(65)	(1)
(ii) Equity instruments through other comprehensive income	2	-
(iii) Income tax relating to items that will not be reclassified to statement of profit and loss	16	-
(b) Items that will be reclassified subsequently to statement of profit and loss:		
(i) Effective portion of gains / (loss) on designated portion of hedging instruments in a cash flow hedge	468	(545)
(ii) Income tax on items that may be reclassified to statement profit and loss	(164)	189
<b>Total other comprehensive income</b>	<b>257</b>	<b>(357)</b>
<b>Total comprehensive income for the year</b>	<b>4,664</b>	<b>3,661</b>
<b>Earnings per equity share (par value of ₹ 5 each)</b>		
Basic (₹)	39.07	35.69
Diluted (₹)	39.01	35.54
Accompanying notes form an integral part of the abridged financial statements		

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

  
**C. Manish Muralidhar**  
Partner


Place : Hyderabad  
Date : April 25, 2019


For and on behalf of the Board of Directors

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

  
**Ajay Aggarwal**  
President &  
Chief Financial Officer

Place : Hyderabad  
Date : April 25, 2019

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

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

## • Abridged Statement of changes in equity for the year ended March 31, 2019

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

### a. Equity share capital

Particulars	Amount
<b>Balance as at March 31, 2017</b>	<b>563</b>
Issue of shares during the year*	-
<b>Balance as at March 31, 2018</b>	<b>563</b>
Issue of shares during the year	2
Shares bought back and extinguished during the year	(10)
Shares bought back pending extinguishment	(3)
<b>Balance as at March 31, 2019</b>	<b>552</b>

\*On issue of shares (under Company's associate stock option plan) during the previous year, the Company had received ₹ 0.15 rounded off.


### b. Other equity

Particulars	Surplus			Items of other comprehensive income		Total other equity
	Capital Redemption Reserve	Securities premium	General reserve	Stock option reserve	Retained earnings	
<b>Balance as at March 31, 2017</b>	-	3,850	5,289	206	8,588	18,259
Profit for the year	-	-	-	-	4,018	4,018
Other comprehensive income	-	-	-	-	(1)	(357)
<b>Total comprehensive income for the year</b>	-	-	-	-	4,017	3,661
Issue of shares under the Company's associate stock option plan	-	13	-	-	-	13
Stock option expense for the year	-	-	-	15	-	15
Dividends paid (including dividend distribution tax)	-	-	-	-	(1,897)	(1,897)
<b>Balance as at March 31, 2018</b>	-	3,863	5,289	221	10,708	20,051
Profit for the year	-	-	-	-	4,407	4,407
Other comprehensive income	-	-	-	-	(49)	257
<b>Total comprehensive income for the year</b>	-	-	-	-	4,358	4,664
Issue of shares under the Company's associate stock option plan	-	199	-	(179)	-	20
Stock option expense for the year	-	-	-	29	-	29
Dividends paid (including dividend distribution tax)	-	-	-	-	(1,269)	(1,269)
Buyback of equity shares	-	(1,655)	-	-	-	(1,655)
Transaction costs towards Buyback of equity shares	-	(27)	-	-	-	(27)
Amount transferred to capital redemption reserve upon Buyback	13	-	(13)	-	-	-
<b>Balance as at March 31, 2019</b>	<b>13</b>	<b>2,380</b>	<b>5,276</b>	<b>71</b>	<b>13,797</b>	<b>21,813</b>

Accompanying notes form an integral part of the abridged financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants


  
**C. Manish Muralidhar**  
Partner

For and on behalf of the Board of Directors



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

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

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

  
**Ajay Aggarwal**  
President &  
Chief Financial Officer

Place : Hyderabad  
Date : April 25, 2019

Place : Hyderabad  
Date : April 25, 2019



## Abridged Cash Flow Statement for the year ended March 31, 2019

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net cash flow from operating activities	2,281	2,399
Net cash from/(used in) investing activities	102	(122)
Net cash used in financing activities	(2,881)	(1,891)
Net increase in cash and cash equivalents	(498)	386
Cash and cash equivalents at the beginning of the year	7,200	6,516
Exchange differences on translation of foreign currency cash and cash equivalents	296	298
<b>Cash and cash equivalents at the end of the year [refer note (i) below]</b>	<b>6,998</b>	<b>7,200</b>
Notes:		
<b>(i) Cash and cash equivalents comprises of:</b>		
Balances with banks		
in current accounts	510	817
in deposit accounts	4,177	4,264
Deposits with financial institutions	2,241	1,955
Remittances in transit	70	164
<b>Total</b>	<b>6,998</b>	<b>7,200</b>
Accompanying notes form an integral part of the abridged financial statements		

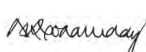
In terms of our report attached

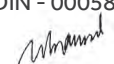
For **Deloitte Haskins & Sells**  
Chartered Accountants

  
**C. Manish Muralidhar**  
Partner


Place : Hyderabad  
Date : April 25, 2019

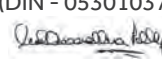
For and on behalf of the Board of Directors

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

  
**Ajay Aggarwal**  
President &  
Chief Financial Officer

Place : Hyderabad  
Date : April 25, 2019

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

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

# Notes forming part of the abridged financial statements

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

## 1. Corporate Information

(Refer to Note 1 of the standalone financial statements)

Cyient Limited ('Cyient' or 'the Company') is engaged in providing global technology services and solutions specialising in geospatial, engineering design, analytics, network and operations solutions. The Company is a public limited Company incorporated in India and has its headquarters and development facilities in India and serves a global customer base through its subsidiaries in the United States of America (USA), United Kingdom (UK), Germany, Japan, Australia, Singapore and India. Cyient's range of services include digitisation of drawings and maps, photogrammetry, computer aided design/engineering (CAD/CAE), design and modelling, repair development engineering, reverse engineering application software development, software products development, consulting, analytics and implementation. Cyient specialises in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets.

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

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

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

## 2. Related Party Transactions

(Refer to Note 22 of the standalone financial statements)

**(A)** The list of related parties of the Company is given below:

Name of the Subsidiaries	Country of incorporation	Extent of holding (%) as at	
		March 31, 2019	March 31, 2018
Cyient Europe Limited	UK	100%	100%
Cyient Inc.	USA	100%	100%
Cyient GmbH	Germany	100%	100%
Cyient KK [refer note (i) below]	Japan	14%	100%
Cyient Insights Private Limited [refer note (ii) below]	India	100%	51%
Cyient Australia Pty Limited	Australia	100%	100%
Cyient DLM Private Limited [refer note (iii) below]	India	100%	74%
Cyient Singapore Private Limited	Singapore	100%	100%
Cyient Israel India Limited [refer note (iv) below]	Israel	100%	100%
Cyient Engineering (Beijing) Limited [refer note (v) below]	China	-	-
Cyient Solutions and Systems Private Limited [refer note (vi) below]	India	51%	100%
Cyient Urban Micro Skill Centre Foundation [refer note (vii) below]	India	-	-

- (i) During the year, Cyient KK, Japan increased its paid-up capital from ₹ 5 to ₹ 39. The additional capital was infused by Cyient Australia Pty Limited. Consequently, Cyient Australia Pty Limited holds 86% of shareholding in Cyient KK, Japan and Cyient Limited holds the remaining 14% shareholding.
- (ii) During the year, the Company acquired the remaining 49% shareholding of 979,744 equity shares of ₹ 10 each in Cyient Insights Private Limited for a consideration of ₹ 35. Consequently, Cyient Insights Private Limited and its wholly owned subsidiary Cyient Insights LLC became wholly owned subsidiaries of the Company.
- (iii) During the year, the Company acquired remaining 26% shareholding of 355,420 equity shares of ₹ 10 each in Cyient DLM Private Limited for a consideration of ₹ 425, in accordance with the investment agreement dated January 02, 2015 and amendments thereon. Consequently, Cyient DLM Private Limited became wholly owned subsidiary of the Company.
- (iv) On July 18, 2016, the Company incorporated a wholly owned subsidiary, Cyient Israel India Limited, in Israel. During previous year, the subsidiary has commenced its commercial operations.
- (v) On March 25, 2016, the Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China. There is no investment in the subsidiary till March 31, 2019 and the subsidiary is yet to commence commercial operations.

- (vi) During the previous year, the Company subscribed to 49% share capital in Cyient Solutions and Systems Private Limited ("CSSPL"). The Company acquired 51% share capital in March 2018, increasing the shareholding to 100%. On April 11, 2018, CSSPL entered into a share purchase agreement with Bluebird Aero Systems Limited ("Bluebird"), wherein Bluebird acquired 49% shareholding in CSSPL.
- (vii) During the year, the Company incorporated a wholly owned Company Under Section 8 of the Companies Act, 2013, Cyient Urban Micro Skill Centre Foundation, to further the CSR activities of the Company.

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

#### Subsidiaries of Cyient Inc.:

Name of the Subsidiaries	Country of incorporation	Extent of holding (%) as at	
		March 31, 2019	March 31, 2018
Cyient Canada Inc.	Canada	100%	100%
Cyient Defense Services Inc.	USA	100%	100%
Certon Software Inc.*	USA	-	100%
Certon Instruments Inc.*	USA	-	100%
B&F Design Inc.**	USA	100%	100%
New Technology Precision Machining Co., Inc.***	USA	100%	-

\* Cyient Inc., acquired 100% stake of Certon Software Inc., USA (and its wholly owned subsidiary Certon Instruments Inc., USA) on February 8, 2017. Effective November 01, 2018, Certon Software Inc. has been merged with its holding company, Cyient Inc.. Certon Instruments Inc., a wholly owned subsidiary of Certon Software Inc., was dissolved during the year, prior to the said merger.

\*\* Cyient Inc., acquired 100% stake of B&F Design Inc., USA on January 24, 2018.

\*\*\* Cyient Inc., acquired 100% stake of New Technology Precision Machining Co., Inc., USA on April 4, 2018.

#### Subsidiaries of Cyient Europe Limited:

Name of the Subsidiaries	Country of incorporation	Extent of holding (%) as at	
		March 31, 2019	March 31, 2018
Cyient Benelux BV	Netherlands	100%	100%
Cyient Schweiz GmbH	Switzerland	100%	100%
Cyient SRO	Czech Republic	100%	100%
AnSem NV*	Belgium	100%	-
AnSem B.V.*	Netherlands	100%	-
Blom Aerofilms Limited **	UK	-	-

\* Cyient Europe Limited, acquired 100% of equity shares of AnSem NV, Belgium (and its wholly owned subsidiary AnSem BV, Netherlands) on April 26, 2018.

\*\* Cyient Europe Limited, UK, acquired 100% stake of Blom Aerofilms Limited, UK, on November 30, 2016. Effective from April 01, 2017, Blom Aerofilms Limited was merged in to Cyient Europe Limited.

#### Subsidiary of Cyient GmbH:

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

#### Subsidiary of Cyient Insights Private Limited:

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

\* Cyient Insights LLC, has been dissolved on February 15, 2019

**Subsidiary of Cyient DLM Private Limited :**

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

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

**Other related party:**

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

**Key Managerial Personnel (KMP):**

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

**Relative of Executive Chairman and Managing Director & CEO**

B. Ashok Reddy	President – Corporate Affairs & infrastructure
----------------	--

**(B) Summary of the transactions and balances with the above related parties:****(a) Transactions during the year:**

Nature of the transaction	Party name	For the year ended	
		March 31, 2019	March 31, 2018
Revenue from operations	Cyient Inc.	4,132	3,501
	Certon Software Inc.	-	35
	Cyient Europe Limited	1,016	1,057
	Cyient Benelux BV	491	369
	Cyient Schweiz GmbH	152	93
	Cyient S.R.O.	32	32
	Cyient GmbH	958	900
	Cyient AB	148	138
	Cyient Canada Inc.	212	149
	Cyient KK	376	235
	Infotech HAL Limited	-	1
	Cyient Australia Pty Limited	1,182	995
	Cyient Singapore Private Limited	44	98
	Cyient Israel Limited	9	-
Sub-contracting charges	Cyient Inc.	216	215
	Cyient Europe Limited	1	2
	Cyient Benelux BV	4	13
	Cyient S.R.O.	3	-
	Cyient GmbH	-	3
	Cyient AB	1	2
	Cyient Canada Inc.	2	4
	Cyient Insights Private Limited	35	83
	Cyient DLM Private Limited	24	9



Nature of the transaction	Party name	For the year ended	
		March 31, 2019	March 31, 2018
Reimbursement of Expenses (net)	Cyient Inc.	63	52
	Certon Software Inc.	-	(1)
	Cyient Europe Limited	(61)	(52)
	Cyient Benelux BV	5	1
	Cyient S.R.O.	(14)	(18)
	Cyient GmbH	(25)	(41)
	Cyient AB	(2)	8
	Cyient Canada Inc.	(9)	(9)
	Cyient KK	(5)	-
	Cyient Singapore Private Limited	-	(38)
	Cyient Insights Private Limited	(1)	1
	Cyient DLM Private Limited	(43)	(32)
	Cyient Australia Pty Limited	(2)	(131)
	Cyient Solutions and Systems Private Limited	(19)	-
Software purchases	Cyient Inc.	50	55
Corporate guarantee given to subsidiary's bankers	Cyient DLM Private Limited	850	1,760
	Cyient Inc.	381	430
	Cyient Defense Services Inc.	-	215
	Cyient GmbH	-	368
	Cyient Europe Limited	1,283	358
	Cyient Australia Pty Limited	213	-
	Cyient Solutions and Systems Private Limited	3	50
Corporate guarantee given to subsidiary's bankers liquidated	Cyient Inc.	1,110	326
	Cyient GmbH	-	368
	Cyient Europe Limited	-	183
	Cyient DLM Private Limited	540	-
Other income on corporate guarantee given to subsidiary's bankers	Cyient Australia Pty Limited	2	1
	Cyient Europe Limited	11	3
	Cyient GmbH	2	2
	Cyient Inc.	9	11
	Cyient S.R.O.	1	1
	Cyient Singapore Private Limited	2	2
Investments in subsidiaries	Cyient Israel limited	-	32
	Cyient DLM Private Limited #	425	3
	Cyient Insights Private Limited	35	-
	Cyient Solutions and Systems Private Limited	-	0.2
Disposal of investment in associate	Infotech Aerospace Services Inc.	-	(11)
Advances given / (recovered)	Cyient KK	-	(110)
	Infotech HAL Limited	3	4
	Cyient Solutions and Systems Private Limited	(137)	137
Loans given	Cyient Insights Private Limited	16	11
	Cyient DLM Private Limited	120	385
	Cyient Solutions and Systems Private Limited	282	-
Loans recovered	Cyient DLM Private Limited	-	270
Interest on Loans given	Cyient Insights Private Limited	13	10
	Cyient DLM Private Limited	26	20
	Cyient Solutions and Systems Private Limited	23	-

Nature of the transaction	Party name	For the year ended	
		March 31, 2019	March 31, 2018
Rental Income	Infotech HAL Limited	1	1
	Cyient Insights Private Limited	3	3
	Cyient Solutions and Systems Private Limited	0.2	-
Dividend from associate	Infotech Aerospace Services Inc.	-	589
Dividend from Subsidiary	Cyient Australia Pty Limited	457	-
CSR expenditure	Cyient Foundation	74	68

# During the previous year, ₹ 3 paid to the promoters of Cyient DLM Private Limited, by way of an indemnity claim, defined by the share purchase agreement.

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

Nature of the transaction	Party name	For the year ended	
		March 31, 2019	March 31, 2018
Short-term benefits	Executive Chairman, Managing Director & CEO and Executive Officers <sup>#1</sup>	227	207
Dividend paid during the year	Executive Chairman and Managing Director & CEO	52	73
Commission and other benefits	Non-Executive and Independent Directors	13	11

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

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

Nature of the balance	Party name	As at	
		March 31, 2019	March 31, 2018
Trade Receivables	Cyient Inc.	1,517	1,279
	Certon Software Inc.	-	37
	Cyient Europe Limited	945	418
	Cyient Benelux BV	99	119
	Cyient Schweiz GmbH	-	12
	Cyient S.R.O.	121	92
	Cyient GmbH	12	36
	Cyient AB	26	12
	Cyient Canada Inc.	89	143
	Cyient KK	131	131
	Infotech HAL Limited	24	26
	Cyient Australia Pty Limited	483	196
	Cyient Insights Private Limited	14	9
	Cyient DLM Private Limited	114	71
	Cyient Singapore Private Limited	33	40
	Cyient Israel Limited	9	-
	Cyient Solutions and Systems Private Limited	19	-
Unbilled Revenue	Cyient Inc.	241	176
	Cyient Canada Inc.	4	17
	Cyient Europe Limited	84	122
	Cyient S.R.O.	4	11
	Cyient Benelux BV	25	48
	Cyient GmbH	69	177
	Cyient Schweiz GmbH	6	1
	Cyient AB	13	40
	Cyient KK	4	2
	Cyient Australia Pty Limited	116	102
	Cyient Singapore Private Limited	37	54

Nature of the balance	Party name	As at	
		March 31, 2019	March 31, 2018
Advance from subsidiaries	Cyient Australia Pty Limited	-	125
	Cyient GmbH	-	85
Trade payables	Cyient Inc.	713	434
	Cyient Europe Limited	11	58
	Cyient Benelux BV	35	62
	Cyient AB	43	41
	Cyient Singapore Private Limited	33	20
	Cyient S.R.O.	4	1
	Cyient GmbH	82	80
	Cyient KK	38	193
	Cyient Insights Private Limited	8	6
	Cyient Canada Inc.	35	32
	Cyient Australia Pty Limited	90	65
Other receivables	Cyient Inc.	34	55
	Cyient Canada Inc.	1	2
	Cyient Europe Limited	6	7
	Cyient Benelux BV	1	2
	Cyient Defense Services Inc.	-	1
	Cyient KK	1	1
	Cyient Australia Pty Limited	9	12
	Cyient Singapore Private Limited	1	2
Corporate guarantee given to subsidiary's bankers	Cyient Inc.	1,447	2,113
	Cyient Defense Services Inc.	228	215
	Cyient Europe Limited	1,890	586
	Cyient S.R.O	132	139
	Cyient GmbH	358	368
	Cyient DLM Private Limited	5,280	4,970
	Cyient Australia Pty Limited	381	158
	Cyient Singapore Private Limited	388	365
	Cyient Solutions and Systems Private Limited	53	50
Commitments	Cyient Europe Limited	552	569
Advances outstanding	Infotech HAL Limited	15	12
	Cyient Solutions and Systems Private Limited	-	137
Loans outstanding	Cyient Insights Private Limited	143	127
	Cyient DLM Private Limited	385	265
	Cyient Solutions and Systems Private Limited	282	-
Interest on loans outstanding	Cyient DLM Private Limited	36	21
Short-term benefits payable	Executive Chairman and Managing Director & CEO	138	129
Commission and other benefits payable	Non-Executive and Independent Directors	13	11

### 3. Buyback of Equity shares

(Refer to Note 11A of the standalone financial statements)

The Board of Directors, at its meeting held on February 01, 2019, approved Buyback of the Company's fully paid-up equity shares of face value of ₹ 5 each from the eligible equity shareholders of the Company other than promoters, promoter group and persons who are in control of the company, at a price not exceeding ₹ 700 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹ 2,000 (Maximum Buyback size), payable in cash from the open market route through the stock exchange mechanism under the Buyback Regulations and the Companies Act. The Buyback shall not exceed ₹ 2,000 (Maximum Buyback size) excluding the transaction charges. The Maximum Buyback Size represents 9.79% of aggregate of the Company's paid up equity capital and free reserves based on the audited financial statements of the Company as at March 31, 2018, which is in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Section 68(2) of Companies Act, 2013.

As of March 31, 2019, the scheme of Buyback was open, the Company bought back 2,570,518 equity shares as resulting in total cash consideration of ₹ 1,695 (including ₹ 27 towards transaction costs of Buyback). Out of 2,570,518 equity shares bought back, the Company extinguished 1,930,102 shares as at March 31, 2019 and the remaining were extinguished in the month of April 2019 as per the records of the depositories. In line with the requirement of Companies Act, 2013, an amount of ₹ 1,682 have been utilised from the securities premium account for the Buyback. Further, capital redemption reserve of ₹ 13, representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.

The Buyback commenced on February 12, 2019 and closed on April 11, 2019. The Company bought back an aggregate of 3,123,963 equity shares, utilizing a total of ₹ 2,000 (excluding transaction costs of Buyback), which represents 99.99% of the maximum Buyback size.

#### 4. Earnings per share

(Refer to Note 23 of the standalone financial statements)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Profit after tax	4,407	4,018
<b>Basic:</b>		
Number of shares outstanding at the year end	110,474,173	112,596,002
Weighted average number of equity shares	112,789,308	112,578,461
<b>Earnings per share (₹)</b>	<b>39.07</b>	<b>35.69</b>
<b>Diluted:</b>		
Effect of potential equity shares on ASOPs & RSUs outstanding	167,866	477,065
Weighted average number of equity shares outstanding	112,957,174	113,055,526
<b>Earnings per share (₹)</b>	<b>39.01</b>	<b>35.54</b>

#### 5. Segment information

(Refer to Note 27 of the standalone financial statements)

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

#### 6. Exceptional item

(Refer to Note 25 of the standalone financial statements)

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

#### 7. Contingent liabilities and commitments

(Refer to Note 21 of the standalone financial statements)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>(A) Contingent liabilities:</b>		
Claims against the Company not acknowledged as debt (refer note (i) to (vi) below)	456	490
Guarantees (refer note (vii) below)	10,157	8,964
	<b>10,613</b>	<b>9,454</b>
<b>(B) Commitments:</b>		
Contracts remaining to be executed on capital account and not provided for (net of capital advances)	297	297
Financial support to a subsidiary company	552	569
	<b>849</b>	<b>866</b>
<b>Total</b>	<b>11,462</b>	<b>10,320</b>



Notes:

- (i) The Company disputed various demands raised by income tax authorities for the assessment years 1997-98, 1999-00 to 2002-03, 2004-05 to 2005-06, 2009-10, 2011-12, 2013-14 to 2015-16 (March 31, 2018-1997-98, 1999-00 to 2002-03, 2004-05 to 2005-06, 2009-10, 2011-12, 2013-14 to 2015-16) which are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 158 (March 31, 2018 - ₹ 138). The Company is confident that these appeals will be decided in its favour.
- (ii) The Company disputed various demands raised by the sales tax authorities for the financial years 2004-05 to 2009-10, 2012 - 13 and 2015-16 (March 31, 2018 - 2004-05 to 2009-10, 2012-13 and 2015-16). The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 20 (March 31, 2018 - ₹ 20). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
- (iii) The Company disputed various demands raised by the service tax authorities for the financial years 2006-07 to 2015-16 (March 31, 2018 - 2006-07 to 2015-16). The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 141 (March 31, 2018 - ₹ 141). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
- (iv) The Company is contesting certain pending service tax refunds amounting to ₹ 45 (March 31, 2018 : ₹ 73) at various appellate authorities. The Company is confident that these appeals will be decided in its favour.
- (v) During the year 2014-15, the Company received an order from Provident Fund authorities regarding provident fund (PF) payments on certain allowances given by the Company to its employees for the years 2010-11 to 2012-13. Against this, the Company made a provision along with interest on the same, during the current year. Consequent to the above order, the Company is in process of evaluating the implication, if any, for the periods subsequent to the above order. Currently, the amount is indeterminable.
- (vi) During the financial year 2015-16, the Government of India notified an amendment to the Payment of Bonus Act, 1961 whereby the applicable slabs as well as coverage limit was enhanced. The said amendment was made effective April 1, 2014. The Company has contested the retrospective applicability of the amendment for the financial year 2014-15 in the High Court of Judicature at Hyderabad for the states of Telangana and Andhra Pradesh. The aggregate amount of liability pertaining to the financial year 2014-15, not provided for, is ₹ 92 (March 31, 2018 - ₹ 92).
- (vii) Corporate guarantee given to subsidiary's bankers to obtain line of credit ₹ 10,157 (March 31, 2018 - ₹ 8,964).
- (C) The Company has certain outstanding export obligations/commitments as at March 31, 2019 and March 31, 2018. Further, the Company has certain commitments to bankers relating to receivables factoring arrangements entered with them in respect of receivables from few customers. These factoring arrangements are without recourse to the Company and in the normal course of business. The Company is confident of meeting these commitments arising from such arrangements.

## 8. Cash and Bank Balances

(Refer to Note 10 of the standalone financial statements)

### 8A. Cash and cash equivalents

Particulars	As at	
	March 31, 2019	March 31, 2018
Balances with banks		
in current accounts	510	817
in deposit accounts	4,177	4,264
Deposits with financial institutions	2,241	1,955
Remittances in transit	70	164
<b>Total</b>	<b>6,998</b>	<b>7,200</b>

## 8B. Other bank balances

Particulars	As at	
	March 31, 2019	March 31, 2018
Unpaid dividend/ASOP account	24	14
Balance in escrow account (refer note below)	50	-
Deposits held as margin money/security for bank guarantees	55	52
<b>Total</b>	<b>129</b>	<b>66</b>

**Note:** The Company has deposited an amount of ₹ 50 (March 31, 2018: ₹ Nil) in escrow account (2.5% of the amount earmarked for Buyback) and furnished an irrevocable and unconditional bank guarantee of ₹ 500 (March 31, 2018: ₹ Nil) (25% of the maximum Buyback size) towards security for the performance and compliance of its obligations under the Regulation 20 of the Buyback Regulations.

## 9. Revenue from contracts with customers

(Refer to Note 17A of the standalone financial statements)

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

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

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Revenue from services	16,149	14,397
<b>Total revenue from operations</b>	<b>16,149</b>	<b>14,397</b>

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

### 1. Disaggregated revenue information

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

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
<b>Revenues by Contract type</b>		
Fixed-price	4,235	3,700
Time and Material	11,850	10,563
Maintenance	64	134
<b>Total</b>	<b>16,149</b>	<b>14,397</b>
<b>Revenues by Geography</b>		
North America	7,589	6,430
Europe	5,490	5,359
Asia Pacific (including India)	3,070	2,608
<b>Total</b>	<b>16,149</b>	<b>14,397</b>

#### Fixed-price

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

### Time and Material

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

### Maintenance

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

## 2. Trade receivables and contract balances

Particulars	As at	
	March 31, 2019	March 31, 2018
Trade receivables	5,079	4,151
Unbilled revenue	1,027	1,018
Unearned revenue	62	49

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

### Movement in unbilled revenue:

Particulars	As at	
	March 31, 2019	March 31, 2018
Opening balance	1,018	863
Add: Revenue recognised during the year	4,625	5,636
Less : Invoiced during the year	(4,616)	(5,467)
Less : Impairment / (reversal) during the year	-	(14)
<b>Closing balance</b>	<b>1,027</b>	<b>1,018</b>

### Movement in unearned revenue:

Particulars	As at	
	March 31, 2019	March 31, 2018
Opening balance	49	17
Less : Revenue recognised during the year	(403)	(376)
Add: Invoiced during the year but not recognized as revenue	416	408
<b>Closing balance</b>	<b>62</b>	<b>49</b>

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

## 10. Employee benefits expense

(Refer to Note 18 of the standalone financial statements)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Salaries and wages	6,577	5,895
Contribution to provident and other funds	481	452
Social security and other benefits to overseas employees	16	17
Stock option expense	16	27
Staff welfare expenses	514	400
Less: Capitalised	(58)	(33)
<b>Total</b>	<b>7,546</b>	<b>6,758</b>

## 11. Other expenses

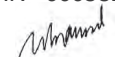
(Refer to Note 20 of the standalone financial statements)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent including lease rentals	548	403
Rates and taxes	50	36
Insurance	17	10
Travelling and conveyance	628	665
Sub-contracting charges	512	481
Communication	121	134
Printing and stationery	17	19
Power and fuel	208	200
Marketing and advertising expenses	43	55
Repairs and maintenance		
- Buildings	10	19
- Machinery	868	753
- Others	82	74
Non executive directors commission	13	11
Legal and professional charges	427	337
Expenditure for corporate social responsibility	74	73
Provision for doubtful debts (net)	52	15
Auditors' remuneration	22	21
Recruitment expenses	36	43
Training and development	75	49
Software charges	156	135
Electoral bonds	40	-
Miscellaneous expenses	293	358
<b>Total</b>	<b>4,292</b>	<b>3,891</b>

12. These financial statements were approved by the Company's Board of Directors on April 25, 2019.

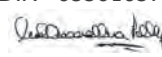
### For and on behalf of the Board of Directors

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

  
**Ajay Aggarwal**  
 President &  
 Chief Financial Officer

Place : Hyderabad  
 Date : April 25, 2019

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

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



## EARLY CAREER INITIATIVES

From increasing the number of applications to developing innovative techniques for engaging and attracting top candidates, Cyient is continuously evolving to embrace best-in-class and trend-setting talent acquisition practices. In FY19, we upgraded our recruitment policies across geographies to hire more young talent directly from educational institutions.

From on-campus recruitment drives at some of India's premier institutes, to introducing a digital model to invite a higher number of applications, to engaging in a "train to hire" model for entry-level talent in North America, and leveraging our brand to increase appointment of graduates and interns at Cyient from one of Europe's leading technical universities—we have taken critical initiatives to meet our increased skill demand.



# INDEPENDENT AUDITOR'S REPORT

## To The Members of Cyient Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Cyient Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of profit in its joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries, and joint venture referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	<p>We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"><li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li><li>• Tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls.</li><li>• Performed the following procedures:<ul style="list-style-type: none"><li>• Analysed and identified the distinct performance obligations in the contracts.</li><li>• Compared these performance obligations with that identified and recorded by the Group.</li><li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li></ul></li></ul>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>Refer Note 21 to the Consolidated Financial Statements.</p>	<ul style="list-style-type: none"> <li>• Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</li> <li>• In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual efforts from the time recording system.</li> <li>• Sample of revenues were tested with the performance obligations specified in the underlying contracts.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by contract type and service offerings.</li> </ul>
2	<p>Acquisition of businesses within the Group are recognised and accounted in the books in accordance with Ind AS 103 Business Combinations.</p> <p>The application of the accounting standard involves key management judgements relating to recognition and the valuation of assets and liabilities acquired, at fair values and the resultant goodwill. Refer Note 33 to the Consolidated Financial Statements.</p> <p>The carrying value of Goodwill resulting from such business combinations aggregated ₹ 5,257 million as at March 31, 2019. Significant judgement is required by management in assessing the Goodwill impairment, if any, annually, which is determined using valuation techniques. The valuation is largely based on expected future cash flows, taking into account estimated growth rates and assumption with regard to discount rates.</p> <p>The assessment of impairment involves significant judgements and estimates. As such we consider this as a key audit matter.</p>	<p>For assessing the impairment, we have verified the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the internal sources and external sources of information to identify impairment indicators.</li> <li>• Assessed the reasonableness of key assumptions such as revenue growth rates and gross margin by comparing to commercial contracts and historical trend analyses used in development of free cash flows by the management.</li> <li>• Assessed the discount rates by making reference to comparable companies within the same industry.</li> <li>• Reviewed the minutes of the board of directors, management plans for the foreseeable future and events / factors which have an impact on the relevant business.</li> <li>• Evaluated management's sensitivity analysis around the key assumptions, to ascertain the extent of change in those assumptions that either individually or collectively would impact impairment analysis.</li> <li>• Involved internal specialist teams for testing the key assumptions and methodology used in the valuation of goodwill.</li> <li>• We analysed the board approved financial projections considered for assessment of investments values and significant management assumptions involved. These projections were evaluated for sensitivity of significant assumptions considered, which will have adverse impact on the recoverable value of such investments.</li> <li>• Tested the accounting entries of business combinations for the acquisition entries recorded during the financial year to verify if these were in accordance with Ind AS 103.</li> <li>• Held discussions with the Component Auditors for business combinations accounted in components not audited by us to verify compliance with the accounting standards.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Management discussion & Analysis and Business responsibility report, but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, and joint venture, is traced from their financial statements audited by other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

## Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors



remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of sixteen subsidiaries whose financial statements reflect total assets of ₹ 15,254 million as at March 31, 2019, total revenues of ₹ 18,803 million and net cash outflows amounting to ₹ 389 million 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 ₹ 5 million for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid

subsidiaries and joint venture is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint venture referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture company incorporated in India, none of the directors of the Group companies and joint venture company incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial

controls over financial reporting of those companies.

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint venture;

- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS**

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



**C. Manish Muralidhar**

Partner

(Membership No. 213649)

Place: Hyderabad  
Date: April 25, 2019

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

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Cyient Limited (hereinafter referred to as "Parent") and its subsidiary companies and joint venture, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates three subsidiary companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

  
**C. Manish Muralidhar**  
Partner  
(Membership No. 213649)

Place: Hyderabad  
Date: April 25, 2019



# Consolidated Balance Sheet as at March 31, 2019

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

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,530	3,220
Capital work-in-progress		300	213
Goodwill	4	5,257	3,549
Intangible assets	5	993	1,206
Intangible assets under development	5	740	302
Financial assets			
(a) Investments	6	267	298
(b) Other financial assets	7	316	270
Deferred tax assets (net)	18.2	294	321
Income tax assets (net)	18.3	716	755
Other non-current assets	8	626	736
<b>Total non-current assets</b>		<b>13,039</b>	<b>10,870</b>
<b>Current assets</b>			
Inventories	9	1,833	1,312
Financial assets			
(a) Investments	6	278	1,130
(b) Trade receivables	10	8,137	6,913
(c) Cash and cash equivalents	11A	9,072	9,603
(d) Other bank balances	11B	633	204
(e) Other financial assets	7	4,226	3,384
Other current assets	8	1,674	910
<b>Total current assets</b>		<b>25,853</b>	<b>23,456</b>
<b>Total assets</b>		<b>38,892</b>	<b>34,326</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	12	552	563
Other equity	13	25,089	22,876
<b>Equity attributable to Shareholders of the Company</b>		<b>25,641</b>	<b>23,439</b>
Non-controlling interests	14	(19)	3
<b>Total equity</b>		<b>25,622</b>	<b>23,442</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(a) Borrowings	15	1,116	630
(b) Other financial liabilities	16	697	353
Provisions	17	1,137	878
Deferred tax liabilities (net)	18.2	405	356
Income tax liabilities (net)	18.3	20	20
Other non-current liabilities	19	-	26
<b>Total non-current liabilities</b>		<b>3,375</b>	<b>2,263</b>
<b>Current liabilities</b>			
Financial liabilities			
(a) Borrowings	15	2,137	1,780
(b) Trade payables	20		
(i) total outstanding dues of micro enterprises and small enterprises		13	1
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,699	3,812
(c) Other financial liabilities	16	874	1,256
Income tax liabilities (net)	18.3	424	316
Provisions	17	289	229
Other current liabilities	19	2,459	1,227
<b>Total current liabilities</b>		<b>9,895</b>	<b>8,621</b>
<b>Total liabilities</b>		<b>13,270</b>	<b>10,884</b>
<b>Total equity and liabilities</b>		<b>38,892</b>	<b>34,326</b>
Corporate information and significant accounting policies	1 & 2		
Accompanying notes form an integral part of the consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**C. Manish Muralidhar**  
Partner

Place : Hyderabad  
Date : April 25, 2019

For and on behalf of the Board of Directors

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

**Ajay Aggarwal**  
President &  
Chief Financial Officer

Place : Hyderabad  
Date : April 25, 2019

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

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

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

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

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME</b>			
Revenue from operations	21	46,175	39,175
Other income	22	1,340	1,519
<b>Total income</b>		<b>47,515</b>	<b>40,694</b>
<b>EXPENSES</b>			
Employee benefits expense	23	25,374	21,877
Cost of materials consumed	24	3,936	3,272
Purchase of stock-in-trade		108	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	141	(201)
Excise duty		-	36
Finance costs	26	326	204
Depreciation and amortisation expense	27	1,114	1,052
Other expenses	28	10,288	8,837
<b>Total expenses</b>		<b>41,287</b>	<b>35,077</b>
<b>Profit before exceptional item, share of profit/(loss) from associate, joint venture and tax</b>		<b>6,228</b>	<b>5,617</b>
Exceptional item	36	35	50
<b>Profit before share of profit/(loss) from associate, joint venture and tax</b>		<b>6,193</b>	<b>5,567</b>
Share in loss of associate	6(iv)	-	(160)
Share in profit of joint venture	6(v)	5	4
<b>Profit before tax</b>		<b>6,198</b>	<b>5,411</b>
<b>Tax expense</b>			
Current tax	18.1	1,512	1,493
Deferred tax	18.1	(85)	(113)
<b>Total tax expense</b>		<b>1,427</b>	<b>1,380</b>
<b>Profit for the year</b>		<b>4,771</b>	<b>4,031</b>
<b>Other comprehensive income (OCI)</b>			
(a) Items that will not be reclassified subsequently to statement of profit and loss:			
(i) Remeasurements of the net defined benefit liability	17(i)	(70)	(7)
(ii) Equity instrument through other comprehensive income	13	14	166
(iii) Income tax relating to items that will not be reclassified to statement of profit and loss	18.1 (B)	14	(48)
(b) Items that will be reclassified subsequently to statement of profit and loss:			
(i) Exchange differences in translating the financial statements of foreign operations	13	67	326
(ii) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge	13	467	(543)
(iii) Income tax on items that may be reclassified to statement of profit and loss	18.1 (B)	(164)	187
<b>Total other comprehensive income for the year</b>		<b>328</b>	<b>81</b>
<b>Total comprehensive income for the year</b>		<b>5,099</b>	<b>4,112</b>
<b>Profit for the year attributable to:</b>			
- Shareholders of the Company		4,785	4,054
- Non-controlling interests		(14)	(23)
		<b>4,771</b>	<b>4,031</b>
<b>Other comprehensive income for the year attributable to:</b>			
- Shareholders of the Company		329	82
- Non-controlling interests		(1)	(1)
		<b>328</b>	<b>81</b>
<b>Total comprehensive income for the year attributable to:</b>			
- Shareholders of the Company		5,114	4,136
- Non-controlling interests		(15)	(24)
		<b>5,099</b>	<b>4,112</b>
<b>Earnings per equity share (par value of ₹ 5 each)</b>	29		
Basic (₹)		42.43	36.00
Diluted (₹)		42.36	35.85
Corporate information and significant accounting policies	1 & 2		
Accompanying notes form an integral part of the consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**C. Manish Muralidhar**  
Partner

Place : Hyderabad  
Date : April 25, 2019

For and on behalf of the Board of Directors

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

**Ajay Aggarwal**  
President &  
Chief Financial Officer

Place : Hyderabad  
Date : April 25, 2019

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

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

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

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

### A. Equity share capital

Particulars	Note	Amount
<b>Balance at March 31, 2017</b>		<b>563</b>
Issue of shares during the year *	12A	-
<b>Balance as at March 31, 2018</b>		<b>563</b>
Issue of shares during the year		2
Shares bought back and extinguished during the year	12A	(10)
Shares bought back and pending extinguishment		(3)
<b>Balance as at March 31, 2019</b>		<b>552</b>

\*On issue of shares (under the Company's associate stock option plan) during the previous year, the company had received ₹ 0.15 rounded off.

### B. Other equity

Particulars	Note	Attributable to shareholders of the Company						Items of other comprehensive income				Non-con- trolling Interests	Total other equity
		Capital redem- tion reserve	Secur- ities premium	General reserve	Stock option re- serve	Re- tain- ed earn- ings	Gross ob- ligation liability to acquire non-con- trolling interest	Capital reserve	Cash flow hedge re- serve	Foreign cur- rency trans- lation Reserve	Equity instru- ments through OCI		
<b>Balance at March 31, 2017</b>		-	3,850	5,155	206	11,433	(616)	32	327	223	-	26	20,636
Profit for the year		-	-	-	-	4,054	-	-	-	-	-	(23)	4,031
Other comprehensive income		-	-	-	-	(6)	-	-	(356)	326	117	-	81
<b>Total comprehensive income for the year</b>		-	-	-	-	4,048	-	-	(356)	326	117	(23)	4,112
Issue of shares under Company's associ- ate stock option plan	13	-	13	-	-	-	-	-	-	-	-	-	13
Stock option expense for the year	13	-	-	-	15	-	-	-	-	-	-	-	15
Dividends paid (including dividend distribution tax)	38	-	-	-	-	(1,897)	-	-	-	-	-	-	(1,897)
<b>Balance as at March 31, 2018</b>		-	3,863	5,155	221	13,584	(616)	32	(29)	549	117	3	22,879
Profit for the year		-	-	-	-	4,785	-	-	-	-	-	(14)	4,771
Other comprehensive income		-	-	-	-	(52)	-	-	303	67	11	(1)	328
<b>Total comprehensive income for the year</b>		-	-	-	-	4,733	-	-	303	67	11	(15)	5,099
Carry forward of capital reserve on ac- quisition of subsidiary	13	-	-	-	-	-	-	3	-	-	-	-	3
Amount transferred to capital redemption reserve upon buyback of equity shares	13	13	-	(13)	-	-	-	-	-	-	-	-	-
Issue of shares under Company's associ- ate stock option plan	13	-	199	-	(179)	-	-	-	-	-	-	-	20
Buyback of equity shares	13	-	(1,655)	-	-	-	-	-	-	-	-	-	(1,655)

Contd.

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

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

## B. Other equity

	Particulars	Note	Attributable to shareholders of the Company										Non-con- trolling Interests	Total other equity
			Surplus							Items of other comprehensive income				
			Capital redemp- tion reserve	Secur- ities premium	General reserve	Stock option re- serve	Re- tain- ed earn- ings	Gross ob- ligation liability to acquire non-con- trolling interest	Capital reserve	Cash flow hedge re- serve	Foreign cur- rency trans- lation Reserve	Equity instru- ments through OCI		
Transaction costs towards Buyback of equity shares	13	-	(27)	-	-	-	-	-	-	-	-	-	-	(27)
Stock option expense for the year	13	-	-	-	-	29	-	-	-	-	-	-	-	29
Impact on dissolution of subsidiary	13	-	-	-	-	-	-	-	-	-	-	24	-	24
Transfer of gain to retained earnings on disposal of equity instruments through OCI	13	-	-	-	-	-	-	109	-	-	-	-	(109)	-
Net impact on settlement of gross obligation to acquire non-controlling interest	13	-	-	-	-	-	-	(191)	616	-	-	-	-	425
Net impact on acquisition of non-con- trolling interest	14	-	-	-	-	-	-	(451)	-	-	-	-	-	(9)
Dividends paid (including dividend distri- bution tax)	38	-	-	-	-	-	-	(1,269)	-	-	-	-	-	(1,269)
Other adjustments		-	-	-	-	-	-	-	-	-	-	-	-	2
Balance as at March 31, 2019		13	2,380	5,142	71	16,515	-	35	274	640	19	(19)	25,070	

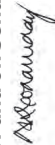
Accompanying notes form an integral part of the consolidated financial statements

In terms of our report attached

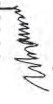
For **Deloitte Haskins & Sells**  
Chartered Accountants

  
**C. Manish Muralidhar**  
Partner

For and on behalf of the Board of Directors

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

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

  
**Ajay Aggarwal**  
President &  
Chief Financial Officer  
Place : Hyderabad  
Date : April 25, 2019

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

Place : Hyderabad  
Date : April 25, 2019



# Consolidated Cash Flow Statement for the year ended March 31, 2019

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit for the year</b>	<b>4,771</b>	<b>4,031</b>
<i>Adjustments for:</i>		
Tax expense	1,427	1,380
Share of loss of associate	-	160
Loss on dissolution/disposal of subsidiary/associate, (net)	35	50
Share of profit of joint venture	(5)	(4)
Depreciation and amortisation expense	1,114	1,052
Loss on sale of property, plant and equipment, (net)	6	3
Finance costs	326	204
Interest income	(555)	(505)
Dividend from mutual funds and equity instruments	(55)	(42)
Liabilities no longer required written back	(53)	(167)
Gain on fair valuation of financial instrument	(135)	(35)
Stock option expense	30	48
Provision for doubtful debts, (net)	140	71
Translation differences	77	390
Exchange difference on translation of foreign currency cash and cash equivalents	(296)	(298)
Unrealised forex loss/(gain)	1	(63)
<b>Operating profit before working capital changes</b>	<b>6,828</b>	<b>6,275</b>
<i>Changes in operating assets and liabilities:</i>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Trade receivables	(1,301)	(408)
Other financial assets	(543)	(1,105)
Inventories	(516)	(296)
Other assets	(714)	322
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	(172)	(112)
Other financial liabilities	133	23
Other liabilities	1,186	(135)
Provisions	217	52
<b>Cash generated from operations</b>	<b>5,118</b>	<b>4,616</b>
Net income taxes paid	(1,417)	(1,653)
<b>Net cash flow from operating activities (A)</b>	<b>3,701</b>	<b>2,963</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment towards purchase of property, plant and equipment and intangible assets (refer note (ii) below)	(1,512)	(1,474)
Proceeds from sale of property, plant and equipment	72	5
Proceeds from sale of financial assets		
- Investments in equity instruments classified as FVTOCI	223	-
- Mutual funds	5,887	3,140
Payments to acquire financial assets		
- Investment in compulsorily convertible preference shares/debt/preferred instruments	(173)	(10)
- Mutual funds	(5,035)	(3,345)
Payment to non-controlling interests	(460)	(3)
Interest received	564	398
Dividend received from		
- Mutual funds and equity instruments	55	42
- Associate	-	589
Net cash outflow on acquisition of subsidiaries (refer note (iii) below)	(1,306)	(332)
Cash outflow due to deferred consideration pertaining to prior year acquisitions	(93)	-
Net cash inflow on disposal of associate	-	114
Movement in other bank balances	(429)	7
<b>Net cash flow used in investing activities (B)</b>	<b>(2,207)</b>	<b>(869)</b>

Contd.

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

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consideration paid in cash	(1,436)	(364)
Less: Cash and cash equivalent balances acquired on the acquisition	130	32
Net cash outflow on acquisition of subsidiaries	<b>(1,306)</b>	<b>(332)</b>

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

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

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

Annual Report | 2018-19

# Notes forming part of the Consolidated financial statements

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

## 1. Corporate information

Cyient Limited ('Cyient' or 'the Company') and its subsidiaries and joint venture (collectively referred to as 'the Group') is engaged in providing global technology services and solutions specialising in geospatial, engineering design, IT solutions and data analytics. The Group also specialises in the areas of total electronics manufacturing solutions in the fields of medical, industrial, automotive, telecommunications, defence and aerospace applications, including manufacturing and machining of components for aerospace, automotive and defence industries. The Company is a public limited Company incorporated in India and has its headquarters and development facilities in India and serves a global customer base through its subsidiaries and joint ventures in the United States of America (USA), United Kingdom (UK), Germany, Japan, Australia and Singapore. Cyient Group's range of services include digitisation of drawings and maps, photogrammetry, computer aided design/engineering (CAD/CAE), design and modelling, repair development engineering, reverse engineering application software development, software products development, consulting, analytics and implementation. Cyient Group specialises in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets. Further, the Group is also engaged in the business of manufacturing, assembling, integrating, testing and sale of unmanned aerial systems.

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

## 2 Significant accounting policies

### 2.1 Statement of compliance

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

### 2.2 Basis of preparation & presentation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the

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

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

### 2.3 Use of estimates

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

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

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

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

- Useful lives of property, plant and equipment and intangible assets
- Intangible assets under development
- Assets and obligations relating to employee benefits
- Share based payments

- Evaluation of recoverability of deferred tax assets
- Financial instruments
- Measurement of recoverable amounts of cash-generating units
- Provisions and contingencies

## 2.4 Basis of consolidation

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

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

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

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

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

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

## 2.5 Business combination

The Company accounts for its business combinations under acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair value of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in consolidated statement of profit and loss as incurred.

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

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

cases, the bargain purchase gain is recognised directly in equity as capital reserve.

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

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments and are classified as an asset or liability and are remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit and loss.

Acquisition of some or all of the non-controlling interest ("NCI") is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the Company. No goodwill is recognised as a result of such transactions.

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

Business combinations arising from entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the entity are recorded in other equity.

## 2.6 Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually. Any impairment loss for goodwill is recognised directly in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in the subsequent periods.



## 2.7 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

## 2.8 Foreign currency translation

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in consolidated statement of profit and loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into presentation currency using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates

for the period. Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity.

### i) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is the functional and presentation currency of the Company. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates.

### ii) Transactions and balances

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the consolidated statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

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

### iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

## 2.9 Income taxes:

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

Current and deferred tax is recognised in consolidated statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive

income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (loss).

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

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. The Group reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

## 2.10 Leases

### As a lessee:

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

### Operating leases:

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

### As a lessor:

#### Operating lease:

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

## 2.11 Earnings per share:

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the consolidated statement of profit and loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the consolidated statement of profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees and RSU's outstanding.

## 2.12 Provisions and contingent liabilities

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

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

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

#### Contingencies:

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

### 2.13 Share based payments

Stock options are granted to the associates of the Group under various stock option schemes established after June 19, 1999. These stock options are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the stock options is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the original estimates, if any, is recognised in consolidated statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the stock option reserve.

The fair value of the amount payable to the employees in respect of Restricted Stock Units (RSU) which are settled in equity and cash are recognised as an expense with a corresponding increase in stock option reserve and liabilities, in the period during which the employees become unconditionally entitled to payment.

The equity settlement component is not remeasured at each reporting date. The cash settlement component is remeasured at each reporting date and at settlement date based on the fair value of the RSUs. Any change in the liability is recognised in the consolidated statement of profit and loss.

### 2.14 Cash and cash equivalents:

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

Cash flows are reported using indirect method, whereby profit / (loss) after tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments for the year. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 2.15 Inventories:

Inventories are valued in accordance with the below method of valuation.

- i) Raw materials & consumables – at cost or net realisable value whichever is less.

Cost includes purchase costs and other attributable expenses

- ii) Stores and spares – at cost.

Cost includes purchase costs and other attributable expenses

- iii) Work in process & finished Goods – at cost or net realisable value whichever is less.

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

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 2.16 Revenue

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

- a) Time and material: Revenue from time and material contracts are recognized as the related services are performed, which is pursued based on the efforts spent and agreed rate with the customer. Revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.
- b) Fixed price contracts: Revenue from fixed-price contracts is recognized as per the 'percentage-of-completion' method, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity.
- c) Maintenance contracts: Revenue from fixed-price maintenance contracts are recognised pro-rata over the term of the maintenance arrangement.
- d) Sale of products: Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Revenue from contract with customers is recognised by applying revenue recognition criteria specified in Ind AS 115 for each distinct performance obligation. The arrangement with customer specifies services to be

rendered which meet criteria of performance obligations. For allocation, transaction price, the Company measures the revenue in respect of each performance obligation of a contract at its relative standalone selling price.

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

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

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of discounts/incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/incentive.

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

## 2.17 Other income

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

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

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

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

## 2.18 Property, plant and equipment

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

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

to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. Freehold land is not depreciated.

Type of asset	Useful life
Building	28 years
Plant and equipment	10 years
Tools & Equipment	5 years
Computers	3 years
Leasehold improvements	Shorter of lease period or estimated useful lives

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in 'other income' of the consolidated statement of profit and loss.

## 2.19 Intangible assets

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

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

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

Type of asset	Useful life
Software	3 years/Over the period of the respective project
Technology/ Intellectual property	2-6 years
Customer contracts	2-6 years
Process knowhow	5 years
Other intangible assets	Over the period of the respective project

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



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

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

### 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 reliably measured, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use.

## 2.20 Employee benefit plans

Employee benefits include provident fund, superannuation fund, employee's state insurance scheme, gratuity fund and compensated absences.

### *Defined contribution plans:*

Contributions in respect of Employees Provident Fund and Pension Fund which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as an expense based on the amount of contribution required to be made and when 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 services are rendered by the employees.

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

### *Defined benefit plans*

#### *Gratuity:*

The Group accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date using projected unit credit method. The liability recognised in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined obligation and

the fair value of plan assets. This cost is included in the employee benefit expense in the consolidated statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of profit and loss as past service cost.

### *Compensated absences:*

The employees of the Group are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Group measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

### *Medical benefits:*

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

### *Other short-term employee benefits*

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

## 2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director and Chief Executive Officer evaluates Cyient Group's performance and allocates resources based on analysis of various performance indicators by business verticals and geographical segmentation of customers.

## 2.22 Financial instruments

### (A) Initial recognition:

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial

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

**(B) Subsequent measurement:**

a. **Non-derivative financial instruments:**

i) **Financial assets carried at amortised cost:**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) **Financial assets at fair value through other comprehensive income:**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

iii) **Financial assets at fair value through profit or loss:**

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) **Financial liabilities:**

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

b. **Derivative financial instruments:**

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

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured

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

**Effective interest method**

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

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

c. **Hedge accounting:**

The Group designates derivative contracts in a cash flow hedging relationship by applying the hedge accounting principles designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions.

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

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

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

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to consolidated

statement of profit and loss in the periods when the hedged item affects profit or loss.

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

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

#### *Financial assets:*

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in consolidated statement of profit and loss on disposal of that financial asset.

#### *Financial liabilities:*

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

### **(D) Foreign exchange gains and losses:**

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in consolidated statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit

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

- For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the consolidated statement of profit and loss.
- The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in consolidated statement of profit and loss.

### **2.23 Determination of fair values**

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

### **2.24 Equity Instruments (Share Capital):**

Ordinary shares are classified as equity. Shares bought back are shown as a deduction from equity. No gain or loss is recognised in the statement of profit or loss on purchase, sale, issue or cancellation of equity instruments. Incremental costs directly attributable to the issuance of equity shares or buyback of equity shares are recognised as a deduction from equity, net of taxes.

### **2.25 Impairment of assets**

#### *a. Financial assets:*

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through consolidated statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in consolidated statement of profit and loss.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. As a practical expedient, the Group uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix

is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognised in the consolidated statement of profit and loss.

b. **Non-financial assets:**

Intangible assets, Intangible assets under development and property, plant and equipment:

Intangible assets, Intangible assets under development, and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. Intangible assets under development are tested for impairment annually.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

## 2.26 Government grants/incentives

Government grants are recognised when there is a reasonable assurance that:

- The company will comply with the conditions attached to them; and

- The grant will be received.

Export entitlements from government authorities are recognised in the statement of consolidated profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Grants are recognised net of attributable expenses.

## 2.27 Exceptional item

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

## 2.28 Recent accounting pronouncements

### Standards issued but not yet effective: -

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

### IND AS 116 – Leases:

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

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

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

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

## 3. Property, plant and equipment

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Carrying amount of:</b>		
Freehold land	16	16
Leasehold land [refer note (c) below]	-	-
Buildings	1,277	1,338
Leasehold improvements	103	64
Computers	344	290
Plant and equipment	811	693
Office equipment	295	255
Furniture and fixtures	421	317
Electrical installations	176	158
Vehicles	25	30
Tools and equipment	62	59
<b>Total</b>	<b>3,530</b>	<b>3,220</b>



**Notes:**

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

Particulars	Freehold land (refer note (b) below)	Leasehold land (refer note (c) below)	Buildings (refer note (d) below)	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Tools and equipment	Total
<b>I. Cost or deemed cost</b>												
<b>Balance as at March 31, 2017</b>	<b>16</b>	<b>9</b>	<b>1,959</b>	<b>82</b>	<b>1,688</b>	<b>1,425</b>	<b>564</b>	<b>653</b>	<b>470</b>	<b>37</b>	<b>69</b>	<b>6,972</b>
Additions	-	-	5	26	171	184	140	77	38	6	8	655
Disposals	-	-	-	-	(89)	(20)	(24)	(2)	-	-	2	(133)
Acquisitions through business combination	-	-	-	19	-	-	-	2	-	2	37	60
Other adjustments	-	-	-	-	-	53	(53)	-	-	-	-	-
Foreign currency translation adjustments	-	-	-	(3)	46	2	22	(5)	-	-	-	62
<b>Balance as at March 31, 2018</b>	<b>16</b>	<b>9</b>	<b>1,964</b>	<b>124</b>	<b>1,816</b>	<b>1,644</b>	<b>649</b>	<b>725</b>	<b>508</b>	<b>45</b>	<b>116</b>	<b>7,616</b>
Additions	-	-	59	30	249	229	123	167	50	-	7	914
Disposals	-	-	(80)	-	(69)	(81)	(23)	(33)	(26)	-	-	(312)
Acquisitions through business combination	-	-	-	30	3	7	-	7	-	1	8	56
Foreign currency translation adjustments	-	-	-	5	15	-	9	19	-	-	3	51
<b>Balance as at March 31, 2019</b>	<b>16</b>	<b>9</b>	<b>1,943</b>	<b>189</b>	<b>2,014</b>	<b>1,799</b>	<b>758</b>	<b>885</b>	<b>532</b>	<b>46</b>	<b>134</b>	<b>8,325</b>
<b>II. Accumulated depreciation</b>												
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>9</b>	<b>557</b>	<b>45</b>	<b>1,444</b>	<b>855</b>	<b>330</b>	<b>348</b>	<b>311</b>	<b>10</b>	<b>46</b>	<b>3,955</b>
Depreciation for the year	-	-	69	15	162	112	66	58	38	5	9	534
Disposals	-	-	-	-	(87)	(17)	(22)	(1)	-	-	2	(125)
Foreign currency translation adjustments	-	-	-	-	7	1	20	3	1	-	-	32
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>9</b>	<b>626</b>	<b>60</b>	<b>1,526</b>	<b>951</b>	<b>394</b>	<b>408</b>	<b>350</b>	<b>15</b>	<b>57</b>	<b>4,396</b>
Depreciation for the year	-	-	71	24	171	114	85	73	30	6	15	589
Disposals	-	-	(31)	-	(54)	(77)	(18)	(33)	(24)	-	-	(237)
Foreign currency translation adjustments	-	-	-	2	27	-	2	16	-	-	-	47
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>9</b>	<b>666</b>	<b>86</b>	<b>1,670</b>	<b>988</b>	<b>463</b>	<b>464</b>	<b>356</b>	<b>21</b>	<b>72</b>	<b>4,795</b>
<b>III. Carrying amounts (I-II)</b>												
<b>Balance as at March 31, 2018</b>	<b>16</b>	<b>-</b>	<b>1,338</b>	<b>64</b>	<b>290</b>	<b>693</b>	<b>255</b>	<b>317</b>	<b>158</b>	<b>30</b>	<b>59</b>	<b>3,220</b>
<b>Balance as at March 31, 2019</b>	<b>16</b>	<b>-</b>	<b>1,277</b>	<b>103</b>	<b>344</b>	<b>811</b>	<b>295</b>	<b>421</b>	<b>176</b>	<b>25</b>	<b>62</b>	<b>3,530</b>

(b) Includes ₹ 4 (March 31, 2018; ₹ 4) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

(c) Includes ₹ 9 (March 31, 2018; ₹ 9) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

(d) Includes ₹ 716 (March 31, 2018; ₹ 794) relating to building constructed on leasehold land.

#### 4. Goodwill

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Balance at beginning of the year	3,549	3,278
Additions on account of business combinations (refer note 33 A(i) & (ii))	1,719	271
On dissolution of subsidiary (refer note 36(a))	(11)	-
<b>Balance at end of the year</b>	<b>5,257</b>	<b>3,549</b>

Goodwill of ₹ 2,909 (March 31, 2018: ₹ 2,879) has been allocated to the DLM segment (refer note 30). The estimated value-in-use of this cash generating unit (CGU) is based on the future cash flows using a 3% - 4.5% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 13 %. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Goodwill of ₹ 2,185 (March 31, 2018: ₹ 496) has been allocated to the MI segment (refer note 30). The estimated value-in-use of this CGU is based on the future cash flows using a 3% - 4.5% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 13%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining goodwill of ₹ 163 (March 31, 2018: ₹ 174) (relating to different CGUs and allocated to MI and UGC segments) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amount.

#### 5. Intangible assets

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Carrying amount of:</b>		
Computer software	258	435
Technology/ Intellectual Property	61	73
Customer contracts	279	344
Process knowhow	47	61
Other intangible assets	348	293
<b>Total intangible assets</b>	<b>993</b>	<b>1,206</b>
<b>Intangible assets under development</b> (refer note (i) below)	<b>740</b>	<b>302</b>

##### Notes:

##### (i) Intangible assets under development:

- The Company entered into an agreement with a third party, wherein it was granted technology license to develop, test and commercially utilise the benefits from such testing and development activity. Accordingly, the initial amount and subsequent development costs aggregating to ₹ 468 (March 31, 2018: ₹ 251) have been classified under 'intangible assets under development'.
- The Group incurred certain expenses towards development of a software towards certification process through simulation of ₹ 37 (March 31, 2018: ₹ Nil) which was capitalised as 'intangible assets under development'.
- Amounts incurred by the Company's wholly owned subsidiary pursuant to an agreement with a customer towards efficiency improvement in certain equipment on a risk sharing model ₹ 73 (March 31, 2018: ₹ 51) was capitalised as 'intangible assets under development'. During the previous year, Company capitalized ₹ 76 pursuant to successful completion of an identifiable block which is expected to generate revenue over the next six years. This has been classified under 'Intellectual Property'.
- During the year, the Company's partly owned subsidiary, Cyient Solutions and Systems Private Limited ("CSSPL") entered into a collaboration agreement with a third party for the development of payload and customization of UAV system. Accordingly, amount of ₹ 162 (March 31, 2018: ₹ Nil) has been classified under 'intangible assets under development'.

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

	Particulars	Computer software	Technology/ Intellectual Property	Customer contracts	Process Knowhow	Other intangible assets	Total
<b>I.</b>	<b>Cost or deemed cost</b>						
	<b>Balance as at March 31, 2017</b>	<b>2,989</b>	<b>16</b>	<b>337</b>	<b>78</b>	<b>715</b>	<b>4,135</b>
	Additions	259	76	-	-	39	374
	Disposals	(86)	-	-	-	-	(86)
	Additions through business combination	-	-	96	-	13	109
	Foreign currency translation adjustments	(38)	-	8	-	99	69
	<b>Balance as at March 31, 2018</b>	<b>3,124</b>	<b>92</b>	<b>441</b>	<b>78</b>	<b>866</b>	<b>4,601</b>
	Additions	108	-	-	-	-	108
	Disposals	(21)	-	-	-	-	(21)
	Additions through business combination	3	-	24	-	145	172
	Foreign currency translation adjustments	27	5	11	5	56	104
	<b>Balance as at March 31, 2019</b>	<b>3,241</b>	<b>97</b>	<b>476</b>	<b>83</b>	<b>1,067</b>	<b>4,964</b>
<b>II.</b>	<b>Accumulated amortisation</b>						
	<b>Balance as at March 31, 2017</b>	<b>2,460</b>	<b>8</b>	<b>34</b>	<b>3</b>	<b>415</b>	<b>2,920</b>
	Amortisation for the year	310	11	62	14	121	518
	Disposals	(86)	-	-	-	-	(86)
	Foreign currency translation adjustments	5	-	1	-	37	43
	<b>Balance as at March 31, 2018</b>	<b>2,689</b>	<b>19</b>	<b>97</b>	<b>17</b>	<b>573</b>	<b>3,395</b>
	Amortisation for the year	289	17	97	17	105	525
	Disposals	(18)	-	-	-	-	(18)
	Foreign currency translation adjustments	23	-	3	2	41	69
	<b>Balance as at March 31, 2019</b>	<b>2,983</b>	<b>36</b>	<b>197</b>	<b>36</b>	<b>719</b>	<b>3,971</b>
<b>III.</b>	<b>Carrying amounts (I-II)</b>						
	<b>Balance as at March 31, 2018</b>	<b>435</b>	<b>73</b>	<b>344</b>	<b>61</b>	<b>293</b>	<b>1,206</b>
	<b>Balance as at March 31, 2019</b>	<b>258</b>	<b>61</b>	<b>279</b>	<b>47</b>	<b>348</b>	<b>993</b>

6. Investments

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>A. Non-current</b> (refer note (i) below)		
<b>Investment carried at equity method of accounting</b>		
(i) Equity instruments of associate company (unquoted) (refer note (iv) below)	-	-
(ii) Equity instruments of joint venture company (unquoted) (refer note (v) below)	26	21
	<b>26</b>	<b>21</b>
<b>Investments carried at fair value through other comprehensive income</b>		
(i) Equity instruments of other entities (unquoted)	20	18
(ii) Equity instruments of other entities (quoted)	38	249
	<b>58</b>	<b>267</b>
<b>Investment carried at fair value through profit and loss</b>		
(i) Compulsorily convertible preference shares of other entities (unquoted)	10	10
(ii) Preferred instruments of other entities (unquoted)	69	-
(iii) Debt instruments of other entities (unquoted)	104	-
	<b>183</b>	<b>10</b>
	<b>267</b>	<b>298</b>
<b>B. Current</b> (refer note (ii) below)		
<b>Investment carried at fair value through profit and loss</b>		
(i) Investments in mutual funds (quoted)	278	1,130

**Notes:**
**(i) Details of investments - non-current**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Equity instruments of joint venture company (unquoted)</b>				
Infotech HAL Limited, India (refer note (v) below)	2,000,000	26	2,000,000	21
<b>Equity instruments of other entities (unquoted)</b>				
Canesta Inc., USA (refer note (d) below)	10,000	-	10,000	-
Trafficmaster Plc., United Kingdom (refer note (e) below)	35,088	-	35,088	-
Cardiac Design Labs Private Limited, India	6,036	20	6,036	18
<b>Equity instruments of other entities (quoted)</b>				
Murata Manufacturing Co. Limited, Japan (refer note (a) below)	11,154	38	28,093	249
<b>Compulsorily convertible preference shares of other entities (unquoted)</b>				
Cardiac Design Labs Private Limited, India	3,048	10	3,048	10
<b>Preferred instruments of other entities (unquoted)</b>				
Jana Care Inc. (refer note (b) below)	368,297	69	-	-
<b>Debt instruments of other entities (unquoted)</b>				
Spry Health Inc., USA (refer note (c) below)	NA	104	-	-
<b>Total</b>		<b>267</b>		<b>298</b>

**Note :**

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

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

- (b) During the year, Cyient Inc. has invested an amount of ₹ 69 (USD 1,000,000) in Series A Preferred Stock in Jana Care Inc.
- (c) During the year, Cyient Inc. has invested an amount of ₹ 104 (USD 1,500,000) as a part of 'simple agreement for future equity' ("SAFE") with Spry Health Inc.. Cyient Inc. has right to certain shares of Spry Health Inc. based on terms and conditions specified in the agreement.
- (d) As at March 31, 2019, carrying value of equity instruments in Canesta Inc. was ₹ 0.10 (March 31, 2018: ₹ 0.10).
- (e) As at March 31, 2019, carrying value of equity instruments in Trafficmaster Plc. was ₹ 0.11 (March 31, 2018: ₹ 0.11).

**(ii) Details of investments - current (quoted)\***

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Units	Amount	No. of Units	Amount
<b>Investments in Mutual Funds</b>				
Reliance Liquid Fund - Treasury Plan - Daily Dividend Option Dividend	-	-	46,374	71
L&T Liquid fund - Regular Daily Dividend Reinvestment Plan	-	-	84,647	86
Aditya Birla Sun Life Floating Rate Fund Short Term Plan -Daily Dividend	-	-	706,029	71
Axis Liquid Fund - Daily Dividend	-	-	88,104	88
UTI-Liquid Cash Plan - Institutional -Daily Dividend Reinvestment	96,970	99	81,580	83
ICICI Prudential Money Market Fund - Daily Dividend	-	-	805,283	81
IDFC Cash fund - Daily dividend - (Regular Plan)	-	-	47,476	47

Contd.



Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Units	Amount	No. of Units	Amount
Kotak Floater Short Term - Daily Dividend (Regular Plan)	-	-	79,358	80
Kotak Liquid Regular Plan Daily Dividend	79,698	97	62,187	76
HDFC Liquid Fund - Regular Plan - Daily Dividend Reinvestment	-	-	79,075	81
DSP Black Rock Liquidity Fund - Regular Plan - Daily Dividend	-	-	66,016	66
SBI Premier Liquid Fund - Regular Plan - Daily Dividend	-	-	75,899	76
DHFL Pramerica Insta Cash Plus Fund - Daily Dividend	-	-	500,664	50
Invesco India Liquid Fund - Daily Dividend	-	-	75,772	76
Tata Money Market Fund Regular Plan - Daily Dividend	-	-	97,624	98
Franklin India Liquid Fund - Super Institutional Plan	81,570	82	-	-
<b>Total quoted investment</b>		<b>278</b>		<b>1,130</b>

\* The market value of quoted investment is equal to its carrying value.

**(iii) Carrying values:**

Particulars	As at	
	March 31, 2019	March 31, 2018
Aggregate amount of unquoted investments carried at equity method of accounting	26	21
Aggregate amount of investments carried at fair value through other comprehensive income	58	267
Aggregate amount of investments (current and non-current) carried at fair value through profit and loss	461	1,140
Aggregate market value of quoted investments (current and non-current) carried at fair value through profit and loss	316	1,379

**(iv) Investments in Associate**

The Company held 49% of shareholding in Infotech Aerospace Inc. ('IASI') Puerto Rico as at November 30, 2017. The share of profit from associate was accounted for in the consolidated financial statements for the year ended March 31, 2018 using the equity method of accounting.

During the previous year, the Company entered into a definitive agreement to divest its entire 49% shareholding in IASI, for a consideration of ₹ 114 (USD 1,768,916). The closing conditions for the divestment were concluded on December 08, 2017. Upon divestment, the resultant loss of ₹ 50 is disclosed as 'exceptional item' in the consolidated statement of profit and loss for the year ended March 31, 2018. Further, the Company also received ₹ 589 (USD 9,131,064) from IASI towards dividend.

**Summarised financial information:**

The associate company follows calendar year as its reporting period. The consolidated financial statements include audited figures of the associate for the period ended November 30, 2017 after making adjustments for the three months ended March 31, 2017. The Company considered November 30, 2017 as date of divestment for convenience, as the transactions between November 30, 2017 and December 08, 2017 were not material.

**Financial position:**

Particulars	As at November 30, 2017
Non-current assets	732
Current assets	1,726
Current liabilities	(498)
Impact of foreign currency translation	(422)
<b>Net assets</b>	<b>1,538</b>

Particulars	Period ended November 30, 2017
Revenue	2,548
Profit for the period	(327)
Total comprehensive income for the period	(327)
<b>Share in loss of Associate</b>	<b>(160)</b>

**Reconciliation to carrying amounts:**

Particulars	As at November 30, 2017
Opening net assets	1,865
Profit for the period	(327)
<b>Closing net assets</b>	<b>1,538</b>
Group's share %	49%
<b>Group's share in net assets of the Associate</b>	<b>754</b>
Other adjustments	(1)
Dividend received	(589)
Proceeds from divestment	(114)
<b>Group's loss on disinvestment (refer note 36)</b>	<b>50</b>

**(v) Investments in Joint Venture**

The Company holds 50% stake in Infotech HAL Limited, India as at March 31, 2019 (March 31, 2018: 50%). The share in profit of joint venture is accounted for using the equity method of accounting.

**Summarised financial information:**

**Financial Position:**

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current assets	2	4
Current assets	204	141
Non-current liabilities	(2)	(2)
Current liabilities	(152)	(101)
<b>Net assets</b>	<b>52</b>	<b>42</b>

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	91	81
Profit for the year	9	8
Other comprehensive income for the year	1	1
Total comprehensive income for the year	10	9
<b>Share in profit of Joint venture</b>	<b>5</b>	<b>4</b>

**Reconciliation to carrying amounts:**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening net assets	42	33
Total comprehensive income for the year	10	9
Closing net assets	52	42
Group's share %	50%	50%
<b>Group's share in net assets of Joint venture</b>	<b>26</b>	<b>21</b>

## 7. Other financial assets

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Non-current</b>		
Security deposits		
Unsecured, considered good	308	270
Considered doubtful	16	16
Less : Allowance for doubtful deposits	(16)	(16)
	308	270
Retention money receivable	8	-
<b>Total other non-current financial assets</b>	<b>316</b>	<b>270</b>
<b>Current</b>		
Derivative instruments designated in a hedging relationship	425	75
Unbilled revenue	3,438	2,774
Interest accrued on deposit accounts	247	256
Advance to employees	63	90
Other receivables*	53	189
<b>Total other current financial assets</b>	<b>4,226</b>	<b>3,384</b>
<b>Total other financial assets</b>	<b>4,542</b>	<b>3,654</b>

\*Other receivables include advances of ₹ 15 (March 31, 2018: ₹ 12) receivable from Joint venture (refer note 32).

## 8. Other assets

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Non-current:</b>		
Capital advances	108	199
Prepaid expenses	78	126
Balances with government authorities (refer note 35)	373	337
Other advances	67	74
<b>Total other non-current assets</b>	<b>626</b>	<b>736</b>
<b>Current:</b>		
Prepaid expenses	577	529
Balances with government authorities (refer note 35)	41	114
Advances to suppliers	686	267
Other receivables (refer note 22)	370	-
<b>Total other current assets</b>	<b>1,674</b>	<b>910</b>
<b>Total other assets</b>	<b>2,300</b>	<b>1,646</b>

## 9. Inventories

Particulars	As at	
	March 31, 2019	March 31, 2018
Raw materials	1,503	830
Work-in-progress	66	270
Traded goods	-	-
Finished goods	252	189
Consumables & stores	12	23
<b>Total</b>	<b>1,833</b>	<b>1,312</b>

Inventories are measured at lower of cost or net realisable value.

## 10. Trade receivables

Particulars	As at	
	March 31, 2019	March 31, 2018
Trade receivables considered good - unsecured*	8,137	6,913
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	240	124
Expected credit loss allowance	(240)	(124)
<b>Total</b>	<b>8,137</b>	<b>6,913</b>

\*Includes amount receivable from related parties (refer note 32).

### Note:

#### Expected credit loss (ECL):

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

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

Ageing	As at	
	March 31, 2019	March 31, 2018
Within the credit period	6,403	5,583
1-90 days past due	1,197	976
91-180 days past due	380	224
181-365 days past due	201	162
More than 365 days past due	196	92
<b>Balance at the end of the year</b>	<b>8,377</b>	<b>7,037</b>

Movement in the expected credit loss allowance	As at	
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	124	174
Provision for ECL	140	71
Reversal of provision on account of collection of bad debts	(5)	(13)
Reversal of provision for ECL	(7)	(108)
Translation adjustment	(12)	-
<b>Balance at the end of the year</b>	<b>240</b>	<b>124</b>

## 11. Cash and Bank Balances

### 11A. Cash and cash equivalents

Particulars	As at	
	March 31, 2019	March 31, 2018
Cash on hand*	-	-
Cheques on hand	-	3
Balances with banks		
in current accounts	2,436	3,017
in deposit accounts	4,179	4,265
Deposits with financial institutions	2,236	1,955
Remittances in transit	221	363
<b>Total</b>	<b>9,072</b>	<b>9,603</b>

\*Cash balance aggregate ₹ 0.2 as on March 31, 2019 (March 31, 2018: ₹ 0.1).



## 11B. Other bank balances

Particulars	As at	
	March 31, 2019	March 31, 2018
Unpaid dividend/ASOP account	24	14
Balance in escrow account (refer notes below)	175	46
Deposits held as margin money/security for bank guarantees	434	144
<b>Total</b>	<b>633</b>	<b>204</b>

### Notes:

- Balance in escrow aggregating ₹ 125 (March 31, 2018: ₹ 46) pertains to purchase consideration payable by Group Companies to previous shareholders of acquired entities on meeting of certain obligations.
- The Company has deposited an amount of ₹ 50 (March 2018: ₹ Nil) in escrow account (2.5% of the amount earmarked for Buyback) and furnished an irrevocable and unconditional bank guarantee of ₹ 500 (March 2018: ₹ Nil) (25% of the maximum Buyback size) towards security for the performance and compliance of its obligations under the Regulation 20 of Buyback regulations. (refer note 12).

## 12. Equity share capital

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Authorised share capital:</b>		
280,000,000 fully paid up equity shares of ₹ 5 each (March 31, 2018 : 278,000,000) (refer note below)	1,400	1,390
<b>Issued and subscribed capital:</b>		
110,474,173 fully paid up equity shares of ₹ 5 each (March 31, 2018 : 112,596,002)	552	563
<b>Total</b>	<b>552</b>	<b>563</b>

Increase in the authorised share capital of the Company from 278,000,000 equity shares of ₹ 5 each to 280,000,000 was given effect to by the Ministry of Corporate Affairs (MCA) during the financial year.

### (A) Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Opening balance	112,596,002	563	112,566,340	563
Add: Issue of shares during the year*	448,689	2	29,662	-
Less: Shares bought back and extinguished during the year	(1,930,102)	(10)	-	-
Less: Shares bought back and pending extinguishment (refer note D below)	(640,416)	(3)	-	-
<b>Balance</b>	<b>110,474,173</b>	<b>552</b>	<b>112,596,002</b>	<b>563</b>

\*On issue of shares (under the Company's associate stock option plan) during the previous year, the company had received ₹ 0.15 rounded off.

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

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid up equity shares</b>				
Vineyard Point Software Private Limited	11,256,634	10.13%	11,256,634	10.00%
Amansa Holdings Private Limited	7,435,341	6.69%	7,235,341	6.43%
Infocad Enterprises Private Limited	5,628,317	5.07%	-	-
Aditya Birla Sun Life Trustee Private Limited	3,626,204	3.26%	6,096,318	5.41%
Reliance Capital Trustee Company Limited	3,442,414	3.10%	5,851,927	5.20%

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

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

**(D) Buyback of Equity shares:**

The Board of Directors, at its meeting held on February 01, 2019, approved Buyback of the Company's fully paid-up equity shares of face value of ₹ 5 each from the eligible equity shareholders of the Company other than promoters, promoter group and persons who are in control of the company, at a price not exceeding ₹ 700 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹ 2,000 (Maximum Buyback size), payable in cash from the open market route through the stock exchange mechanism under the Companies Act, 2013 and Buyback Regulations. The Buyback shall not exceed ₹ 2,000 (Maximum Buyback size) excluding the transaction charges. The Maximum Buyback Size represents 9.79% of aggregate of the Company's paid up equity capital and free reserves based on the audited financial statements of the Company as at March 31, 2018, which is in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Section 68(2) of Companies Act, 2013.

As of March 31, 2019, the scheme of Buyback was open and the Company bought back 2,570,518 equity shares as resulting in total cash consideration of ₹ 1,695 (including ₹ 27 towards transaction costs of Buyback). Out of 2,570,518 equity shares bought back, the Company extinguished 1,930,102 shares as at March 31, 2019 and the remaining were extinguished in the month of April 2019 as per the records of the depositories. In line with the requirement of Companies Act, 2013, an amount of ₹ 1,682 have been utilised from the securities premium for the Buyback. Further, capital redemption reserve of ₹ 13, representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.

The Buyback commenced on February 12, 2019 and closed on April 11, 2019. The Company bought back an aggregate of 3,123,963 equity shares, utilizing a total of ₹ 2,000 (excluding transaction costs of Buyback), which represents 99.99% of the maximum Buyback size.

**(E) Details of shares allotted under Associate Stock Option Plans:**

- (i) 162,120 (March 31, 2018: 162,120) equity shares of ₹ 5 each fully paid-up was allotted to Infotech ESOP Trust pursuant to the Infotech Employee Stock Offer Scheme - 1999 (ESOP - 1999).
- (ii) 1,650,630 (March 31, 2018: 1,650,630) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2001 (ASOP - 2001).
- (iii) 2,123,507 (March 31, 2018: 2,123,507) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2002 (ASOP - 2002).
- (iv) 3,296,545 (March 31, 2018: 3,296,545) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2004 (ASOP - 2004).
- (v) 990,325 (March 31, 2018: 920,196) 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:**

- (i) Shares aggregating 297,746 and 383,625 as at March 31, 2019 and March 31, 2018 respectively, reserved for issue under ASOP 2008 scheme.
- (ii) Shares aggregating 396,320 and 146,200 as at March 31, 2019 and March 31, 2018, reserved for issue under ASOP 2015 scheme.

**(G) (i) Associate Stock Option Plans:**

**Infotech Employee Stock Offer Scheme 1999 (ESOP Plan):**

In 1998-99, the Company set up the Infotech Employee Stock Offer Scheme (ESOP Plan) and allotted 80,900 equity shares of ₹ 10 each at a premium of ₹ 100 per share to the "Infotech ESOP Trust" ("Trust"). The Trust, on the recommendation of the Management and upon the receipt of full payment upfront transfers the equity shares in the name of selected employees. The Company modified the ESOP Plan and adjusted the number of options and exercise price on account of bonus issue and stock split cum bonus issue during 2002-03, 2006-07 and 2010-11 respectively. These equity shares are under lock-in-period (i.e., the date of transfer of the shares from the Trust to the employee) and it differs from offer to offer. When the employee leaves the Company before the expiry of the lock-in-period the options allocated to such employee stands transferred to the Trust at a predetermined price. Hence, the lock-in-period has been considered as the vesting period. However, the Trust and the Company have a discretionary power to waive the restriction on selling such stock to the Trust.

As at March 31, 2019, 162,120 (March 31, 2018: 162,120) equity shares of ₹ 5 each have been allotted to the Infotech ESOP Trust.

**Associate Stock Option Plan – 2001 (ASOP 2001):**

The Company instituted ASOP 2001 in April 2001 and earmarked 225,000 equity shares of ₹ 10 each for issue to the employees under ASOP. The Company modified ASOP 2001 and adjusted the number of options and exercise price on account of stock split cum bonus issue during 2006-07. Under ASOP 2001, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

As at March 31, 2019, 1,650,630 (March 31, 2018: 1,650,630) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2001 plan and there are no outstanding options to be exercised by the employees.

**Associate Stock Option Plan – 2002 (ASOP 2002):**

The Company instituted ASOP 2002 in October 2002 and earmarked 575,000 equity shares of ₹ 10 each for issue to the employees under ASOP. The Company modified ASOP 2002 and adjusted the number of options and exercise price on account of stock split cum bonus issue during 2006-07. Under ASOP 2002, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

As at March 31, 2019, 2,123,507 (March 31, 2018: 2,123,507) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2002 plan and there are no outstanding options to be exercised by the employees.

**Associate Stock Option Plan – 2004 (ASOP 2004):**

The Company instituted ASOP 2004 in October 2004 and earmarked 1,150,000 equity shares of ₹ 10 each for issue to the employees under ASOP. The Company modified ASOP 2004 and adjusted the number of options and exercise price on account of stock split cum bonus issue during 2006-07. Under ASOP 2004, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

As at March 31, 2019, 3,296,545 (March 31, 2018: 3,296,545) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2004 plan and there are no outstanding options to be exercised by the employees.

**Associate Stock Option Plan – 2008 (ASOP 2008):**

The Company instituted ASOP 2008 in July 2008 and earmarked 1,000,000 equity shares of ₹ 5 each for issue to the employees under ASOP. The Company modified ASOP 2008 and adjusted the number of options and exercise price on account of bonus issue 1:1 during Financial year 2010-11. Under ASOP 2008, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

**Movements in stock options during the year****ASOP 2008**

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted average ex- ercise price	No. of Options	Weighted average ex- ercise price
Options outstanding at the beginning of the year	383,625	430	318,787	397
Granted	-	-	108,000	516
Forfeited	(15,750)	213	(13,500)	487
Exercised	(70,129)	287	(29,662)	303
<b>Options outstanding at the end of year</b>	<b>297,746</b>	<b>482</b>	<b>383,625</b>	<b>430</b>

Out of the total outstanding options, 147,000 (March 31, 2018: 181,000) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2019, 990,325 (March 31, 2018: 920,196) 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 297,746 (March 31, 2018: 383,625) are outstanding as at March 31, 2019.

### Associate Stock Option Plan – 2015 (ASOP 2015):

The Company instituted ASOP 2015 in July 2015 and earmarked 1,200,000 equity shares of ₹ 5 each for issue to the employees under ASOP. Under ASOP 2015, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

#### Movements in stock options during the year ASOP 2015

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted average ex- ercise price	No. of Options	Weighted average ex- ercise price
Options outstanding at the beginning of the year	146,200	583	-	-
Granted	264,000	693	146,200	583
Forfeited	(13,880)	609	-	-
Exercised	-	-	-	-
<b>Options outstanding at the end of year</b>	<b>396,320</b>	<b>655</b>	<b>146,200</b>	<b>583</b>

Out of the total outstanding options, 117,150 (March 31, 2018: 50,530) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2019, Nil (March 31, 2018: Nil) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2015 plan. Accordingly, options (net of cancellations) for a total number of 396,320 (March 31, 2018: 146,200) are outstanding as at March 31, 2019.

#### (ii) Restricted Stock Unit Scheme 2016 (RSU 2016):

The Company has instituted the RSU 2016 scheme earmarking 650,000 equity shares of ₹ 5 each which provided for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended the establishment of the plan on October 13, 2016 and the shareholders approved the recommendation of the Board of Directors on December 12, 2016 through a postal ballot. The RSUs will vest over a period of one year from the date of grant. Under the scheme, eligible employees were given an option to choose the RSUs either in the form of equity shares or in cash.

On March 31, 2017, the Company made a grant of 637,476 restricted stock units to eligible employees out of which 423,892 RSUs were designated as equity settled and 213,584 RSUs were designated as cash settled. Accordingly, as at March 31, 2017 an amount of ₹ 174 has been presented under 'Stock Option Reserve' representing the equity settlement and ₹ 87 has been presented under 'trade payables' representing expected cash settlement. Subsequent increase in the liability on account of fair valuation of cash settled RSUs resulted in a closing cash settlement of ₹ 116 as at March 31, 2018 and the same was accounted as "employee benefits expense". These RSUs' fully vested as on March 31, 2018.

During the year, the Company has discharged the cash, as well as equity settled RSUs at an exercise price of ₹ 5 per share.

#### Movement in Restricted Stock Units during the year

##### RSU 2016 Plan

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of RSUs	Weighted average ex- ercise price	No. of RSUs	Weighted average ex- ercise price
RSU outstanding at the beginning of the year	556,332	5	637,476	5
Granted	-	-	-	-
Forfeited	(8,512)	5	(81,144)	5
Exercised	(547,820)	5	-	-
<b>RSU outstanding at the end of year*</b>	<b>-</b>	<b>-</b>	<b>556,332</b>	<b>5</b>

\*includes Nil (March 31, 2018: 169,260) RSUs to be settled in cash. Of the total exercised RSU's, 169,260 RSUs have been settled in cash and balance have been settled in equity.



(iii) Fair value of share options granted during the year

The weighted average fair value of the share options during the year is ₹ 166.48 - ₹ 194.03 (2017-18: ₹ 144.2 - ₹ 160.8). Options and RSUs were priced using Black Scholes pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past years.

The following assumptions were used for calculation of fair value of grants:

Particulars	Black-Scholes Model	
	March 31, 2019	March 31, 2018
<b>a) ASOP 2008</b>		
Exercise price (₹)	184 - 559	184 - 559
Grant date share price (₹)	185 - 531.5	185 - 531.5
Dividend yield (%)	1.53 - 2.64	1.53 - 2.64
Expected volatility (%)	28.66 - 65.53	28.66 - 65.53
Risk-free interest (%)	6.41 - 8.4	6.41 - 8.4
Expected term (in years)	3 - 4	3 - 4
<b>b) RSU 2016</b>		
Exercise price (₹)	-	5
Grant date share price (₹)	-	467.5
Dividend yield (%)	-	1.6
Expected volatility (%)	-	24.4
Risk-free interest (%)	-	6.3
Expected term (in years)	-	1
<b>c) ASOP 2015</b>		
Exercise price (₹)	583 - 741	583
Grant date share price (₹)	590.2 - 734.95	582.6
Dividend yield (%)	1.7 - 1.9	2.4
Expected volatility (%)	29.82 - 32.2	28.66 - 31.00
Risk-free interest (%)	6.9-7.9	7.4 - 7.52
Expected term (in years)	3 - 4	3 - 4

(iv) Share Options exercised during the year

Series	Year	No. of options exercised	Exercise date*	Share price at exercise date
Associate Stock Option Plan – 2008 (ASOP 2008)	2018-19	70,129	May to December	617.95 - 806.4
Restricted Stock Unit Scheme 2016 (RSU 2016)	2018-19	378,560	May to October	687.15 - 806.4
Associate Stock Option Plan – 2008 (ASOP 2008)	2017-18	29,662	June to February	509 - 630

\*Allotment happened at various dates during that period

13. Other equity

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>(a) Capital reserve</b>		
(i) Opening balance	32	32
(ii) Additions due to Business Combination (refer note 33)	3	-
	<b>35</b>	<b>32</b>
<b>(b) Capital redemption reserve</b>		
(i) Opening balance	-	-
(ii) Appropriation from general reserve upon Buyback of equity shares (refer note 12)	13	-
	<b>13</b>	<b>-</b>

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>(c) Securities premium</b>		
(i) Opening balance	3,863	3,850
(ii) Options exercised	179	4
(iii) Premium received on allotment of shares	20	9
(iv) Amount paid upon for Buyback	(1,655)	-
(v) Transaction costs relating to Buyback	(27)	-
	<b>2,380</b>	<b>3,863</b>
<b>(d) General reserve</b>		
(i) Opening balance	5,155	5,155
(ii) Transfer to capital redemption reserve upon Buyback of equity shares	(13)	-
	<b>5,142</b>	<b>5,155</b>
<b>(e) Stock option reserve</b>		
(i) Opening balance	221	206
(ii) Stock option expense	29	19
(iii) Options exercised	(179)	(4)
	<b>71</b>	<b>221</b>
<b>(f) Cash flow hedge reserve</b>		
(i) Opening balance	(29)	327
(ii) Effective portion of gain/(loss) on designated portion of hedging instruments (net of tax)	303	(356)
	<b>274</b>	<b>(29)</b>
<b>(g) Foreign currency translation reserve</b>		
(i) Opening balance	549	223
(ii) Additions / (deductions) (net)	67	326
(iii) Impact on dissolution of subsidiary (refer note 36(a))	24	-
	<b>640</b>	<b>549</b>
<b>(h) Retained earnings</b>		
(i) Opening balance	13,584	11,433
(ii) Profit for the year attributable to the shareholders of the Company	4,785	4,054
(iii) Other comprehensive income arising out of remeasurement of defined benefit obligation (net of taxes)	(52)	(6)
(iv) Transfer of gain to retained earnings on disposal of equity instruments through OCI	109	-
(v) Net impact on settlement of gross obligation to acquire non-controlling interest (refer note 14)	(191)	-
(vi) Net impact on acquisition of non-controlling interest (refer note 14)	(451)	-
	<b>17,784</b>	<b>15,841</b>
Less: Appropriations		
(a) Dividend on equity shares (refer note 38)	(1,130)	(1,576)
(b) Dividend distribution tax	(139)	(321)
	<b>16,515</b>	<b>13,584</b>
<b>(i) Equity instruments through other comprehensive income (refer note 6(i)(a))</b>		
(i) Opening balance	117	-
(ii) Increase in fair value of equity instruments (net of tax)	11	117
(iii) Transfer of gain to retained earnings on disposal of equity instruments through OCI	(109)	-
	<b>19</b>	<b>117</b>

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>(j) Gross obligation liability to acquire non-controlling interest</b> (refer note 14 (ii))		
(i) Opening balance	(616)	(616)
(ii) Net impact on settlement of gross obligation to acquire non-controlling interest	616	-
	-	(616)
<b>Total</b>	<b>25,089</b>	<b>22,876</b>

**Nature of reserves:**

**(a) Capital reserve**

Represents the gain on bargain purchase on business acquisitions and other additions from components.

**(b) Capital redemption reserve**

Represents the nominal value of equity shares bought back pursuant to Buyback in accordance with Section 69 of the Companies Act, 2013.

**(c) Securities premium**

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**(d) General reserve**

Represents appropriation of profit by the Group. General reserve is appropriated for the creation of capital redemption reserve on Buyback of equity shares pursuant to section 69 of the Companies Act, 2013.

**(e) Stock option reserve**

The stock option reserve is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees.

**(f) Cash flow hedge reserve**

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

**(g) Foreign currency translation reserve**

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

**(h) Retained earnings**

- (i) Retained earnings comprises of prior years' undistributed earnings after taxes along with current year profit, net of dividends declared and dividend distribution tax thereon.
- (ii) Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are presented within retained earnings.
- (iii) Gain or loss on disposal of equity instruments designated at fair value through other comprehensive income is reclassified to retained earnings.
- (iv) Net difference between the consideration paid for the acquisition of non-controlling interests and its respective carrying value is recognised in retained earnings.

**(i) Equity instruments through OCI**

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

**(j) Gross obligation liability to acquire non-controlling interest**

Represents the put option held by non-controlling interests recognised at present value of redemption amount.

## 14. Non-controlling Interests ('NCI')

Particulars	As at	
	March 31, 2019	March 31, 2018
Balance at beginning of the year	3	26
Total comprehensive loss for the year attributable to NCI	(15)	(24)
Net impact on acquisition of non-controlling interest	(9)	-
Other adjustments	2	1
<b>Balance at end of the year</b>	<b>(19)</b>	<b>3</b>

### Details of subsidiaries with the non-controlling interests:

Name of the subsidiary	Place of incorporation and principal place of business	Non-controlling interests	
		March 31, 2019	March 31, 2018
Cyient Insights Private Limited (refer note (i) below)	India	-	49%
Cyient DLM Private Limited (refer note (ii) below)	India	-	26%
Cyient Solutions and Systems Private Limited (refer note (iii) below)	India	49%	-

#### (i) Acquisition of NCI in Cyient Insights Private Limited

On May 15, 2018, the Group acquired the balance 49% share of non-controlling interest in Cyient Insights Private Limited, increasing its ownership interest to 100%. Consideration of ₹ 35 was paid to the non-controlling shareholders. The carrying value of the non-controlling interest acquired at the date of acquisition was ₹ 123. Upon acquisition of the balance 49% share in Cyient Insights Private Limited, the difference between the consideration paid and carrying value of the non-controlling interest of ₹ 158 is adjusted to retained earnings.

#### (ii) Acquisition of NCI in Cyient DLM Private Limited

The Company acquired 74% of the share capital of Cyient DLM Private Limited on February 4, 2015. According to conditions stipulated in the Investment Agreement, the selling shareholders have "put option" over 26% shareholding at any time after March 31, 2017 until July 29, 2019 for a consideration equal to their proportion of the equity value of Cyient DLM Private Limited.

Pursuant to the Investment agreement & amendments thereto, the Company acquired the non-controlling interest of 26% for a gross obligation of ₹ 425. Accordingly, the reduction in carrying value of gross obligation liability outstanding by ₹ 135 is recognised in 'other income' under 'gain on fair valuation of financial liability'. Net impact of ₹ 293, being excess of consideration paid to non-controlling interest taken over was adjusted to retained earnings.

#### (iii) Cyient Solutions and Systems Private Limited (CSSPL)

During the previous year, the Company subscribed to 49% share capital in CSSPL, which was consolidated as an associate under Ind AS 28 'Investments in Associates and Joint Ventures'. On March 26, 2018, the Company acquired the balance 51% share capital in CSSPL which resulted in a goodwill of ₹ 3 and as at March 31, 2018.

On April 11, 2018, CSSPL entered into a share purchase agreement with Bluebird Aero Systems Limited ("Bluebird"), wherein Bluebird acquired 49% shareholding in CSSPL. The Company continues to consolidate CSSPL as a subsidiary.



## 15 Borrowings

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Non -current</b>		
<b>Unsecured - at amortised cost</b>		
Term loans from other parties	-	44
<b>Secured - at amortised cost</b>		
Term loans from banks	1,116	586
<b>Total</b>	<b>1,116</b>	<b>630</b>
<b>Current</b>		
<b>Secured - at amortised cost</b>		
Working capital loans from banks	2,137	1,780
<b>Total</b>	<b>2,137</b>	<b>1,780</b>
<b>Total borrowings</b>	<b>3,253</b>	<b>2,410</b>

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

### Summary of borrowings arrangements

#### 15.1 Cyient DLM Private Limited:

##### Term loans:

Nature of security & terms of repayment :

(i) Nature of security:

Term loans are borrowed from State Bank of India and HDFC Bank Limited, and are secured by:

- First pari-passu charge on all existing and future fixed assets of the borrower, to be shared with existing term lenders.
- Second pari-passu charge on current assets and other movable asset of the Company.
- Guarantees: Corporate Guarantee from Cyient Limited

(ii) Terms of repayment:

a. Term loan - ₹ 90 (State Bank of India):

Outstanding balance as at March 31, 2019 is ₹ Nil. Repayable in 60 monthly installments commencing from November 2014. Rate of interest 11.55% p.a. Outstanding balance as at March 31, 2018 is ₹ 29.

b. Term loan - ₹ 150 (HDFC):

Outstanding balance as at March 31, 2019 is ₹ 54. Repayable in 54 monthly equated installments commencing from March 2016. Rate of interest 9.65% p.a. Outstanding balance as at March 31, 2018 is ₹ 91.

##### Working capital loans:

(i) State Bank of India:

Loan outstanding balance as on March 31, 2019 is ₹ 335 (March 31, 2018: ₹ 299). This loan is secured by a corporate guarantee from Cyient Limited.

Primary Security: Hypothecation of entire stock of raw materials/stock in process/finished goods, Receivables / Book Debts and other current assets on pari-passu first charge basis.

Collateral Security: Hypothecation of unencumbered Plant and Machinery on pari-passu first charge basis.

(ii) HDFC Bank :

Loan outstanding balance as on March 31, 2019 is ₹ 830 (March 31, 2018: ₹ 578). This loan is secured by a corporate guarantee from Cyient Limited.

Primary Security: Current Assets - Pari-passu charge on Current assets

Security: Movable Fixed Assets - Pari-passu charge on Movable fixed assets of the Company.

(iii) Citibank :

Loan outstanding balance as on March 31, 2019 is ₹ Nil (March 31, 2018: ₹ 147). This loan is secured by a corporate guarantee from Cyient Limited.

Security: First pari-passu charge on present and future current assets including stock and book debts of Cyient DLM Private Limited. Second pari-passu charge on fixed assets of the borrower.

(iv) ICICI Bank :

Loan outstanding balance as on March 31, 2019 is ₹ Nil (March 31, 2018: ₹ 99). This loan is secured by a corporate guarantee from Cyient Limited.

Security: Hypothecation of all moveable assets (fixed and current assets) of Cyient DLM Private Limited including book debts; receivables by way of first pari-passu charge on current assets and second pari-passu charge on movable fixed assets of Cyient DLM Private Limited, both present and future.

## 15.2 Cyient Singapore Private Limited:

### Term loan:

Cyient Singapore Private Limited availed a term loan of ₹ 238 (USD 3,600,000) taken from HSBC Bank on August 31, 2015 repayable in quarterly installments over a period of four years. Interest rate on the term loan is 3 months LIBOR p.a payable quarterly. Amount outstanding as on March 31, 2019 ₹ 42 (USD 600,000) (March 31, 2018: ₹ 117 (USD 1,800,000)). To cover the fluctuations in LIBOR, Cyient Singapore Private Limited has entered into an interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 1.35% per annum. This loan from HSBC Bank, Singapore is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited.

## 15.3 Cyient Inc.:

### Term loans:

- (a) Cyient Inc. availed a term loan of ₹ 601 (USD 10,000,000) taken from HSBC Bank on April 1, 2014 repayable in quarterly installments over a period of 4 years. Interest Rate on the term loan is LIBOR+1.25% p.a payable monthly. Amount outstanding as on March 31, 2019 ₹ Nil (March 31, 2018 ₹ 41 (USD 6,25,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 2.2825% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited. During the year, Cyient Inc. has repaid the outstanding loan as on March 31, 2018.
- (b) Cyient Inc. availed a term loan of ₹ 349 (USD 5,500,000) taken from HSBC Bank on May 21, 2015 repayable in quarterly installments over a period of 3 years. Interest Rate on the term loan is LIBOR+1.25% p.a payable monthly. Amount outstanding as on March 31, 2019 ₹ Nil (March 31, 2018: ₹ 36 (USD 550,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 2.175% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited. During the year, Cyient Inc. has repaid the outstanding loan as on March 31, 2018.
- (c) Cyient Inc. availed a term loan of ₹ 268 (USD 4,000,000) taken from HSBC Bank on Feb 08, 2017 repayable in quarterly installments over a period of 4 years. Interest Rate on the term loan is LIBOR+1.50% p.a payable monthly. Amount outstanding as on March 31, 2019 ₹ 138 (USD 2,000,000) (March 31, 2018: ₹ 195 (USD 3,000,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 2.503% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited.
- (d) Cyient Defense Services Inc. (wholly owned subsidiary of Cyient Inc.) availed a term loan of ₹ 191 (USD 3,000,000) taken from HSBC Bank on January 23, 2018 repayable in quarterly installments over a period of 4 years. Interest Rate on the term loan is LIBOR+1.00% p.a payable monthly on a floating basis. Amount outstanding as on March 31, 2019 ₹ 156 (USD 2,250,000) (March 31, 2018: ₹ 195 (USD 3,000,000)). To cover the fluctuations in LIBOR, Cyient Inc. has entered into an Interest SWAP agreement with HSBC Bank to convert the floating rate into a fixed rate. Accordingly, the interest and swap charges payable on this term loan has been fixed at 3.3190% per annum. This loan from HSBC Bank, USA is secured by a standby letter of credit from HSBC Bank, US which in turn, is secured by a corporate guarantee from Cyient Inc.
- (e) During the year, Cyient Inc has received financial assistance in the form of loan of ₹ 35 (USD 500,000) from 'The Connecticut Department of Economics and Community Development' (DECD) at interest rate of 2.5% for a term of 10 years and repayable in monthly installments, as a part of Cyient Inc's. project in East Hartford, Connecticut, USA ("Assistance agreement"). Cyient Inc. may be eligible for a principal loan forgiveness of USD 200,000 based on creation of 85 new jobs and retention of 456 existing jobs at a specified average salary and retaining the same for 24 consecutive months. Cyient Inc. is required to use the loan funds for the acquisition of machinery and equipment. As at

March 31, 2019, Cyient Inc. is in the process of meeting specified terms and conditions of the assistance agreement. Loan outstanding as on March 31, 2019 ₹ 33 (USD 478,452).

#### **Working capital loans:**

- (a) During the year, Cyient Inc. has borrowed working capital loan aggregating ₹ 671 (USD 9,700,000) which is outstanding as at March 31, 2019 and secured by a stand by letter of credit from HSBC Bank, India. Cyient Limited has provided corporate guarantee for this borrowing. Amount outstanding as at March 31, 2018 of ₹ 423 (USD 6,500,000) has been repaid during the year.
- (b) During the previous year, Cyient Inc. has borrowed current loans aggregating ₹ 354 (USD 5,500,000) and repaid the same before the end of the financial year under a line of credit arranged with HSBC Bank. This loan is secured by a stand by letter of credit from HSBC Bank, India which in turn is secured by a corporate guarantee from Cyient Limited.

### **15.4 Cyient Europe Limited:**

#### **Term loans:**

- (a) Cyient Europe Limited availed a term loan of ₹ 929 (EUR 11,500,000) taken from HSBC Bank on April 30, 2018 repayable in quarterly installments over a period of 5 years and repayment will start from second year onwards. Interest Rate on the term loan is EURIBOR+0.78% p.a. payable quarterly. Amount outstanding as on March 31, 2019 ₹ 886 (EUR 11,500,000). This loan from HSBC Bank, UK is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited.
- (b) Cyient Europe Limited availed a term loan of ₹ 324 (USD 5,000,000) taken from HSBC Bank on October 24, 2017 repayable in quarterly installments over a period of 4 years. Interest Rate on the term loan is LIBOR+1.15% p.a. payable quarterly. Amount outstanding as on March 31, 2019 ₹ 238 (USD 3,437,500) (March 31, 2018: ₹ 304 (USD 4,687,500)). This loan from HSBC Bank, UK is secured by a standby letter of credit from HSBC Bank, India which in turn, is secured by a corporate guarantee from Cyient Limited.

#### **Short term loan:**

Cyient Europe Limited borrowed short term loans aggregating ₹ 145 (GBP 1,600,000) (March 31, 2018: ₹ 146 (GBP 1,600,000)) from Citibank. This loan is secured by a corporate guarantee from Cyient Limited.

### **15.5 Cyient GmbH:**

#### **Short term loan:**

Cyient GmbH borrowed a short term loan aggregating ₹ 156 (March 31, 2018: ₹ 88) from HSBC Bank. This loan is secured by a corporate guarantee from Cyient Limited.

### **15.6 Loan from others of Cyient Insights Private Limited:**

Unsecured loans availed from others and outstanding as at March 31, 2019: ₹ Nil (March 31, 2018: ₹ 44).

## **16. Other financial liabilities**

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Non-current</b>		
Liability towards acquisition of business (refer note (i) below)	696	352
Security deposits	1	1
<b>Total</b>	<b>697</b>	<b>353</b>
<b>Current</b>		
Current maturities of non-current borrowings	431	422
Capital creditors	38	42
Derivative instruments designated in a hedging relationship	3	118
Gross obligation liability to acquire non-controlling interests (refer note (ii) below)	-	560
Liability towards acquisition of business (refer note (i) below)	266	69
Interest accrued	9	4
Unpaid dividends	22	14
Payable towards Buyback of shares	53	-
Others	52	27
<b>Total</b>	<b>874</b>	<b>1,256</b>
<b>Total other financial liabilities</b>	<b>1,571</b>	<b>1,609</b>

**Note:**

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

Payable by	Acquisition of	As at	
		March 31, 2019	March 31, 2018
Cyient Europe Limited	AnSem NV		
	Non-current	449	-
	Current	197	-
	(Payable after May 31, 2019 through May 30, 2021)		
Cyient Inc.	B&F Design Inc.		
	Non-current	126	177
	Current	69	-
	(Payable after March 31, 2019 through April 30, 2021)		
	Certon Software Inc.		
	Non-current	121	175
	Current	-	65
	(During the year, an amount of ₹ 67 has been paid as deferred consideration and ₹ 69 has been written back to consolidated statement of profit & loss, in other income (refer note 22). The remaining contingent consideration is payable through May 31, 2020)		
Cyient Australia Pty Limited	Optimal Design Solutions Pty Limited		
	Current	-	4
	(During the year, an amount of ₹ 4 (March 31, 2018: ₹ 27) has been paid as final settlement and the remaining ₹ Nil (March 31, 2018: ₹ 68) has been written back to consolidated statement of profit & loss)		

- (ii) Pursuant to the Investment agreement and amendments thereto, the Company acquired the non-controlling interest of 26% for a gross obligation of ₹ 425. Accordingly, the reduction in carrying value of gross obligation liability outstanding (₹ 560) by ₹ 135 is recognised in 'other income' under 'gain on fair valuation of financial liability'. (refer note 22).

**17. Provisions**

Particulars	As at	
	March 31, 2019	March 31, 2018
Gratuity (refer note (i) below)	716	563
Compensated absences (refer note (ii) below)	707	541
Other provisions	3	3
<b>Total</b>	<b>1,426</b>	<b>1,107</b>
<b>Non-current:</b>		
Gratuity	692	554
Compensated absences	445	324
<b>Total non-current provisions</b>	<b>1,137</b>	<b>878</b>
<b>Current:</b>		
Gratuity	24	9
Compensated absences	262	217
Other provisions	3	3
<b>Total current provisions</b>	<b>289</b>	<b>229</b>



**Note:****Employee benefit plans:**

The employee benefit schemes are as under:

**Defined Benefit Plans****(i) Gratuity:**

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company and two of its subsidiaries provide for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Consolidated Statement of Profit and Loss in the period determined. The gratuity plan is administered by the Company's own trust which has subscribed to the "Group Gratuity Scheme" of Life Insurance Corporation of India.

The present value of the defined benefit obligation (DBO), and the related current service cost and past service cost, were measured using the projected unit credit method.

Principal assumptions used for the purposes of the actuarial valuation	As at March 31, 2019	As at March 31, 2018
Discount Rate (%)	7.10% - 7.60%	7.29% - 8.00%
Salary Increase rate (%)	6.00% - 12.00%	6.00% - 12.00%
Attrition (%)	8.00% - 17.00%	8.00% - 17.00%
Mortality Table	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Retirement age	58 - 60 years	58 - 60 years

The following table sets out the defined benefit costs as per actuarial valuation for the Company and its subsidiaries in India:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Amounts recognised in consolidated statement of profit and loss in respect of these defined benefit plans</b>		
Current service cost	99	88
Past service cost	-	17
<b>Total service cost (A)</b>	<b>99</b>	<b>105</b>
Interest expense on Defined Benefit Obligation	48	39
Interest income on plan assets	(11)	(10)
<b>Net interest cost (B)</b>	<b>37</b>	<b>29</b>
<b>Defined benefit cost recognised in consolidated statement of profit and loss (A)+(B)</b>	<b>136</b>	<b>134</b>
<b>Remeasurement effects recognised in other comprehensive income</b>		
Actuarial gain due to demographic assumptions change in defined benefit obligation	10	-
Actuarial gain due to financial assumptions change in defined benefit obligation	(9)	(11)
Actuarial loss due to experience on defined benefit obligation	67	18
Return on plan assets less than discount rate	2	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>70</b>	<b>7</b>
<b>Total gratuity cost</b>	<b>206</b>	<b>141</b>

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	862	715
Fair value of plan assets	(146)	(152)
<b>Net liability arising from defined benefit obligation</b>	<b>716</b>	<b>563</b>

**Movement in the present value of the defined benefit obligation:**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Projected benefit obligation at the beginning of the year	715	619
Current service cost	99	88
Past service cost	-	17
Interest cost	48	39
Actuarial loss	68	7
Payments	(68)	(55)
<b>Defined benefit obligation at the end of the year</b>	<b>862</b>	<b>715</b>

**Change in Plan assets**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Plan assets at the beginning of the year	152	142
Return on plan assets	11	10
Employer contribution	53	55
Payments	(68)	(55)
Return on plan assets less than discount rate	(2)	-
<b>Plan assets at the end of the year</b>	<b>146</b>	<b>152</b>

The estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligation.

**Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(41)	44	(33)	36
Future salary growth (1% movement)	44	(40)	32	(29)

**Maturity profile of defined benefit obligation:**

Particulars	As at	
	March 31, 2019	March 31, 2018
Within 1 year	142	121
1-2 year	131	110
2-3 year	118	103
3-4 year	109	92
4-5 year	100	85
5-10 year	340	287

The expected contribution to the plan for the year ended March 31, 2020 is ₹ 142.

**Composition of plan assets**

Plan assets comprise of 100% insurer managed funds. Fund is managed by Life Insurance Corporation of India as per Insurance Regulatory and Development Authority of India (IRDA) guidelines, category wise composition of the plan assets is not available.

(ii) Assumptions for compensated absences

a) Compensated absences – India and domestic subsidiaries:

Actuarial assumptions for long-term compensated absences	As at March 31, 2019	As at March 31, 2018
Discount rate	7.10% - 7.60%	7.29% - 7.40%
Salary escalation	6.00% - 12.00%	6.00% - 12.00%
Attrition	8.00% - 17.00%	8.00% - 17.00%

b) Compensated absences – Overseas branches and subsidiaries:

Actuarial assumptions for long-term compensated absences	As at March 31, 2019	As at March 31, 2018
Discount rate	0.05% - 4.00%	1.45% - 4.20%
Expected return on plan assets	NA	NA
Salary escalation	2.00% - 3.00%	2.00% - 3.00%
Attrition	5.00% - 15.00%	5.00% - 15.00%

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at year-end as per Company's policy. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to consolidated statement of profit and loss in the period determined.

The estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligation.

c) Long Service Leave – Australia:

The regulations of long service leave are applicable to the associates of the Company employed at its Australia Branch and subsidiary. The accrual of long service leave is in addition to the compensated absences to which the associates are entitled to. These long service leaves are dependent on the tenure of the employee with the same employer and are regulated by respective state laws.

18. Income taxes

18.1 Tax Expense

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current tax:</b>		
In respect of the current year	1,512	1,543
In respect of prior years	-	(50)
	<b>1,512</b>	<b>1,493</b>
<b>Deferred taxes expense/(benefit):</b>		
In respect of the current year	23	(112)
MAT credit	(108)	(1)
	<b>(85)</b>	<b>(113)</b>
<b>Total</b>	<b>1,427</b>	<b>1,380</b>

B. Income tax expense/(benefit) recognised in other comprehensive income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Income tax expense/(benefit) recognised directly in equity consists of:</b>		
Tax effect on remeasurements of the net defined benefit liability	17	1
Tax effect on equity instrument through other comprehensive income	(3)	(49)
Tax effect on effective portion of hedging instruments in a cash flow hedge	(164)	187
<b>Total</b>	<b>(150)</b>	<b>139</b>

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to consolidated statement of profit and loss	14	(48)
Items that may be reclassified to consolidated statement of profit and loss	(164)	187
<b>Total</b>	<b>(150)</b>	<b>139</b>

**C. Reconciliation of effective tax rate**

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Profit before tax</b>	<b>6,198</b>	<b>5,411</b>
Enacted rate in India	34.94%	34.61%
<b>Computed expected tax expense</b>	<b>2,166</b>	<b>1,873</b>
Effect of income exempt from tax	(841)	(506)
Effect of expenses that are not deductible in determining taxable profit	44	118
Deferred tax asset ('DTA') not considered on tax losses during the year/ reversal of DTA recognised in earlier years	176	24
Capital gain on sale of investment and dividend from subsidiary taxed at lower rate	(68)	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	(28)	(92)
Recognition of deferred tax assets on unused tax losses	-	(55)
Effect of deemed repatriation of foreign subsidiaries (refer note (i) below)	-	22
Effect of changes in income tax rates	-	(66)
Others	(22)	62
<b>Income tax expense</b>	<b>1,427</b>	<b>1,380</b>
<b>Effective tax rate</b>	<b>23.02%</b>	<b>25.50%</b>

**Notes:**

- During the previous year, In accordance with the Tax Cuts and Jobs Act of 2017 enacted in United States of America, tax on deemed repatriation for foreign subsidiaries of Cyient Inc. has been provided for and the liability is classified under non-current portion of the income tax payable of ₹ 20 and current portion of income tax payable of ₹ 2. During the year, Cyient Inc. repaid the current portion of income tax payable of ₹ 2.
- The difference between the tax rate enacted in India and the effective tax rate of the Group is primarily on account of the benefit availed on the profits of the undertakings situated in Special Economic Zones (SEZ). The SEZ units of the Company which began to provide the services on or after April 1, 2005 are eligible for 100% deduction of profits and gains derived from export of services for a period of first five years from the year of commencement of provision of services. For the next five years, they are eligible for deduction of 50% of profits and gains derived from export of services.

**18.2. Deferred tax assets and liabilities**

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

Particulars	As at	
	March 31, 2019	March 31, 2018
Deferred tax assets	294	321
Deferred tax liabilities	(405)	(356)



**B. Movement in deferred tax assets and liabilities :**

2018-19	Opening Balance	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Other adjustments	Exchange difference	Closing balance
<b>Deferred tax (liabilities)/assets in relation to :</b>						
Property, plant and equipment & Intangible assets	(167)	37	-	-	(4)	(134)
Provision for doubtful debts	39	38	-	-	1	78
Provisions	343	46	17	-	6	412
Financial assets at FVTOCI	(49)	-	(3)	-	(4)	(56)
Unearned revenue	(366)	(112)	-	-	(10)	(488)
Cash flow hedges	15	-	(164)	-	2	(147)
Carry forward of tax losses	162	(72)	-	-	-	90
MAT credit entitlement	-	108	-	-	-	108
Gain on bargain purchase on business combinations	(12)	-	-	-	-	(12)
Capital loss	-	40	-	-	(2)	38
<b>Net deferred tax assets/(liabilities)</b>	<b>(35)</b>	<b>85</b>	<b>(150)</b>	<b>-</b>	<b>(11)</b>	<b>(111)</b>

2017-18	Opening Balance	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Other adjustments	Exchange difference	Closing balance
<b>Deferred tax (liabilities)/assets in relation to :</b>						
Property, plant and equipment & Intangible assets	(188)	22	-	-	(1)	(167)
Provision for doubtful debts	61	(22)	-	-	-	39
Provisions	346	(5)	1	-	1	343
Financial assets at FVTOCI	-	-	(49)	-	-	(49)
Unearned revenue	(268)	(98)	-	-	-	(366)
Cash flow hedges	(172)	-	187	-	-	15
Carry forward of tax losses	97	59	-	-	6	162
MAT credit entitlement	91	1	-	(92)	-	-
Gain on bargain purchase on business combinations	(12)	-	-	-	-	(12)
Investments in associates	(156)	156	-	-	-	-
<b>Net deferred tax assets/(liabilities)</b>	<b>(201)</b>	<b>113</b>	<b>139</b>	<b>(92)</b>	<b>6</b>	<b>(35)</b>

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2019 :	Assets	Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to:</b>			
Property, plant and equipment & Intangible assets	(128)	(6)	(134)
Provision for doubtful debts	50	28	78
Provisions	346	66	412
Financial assets at FVTOCI	-	(56)	(56)
Unearned revenue	-	(488)	(488)
Cash flow hedges	(147)	-	(147)
Carry forward of tax losses	65	25	90
MAT credit entitlement	108	-	108
Gain on bargain purchase on business combinations	-	(12)	(12)
Capital loss	-	38	38
<b>Net deferred tax assets/(liabilities)</b>	<b>294</b>	<b>(405)</b>	<b>(111)</b>

As at March 31, 2018 :	Assets	Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to:</b>			
Property, plant and equipment & Intangible assets	(149)	(18)	(167)
Provision for doubtful debts	25	14	39
Provisions	285	58	343
Financial assets at FVTOCI	-	(49)	(49)
Unearned revenue	-	(366)	(366)
Cash flow hedges	16	(1)	15
Carry forward of tax losses	144	18	162
Gain on bargain purchase on business combinations	-	(12)	(12)
<b>Net deferred tax assets/(liabilities)</b>	<b>321</b>	<b>(356)</b>	<b>(35)</b>

### 18.3. Income tax assets and liabilities

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

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Income tax assets, net</b>		
Income tax assets (net of provisions ₹ 5,287 (March 31, 2018: ₹ 4,786))	716	755
<b>Income tax liabilities, net</b>		
Income tax payable-Current (net of advance ₹ 3,599 (March 31, 2018: ₹ 2,842))	(424)	(316)
Income tax payable - Non-current (refer note (i) above)	(20)	(20)

### 19. Other liabilities

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Non-current</b>		
Unearned revenue	-	26
<b>Total</b>	<b>-</b>	<b>26</b>
<b>Current</b>		
Unearned revenue	216	164
Advance from customers	1,604	433
Statutory remittances	562	630
Others	77	-
<b>Total</b>	<b>2,459</b>	<b>1,227</b>

### 20. Trade Payables

Particulars	As at	
	March 31, 2019	March 31, 2018
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 37)	13	1
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises*	3,699	3,812
<b>Total</b>	<b>3,712</b>	<b>3,813</b>

\* includes amount payable to its related parties (refer note 32)

## 21. Revenue from contracts with customers

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

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

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Revenue from services	40,579	35,314
Revenue from products	5,596	3,861
<b>Total revenue from operations</b>	<b>46,175</b>	<b>39,175</b>

The Group presents revenue net of indirect taxes in the consolidated statement of profit and loss.

### 1. Disaggregated revenue information

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

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
<b>Revenues by contract type</b>		
Fixed price	14,483	12,414
Time and material	25,826	22,408
Maintenance	270	492
Product sale	5,596	3,861
<b>Total</b>	<b>46,175</b>	<b>39,175</b>
<b>Revenues by Geography</b>		
North America	23,535	19,301
Europe	10,894	9,549
Asia Pacific (including India)	11,746	10,325
<b>Total</b>	<b>46,175</b>	<b>39,175</b>

#### Fixed price:

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

#### Time and material:

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

#### Maintenance:

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

#### Product sale:

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

## 2. Trade receivables and contract balances

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	8,137	6,913
Unbilled revenue	3,438	2,774
Unearned revenue	216	190

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

### Movement in unbilled revenue:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	2,774	1,823
Add: Revenue recognised during the year	14,307	10,934
Less: Invoiced during the year	(13,709)	(10,101)
Add: Translation gain	66	118
<b>Closing balance</b>	<b>3,438</b>	<b>2,774</b>

### Movement in Unearned revenue:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	190	267
Less : Revenue recognised during the year	(627)	(842)
Add: Invoiced during the year but not recognized as revenue	678	739
Add : Translation gain/(loss)	(25)	26
<b>Closing balance</b>	<b>216</b>	<b>190</b>

## 3. Transaction price allocated to the remaining performance obligations

Particulars	As at March 31, 2019	As at March 31, 2018
Within one year	13,364	12,348
One to three years	2,632	1,002
More than three years	-	20
<b>Total</b>	<b>15,996</b>	<b>13,370</b>

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

## 22. Other income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Interest income on financial assets carried at amortised cost:</b>		
Deposits with banks and financial institutions	526	423
Other interest income	29	82
	<b>555</b>	<b>505</b>
<b>Dividend income</b>		
Dividend from mutual funds	53	42
Dividend from equity instruments	2	-
	<b>55</b>	<b>42</b>



Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Other non-operating income</b>		
Liabilities no longer required, written back (refer note 16 (i))	53	167
Export incentives (refer note below)	519	-
Miscellaneous income	117	104
	<b>689</b>	<b>271</b>
<b>Other gain and loss</b>		
Foreign exchange gain (net)	95	116
Exchange (loss)/ gain on foreign currency forward contracts (net)	(189)	548
Gain on fair valuation of financial liability (refer note 16(ii))	135	37
	<b>41</b>	<b>701</b>
<b>Total</b>	<b>1,340</b>	<b>1,519</b>

**Note:**

Government grant accruing to the Company aggregating ₹ 519 under schemes defined by the Government of India, is recognised as other income upon satisfying the conditions specified in the applicable scheme. Of the above, the Company has monetized ₹ 149 and the balance amount of ₹ 370 is classified as 'other receivables' under other current assets.

### 23. Employee benefits expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	23,173	19,962
Contribution to provident and other funds (refer note (i) below)	504	468
Social security and other benefits to overseas employees (refer note (ii) below)	369	353
Stock option expense (refer note 12)	30	48
Staff welfare expenses	1,406	1,092
Less: Capitalised	(108)	(46)
<b>Total</b>	<b>25,374</b>	<b>21,877</b>

**Notes:**

**(i) Contribution to provident fund and other funds**

**Provident fund:**

The Company and two of its subsidiaries makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the fund administered and managed by the Government of India. The Group's monthly contributions are charged to the consolidated statement of profit and loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 343 (2017-18: ₹ 311).

**Gratuity (funded):**

Amount recognised in the consolidated statement of profit and loss in respect of gratuity - ₹ 136 (2017-18: ₹ 134) (refer note 17(i)).

**Superannuation fund - India:**

The qualifying employees of the Company receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the employee has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administrated by Life Insurance Corporation of India. The Company's monthly contributions are charged to the consolidated statement of profit and loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 25 (2017-18: ₹ 23).

**(ii) Social security and other benefits to overseas**

**Superannuation fund - Australia:**

The employees at the Australia branch & subsidiary of the Company are also covered under a superannuation scheme. The Group contributes 9.5% of the basic salary of the employee. The Group's monthly contributions are charged to the consolidated statement of profit and loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 160 (2017-18: ₹ 162).

**401 (K) benefit plan - Cyient Inc:**

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

**24. Cost of materials consumed**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock	830	655
Add: Stock on acquisition	5	73
Add: Purchases	4,604	3,374
Less: Closing stock	(1,503)	(830)
<b>Total</b>	<b>3,936</b>	<b>3,272</b>

**Note:**

- i) As a part of acquisition of New Tech, the opening stock acquired as on acquisition date (April 04, 2018) was ₹ 5. During the previous year, as a part of acquisition of B&F, the opening stock acquired as on acquisition date (January 31, 2018) was ₹ 73.

**25. Changes in inventories of finished goods, stock-in-trade and work-in-progress**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Opening stock:</b>		
Finished goods	189	94
Work-in-progress	270	164
	<b>459</b>	<b>258</b>
<b>Closing stock:</b>		
Finished goods	252	189
Work-in-progress	66	270
	<b>318</b>	<b>459</b>
<b>Net decrease/(increase)</b>	<b>141</b>	<b>(201)</b>

**26. Finance costs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Interest expense</b>		
Interest on bank overdrafts and borrowings	178	112
Other interest expense	130	81
Unwinding of discounting deferred consideration	18	11
<b>Total</b>	<b>326</b>	<b>204</b>

**27. Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment	589	534
Amortisation of intangible assets	525	518
<b>Total</b>	<b>1,114</b>	<b>1,052</b>

## 28. Other expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent including lease rentals (refer note (i) below)	1,051	796
Rates and taxes	173	149
Insurance	90	86
Stores and spares consumed	72	71
Freight outwards	38	33
Travelling and conveyance	1,501	1,337
Sub-contracting charges	3,539	2,825
Communication	232	230
Printing and stationery	42	43
Power and fuel	263	245
Marketing and advertising expenses	254	251
Repairs and maintenance		
- Buildings	31	25
- Machinery	1,049	852
- Others	104	95
Non executive directors commission	13	11
Legal and professional charges	723	686
Expenditure for corporate social responsibility (refer note (ii) below)	74	73
Provision for doubtful debts (net) (refer note (iii) below)	140	71
Auditors' remuneration (refer note (iv) below)	48	48
Recruitment expenses	72	121
Training and development	116	79
Software charges	184	138
Electoral bonds (refer note (v) below)	40	-
Miscellaneous expenses	439	572
<b>Total</b>	<b>10,288</b>	<b>8,837</b>

### Notes:

#### (i) Operating leases:

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

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one year	700	650
Later than one year but not later than five years	1,113	1,076
Later than five years	167	227
<b>Total</b>	<b>1,980</b>	<b>1,953</b>

#### (ii) Corporate Social Responsibility:

The Company contributes towards Corporate Social Responsibility (CSR) activities through Cyient Foundation and Cyient Urban Micro Skill Centre Foundation (refer note 31). As per Section 135 of the Companies Act, 2013, CSR committee has been formed by the Company. The areas for CSR activities are promoting education, adoption of schools, facilitating skill development, medical and other social projects. Expenses incurred on CSR activities through Cyient Foundation and contributions towards other charitable institutions are charged to the Consolidated Statement of Profit and Loss under Other expenses - ₹ 74 (2017-18 - ₹ 73).

#### (iii) Bad debts written off:

Bad debts written off during the year ended March 31, 2019 was ₹ 7 (2017-18- ₹ 108) and reversal of provision for doubtful debts was ₹ 7 (2017-18- ₹ 108).

(iv) **Auditors' remuneration (net of applicable tax) comprises of:**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Company</b>		
For statutory audit	8	8
For other services	5	3
For services rendered by affiliates of statutory auditors	8	9
Reimbursement of expenses	1	1
<b>Subsidiaries</b>		
For audit	26	27
<b>Total Auditors' remuneration</b>	<b>48</b>	<b>48</b>

- (v) During the year, the company purchased and issued electoral bonds aggregating ₹ 40 (2017-18- ₹ Nil) in accordance with 'The Electoral Bond Scheme, 2018', notified by the Central Government vide Gazette Notification No. 20 dated the January 02, 2018.

**29. Earnings per share (refer note 12(D))**

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Profit for the year attributable to shareholders of the Company	4,785	4,054
<b>Basic:</b>		
Number of shares outstanding at the year end	110,474,173	112,596,002
Weighted average number of equity shares	112,789,308	112,578,461
<b>Earnings per share (₹)</b>	<b>42.43</b>	<b>36.00</b>
<b>Diluted:</b>		
Effect of potential equity shares on ASOPs & RSUs outstanding	167,866	477,065
Weighted average number of equity shares outstanding	112,957,174	113,055,526
<b>Earnings per share (₹)</b>	<b>42.36</b>	<b>35.85</b>

**30. Segment Information**

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

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

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

Geographic segments of the Cyient Group are North America, Europe and Asia Pacific.

The Cyient Group has identified business segments as its primary segment and geographic segments as its secondary segment.

**I. Utilities, Geospatial and Communications (UGC)**

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

**II. Manufacturing and Industrial Products (MI)**

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

**III. Design Led Manufacturing (DLM)**

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



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

Assets and Liabilities used in the Cyient Group are not identified to any of the reportable segments (other than those related to DLM segment).

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

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

#### B. Segment revenue and results

Particulars	Segment Revenue		Segment Profit	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
UGC	16,263	14,594	2,336	2,514
MI	24,329	20,599	3,847	2,886
DLM	5,592	3,982	183	60
Less : Inter segment revenue	(9)	-	-	-
<b>Total</b>	<b>46,175</b>	<b>39,175</b>	<b>6,366</b>	<b>5,460</b>
Depreciation and amortisation expense			1,114	1,052
Finance costs			326	204
Unallocable income (net of unallocable expenses)			(1,267)	(1,363)
Share of loss from associate			-	(160)
Share of profit from joint venture			5	4
Profit before tax			6,198	5,411
Tax expense			1,427	1,380
Profit after tax			4,771	4,031
Share of non-controlling interest			(14)	(23)
<b>Profit for the year attributable to the shareholders of the Company</b>			<b>4,785</b>	<b>4,054</b>

#### C. Segment assets and liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Segment assets</b>		
DLM	7,620	5,914
UGC/MI	21,870	19,256
<b>Total</b>	<b>29,490</b>	<b>25,170</b>
Unallocable assets	9,402	9,156
<b>Consolidated total assets</b>	<b>38,892</b>	<b>34,326</b>
<b>Segment liabilities</b>		
DLM	2,759	2,146
UGC/MI	5,947	5,196
<b>Total</b>	<b>8,706</b>	<b>7,342</b>
Unallocable liabilities	4,564	3,542
<b>Consolidated total liabilities</b>	<b>13,270</b>	<b>10,884</b>

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

## Geographic segments

Information regarding geographical revenue is as follows:

Geographic location	Year ended March 31, 2019	Year ended March 31, 2018
<b>Segment Revenue</b>		
North America	23,535	19,301
Europe	10,894	9,549
Asia Pacific (including India)	11,746	10,325
<b>Total</b>	<b>46,175</b>	<b>39,175</b>

Geographical non-current assets, (property, plant & equipment, capital work-in-progress, goodwill, intangible assets, intangible assets under development and other non-current assets) are allocated based on location of assets:

Geographic location	As at March 31, 2019	As at March 31, 2018
<b>Segment non-current assets</b>		
North America	1,574	1,548
Europe	2,214	412
Asia Pacific (including India)	7,658	7,266
<b>Total</b>	<b>11,446</b>	<b>9,226</b>

### 31. (a) List of subsidiaries, associate and joint venture considered for consolidation:

Sl. No.	Name of the Company	Country of Incorporation	Extent of holding (%)	
			As at March 31, 2019	As at March 31, 2018
	<b><u>Subsidiaries</u></b>			
1	Cyient Europe Limited	UK	100%	100%
2	Cyient Benelux BV <sup>@1</sup>	Netherlands	100%	100%
3	Cyient Schweiz GmbH <sup>@1</sup>	Switzerland	100%	100%
4	Cyient SRO <sup>@1</sup>	Czech Republic	100%	100%
5	AnSem NV <sup>@14</sup>	Belgium	100%	-
6	AnSem B.V. <sup>@14</sup>	Netherlands	100%	-
7	Cyient Inc.	USA	100%	100%
8	Cyient Canada Inc. <sup>@2</sup>	Canada	100%	100%
9	Cyient Defense Services Inc. <sup>@2</sup>	USA	100%	100%
10	Certon Software Inc. <sup>@8</sup>	USA	-	100%
11	Certon Instruments Inc. <sup>@8</sup>	USA	-	100%
12	B&F Design Inc. <sup>@13</sup>	USA	100%	100%
13	New Technology Precision Machining Co., Inc. <sup>@6</sup>	USA	100%	-
14	Cyient GmbH	Germany	100%	100%
15	Cyient AB <sup>@3</sup>	Sweden	100%	100%
16	Cyient KK <sup>@7</sup>	Japan	100%	100%
17	Cyient Insights Private Limited <sup>@4</sup>	India	100%	51%
18	Cyient Insights LLC <sup>@4</sup>	USA	-	51%
19	Cyient DLM Private Limited <sup>@5</sup>	India	100%	74%
20	Cyient Australia Pty Limited	Australia	100%	100%
21	Cyient Singapore Private Limited	Singapore	100%	100%
22	Cyient Israel India Limited <sup>@12</sup>	Israel	100%	100%
23	Cyient Solutions and Systems Private Limited <sup>@15</sup>	India	51%	100%
24	Cyient Engineering (Beijing) Limited <sup>@11</sup>	China	-	-

Sl. No.	Name of the Company	Country of Incorporation	Extent of holding (%)	
			As at March 31, 2019	As at March 31, 2018
	<b>Associate</b>			
26	Infotech Aerospace Services Inc. <sup>@9</sup> (until December 08, 2017)	Puerto Rico	-	-
	<b>Joint Venture</b>			
27	Infotech HAL Limited <sup>@10</sup>	India	50%	50%

**Notes:**

- <sup>@1</sup> Wholly owned by the Company through its wholly owned subsidiary Cyient Europe Limited.
- <sup>@2</sup> Wholly owned by the Company through its wholly owned subsidiary Cyient Inc.
- <sup>@3</sup> Wholly owned by the Company through its wholly owned subsidiary Cyient GmbH.
- <sup>@4</sup> Cyient Insights Private Limited became a wholly owned subsidiary of the Company, consequent to acquisition of the remaining 49% of shareholding on May 14, 2018. Cyient Insights LLC is a wholly owned subsidiary of Cyient Insights Private Limited has been dissolved on February 15, 2019.
- <sup>@5</sup> Cyient DLM Private Limited became a wholly owned subsidiary of the Company, consequent to acquisition of the remaining 26% of shareholding on January 22, 2019.
- <sup>@6</sup> The Company, through its wholly owned step down subsidiary Cyient Defense Services Inc., acquired 100% equity shares of New Technology Precision Machining Co., Inc., USA on April 4, 2018.
- <sup>@7</sup> During the year, Cyient KK, Japan increased its paid-up capital from ₹ 5 to ₹ 39. The additional capital was infused by Cyient Australia Pty Limited. Consequently, Cyient Australia Pty Limited holds 86% of shareholding in Cyient KK, Japan and Cyient Limited holds the remaining 14% shareholding.
- <sup>@8</sup> Effective November 01, 2018, Certon Software Inc., has been merged with its holding Company Cyient Inc. Certon Instruments Inc., a wholly owned subsidiary of Certon Software Inc., was dissolved during the year, prior to the said merger.
- <sup>@9</sup> The Company's associate Infotech Aerospace Services Inc. follows calendar year as its reporting period. The consolidated financial statements include audited figures of the associate for the period ended November 30, 2017. The Company divested its 49% stake in Infotech Aerospace Services Inc. on December 08, 2017 (refer note 6(iv)). The share of profits has been accounted for using equity method in accordance with the Ind AS 28 Investments in Associates and Joint Ventures.
- <sup>@10</sup> Infotech HAL Limited, India has been accounted for under equity method in accordance with the Ind AS 28 Investments in Associates and Joint Ventures.
- <sup>@11</sup> The Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China on March 25, 2016. The share capital in the subsidiary is yet to be infused and the subsidiary is yet to commence commercial operations.
- <sup>@12</sup> The Company incorporated a wholly owned subsidiary, Cyient Israel India Limited, in Israel on July 18, 2016. Cyient Israel India Limited commenced commercial operations during the previous year.
- <sup>@13</sup> The Company, through its wholly owned step down subsidiary Cyient Defense Services Inc., acquired 100% equity shares of B&F Design Inc., USA on January 24, 2018.
- <sup>@14</sup> The Company through its wholly owned subsidiary, Cyient Europe Limited, acquired 100% of equity shares of AnSem NV, Belgium (and its wholly owned subsidiary AnSem B.V., Netherlands) on April 26, 2018.
- <sup>@15</sup> On April 11, 2018, CSSPL entered into a share purchase agreement with Bluebird Aero Systems Limited ("Bluebird"), wherein Bluebird acquired 49% shareholding in CSSPL. The Company continues to consolidate CSSPL as a subsidiary.
- (b)** On October 10, 2018, the Company incorporated Cyient Urban Micro Skill Centre Foundation ("Cyient Urban"), a wholly owned Section 8 Company under the Companies Act, 2013, to further the CSR activities of the Company. The objective is not to obtain economic benefits through the activities of Cyient Urban and accordingly it has been excluded for the purpose of preparation of consolidated financial statements.

### 32. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Details of transactions between the Group and other related parties are disclosed below.

#### Joint Venture:

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

#### Associate:

Name of the Associate	Country of incorporation	Extent of holding (%) as at	
		March 31, 2019	March 31, 2018
Infotech Aerospace Services Inc. (refer note 6(iv))	Puerto Rico	-	-

#### Other related parties:

Entity	Country of incorporation	Nature of relationship
Cyient Foundation	India	Entity with common KMP
Infotech ESOP Trust	India	Entity with common KMP

#### Key Managerial Personnel (KMP):

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

#### Relative of Executive Chairman and Managing Director & CEO

B. Ashok Reddy	President – Corporate Affairs & infrastructure
----------------	--

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

#### (a) Transactions during the year:

Nature of transaction	Party name	For the year ended	
		March 31, 2019	March 31, 2018
Share of profits from joint venture	Infotech HAL Limited	5	4
Revenue from operations	Infotech HAL Limited	-	1
Sub-contracting charges	Infotech HAL Limited	-	7
Rental income	Infotech HAL Limited	1	1
Advance given	Infotech HAL Limited	3	4
Share of loss from associate	Infotech Aerospace Services Inc.	-	(160)
Dividend from associate	Infotech Aerospace Services Inc.	-	589
Loss on disposal of associate	Infotech Aerospace Services Inc.	-	(50)
CSR expenditure	Cyient Foundation	74	68



**Compensation to key management personnel as follows:**

Nature of the transaction	Party name	For the year ended	
		March 31, 2019	March 31, 2018
Short-term benefits	Executive Chairman, Managing Director & CEO and Executive officers <sup>#1</sup>	227	207
Dividend paid during the year	Executive Chairman and Managing Director & CEO	52	73
Commission and other benefits	Non-executive/independent directors	13	11

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

**(b) Balances at the year end:**

Nature of the balance	Party name	As at	
		March 31, 2019	March 31, 2018
Trade receivables	Infotech HAL Limited	24	26
Trade payables	Infotech HAL Limited	4	4
Advances receivable	Infotech HAL Limited	15	12
Short-term benefits payable	Executive Chairman and Managing Director & CEO	138	129
Commission and other benefits payable	Non-executive/independent directors	13	11

### 33. Business combinations

#### A. Business combinations during the year 2018-19:

##### (i) AnSem NV (AnSem)

On April 26, 2018, the Group acquired 100% of equity interest in AnSem NV and its wholly owned subsidiary AnSem B.V (together referred as 'AnSem'). AnSem specializes in advanced analog, radio frequency, and mixed-signal integrated circuit design and provides custom ASICs for clients around the world across key industries, including automotive, medical, industrial, smart home, and smart grid, with long-life applications. The fair value of the purchase consideration of ₹ 1,913 comprised upfront consideration of ₹ 1,361, contingent consideration of upto ₹ 552 payable subject to the satisfaction of certain conditions. The fair value of the contingent consideration, recognised on the acquisition date is determined by discounting the estimated amount payable to the previous owners on achievement of certain financial targets applying the discounted cash flow approach. The key inputs used for the estimation of fair values are discount rate of 12.5% and probabilities of achievement of financial targets. The fair value of net assets acquired on the acquisition date amounted to ₹ 224. The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill.

Components	Purchase price allocated
Property, plant and equipment	50
Intangible assets	156
Non-current assets	3
Net current assets *	15
<b>Total</b>	<b>224</b>
Goodwill (refer note 4)	1,689
<b>Total purchase price</b>	<b>1,913</b>

\*includes cash and cash equivalents acquired of ₹ 122.

The transaction costs relating to this acquisition amounting to ₹ 15 have been included under legal & professional charges in the consolidated statement of profit and loss for the year ended March 31, 2019. The intangible assets are amortised over a period of 2-3 years as per management's estimate of its useful life, over which economic benefits are expected to be realised. The fair value and gross contractual amount for trade receivables acquired is ₹ 59 and is expected to be collectable. The goodwill amounting to ₹ 1,689 is attributable to the workforce and high profitability of the acquired business. Goodwill arising on the acquisition is not deductible for tax purposes. From

the date of acquisition, AnSem has contributed revenues amounting to ₹ 769 and profit amounting to ₹ 121 to the Group's performance for the year ended March 31, 2019. If the acquisition had occurred on April 1, 2018, management estimates that consolidated revenues and losses for the year would have been ₹ 839 and ₹ 132 respectively. The proforma amounts are not necessarily indicative of results that would have occurred if the acquisition had occurred on dates indicated or that may result in the future.

Results from this acquisition are grouped under Manufacturing and Industrial Products (MI) segment.

**(ii) Acquisition of New Technology Precision Machining Co., Inc. (New Tech)**

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

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

Components	Purchase price allocated
Property, plant and equipment	9
Intangible assets	16
Net current assets *	20
<b>Total</b>	<b>45</b>
Goodwill (refer note 4)	30
<b>Total purchase price</b>	<b>75</b>

\*includes cash and cash equivalents acquired of ₹ 8.

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

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

**(iii) Amalgamation of Certon Software Inc.**

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

Value of assets and liabilities amalgamated:	As at November 1, 2018
Non-current assets	39
Current assets	186
Current liabilities	(199)
Reserves	26

Further, Certon Instruments Inc., wholly owned subsidiary of Certon Software Inc., was dissolved during the year.

**B. Business combinations during the year 2017-18:**

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

On January 24, 2018, the Group acquired 100% of equity interest in B&F through its wholly owned subsidiary Cyient Defense Services Inc. B&F has an area of expertise in design and manufacturing of precision engine assembly equipment, repair tooling, machining of fixtures and gauges, and engine factory modernization services primarily for aerospace and defense industry. The fair value of the purchase consideration ₹ 526, comprises upfront consideration of ₹ 353, contingent consideration of upto ₹ 173 payable subject to the satisfaction of certain conditions. The fair value of the contingent consideration, recognised on the acquisition date is determined by discounting the estimated

amount payable to the previous owners on achievement of certain financial targets applying the discounted cash flow approach. The key inputs used for the estimation of fair values are discount rate of 3.319% and probabilities of achievement of financial targets. The fair value of net assets acquired on the acquisition date amounted to ₹ 258. The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill.

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

\*includes cash and cash equivalents acquired of ₹ 32.

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

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

#### (ii) Amalgamation of Blom Aerofilms Limited

Blom Aerofilms Limited, a wholly owned subsidiary of Cyient Europe Limited was amalgamated with Cyient Europe Limited with effect from April 1, 2017. Pursuant to the amalgamation, all the assets, liabilities and reserves stand transferred and vested in Cyient Europe Limited. The amalgamation had been accounted for under "Pooling of Interests" method. Accordingly, the assets, liabilities and reserves have been taken over at their book values. As Blom Aerofilms Limited was a wholly owned subsidiary of Cyient Europe Limited, no consideration was paid to effect the amalgamation.

Value of assets and liabilities amalgamated:	As at April 1, 2017
Non-current assets	178
Current assets	309
Current liabilities	(265)
Reserves	37

#### (iii) Amalgamation of Techno Tools Precision Engineering Private Limited (Techno Tools)

Techno Tools, a wholly owned subsidiary of Cyient DLM Private Limited was amalgamated with Cyient DLM Private Limited (Cyient DLM) with effect from April 1, 2017 ("Appointed Date") pursuant to a Scheme of Amalgamation approved by the National Company Law Tribunal. Consequently, all the Assets, Liabilities and Reserves as at April 1, 2017 stand transferred and vested in the Cyient DLM. As Techno Tools was a wholly owned subsidiary of the Cyient DLM, no additional consideration was paid to effect the amalgamation.

Value of assets and liabilities amalgamated:	As at April 1, 2017
Non-current assets	74
Current assets	31
Non-current liabilities	(150)
Current liabilities	(3)
Reserves	48

## 34. Financial Instruments

### 34.1 Capital management

The Group manages its capital to ensure that it maximises the return to stakeholders through the optimisation of the capital structure. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group is predominantly equity financed which is evident from the capital structure. Further the Group has always been positive on its net cash position with cash and bank balances along with investments in liquid and short term mutual funds.

#### Gearing ratio:

Particulars	As at	
	March 31, 2019	March 31, 2018
Borrowings *	3,684	2,832
Cash and bank balances	(9,705)	(9,807)
<b>Net debt</b>	<b>-</b>	<b>-</b>
Total equity	<b>25,622</b>	<b>23,442</b>
<b>Net debt to equity ratio</b>	<b>0%</b>	<b>0%</b>

\*Include current, non-current and current maturities of non-current borrowings (refer note 15 and 16)

### 34.2 Financial instruments by category

Particulars	Carrying value as at	
	March 31, 2019	March 31, 2018
<b>Financial assets:</b>		
<b>Amortised cost</b>		
Trade receivables	8,137	6,913
Cash and cash equivalents	9,072	9,603
Other bank balances	633	204
Other financial assets	4,117	3,579
<b>Fair value through other comprehensive income</b>		
Investments in other equity instruments (unquoted)	20	18
Investments in other equity instruments (quoted)	38	249
Derivative instruments designated in a hedging relationship	425	75
<b>Fair value through profit and loss</b>		
Investments in mutual funds	278	1,130
Investment in compulsorily convertible preference shares (CCPS) (unquoted)	10	10
Investment in preferred instruments of other entities (unquoted)	69	-
Investment in debt instruments of other entities (unquoted)	104	-
<b>Total financial assets</b>	<b>22,903</b>	<b>21,781</b>
<b>Financial liabilities:</b>		
<b>Amortised cost</b>		
Borrowings*	3,684	2,832
Trade payables	3,712	3,813
Other financial liabilities	175	88
<b>Fair value through other comprehensive income</b>		
Derivative instruments designated in a hedging relationship	3	118
<b>Fair value through profit and loss</b>		
Liability towards acquisition of business (refer note 16)	962	421
Gross obligation liability to acquire non-controlling interests (refer note 16)	-	560
<b>Total financial liabilities</b>	<b>8,536</b>	<b>7,832</b>

\*Include current, non-current and current maturities of non-current borrowings (refer note 15 and 16)

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

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



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

Investments in mutual funds, and derivative assets/ (liabilities) are mandatorily measured at fair value.

Liability towards acquisition of business and gross obligation liability to acquire non-controlling interests are measured mandatorily at fair value through consolidated statement of profit and loss.

### 34.3 Fair value hierarchy

#### Valuation technique and key inputs

Level 1 - Quoted prices (unadjusted) in an active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

Particulars	Date of valuation	As at March 31, 2019	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
<b>Assets</b>					
Investments in other equity instruments (unquoted) (refer note 6) *	March 31, 2019	20	-	-	20
Investments in other equity instruments (quoted) (refer note 6) **	March 31, 2019	38	38	-	-
Investment in preferred instruments of other entities (unquoted) (refer note 6)*	March 31, 2019	69	-	-	69
Investment in compulsorily convertible preference shares (CCPS) (unquoted) (refer note 6)*	March 31, 2019	10	-	-	10
Investment in debt instruments of other entities (unquoted) (refer note 6)	March 31, 2019	104	-	-	104
Investment in mutual funds (refer note 6) **	March 31, 2019	278	278	-	-
Derivative instruments designated in a hedging relationship (refer note 7) ***	March 31, 2019	425	-	425	-
<b>Liabilities</b>					
Derivative instruments designated in a hedging relationship (refer note 16) ***	March 31, 2019	3	-	3	-
Liability towards acquisition of business (refer note 16) *	March 31, 2019	962	-	-	962
Gross obligation liability to acquire non-controlling interests (refer note 16) *	March 31, 2019	-	-	-	-

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

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

Particulars	Date of valuation	As at March 31, 2018	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
<b>Assets</b>					
Investments in other equity instruments (unquoted) (refer note 6) *	March 31, 2018	18	-	-	18
Investments in other equity instruments (quoted) (refer note 6) **	March 31, 2018	249	249	-	-
Investment in compulsorily convertible preference shares (CCPS) (unquoted) (refer note 6)*	March 31, 2018	10	-	-	10

Particulars	Date of valuation	As at March 31, 2018	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
Investment in mutual funds (refer note 6) **	March 31, 2018	1,130	1,130	-	-
Derivative instruments designated in a hedging relationship (refer note 7) ***	March 31, 2018	75	-	75	-
<b>Liabilities</b>					
Derivative instruments designated in a hedging relationship (refer note 16) ***	March 31, 2018	118	-	118	-
Liability towards acquisition of business (refer note 16) *	March 31, 2018	421	-	-	421
Gross obligation liability to acquire non-controlling interests (refer note 16) *	March 31, 2018	560	-	-	560

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

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

\* The fair values of the unquoted equity, debt, CCPS and preferred instruments, liability towards acquisition of business and gross obligation liability to acquire non-controlling interests have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, and probabilities of the various estimates within the range used in management's estimate of fair value for these unquoted equity, preferred and debt investments.

\*\* The fair value of the quoted equity shares and mutual funds are based on price quotations at reporting date.

\*\*\* The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts and interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, etc. As at March 31, 2019 the mark-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had insignificant impact on the hedge effectiveness assessment for derivatives designated in hedge relationships.

#### Fair value measurements using significant unobservable inputs (level 3)

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

Particulars	Investment in other equity, debt and preferred instruments (unquoted)	Investment in unquoted CCPS	Liability towards acquisition of business	Gross obligation liability to acquire non-controlling interests	Total
<b>As at March 31, 2017</b>	<b>101</b>	<b>-</b>	<b>330</b>	<b>595</b>	<b>1,026</b>
Acquisitions	-	10	177	-	187
Gain recognised in other comprehensive income	-	-	-	-	-
(Gain) recognised in consolidated statement of profit and loss account	-	-	(57)	(35)	(92)
Exchange impact on financial liabilities	-	-	(2)	-	(2)
Derecognition during the year	(83)	-	-	-	(83)
Payments during the year	-	-	(27)	-	(27)
<b>As at March 31, 2018</b>	<b>18</b>	<b>10</b>	<b>421</b>	<b>560</b>	<b>1,009</b>
Acquisitions	173	-	646	-	819
Gain recognised in other comprehensive income	2	-	-	-	2
(Gain) recognised in consolidated statement of profit and loss account	-	-	(58)	(135)	(193)

Particulars	Investment in other equity, debt and preferred instruments (unquoted)	Investment in unquoted CCPS	Liability towards acquisition of business	Gross obligation liability to acquire non-controlling interests	Total
Exchange impact on financial liabilities	-	-	24	-	24
Derecognition during the year (refer note 16)	-	-	-	(425)	(425)
Payments during the year	-	-	(71)	-	(71)
<b>As at March 31, 2019</b>	<b>193</b>	<b>10</b>	<b>962</b>	<b>-</b>	<b>1,165</b>

#### Valuation inputs and relationships to fair value

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

Particulars	Fair value as at		Significant unobservable inputs	Valuation process	Sensitivity of the inputs to fair value
	March 31, 2019	March 31, 2018			
Investment in unquoted equity, debt, preferred instruments and compulsorily convertible preference shares (CCPS)	203	28	Earnings growth rate	Earnings growth factor for unquoted equity, debt, preferred investments and CCPS are estimated based on the market information of similar type of companies and also considering the economic environment impact.	Any increase in earnings growth rate would increase the fair value.
			Discount rate	Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and risk specific to that asset.	Any increase in the discount rate would result in decrease in fair value.
Liability towards acquisition of business	962	421	Expected cash outflows	Estimate of cash outflows are based on forecasted sales and entity's knowledge of the business and how the current economic environment is likely to impact.	Any increase in expected cash flows would increase the fair value.
			Discount rate	Discount rate is the current average borrowing cost that a market participant would expect to pay to obtain its debt financing based on the assumed capital structure.	Any increase in the discount rate would result in decrease in fair value.
Gross obligation liability to acquire non-controlling interests	-	560	Earnings growth rate	Earnings growth rate is based on forecasted sales and entity's knowledge of the business and how the current economic environment is likely to impact based on the market information of similar type of companies.	Any increase in earnings growth rate would increase the fair value.
			Discount rate	Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and risk specific to that asset.	Any increase in the discount rate would result in decrease in fair value.

### 34.4 Financial risk management

#### Financial risk factors

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

## Foreign exchange risk

The Group operates internationally and a major portion of the business is dominated in foreign exchange predominantly US Dollar, Pound Sterling and Euro currencies. Consequently the Company is exposed to foreign exchange risk through its services and purchases / import of services from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are affected as the rupee appreciates/ depreciates against these currencies.

The Company monitors and manages its financial risks by analysing its foreign exchange exposures. The Company, in accordance with its Board approved risk management policies and procedures, enters into foreign exchange forward contracts to manage its exposure in foreign exchange rates.

The Company has applied the hedge accounting principles set out in Indian Accounting Standard – 109 "Financial Instruments" (Ind AS - 109) in respect of such derivative contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions. Accordingly, in respect of all such outstanding contracts as at March 31, 2019 that were designated as effective hedges of highly probable forecast transactions, gain/(loss) aggregating ₹ 274 (net of tax ₹ 147) (March 31, 2018 - ₹ (29) (net of tax ₹ 16)) have been recognised under the cash flow hedge reserve.

### Derivative financial instruments:

#### Outstanding forward exchange contracts as on March 31, 2019:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
AUD	25	22,460,000	1,186	Sell	Rupees
CAD	15	12,100,000	674	Sell	Rupees
EUR	37	28,550,000	2,472	Sell	Rupees
GBP	14	8,415,000	815	Sell	Rupees
USD	68	64,300,000	4,683	Sell	Rupees

#### Outstanding forward exchange contracts as on March 31, 2018:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
AUD	25	20,400,000	1,060	Sell	Rupees
CAD	18	9,070,000	478	Sell	Rupees
EUR	28	25,900,000	2,097	Sell	Rupees
GBP	19	8,740,000	796	Sell	Rupees
USD	39	61,000,000	4,099	Sell	Rupees

All outstanding forward exchange contracts as at March 31, 2019 and March 31, 2018 have maturity period of less than one year.

### Sensitivity analysis:

In respect of the Company's forward contracts, a 5% increase/decrease in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

\* an approximately ₹ (453)/ 453 (decrease)/increase in the Company's other comprehensive income as at March 31, 2019.

\* an approximately ₹ (414)/ 414 (decrease)/increase in the Company's other comprehensive income as at March 31, 2018.

### Foreign currency exposure unhedged

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

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	346	230	6	319	901
Trade receivables	3,681	750	818	257	5,506
Other financial assets	903	542	105	266	1,816
Trade payables	(1,471)	(1,077)	(441)	(1,037)	(4,026)
Other financial liabilities	(431)	(650)	-	-	(1,081)
<b>Net assets/(liabilities)</b>	<b>3,028</b>	<b>(205)</b>	<b>488</b>	<b>(195)</b>	<b>3,116</b>

\* Others include currencies such as Singapore \$, Australian \$, Canadian \$, Japanese Yen, Malaysian Ringgit, Swedish Krona, Swiss Frank, Czech Koruna etc.



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

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	634	364	15	386	1,399
Trade receivables	3,769	776	277	(18)	4,804
Other financial assets	343	455	152	288	1,238
Trade payables	(1,500)	(813)	(486)	(655)	(3,454)
Other financial liabilities	(678)	(312)	-	-	(990)
<b>Net assets/(liabilities)</b>	<b>2,568</b>	<b>470</b>	<b>(42)</b>	<b>1</b>	<b>2,997</b>

\* Others include currencies such as Singapore \$, Australian \$, Canadian \$, Japanese Yen, Malaysian Ringgit, Swedish Krona, Swiss Frank, Czech Koruna etc.

#### Sensitivity analysis:

For the year ended March 31, 2019 and March 31, 2018, every 5% increase /(decrease) of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by ₹ 156 / (₹ 156) and ₹ 150 / (₹ 150) respectively.

#### Interest rate risk

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

#### Interest rate swap contracts

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

#### Details of the Interest rate swap contracts:

Particulars	Loan Amount	Fair Value of Interest Rate Swap as at March 31, 2019	Fair Value of Interest Rate Swap as at March 31, 2018	Coupon/Interest Rate	Fixed Interest Rate
Term loan from HSBC	336	1	1	Libor + 1% to 1.25%	1.35% - 3.3190%

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

#### Credit risk

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

In addition, the Company is exposed, to credit risk in relation to financial guarantees given to subsidiary's banks. The Company's exposure in this respect is limited to the maximum amount the Company could have to pay if the guarantee is called on.

#### Trade and other receivables:

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

The following table gives details in respect of percentage of total receivables and unbilled receivables from top customer and top five customers:

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Receivable from top customer	16.5	16.3
Receivable from top 5 customers	31.8	32.2

#### Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

#### Liquidity risk

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

The Group has unutilised credit limits from the banks of ₹ 3,008, ₹ 1,909 as of March 31, 2019 and March 31, 2018 respectively

As of March 31, 2019, the Company had working capital of ₹ 15,958, including cash and bank balances of ₹ 9,705

As of March 31, 2018, the Company had working capital of ₹ 14,835, including cash and bank balances of ₹ 9,807

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

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	3,712	-	-
Other current financial liabilities (refer note 16)	443	-	-
Other non-current financial liabilities (refer note 16)	-	351	346
<b>Total</b>	<b>4,155</b>	<b>351</b>	<b>346</b>

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

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	3,813	-	-
Other current financial liabilities (refer note 16)	834	-	-
Other non-current financial liabilities (refer note 16)	-	124	229
<b>Total</b>	<b>4,647</b>	<b>124</b>	<b>229</b>

\* The Group's obligation towards payment of borrowings has been included in note 15 and 16.

#### Other price risks

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

### 35. Contingent liabilities and commitments

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>(A) Contingent liabilities:</b>		
Claims against the Company not acknowledged as debt (refer note (i) to (vii) below)	520	559
	<b>520</b>	<b>559</b>
<b>(B) Commitments:</b>		
Contracts remaining to be executed on capital account and not provided for (net of capital advances)	356	315
<b>Total</b>	<b>876</b>	<b>874</b>

#### Notes:

- (i) The Company disputed various demands raised by income tax authorities for the assessment years 1997-98, 1999-00 to 2002-03, 2004-05 to 2005-06, 2009-10, 2011-12, 2013-14 to 2015-16 (March 31, 2018 - 1997-98, 1999-00 to 2002-03, 2004-05 to 2005-06, 2009-10, 2011-12, 2013-14 to 2015-16) which are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 158 (March 31, 2018: ₹ 138). The Company is confident that these appeals will be decided in its favour.
- (ii) The Company disputed various demands raised by the sales tax authorities for the financial years 2004-05 to 2009-10, 2012-13 and 2015-16 (March 31, 2018 - 2004-2005 to 2009-10, 2012-13 and 2015-16). The Company filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 20 (March 31, 2018: ₹ 20). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.

A subsidiary Company has pending statutory forms (C/H/I) for financial years 2015-16 to 2017-18. Aggregate amount of liability not provided for is ₹ 19 (March 31, 2018: ₹ 33)
- (iii) The Company disputed various demands raised by the service tax authorities for the financial years 2006-07 to 2015-16 (March 31, 2018: 2006-07 to 2015-16). The Company filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 141 (March 31, 2018: ₹ 141). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.

A subsidiary Company has disputed service tax demands raised by the service tax authorities for the financial years 2011-12. The aggregate amount of disputed tax not provided for is ₹ Nil (March 31, 2018: ₹ 1)
- (iv) The Company is contesting certain pending service tax refunds amounting to ₹ 45 (March 31, 2018: ₹ 73) at various appellate authorities. The Company is confident that these appeals will be decided in its favour.
- (v) During the year 2014-15, the Company received an order from Provident Fund authorities regarding provident fund (PF) payments on certain allowances given by the Company to its employees for the years 2010-11 to 2012-13. Against this, the Company made a provision along with interest on the same, during the current year. Consequent to the above order, the Company is in process of evaluating the implication, if any, for the periods subsequent to the above order. Currently, the amount is indeterminable.
- (vi) Differential amount of Customs Duty (excluding interest) in a subsidiary company in respect of machinery imported under various export promotion schemes is ₹ 45 (March 31, 2018: ₹ 35)
- (vii) During the financial year 2015-16, the Government of India notified an amendment to the Payment of Bonus Act, 1961 whereby the applicable slabs as well as coverage limit was enhanced. The said amendment was made effective April 1, 2014. The Company is contesting the retrospective applicability of the amendment for the financial year 2014-15 in the High Court of Judicature at Hyderabad for the states of Telangana and Andhra Pradesh. The aggregate amount of liability pertaining to the financial year 2014-15, not provided for, is ₹ 92 (March 31, 2018: ₹ 92).
- (viii) One of the employee of the Company filed a legal suit to recover amount from a party in his personal capacity on behalf of Certon Software Inc., (merged with Cyient Inc. on November 1, 2018). The Company has taken proactive steps to mitigate any potential risks that may arise out of this action. Pending legal resolution of the dispute, no provision has been recognised in the consolidated financial statements.
- (ix) Cyient Inc. has certain obligations towards revenue authorities for its step down subsidiary, Wellsco Inc. (amalgamated with Cyient Inc. w.e.f April 1, 2012). Pending further evaluation, an amount of ₹ 51 (March 31, 2018: ₹ 51) had been provided during the financial year 2015-16 in the books towards adjustment of any liabilities pertaining towards such obligation.
- (C) The Company has certain outstanding export obligations/commitments as at March 31, 2019 and March 31, 2018. Further, the Company has certain commitments to bankers relating to receivable factoring arrangements entered with them in respect of receivables from few customers. These factoring arrangements are without recourse to the Company and in the normal course of business. The Company is confident of meeting these commitments arising from such arrangements.

### 36. Exceptional items:

- a) On February 15, 2019, Cyient Insights LLC, wholly owned subsidiary of Cyient Insights Private Limited was dissolved and the resultant net impact of ₹ 35 was recognised in the consolidated financial statements as an 'exceptional item'.
- b) During the previous year, the Company divested its 49% stake in its Associate Company, Infotech Aerospace Services Inc. on December 08, 2017 resulting in a loss of ₹ 50 disclosed as an 'exceptional item' (refer note 6(iv)).

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

Particulars	As at	
	March 31, 2019	March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	13	1
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

**38. Dividends distribution made and proposed**

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on March 31, 2018 : ₹ 4 per share (March 31, 2017 : ₹ 5 per share)	451	563
Dividend distribution tax ("DDT") on final dividend *	-	115
Interim dividend for the year ended on March 31, 2019 : ₹ 6 per share (March 31, 2018 : ₹ 9 per share)	679	1,013
DDT on Interim dividend	139	206
	<b>1,269</b>	<b>1,897</b>
<b>Proposed dividend on equity shares:</b>		
Final cash dividend for the year ended on March 31, 2019 : ₹ 9 per share (March 31, 2018: ₹ 4 per share)	990	450
DDT on final dividend *	203	93
	<b>1,193</b>	<b>543</b>

\*During the year, the Company has received dividend of ₹ 457 from its wholly owned subsidiary, Cyient Australia Pty Limited. Final dividend for the year ended March 31, 2018 of ₹ 451 has been adjusted against the final dividend received from Cyient Australia Pty Limited. Accordingly, the DDT on final dividend is ₹ Nil.

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2019.

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As at March 31, 2019, income available for distribution were ₹ 13,797 (March 31, 2018 - ₹ 10,708).

**39. Research and Development expenses :**

Revenue expenditure pertaining to research and development charged to the consolidated statement of profit and loss amounts to ₹ 335 (2017-18: ₹ 112).



**40. Disclosure of additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

**(A). As at and for the year ended March 31, 2019**

Sl No.	Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	<b>Parent Company</b>								
	Cyient Limited	85.38%	21,878	85.76%	4,091	104.57%	343	86.95%	4,434
	<b>Subsidiaries</b>								
	<b>Indian</b>								
1	Cyient Insights Private Limited	(0.26%)	(67)	4.90%	234	-	-	4.59%	234
2	Cyient DLM Private Limited	(0.02%)	(6)	(0.42%)	(20)	(1.22%)	(4)	(0.47%)	(24)
3	Cyient Solutions and Systems Private Limited	(0.09%)	(22)	(0.42%)	(20)	-	-	(0.39%)	(20)
	<b>Foreign</b>								
1	Cyient Inc.	8.53%	2,186	8.68%	414	(2.44%)	(8)	7.96%	406
2	Cyient Europe Limited	0.84%	214	(4.93%)	(235)	-	-	(4.61%)	(235)
3	Cyient GmbH	4.47%	1,145	2.85%	136	(0.61%)	(2)	2.63%	134
4	Cyient KK	0.27%	68	1.22%	58	-	-	1.14%	58
5	Cyient Australia Pty Limited	0.98%	252	2.62%	125	-	-	2.45%	125
6	Cyient Singapore Private Limited	(0.06%)	(16)	(0.08%)	(4)	-	-	(0.08%)	(4)
7	Cyient Israel Private Limited	0.01%	3	0.02%	1	-	-	0.02%	1
	<b>Non-controlling interests in:</b>								
1	Cyient Insights Private Limited (refer note 14)	-	-	(0.15%)	(7)	-	-	(0.14%)	(7)
2	Cyient DLM Private Limited (refer note 14)	-	-	0.25%	12	(0.30%)	(1)	0.22%	11
3	Cyient Solutions and Systems Private Limited (refer note 14)	(0.07%)	(19)	(0.40%)	(19)	-	-	(0.37%)	(19)
	<b>Joint Venture</b>								
	<b>Indian</b>								
	Infotech HAL Limited	0.02%	6	0.10%	5	-	-	0.10%	5
	<b>Total</b>	<b>100%</b>	<b>25,622</b>	<b>100%</b>	<b>4,771</b>	<b>100%</b>	<b>328</b>	<b>100%</b>	<b>5,099</b>

40. Disclosure of additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013


(B). As at and for the year ended March 31, 2018

Sl No.	Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	<b>Parent Company</b>								
	Cyient Limited	84.77%	19,872	83.18%	3,353	(41.98%)	(34)	80.71%	3,319
	<b>Subsidiaries</b>								
	<b>Indian</b>								
1	Cyient Insights Private Limited	(1.22%)	(286)	(0.32%)	(13)	1.23%	1	(0.29%)	(12)
2	Cyient DLM Private Limited	0.04%	10	(0.69%)	(28)	(4.94%)	(4)	(0.78%)	(32)
3	Cyient Solutions and Systems Private Limited	-	1	0.02%	1	-	-	0.02%	1
	<b>Foreign</b>								
1	Cyient Inc.	6.86%	1,608	11.11%	448	155.56%	126	13.96%	574
2	Cyient Europe Limited	2.41%	565	0.97%	39	-	-	0.95%	39
3	Cyient GmbH	4.65%	1,090	1.76%	71	(8.64%)	(7)	1.56%	64
4	Cyient KK	0.04%	9	1.44%	58	-	-	1.41%	58
5	Cyient Australia Pty Limited	2.51%	586	5.90%	238	-	-	5.80%	238
6	Cyient Singapore Private Limited	(0.07%)	(16)	(1.64%)	(66)	-	-	(1.61%)	(66)
7	Cyient Israel Private Limited	-	(1)	(0.02%)	(1)	-	-	(0.02%)	(1)
	<b>Non-controlling interests in:</b>								
1	Cyient Insights Private Limited	(0.50%)	(117)	(0.32%)	(13)	-	-	(0.32%)	(13)
2	Cyient DLM Private Limited	0.51%	120	(0.25%)	(10)	(1.23%)	(1)	(0.27%)	(11)
	<b>Associate</b>								
	<b>Foreign</b>								
	Infotech Aerospace Services Inc. (refer note 6(iv))	-	-	(1.24%)	(50)	-	-	(1.22%)	(50)
	<b>Joint Venture</b>								
	<b>Indian</b>								
	Infotech HAL Limited	-	1	0.10%	4	-	-	0.10%	4
	<b>Total</b>	<b>100%</b>	<b>23,442</b>	<b>100%</b>	<b>4,031</b>	<b>100%</b>	<b>81</b>	<b>100%</b>	<b>4,112</b>

41. These consolidated financial statements were approved by the Company's Board of Directors on April 25, 2019.


**For and on behalf of the Board of Directors**

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

  
**Ajay Aggarwal**  
President &  
Chief Financial Officer

Place : Hyderabad  
Date : April 25, 2019

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

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

## MOU WITH THE TELANGANA ACADEMY FOR SKILL AND KNOWLEDGE

A noteworthy HR initiative to improve the employability and leadership skills of candidates for technical fields was taken when Cyient signed an MoU with the Telangana Academy for Skill and Knowledge (TASK) in November 2018.

This industry-academia partnership leverages Cyient's engineering expertise to create a pool of skilled workforce who can meet industry requirements in the state of Telangana.

Our partnership with TASK is aligned with our focus on skill enhancement and offers new opportunities to create more value in the field of engineering education, for both students and faculty.





## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014-AOC I)

### Part "A": Subsidiaries

Name of the subsidiary	Cyient Inc.,	Cyient Europe Limited	Cyient GmbH	Cyient KK	Cyient Australia Pty Limited	Cyient Singapore Private Limited	Cyient Insights Private Limited	Cyient DLM Private Limited	Cyient Solutions and Systems Private Limited <sup>2</sup>	Cyient Israel India Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March	April to March	April to March	April to March	April to March	April to March	April to March	April to March	April to March	April to March
Reporting currency	USD	GBP	EUR	JPY	AUD	SGD	INR	INR	INR	ILS
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	69.2211	90.4222	77.7650	0.6260	49.0561	51.0659	1	1	1	19.0898
Equity share capital	21,450,000	1,850,000	600,000	64,500,000	1,000	5,085,360	19,994,780	13,670,000	2,00,000	1,817,100
Other equity	26,401,335	3,281,840	16,118,225	106,867,303	5,112,834	(729,226)	(78,399,893)	335,578,189	(40,958,278)	21,125
Total assets	125,651,324	61,193,394	30,103,978	543,558,115	28,468,971	8,781,555	121,186,892	4,661,328,883	299,901,124	2,973,558
Total Liabilities	77,799,989	56,061,554	13,385,753	372,190,812	23,355,137	4,425,421	179,592,005	4,312,080,694	340,659,402	1,135,333
Investments	3,048,473	1,949	-	-	-	-	-	25,000	-	-
Turnover	293,641,796	66,905,947	27,020,727	1,136,376,748	81,657,527	10,291,418	123,818,149	4,804,701,260	100,566,996	1,722,511
Profit/(Loss) before taxation	8,881,819	(1,873,699)	2,097,265	149,840,561	3,655,177	103,741	232,011,094	(13,823,253)	(39,161,168)	57,283
Provision for taxation	2,427,833	1,142,869	441,336	57,073,275	1,251,553	213,883	4,554,219	(4,489,041)	-	-
Profit/(Loss) after taxation	6,453,986	(3,016,568)	1,655,929	92,767,286	2,403,624	(110,142)	227,456,875	(9,334,212)	(39,161,168)	57,283
Proposed Dividend (refer note 3)	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	51%	100%

**Notes:** 1. All amounts are mentioned in the respective reporting currency as described above.

2. Cyient Solutions and Systems Private Limited was incorporated during the previous year and commenced its commercial operations during the year.

3. During the year, Cyient Australia Pty Limited has repatriated a dividend of ₹ 457 Mn to its Parent Company, Cyient Limited.

## Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures		Infotech HAL Limited , India
1.	Latest audited Balance Sheet Date	March 31, 2019
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	i. No.	i. 2,000,000
	ii. Amount of Investment in Associates/Joint Venture	ii. 20,000,000
	iii. Extend of Holding %	iii. 50%
3.	Description of how there is significant influence	There is significant influence to the extent of shareholding
4.	Reason why the associate/joint venture is not consolidated	NA
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 26,127,797
6.	Profit/(Loss) for the year	
	i. Considered in Consolidation	i) ₹ 4,930,844
	ii. Not Considered in Consolidation	ii) -

\*Including other comprehensive income

- Names of joint ventures which are yet to commence operations – None.

## 10 Year Historical Perspective- Standalone

₹ Million

Particulars	I GAAP										Ind AS			
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19				
For the year														
Total Revenue	6,079	6,774	9,174	10,889	12,769	13,969	13,591	13,736	14,397	16,149				
EBITDA	1,960	1,668	2,646	3,196	3,967	4,053	3,637	3,617	5,671	5,932				
Finance cost	5	1	6	1	4	5	3	6	6	11				
Depreciation and amortization	407	375	412	563	649	618	684	540	508	509				
Provision for income tax	126	126	715	699	763	707	615	601	1,285	1,179				
Deferred tax	155	10	(72)	71	3	12	(72)	(100)	(43)	(174)				
Profit before exceptional item	1,268	1,156	1,586	1,862	2,549	2,711	2,407	2,570	3,915	4,407				
Exceptional item	-	(23)	-	18	-	-	72	201	(103)	-				
Profit after tax	1,268	1,179	1,586	1,843	2,549	2,711	2,335	2,369	4,018	4,407				
Dividend	222	139	279	586	559	899	787	1,307	1,463	1,667				
As at the end of the year														
Share capital*	277	556	557	558	560	562	562	563	563	552				
Reserves and surplus	7,761	8,523	9,792	11,108	13,298	15,244	16,213	18,259	20,051	21,813				
Share application money pending allotment	-	-	-	4	1	-	1	-	-	-				
Net Worth	8,038	9,080	10,349	11,670	13,859	15,806	16,776	18,822	20,614	22,365				
Loan funds	-	-	-	-	-	-	-	-	-	-				
Gross block	4,836	5,350	5,976	6,810	7,226	7,806	8,013	8,251	8,581	9,028				
Capital investment	294	514	626	834	416	580	207	238	330	447				
Net current assets	2,652	4,496	5,438	6,230	8,524	7,589	8,420	10,510	12,282	13,044				
Debt - equity ratio	-	-	-	-	-	-	-	-	-	-				
Per share data														
Bonus / Capital History **	1:1	-	-	-	-	-	-	-	-	-				
Basic earnings per share (₹) (EPS)	11.45	10.60	14.24	16.53	22.81	24.17	20.77	21.05	35.69	39.07				
Dividend Per Share (₹) (DPS)	2.0	1.3	2.5	4.5	5.0	8.0	7.0	10.5	13.0	15				
Dividend (%)	40.0%	25.0%	50.0%	90.0%	100.0%	160.0%	140.0%	210.0%	260.0%	300%				
Dividend Pay-out (%) (excluding Buyback)	17.5%	11.8%	17.6%	27.2%	21.9%	33.2%	33.7%	55.2%	36.4%	37.8%				
Book Value (₹)	72.4	81.7	92.9	104.5	123.8	140.7	149.1	167.2	183.1	202.45				
Face Value (₹)	5	5	5	5	5	5	5	5	5	5				

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from the "transition date" of April 01, 2015. Financial statements for the year ended and as at March 31, 2016, already reported under the Previous GAAP, have been restated to conform to Ind AS.

\* The Board of Directors, at its meeting held on February 1, 2019, approved a proposal for the Company to Buyback its fully paid-up equity shares of face value of ₹ 5 each from the eligible equity shareholders of the Company other than promoters, promoter group and persons who are in control of the company, at a price not exceeding Rs. 700 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹ 2,000 (Maximum Buyback size), payable in cash from the open market route through the stock exchange mechanism under the Buyback Regulations and the Companies Act. As of March 31, 2019, the scheme of Buyback was open and as of March 31, 2019, the Company bought back 2,570,518 equity shares as part of the aforementioned Buyback process resulting in total cash outflow of ₹ 1,685.

\*\* The Company sub divided it ₹ 10 share into 2 shares of ₹ 5 each. Post that 1 Bonus share was issued for every 2 shares held.

## Financial Analysis - Standalone Balance Sheet

₹ Million and percentage

	Ind AS					
	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
		%		%		%
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	2,460	9.5%	2,252	9.4%	2,313	10.7%
Capital work-in-progress	287	1.1%	213	0.9%	92	0.4%
Intangible assets	204	0.8%	292	1.2%	243	1.1%
Intangible assets under development	468	1.8%	251	1.0%	71	0.3%
Financial assets						
(a) Investments	5,101	19.8%	4,639	19.3%	4,605	21.3%
(b) Loans	491	1.9%	127	0.5%	106	0.5%
(c) Other financial assets	197	0.8%	193	0.8%	270	1.2%
Deferred tax assets (net)	194	0.8%	167	0.7%	26	0.1%
Income tax assets (net)	320	1.2%	392	1.6%	392	1.8%
Other non-current assets	462	1.8%	507	2.1%	836	3.9%
<b>Total non-current assets</b>	<b>10,184</b>	<b>39.5%</b>	<b>9,033</b>	<b>37.6%</b>	<b>8,954</b>	<b>41.4%</b>
<b>Current assets</b>						
Financial assets						
(a) Investments	278	1.1%	1,130	4.7%	925	4.3%
(b) Trade receivables	5,079	19.7%	4,151	17.3%	2,950	13.6%
(c) Cash and cash equivalents	6,998	27.1%	7,200	30.0%	6,516	30.1%
(d) Other bank balances	129	0.5%	66	0.3%	23	0.1%
(e) Loans	320	1.2%	267	1.1%	153	0.7%
(f) Other financial assets	1,805	7.0%	1,628	6.8%	1,611	7.4%
Other current assets	1,008	3.9%	536	2.2%	501	2.3%
<b>Total current assets</b>	<b>15,617</b>	<b>60.5%</b>	<b>14,978</b>	<b>62.4%</b>	<b>12,679</b>	<b>58.6%</b>
<b>Total assets</b>	<b>25,801</b>	<b>100%</b>	<b>24,011</b>	<b>100%</b>	<b>21,633</b>	<b>100%</b>

(Contd.)



	Ind AS					
	As at March 31, 2019	%	As at March 31, 2018	%	As at March 31, 2017	%
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	552	2.1%	563	2.3%	563	2.6%
Other equity	21,813	84.5%	20,051	83.5%	18,259	84.4%
<b>Total equity</b>	<b>22,365</b>	<b>86.7%</b>	<b>20,614</b>	<b>85.9%</b>	<b>18,822</b>	<b>87.0%</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Provisions	863	3.3%	701	2.9%	642	3.0%
Deferred tax liabilities (net)	-	0.0%	-	0.0%	-	0.0%
<b>Total non-current liabilities</b>	<b>863</b>	<b>3.3%</b>	<b>701</b>	<b>2.9%</b>	<b>642</b>	<b>3.0%</b>
<b>Current liabilities</b>						
Financial liabilities						
(a) Trade payables	1,963	7.6%	1,933	8.1%	1,321	6.1%
(b) Other financial liabilities	137	0.5%	173	0.7%	67	0.3%
Income tax liabilities (net)	48	0.2%	44	0.2%	45	0.2%
Provisions	97	0.4%	71	0.3%	74	0.3%
Other current liabilities	328	1.3%	475	2.0%	662	3.1%
<b>Total current liabilities</b>	<b>2,573</b>	<b>10.0%</b>	<b>2,696</b>	<b>11.2%</b>	<b>2,169</b>	<b>10.0%</b>
<b>Total liabilities</b>	<b>3,436</b>	<b>13.3%</b>	<b>3,397</b>	<b>14.1%</b>	<b>2,811</b>	<b>13.0%</b>
<b>Total equity and liabilities</b>	<b>25,801</b>	<b>100.0%</b>	<b>24,011</b>	<b>100%</b>	<b>21,633</b>	<b>100%</b>

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from the "transition date" of April 01, 2015. Financial statements for the year ended and as at March 31, 2016, as reported under the Previous GAAP, have been restated to conform to Ind AS.

## Statement of Profit and Loss Summary

(₹ Million and percentage)

	Ind AS						IGAAP	
	2018-19	%	2017-18	%	2016-17	%	2015-16	%
INCOME								
Revenue from operations	16,149	90.9%	14,397	88.2%	12,920	94.1%	12,456	91.6%
Other income	1,621	9.1%	1,923	11.8%	816	5.9%	1,135	8.4%
<b>Total Income</b>	<b>17,770</b>	<b>100.0%</b>	<b>16,320</b>	<b>100.0%</b>	<b>13,736</b>	<b>100.0%</b>	<b>13,591</b>	<b>100.0%</b>
Employee benefits expense	7,546	42.5%	6,758	41.4%	6,520	47.5%	6,297	46.3%
Operating, administration and other expense	4,292	24.2%	3,891	23.8%	3,599	26.2%	3,657	26.9%
Finance costs	11	0.06%	6	0.04%	6	0.04%	3	0.02%
Depreciation and amortisation expense	509	2.9%	508	3.1%	540	3.9%	684	5.0%
<b>Total expenses</b>	<b>12,358</b>	<b>69.5%</b>	<b>11,163</b>	<b>68.4%</b>	<b>10,665</b>	<b>77.6%</b>	<b>10,641</b>	<b>78.3%</b>
<b>Profit before exceptional item and tax</b>	<b>5,412</b>	<b>30.5%</b>	<b>5,157</b>	<b>31.6%</b>	<b>3,071</b>	<b>22.4%</b>	<b>2,950</b>	<b>21.7%</b>
Exceptional item	-	0.0%	(103)	-0.6%	201	1.5%	72	0.5%
<b>Profit before tax</b>	<b>5,412</b>	<b>30.5%</b>	<b>5,260</b>	<b>32.2%</b>	<b>2,870</b>	<b>20.9%</b>	<b>2,878</b>	<b>21.2%</b>
Provision for income tax	1,179	6.6%	1,285	7.9%	601	4.4%	615	4.5%
Deferred tax	(174)	-1.0%	(43)	-0.3%	(100)	-0.7%	(72)	-0.5%
<b>Profit after tax</b>	<b>4,407</b>	<b>24.8%</b>	<b>4,018</b>	<b>24.6%</b>	<b>2,369</b>	<b>17.2%</b>	<b>2,335</b>	<b>17.2%</b>
<b>Total other comprehensive income, net of tax</b>	<b>257</b>	<b>1.4%</b>	<b>(357)</b>	<b>-2.2%</b>	<b>217</b>	<b>1.6%</b>	<b>(217)</b>	<b>-1.6%</b>
<b>Total comprehensive income for the year</b>	<b>4,664</b>	<b>26.2%</b>	<b>3,661</b>	<b>22.4%</b>	<b>2,586</b>	<b>18.8%</b>	<b>2,118</b>	<b>15.6%</b>

# Financial Analysis - Consolidated Balance Sheet

₹ in million and percentage

	Ind AS					
	As at March 31, 2019	%	As at March 31, 2018	%	As at March 31, 2017	%
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	3,530	9.1%	3,220	9.4%	3,017	9.6%
Capital work-in-progress	300	0.8%	213	0.6%	92	0.3%
Goodwill	5,257	13.5%	3,549	10.3%	3,278	10.5%
Intangible assets	993	2.6%	1,206	3.5%	1,215	3.9%
Intangible assets under development	740	1.9%	302	0.9%	173	0.6%
Financial assets						
(a) Investments	267	0.7%	298	0.9%	1,032	3.3%
(b) Other financial assets	316	0.8%	270	0.8%	205	0.7%
Deferred tax assets (net)	294	0.8%	321	0.9%	101	0.3%
Income tax assets (net)	716	1.8%	755	2.2%	683	2.2%
Other non-current assets	626	1.6%	736	2.1%	855	2.7%
<b>Total non-current assets</b>	<b>13,039</b>	<b>33.5%</b>	<b>10,870</b>	<b>31.6%</b>	<b>10,651</b>	<b>34.1%</b>
<b>Current assets</b>						
Inventories	1,833	4.7%	1,312	3.8%	935	3.0%
Financial assets						
(a) Investments	278	0.7%	1,130	3.3%	925	2.9%
(b) Trade receivables	8,137	20.9%	6,913	20.1%	6,496	20.7%
(c) Cash and cash equivalents	9,072	23.3%	9,603	28.0%	8,570	27.3%
(d) Other bank balances	633	1.6%	204	0.6%	211	0.7%
(e) Other financial assets	4,226	10.9%	3,384	9.9%	2,660	8.5%
Other current assets	1,674	4.3%	910	2.6%	916	2.8%
<b>Total current assets</b>	<b>25,853</b>	<b>66.5%</b>	<b>23,456</b>	<b>68.4%</b>	<b>20,713</b>	<b>65.9%</b>
<b>Total assets</b>	<b>38,892</b>	<b>100%</b>	<b>34,326</b>	<b>100%</b>	<b>31,364</b>	<b>100%</b>
<b>EQUITY AND LIABILITIES</b>						
Equity						

(Contd.)

	Ind AS					
	As at March 31, 2019	%	As at March 31, 2018	%	As at March 31, 2017	%
Equity share capital	552	1.4%	563	1.6%	563	1.8%
Other equity	25,089	64.5%	22,876	66.6%	20,610	65.7%
<b>Equity attributable to owners of the Company</b>	<b>25,641</b>	<b>65.9%</b>	<b>23,439</b>	<b>68.3%</b>	<b>21,173</b>	<b>67.5%</b>
Non-controlling interests	(19)	-0.05%	3	0.01%	26	0.1%
<b>Total equity</b>	<b>25,622</b>	<b>65.9%</b>	<b>23,442</b>	<b>68.3%</b>	<b>21,199</b>	<b>67.6%</b>
<b>Non-current liabilities</b>						
Financial liabilities						
(a) Borrowings	1,116	2.9%	630	1.8%	492	1.6%
(b) Other financial liabilities	697	1.8%	353	1.0%	232	0.7%
Provisions	1,137	2.9%	878	2.6%	813	2.6%
Deferred tax liabilities (net)	405	1.0%	356	1.0%	302	1.0%
Income tax liabilities (net)	20	0.1%	20	0.1%	-	0.0%
Other non-current liabilities	-	0.00%	26	0.1%	35	0.1%
<b>Total non-current liabilities</b>	<b>3,375</b>	<b>8.7%</b>	<b>2,263</b>	<b>6.6%</b>	<b>1,874</b>	<b>6.0%</b>
<b>Current liabilities</b>						
Financial liabilities						
(a) Borrowings	2,137	5.5%	1,780	5.2%	1,159	3.7%
(b) Trade payables	3,712	9.5%	3,813	11.1%	4,021	12.8%
(c) Other financial liabilities	874	2.2%	1,256	3.7%	1,133	3.6%
Income tax liabilities (net)	424	1.1%	316	0.9%	424	1.4%
Provisions	289	0.7%	229	0.7%	235	0.7%
Other current liabilities	2,459	6.3%	1,227	3.5%	1,319	4.2%
<b>Total current liabilities</b>	<b>9,895</b>	<b>25.4%</b>	<b>8,621</b>	<b>25.1%</b>	<b>8,291</b>	<b>26.4%</b>
<b>Total liabilities</b>	<b>13,270</b>	<b>34.1%</b>	<b>10,884</b>	<b>31.7%</b>	<b>10,165</b>	<b>32.4%</b>
<b>Total equity and liabilities</b>	<b>38,892</b>	<b>100.0%</b>	<b>34,326</b>	<b>100%</b>	<b>31,364</b>	<b>100%</b>

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from the "transition date" of April 01, 2015. Financial statements for the year ended and as at March 31, 2016, as reported under the Previous GAAP, have been restated to conform to Ind AS.



## Financial Analysis - Consolidated Statement of Profit and Loss Summary

₹ million and percentage

	Ind AS						IGAAP			
	2018-19	%	2017-18	%	2016-17	%	2015-16	%	2014-15	%
INCOME										
Revenue from operations	46,175	97.2%	39,175	96.3%	36,065	97.5%	31,021	96.6%	27,359	95.7%
Other income	1,340	2.8%	1,519	3.7%	932	2.5%	1,085	3.4%	1,218	4.3%
Total Income	47,515	100.0%	40,694	100.0%	36,997	100.0%	32,106	100.0%	28,577	100.0%
EXPENDITURE										
Employee benefits expense	25,374	53.4%	21,877	53.8%	20,490	55.4%	18,125	56.5%	16,756	58.6%
Cost of materials consumed	3,936	8.3%	3,272	8.0%	2,852	7.7%	1,881	5.9%	291	1.0%
Purchases of stock-in-trade	108	0.2%	-	-	-	-	-	-	-	-
Changes in inventories of finished goods, stock-in-trade and work in progress	141	0.3%	(201)	-0.5%	(110)	-0.3%	6	0.0%	168	0.6%
Excise duty	-	0.0%	36	0.1%	207	0.6%	80	0.2%	-	0.0%
Operating, administration and other expenses	10,288	21.7%	8,837	21.7%	7,854	21.2%	6,788	21.1%	6,136	21.5%
Finance costs	326	0.7%	204	0.5%	172	0.5%	164	0.5%	58	0.2%
Depreciation and amortisation expense	1,114	2.3%	1,052	2.6%	953	2.6%	888	2.8%	713	2.5%
Total expenses	41,287	86.9%	35,077	86.2%	32,418	87.6%	27,932	87.0%	24,121	84.4%
Profit before exceptional item, tax and share of profits from associate and joint venture	6,228	13.1%	5,617	13.8%	4,579	12.4%	4,174	13.0%	4,456	15.6%
Exceptional item	35	0.1%	50	0.1%	261	0.7%	87	0.3%	-	0.0%
Profit before tax and share of profits from associate and joint venture	6,193	13.0%	5,567	13.7%	4,318	11.7%	4,087	12.7%	4,456	15.6%
Provision for income tax	1,512	3.2%	1,493	3.7%	927	2.5%	1,149	3.6%	1,046	3.7%
Deferred tax	(85)	-0.2%	(113)	-0.3%	118	0.3%	(138)	-0.4%	50	0.2%
Profit before share of profits from associate and joint venture	4,766	10.0%	4,187	10.3%	3,273	8.8%	3,076	9.6%	3,359	11.8%
Share of profit in associate company and joint venture	5	0.0%	(156)	-0.4%	123	0.3%	125	0.4%	150	0.5%
Non-controlling interest	14	0.0%	23	0.1%	42	0.1%	54	0.2%	22	0.0%
Profit for the year	4,785	10.1%	4,054	10.0%	3,438	9.3%	3,255	10.1%	3,532	12.4%
Total other comprehensive income, net of tax	329	0.7%	82	0.2%	(33)	-0.1%	13	0.0%	-	0.0%
Total comprehensive income for the year	5,114	10.8%	4,136	10.2%	3,405	9.2%	3,268	10.2%	-	0.0%

## Ratio Analysis - Standalone

Ratio analysis for the year ended March 31	Ind AS				I GAAP	
	2019	2018	2017	2016	2015	2014
<b>Ratio - Financial Performance</b>						
Revenue from Operations / Total revenue (%)	90.9%	88.2%	94.1%	91.6%	92.6%	95.9%
Other Income / Total revenue (%)	9.1%	11.8%	5.9%	8.4%	7.4%	4.1%
Employee cost / Total revenue (%)	42.5%	41.4%	47.5%	46.3%	46.1%	44.8%
Administration expenses / Total revenue (%)	24.2%	23.8%	26.2%	26.9%	24.9%	24.2%
Operating expenses / Total revenue (%)	66.6%	65.3%	73.7%	73.2%	71.0%	68.9%
Depreciation / Total revenue (%)	2.9%	3.1%	3.9%	5.0%	4.4%	5.1%
Finance Charges / Total revenue (%)	0.06%	0.04%	0.04%	0.02%	0.04%	0.03%
Tax expense / Total revenue (%)	5.7%	7.6%	4.4%	4.5%	5.1%	6.0%
Tax expense / PBT (%)	18.6%	23.6%	17.5%	18.9%	20.6%	23.0%
EBIDTA / Total revenue (%)	36.7%	35.4%	24.9%	26.2%	29.0%	31.1%
Net Profit (PAT) / Total revenues (%)	24.8%	24.6%	17.2%	17.2%	19.4%	20.0%
Net Profit (PAT) / Average net worth (%)	20.5%	20.4%	13.3%	14.3%	18.3%	20.0%
ROCE (PBIT / Average capital employed*) (%)	25.2%	26.2%	17.3%	17.7%	23.2%	26.0%
<b>Ratios- Balance sheet</b>						
Debt-equity ratio	-	-	-	-	-	-
Debtors turnover (Days)	115	105	83	82	84	79
Current ratio	6.07	5.56	5.85	5.46	4.56	5.23
Cash & cash equivalents / Total assets (%)	27.1%	30.0%	30.1%	25.6%	24.0%	35.8%
Cash & cash equivalents / Total revenue (%)	43.3%	50.0%	50.4%	39.5%	31.7%	45.5%
Depreciation / Average gross block (%)	5.8%	6.5%	6.7%	8.8%	8.2%	9.2%
Total Revenue / Average Net Fixed Assets	6.20	5.39	5.21	4.78	4.45	3.92
Total Revenue / Average Total Assets	0.65	0.63	0.67	0.72	0.81	0.85
<b>Ratios - Growth</b>						
Revenue from Operations (%)	12.2%	11.4%	3.7%	-3.7%	5.7%	16.4%
Total Income (%)	8.9%	18.8%	1.1%	-2.7%	9.4%	17.3%
Operating expenses (%)	11.2%	5.2%	1.7%	0.4%	12.7%	14.4%
EBIDTA (%)	4.6%	69.0%	-4.2%	-12.0%	2.2%	24.8%
Net Profit (%)	9.7%	69.6%	1.5%	-13.9%	6.3%	38.3%
<b>Per Share Data</b>						
Basic earnings per share (₹)	39.07	35.69	21.05	20.77	24.17	22.81
Cash Earnings per share (₹)	44.50	40.21	25.84	26.84	29.63	28.56
Book value (₹)	202.45	183.12	167.21	149.13	140.67	123.77
Price / Earning, end of year	16.62	19.47	22.21	20.54	20.86	14.28
Price / Cash Earning, end of year	14.59	17.38	18.09	15.90	17.02	11.41
Price / Book value, end of year	3.21	3.82	2.80	2.86	3.58	2.63
Share price as on March 31 (National Stock Exchange)	649.45	698.85	467.50	426.70	504.27	325.80
No. of Share Outstanding as on March 31, (in Millions)	110.47	112.57	112.57	112.48	112.36	111.96
Dividend Per Share (₹)	15	13	10.50	7.00	8.00	5.00
Dividend (%)	300%	260%	210%	140%	160%	100%

\* Capital employed is considered as total equity excluding long term and short term borrowings.

## Ratio Analysis - Consolidated

Ratio analysis for the year ended March 31	Ind AS				I GAAP	
	2019	2018	2017	2016	2015	2014
<b>Ratio - Financial Performance</b>						
Other Income / Total Revenue (%)	2.8%	3.7%	2.5%	3.4%	4.3%	0.8%
Employee cost / Total Revenue (%)	53.4%	53.8%	55.4%	56.5%	58.6%	61.5%
Operating & Administration expenses / Total Revenue (%)	21.7%	21.7%	21.2%	21.1%	21.5%	19.3%
Depreciation & Amortization / Total Revenue (%)	2.3%	2.6%	2.6%	2.8%	2.5%	3.2%
Finance Charges / Total Revenue (%)	0.7%	0.5%	0.5%	0.5%	0.2%	0.1%
Tax expense / PBT (%)	23.0%	25.7%	23.5%	24.0%	24.6%	29.1%
EBIDTA / Total Revenue (%)	14.0%	14.0%	14.7%	16.0%	18.3%	19.2%
Net Profit / Total Revenue (%)	10.1%	10.0%	9.3%	10.1%	12.4%	12.0%
Net Profit / Average Net Worth (%)	19.5%	18.2%	17.4%	17.8%	20.6%	18.3%
ROCE (PBIT / Average capital employed*) (%)	26.6%	25.9%	22.7%	23.3%	26.3%	24.4%
<b>Ratios- Balance sheet</b>						
Debt-equity ratio	0.15	0.13	0.10	0.04	0.03	-
Debtors turnover (Days)	88	80	74	79	83	87
Current ratio	2.61	2.72	2.50	2.69	2.57	4.47
Cash & Cash Equivalents / Total Assets (%)	23.3%	28.0%	27.3%	25.0%	24.2%	35.4%
Cash & Cash Equivalents / Total Revenue (%)	19.1%	23.6%	23.1%	21.3%	21.8%	31.1%
Depreciation & Amortization / Average gross block (%)	8.75%	6.9%	6.8%	6.7%	6.7%	9.3%
Revenue / Average Net Fixed Assets	5.20	4.60	4.99	4.27	6.84	6.29
Revenue / Average Total Assets	1.30	1.24	1.23	1.17	1.21	1.24
<b>Ratios - Growth*</b>						
Operating Revenue (%)	17.9%	8.6%	16.3%	0.9%	24.0%	17.8%
Operating Expenses (%)	17.8%	8.1%	16.4%	15.1%	28.1%	17.2%
EBIDTA (%)	17.3%	13.3%	15.7%	4.4%	22.3%	12.3%
Net Profit (%)	18.0%	16.1%	5.6%	-18.0%	32.8%	15.1%
<b>Per Share Data</b>						
Basic earnings per share (Rs.)	42.43	36.00	30.55	28.95	31.48	23.80
Cash Earnings per share (Rs.)	53.40	45.36	39.01	36.83	37.78	30.19
Book value (Rs.)	231.93	208.24	188.09	162.74	164.12	141.86
Price / Earning, end of year	15.31	19.41	15.30	14.74	16.02	13.69
Price / Cash Earning, end of year	12.16	15.41	11.98	11.59	13.35	10.79
Price / Book value , end of year	2.80	3.36	2.49	2.62	3.07	2.30
Share price as on March 31 (National Stock Exchange)	649.45	698.85	467.5	426.7	504.27	325.80
No. of Share Outstanding as on March 31, (in Millions)	110.47	112.57	112.57	112.48	112.36	111.96
Dividend Per Share (Rs.)	15	13	10.5	7.00	8.00	5.00
Dividend (%)	300%	260%	210%	140%	160%	100%

\* Capital employed is considered as total equity excluding long term and short term borrowings.

## LEADERSHIP DEVELOPMENT PROGRAMS

Leadership development continues to be an area of strategic focus at Cyient. In FY19, through our flagship Emerging Leaders and the Business Leader programs, we helped prepare more than 50 managers and leaders to take on more challenging roles and implement critical initiatives that will empower Cyient to grow, compete, and thrive.

This year, we also initiated a pilot program with a world-renowned consulting firm to assess and coach our high-potential business leaders, help them refine their capabilities, and emerge as growth-minded executives. We are also making rapid progress on a global management program targeted at developing senior leadership capabilities and equipping them with the skill to navigate business issues, ignite collaboration, and integrate multiple perspectives to drive growth.





## Significant Milestones in the history of the Company

<b>1991</b>	<b>August</b>	Infotech Enterprises was incorporated as a private limited company
<b>1995</b>	<b>August</b>	The company received its first ISO 9002 certification from BVQi London for its conversion services
<b>1997</b>	<b>March</b>	Re-organized as a public limited company; IPO of Equity shares at ₹ 20 per share and listed in all major stock exchanges in India
	<b>April</b>	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
	<b>October</b>	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
	<b>1998</b>	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)
	<b>1999</b>	January Infotech Enterprises enters into an agreement with Navionics Italy the world leader in seamless marine electronic charts for digitization and Conversion services
<b>1999</b>	<b>June</b>	Infotech and ASI sign a long term contract for ASI to source US\$ 33 million in conversion and software services from Infotech Enterprises
	<b>July</b>	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
	<b>August</b>	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
	<b>September</b>	Infotech Enterprises acquires Cartographic Sciences Pvt. Mumbai- India from Analytical Surveys Inc.
	<b>September</b>	Infotech Enterprises receives an ISO 9001 for its software development services
	<b>September</b>	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
	<b>November</b>	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
	<b>2000</b>	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
<b>2000</b>	<b>April</b>	Merger of Cartographic Sciences with the company
	<b>May</b>	Infotech Enterprises enters into a Master Services Agreement with Pratt & Whitney, a division of United Technologies Corporation, a Fortune 100 company
	<b>October</b>	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
	<b>November</b>	Infotech Enterprises wins a multimillion dollar GIS project from the Dutch multi-national group, FUGRO
	<b>2001</b>	April Infotech Europe acquires European GIS distributor Map Centric - a leading independent GIS distributor in Europe
<b>2001</b>	<b>May</b>	Infotech Enterprises bags a contract worth US \$ 7 million to provide Photogrammetry service to Triathlon, a leading full fledged geomatics company in Canada
	<b>May</b>	Infotech Enterprises ranks 5th among Top Ten Exporters from Andhra Pradesh for the Year 2000-2001
	<b>June</b>	Infotech Enterprises acquires 10-acres of land to set up a software development campus at Manikonda, Hyderabad.
	<b>July</b>	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
	<b>2001</b>	August Infotech Enterprises attains the coveted SEI CMM LEVEL 4 certification for its software development centre at Infocity, Hyderabad
<b>2001</b>	<b>November</b>	Infotech Enterprises receives ISO 9001:2000 for Software and Engineering Services lines of business by BVQi London
	<b>December</b>	Infotech Enterprises announces the opening of the state-of-the-art Engineering services facility in Bangalore, India

2002	February	Infotech Enterprises Announces strategic business relationship with Pratt & Whitney Division of UTC. Pratt & Whitney to participate with up to ~18% equity stake in Infotech, demonstrating long term partnering intent and endorsing Infotech Business competence
	April	Infotech Enterprises achieves SEI CMM Level 5 for its Software Development & Services Division
	April	Infotech Enterprises' board recommends issue of Bonus Shares at 1:1 ratio
	August	Infotech Enterprises bags a major GIS contract from KPN Telecom, the largest telecommunications company in the Netherlands, to provide spatial data management services.
	September	Company bags the Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI) Award for Best Information Technology (IT) Company in the state of Andhra Pradesh (2001-2002)
2003	April	Infotech Enterprises attains the best process improvement model-"The Level 5 of the CMMi Version 1.1 for the SW/SE/SS disciplines"
	September	Infotech Enterprises announces the inauguration of a new development center in Puerto Rico to provide engineering design services
	September	Infotech Enterprises signs long term outsourcing contact with Bombardier Transportation to provide Engineering Services in India
2004	January	Infotech Enterprises acquires VARGIS - a GIS Company in the US
	July	Change in Business Model. Verticalization brought into place
	September	Infotech Enterprises divests 51% of its stake in Infotech Aerospace Services Inc. in favour of United Technologies Corporation
	September	Infotech Enterprises conferred with BS 7799 standards
2005	March	Infotech Enterprises acquires Tele Atlas India Pvt. Ltd. Tele Atlas (Netherlands) joins as a strategic partner with preferential allotment of shares
	March	Infotech Enterprises opens branch office in Singapore
	April	Infotech Enterprises opens branch office in Melbourne, Australia
	May	Inaugurated Geospatial production facility at Frostburg, Maryland, USA
	July	Infotech Enterprises opens branch office in Dubai
	September	Wins a landmark GIS contract from KPN Telecom and also signs a 5-year major Engineering Design Agreement with Alstom Transport
	October	Completed 5 years of relationship with Pratt & Whitney
2006	March	Signs a major GIS contract with GE for Swisscom
	December	Infotech Enterprises opens branch office at Canada
2007	June	Acquires 74% stake in Geospatial Integra and renamed the company as Infotech Geospatial (India) Limited
	July	Preferential allotment of shares to GA Global Investments Limited & Carrier International Mauritius Limited
	August	Set up Infotech HAL Limited, a Joint Venture Company with HAL, a Navaratna PSU under the Ministry of Defence, at Bangalore
2008	October	Acquired TTM (India) Private Limited and TTM Inc. made foray into Hitech Vertical
	December	Established wholly owned subsidiary in Japan
2009	December	Infotech Enterprises opens branch office in Malaysia
2010	January	Infotech Enterprises signs a long term engineering services contract with Hamilton Sundstrand
	January	Acquired Daxcon Engineering Inc., USA (Step down subsidiary)
	August	Acquired Wellsco Inc., USA (Step down subsidiary)
2011	May	Awarded 'Supplier of the year' by Boeing
	November	IGIL becomes a wholly owned subsidiary
2012	October	Set up branch in South Korea
	October	Won Golden Peacock Award for excellence in Corporate Governance
2013	January	Inaugurated New Development Centre in SEZ at Kakinada
	April	Opened office in Silicon Valley
	September	Set up branch in Taiwan
	November	Set up branch in South Africa

<b>2014</b>	<b>March</b>	Acquired Softential Inc.,
	<b>March</b>	Commenced process for name change and re-branding
	<b>April</b>	Mr. Krishna Bodanapu appointed Managing Director & CEO
	<b>May</b>	Re-branding completed, new logo launched and Company's name changed to Cyient
	<b>August</b>	Acquired 51% stake in Invati Insights Pvt. Ltd., Hyderabad
	<b>October</b>	Set up a subsidiary in Australia
	<b>December</b>	Won the 14 <sup>th</sup> ICSI National Award for Excellence in Corporate Governance
<b>2015</b>	<b>January</b>	Acquired 74% stake in Rangsons Electronics Pvt. Ltd., Mysore
	<b>April</b>	Mr. B.V.R. Mohan Reddy elected Chairman of National Association of Software Services Companies (NASSCOM)
	<b>July</b>	Acquired Pratt & Whitney Global Services Engineering Asia, Singapore
	<b>August</b>	Divested entire stake in Infotech Enterprises Information Technology Services Private Limited, a wholly owned subsidiary Launched Digital Library Initiative Launched National Digital Literacy Mission Centre
	<b>September</b>	R&D Unit recognised by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India
<b>2016</b>	<b>October</b>	Set up step down subsidiary in Czech republic
	<b>February</b>	Established state of the art development centre in Warangal, Telangana
	<b>March</b>	'Lifetime Achievement Award' conferred on Mr. B.V.R. Mohan Reddy by Hyderabad Management Association
		Set up a subsidiary in China
	<b>May</b>	Awarded 2015 Supplier of the Year by Boeing
	<b>June</b>	Inaugurated Global Design Center in Bengaluru for SMEC
	<b>July</b>	Set up subsidiary in Israel
	<b>August</b>	Marked its 25 <sup>th</sup> Anniversary by enabling large scale inclusive 'Digital Literacy' Mission
	<b>October</b>	Mr. B.V.R. Mohan Reddy appointed as the Honorary Consul of the Federal Republic of Germany
	<b>November</b>	Cyient Europe Limited acquired 100% stake in Blom Aerofilms Limited, UK
	<b>December</b>	Zinnov Zones 2016 Rates Cyient in the Leadership Zone in Four Industry Verticals
<b>2017</b>	<b>January</b>	Secured Prestigious Pratt & Whitney 2016 Supplier Innovation and Productivity Savings Awards
	<b>February</b>	Cyient Inc. acquired 100% stake in Certon Software Inc, a Florida based company
	<b>March</b>	Mr. B.V.R. Mohan Reddy awarded the Padma Shri Award, 2017 for distinguished and exceptional achievement in Trade & Industry
		New facility set up at Pune, Maharashtra
	<b>April</b>	Incorporated Cyient Solutions and Systems Private Limited
	<b>September</b>	Acquired B&F Design Inc. through US subsidiary
	<b>November</b>	Recognised as one of 'India's most innovative organisations' by CII
	<b>December</b>	Divested company's stake in Infotech Aerospace Services Inc., Puerto Rico
	<b>December</b>	Voluntarily obtained a rating of CGR 2+ from ICRA for corporate governance practices
<b>2018</b>	<b>February</b>	Won Pratt & Whitney awards for supplier innovation and productivity savings
	<b>March</b>	Adopted a new set of Articles of Association
	<b>April</b>	Non-resident shareholding in the company limited to 49%
		Acquisition of AnSem NV, Belgium through Cyient Europe Limited
	<b>May</b>	Cyient Insights becomes wholly owned subsidiary
	<b>October</b>	Incorporated Cyient Urban Micro Skill Centre Foundation, a section 8 company
<b>2019</b>	<b>January</b>	Cyient DLM becomes wholly owned subsidiary
	<b>February</b>	Company commences first ever buyback of its shares
	<b>March</b>	Dissolved Cyient Insight LLC, USA, a step down subsidiary of the company

# Shareholders' Handbook

## When was the company founded?

The company was incorporated as Infotech Enterprises Private Limited - a Private Limited company on August 28th, 1991 under the Companies Act, 1956. The Company was converted into a Public Limited company vide resolution dated 21 April 1995. In May 2014 the company changed its name to Cyient Limited.

## What is the company's area of operations?

Cyient is an acknowledged leader in geospatial services, engineering design services, design-led manufacturing, networks and operations, data transformation, and analytics. We collaborate with our clients to help them achieve more and together shape a better future. We call it Designing Tomorrow Together.

Our industry focus includes Aerospace & Defense, rail transportation, off-highway & industrial, power generation, mining, oil & gas, communications, utilities, infrastructure, geospatial and Navigation, semiconductor and medical technology & Healthcare. We align closely with the business needs, goals, culture, and core values of our clients. This reflects in the deep, long-standing relationships we have developed and sustained with some of the leading names in these industries.

We employ over 14,000 people across 48 locations in North America, Europe, and the Asia-Pacific region. Our stock is publicly traded, and we have a sound track record of growth and profitability. We are committed to developing a sustainable society and actively promote education and inclusive growth initiatives in communities around us.

## Who are the founder members of the company?

The founder members of the company are: Mr. B.V.R. Mohan Reddy, Mrs. B. Sucharitha, and Mr. K. Rajan Babu.

## When did the Company have its Initial Public Offer (IPO) and at what price?

The company made its maiden public offer in March 1997 at a price of ₹ 10 each for cash at a premium of ₹ 10 per share. The issue was lead managed by Industrial Development Bank of India (IDBI), Madras. The issue was oversubscribed by 1.56 times.

## What is the Vision Statement of the company?

Designing Tomorrow Together. This is our vision and the basis of our brand promise. Three simple words that describe our unique approach of working with you to improve your business and the lives of your customers.

## What are the values of the company?

In our relationships with our clients, stakeholders, and associates, we are guided by our Values FIRST - Fairness, Integrity, Respect, Sincerity and Transparency.

## What is the Quality Policy of the company?

"At Cyient, we are committed to delight our Clients by consistently providing sustainable solutions, complying with the applicable requirements and continually improving the processes to improve human lives. Cyient focuses on exceeding our Clients' expectations and failure prevention.

We at Cyient understand and are committed to live up to our brand promise of "Designing Tomorrow Together".

We at Cyient communicate the Quality Policy within the Organization as well as to interested Parties."

## What are the Quality Objectives of the company?

Aspire to achieve best-in-class levels of Client, Quality and Delivery performance metrics for the industries we serve as per the respective roadmaps

Improve or sustain stakeholder's engagement scores

Focus on building skills and capabilities to keep abreast with the demands of the changing business

## Where is the company located?

The company is headquartered in Hyderabad, India and has a global presence across 47 locations. Full details of the locations are published elsewhere in this Annual Report.

**What is the address of the company's registered office?**

The registered office of the company is located at  
 4<sup>th</sup> Floor, 'A' Wing  
 Plot No. 11, Software Units Layout,  
 Infocity, Madhapur, Hyderabad - 500 081, Telangana

**What is the company's financial year?**

The Company follows a financial year that begins on April 1 and ends on March 31.

**Who are the company's auditors and consultants?**

Auditors: Deloitte Haskins & Sells  
 Secretarial Auditors: S. Chidambaram  
 Internal Auditors: Ernst & Young LLP  
 Tax advisor: G.P. Associates

**Legal Counsel**

CRS Associates  
 Fox Mandal & Associates

**What is the history of Bonus issue of Shares at the Company?**

Year	1994-95	1995-96	1996-97	2002-03	2006-07	2010-11
Bonus issue ratio	7 : 5	1 : 1	1 : 1	1 : 1	1 : 2	1 : 1

**What is the Dividend History of the Company for last five years?**

Year	2015		2016		2017			2018			2019	
Dividend	Interim	Final	1st Interim	2nd Interim	Special Interim	1st Interim	Final	1st Interim	2nd Interim	Final	^Interim	#Final
%	60	100	60	80	50	60	100	100	80	80	120	180

^ On 17 October 2018, the Board of Directors declared and paid Interim Dividend of ₹ 6.00 for the financial year 2018-19.

# The Board has recommended final dividend of ₹ 9.00 for the financial year 2018-19.

**What is the number of shareholders in the company in the last five years?**

Year ended 31 March	2015	2016	2017	2018	2019
No. of Shareholders	15,028	17,756	20,087	25,385	34,223

**What is the market capitalisation of the company for the last five years?**

Year ended 31 March	2015	2016	2017	2018	2019
Market Capitalisation (₹ Million)	56,663.1	47,996.7	52,624.8	78,237.3	71,851.4*

\* The company undertook a buy back of its shares.

**Is nomination facility available to the shareholders?**

Yes. Nomination facility is available to the Shareholders. Shareholders are advised to make use of the nomination facility. For further details, investors may contact the R&T Agents of the Company.

**How does a shareholder go about transferring his shares/having related correspondence?**

To transfer shares in physical form and general correspondence regarding shares, shareholders may write to the Company's Registrars/the Company -

**Karvy Fintech Private Limited**

Unit: Cyient Limited  
 Karvy Selenium Tower B, Plot 31-32,  
 Financial District, Gachibowli, Nanakramguda, Hyderabad - 500 032.  
 Tel : +91-40-6716 1562  
 Email : mohsin.mohd@karvy.com; einward.ris@karvy.com  
 Website : www.karvyfintech.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 BSE Limited (BSE: 532175).

**What is the company's ISIN code?**

Cyient's ISIN code is INE136B01020

**How many shares are outstanding?**

As of March 31, 2019, the company had 11,11,14,589 shares outstanding.

**What is the record date and payment date of the interim/final dividend?**

You can find the record date/payment date for the last announced dividend in the Announcements section of the Investor page on our website. These details are also notified to the stock exchanges on the same day of the announcement of the dividend and available on the BSE and NSE websites.

**When is the AGM held?**

The Annual General Meeting (AGM) is typically held in mid-July. The formal announcement will be published on the Investors page of our website, closer to the event. If you are a shareholder, you will receive a formal notice of the meeting, containing details of the date, time and venue, alongside the Annual Report.

**How does a person buy the company's shares?**

The company's shares can be purchased in the open market in India through either a stock broker or any financial institution that provides brokerage services at the BSE or NSE.

**How can a shareholder access information about the company?**

Information about the company is available on its website. Further, all information that is material in nature is notified to stock exchanges and appropriate advertisements are also issued in the newspapers.

**Does the company accept fixed deposits from the public?**

The Company does not accept fixed deposits.

**How does a shareholder record a change in the address?**

For physical holdings, please send a letter, duly signed by the first holder, stating the new address and folio numbers of the shares you own to our R & T agents. An acknowledgement will be sent to your new address confirming the up-dation of the change in our records.

In the case of dematerialized holdings, please write to your Depository Participant (DP) intimating them of the change and ask for a confirmation that their records reflect the new address.

**If dividend cheque is lost/was never received/has expired, how to get a fresh cheque re-issued?**

Please write to our R&T Agent, with details of folio numbers (in the case of physical holdings) or the DP ID and Client ID in the case of dematerialized holdings. After verification, they will issue a fresh instrument.

To avoid this problem in the future, you can use the ECS facility in which the dividend amount is automatically credited to the bank account of your choice. To avail of this facility, give your request to our R&T agent in writing.

Also, you might consider dematerializing your holdings through a Depository Participant. This would not only eliminate the issues of storage and risk of loss of paper certificates but also ensure automatic crediting of dividends to your bank account.

**How does a shareholder re-claim the shares and/or unclaimed dividend transferred to IEPF?**

Such shareholders may make an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in) online and send a physical copy of the same duly signed to the R&T Agent along with requisite documents enumerated in the Form No. IEPF-5.

No claims shall lie against the company in respect of the dividend/shares so transferred to the IEPF.

## MAKING CYIENT A TRULY INCLUSIVE ORGANIZATION

This year, we saw our Diversity & Inclusion (D&I) efforts recognized with the prestigious Best Innovative Practices Award for “Women at Workplace” at the Gender Equality Summit hosted by United Nations Global Compact Network India. The win highlighted our flexible working environment and women-friendly policies that ensure we provide an inclusive workplace for everyone.

Another key initiative saw the launch of the global mentoring program called ‘DIEL’ (Diversity, Inclusivity, and Equity-driven Leadership) with the inaugural series being an all-women program focused on increasing the number of women in senior management roles. Such initiatives and recognitions are only but the first step toward making Cyient an organization that enables, encourages, and celebrates diversity.





## Cyient Limited

CIN : L72200TG1991PLC013134

Regd. Office: 4<sup>th</sup> Floor, 'A' Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081

Tel: 91 40 67641322 | Email: company.secretary@cyient.com

Website : www.cyient.com

### ATTENDANCE SLIP

(To be presented at the entrance)

### 28<sup>TH</sup> ANNUAL GENERAL MEETING

I hereby state that I am a registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the Annual General Meeting of the company being held on **Thursday, 6 June 2019 at 3:00 p.m.** at L&D Centre (company's campus) , Plot No. 2, IT Park, Manikonda, Hyderabad - 500 032, Telangana, or/any adjournment thereof

Name of the attending shareholder: \_\_\_\_\_  
(in BLOCK LETTERS)

Name of the proxy: \_\_\_\_\_  
(to be filled in if proxy attends)

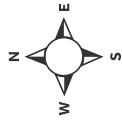
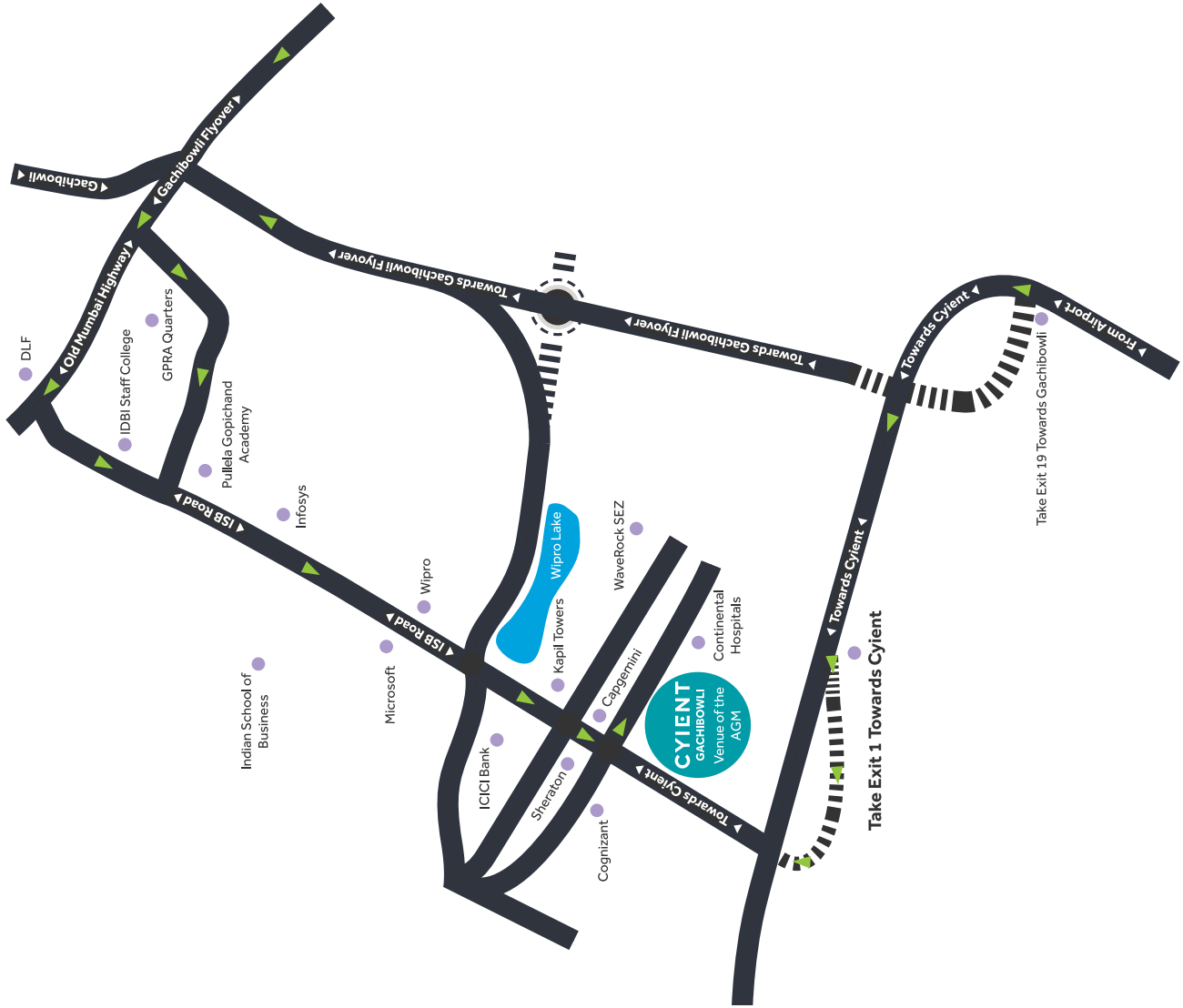
Signature of the shareholder: \_\_\_\_\_

Signature of proxy: \_\_\_\_\_

Regd. Folio Number:  
Or DP ID/Client ID \_\_\_\_\_

Number of shares held: \_\_\_\_\_

- Note:
1. Shareholders/proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the gate, affixing their signature on them.
  2. Shareholders are informed that no duplicate attendance slips will be issued at the venue of the meeting.



## LOCATION MAP



Scan the QR code to  
get driving directions to  
Cyient's Gachibowli campus

### Address:

**Cyient Limited**

Plot No. 2, IT Park, Nanakramguda  
Gachibowli, Hyderabad - 500 032  
Telangana, India

Tel: +91 40 6748 9100

Fax: +91 40 6748 0327

\* Not to scale



# Cyient Limited

CIN : L72200TG1991PLC013134

Regd. Office: 4<sup>th</sup> Floor, 'A' Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081  
Tel: 91 40 67641322 | Email: company.secretary@cyient.com  
Website : www.cyient.com

## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name and Address of the shareholder(s) .....

E-mail ID : ..... Folio No./ Dp ID & Client ID .....

I/We being the shareholder(s) of .....Shares of Cyient Limited, hereby appoint

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 28<sup>th</sup> Annual General Meeting of the company on **Thursday, 6 June 2019 at 3.00 p.m.** at L&D Centre (company's campus), Plot No. 2, IT Park, Manikonda, Hyderabad - 500 032, or any adjournment thereof in respect of such resolutions as are indicated below:

### Ordinary Business:

1. To receive, consider and adopt, the audited standalone financial statements of the company for the financial year ended 31 March 2019 together with the reports of the board of directors and the auditors thereon and the audited consolidated financial statements of the company for the financial year ended 31 March 2019, together with the report of the auditors thereon.
2. To confirm the interim dividend paid during the year and declare the final dividend on equity shares for the financial year 2018-19.
3. To appoint a Director in place of Mr. M.M. Murugappan (DIN: 00170478), who retires by rotation and being eligible, offers himself for re-appointment as a Director liable to retire by rotation.
4. To appoint M/s. S.R Batliboi Associates LLP, Chartered Accountants, as Statutory Auditors of the company.

### Special Business:

5. To appoint Mr. Vikas Sehgal (DIN: 05218876), as an independent director.
6. To appoint Ms. Matangi Gowrishankar (DIN: 01518137), as an independent director.
7. To appoint Mr. Vivek N. Gour (DIN: 00254383), as an independent director.
8. To appoint Mr. Som Mittal (DIN: 00074842), as an independent director.
9. To appoint Mr. B.V.R Mohan Reddy (00058215), as Executive Chairman.
10. To appoint Mr. Krishna Bodanapu (DIN: 05301037), as Managing Director and CEO.
11. To appoint Mr. B. Ashok Reddy as President – Corporate Affairs & Infrastructure.

Signed this ..... day of ..... 2019

Signature of Shareholder ..... Signature of Proxy holder(s) .....

**NOTE:** The proxy form must be deposited at the registered office of the company not less than 48 hours before the meeting.

Affix  
Revenue  
Stamp



This Page is intentionally left blank

## Electronic Clearing Services (ECS) Mandate Format

To  
Karvy Fintech Private Limited  
Unit : **Cyient Limited**  
Karvy Selenium Tower-B  
Plot No:31-32, Gachibowli,  
Financial District, ,Hyderabad - 500 032.

Dear Sir,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND  
Please fill-in the information in CAPITAL LETTERS and in ENGLISH ONLY.

Please TICK ☒ wherever applicable.

For shares held in physical form

Folio No.

For shares held in electronic form

DP. ID

Client ID

**Note:** On de-materialization of existing physical shares, for which you have availed ECS facility, this form needs to be re-submitted to your Depository Participant.

Name of  
First holder \_\_\_\_\_  
Bank name \_\_\_\_\_  
Branch \_\_\_\_\_  
IFSC

Please attach a photocopy of a blank cheque of your bank duly cancelled for ensuring accuracy of the bank's name, branch.

Account type

Savings

Current

Others

A/c No. (as appearing  
on the cheque) \_\_\_\_\_

Effective date of this  
Mandate (ddmmyyyy)

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Karvy Fintech Private Limited, will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI/Company.

I further undertake to inform the R&T agent of any change in the above particulars.

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
(Signature of First holder)



A joint venture between **CYIENT** & **BlueBird**  
Aero Systems

## CSS LAUNCHED THE WANDERB VTOL MINI UAV—FOR EXTENDED RANGE AND REAL-TIME, VERSATILE ISR MISSIONS, FEBRUARY 2019

In February 2019, CSS added the technologically advanced WanderB VTOL to its portfolio. The new system overcomes takeoff and landing space limitations with its vertical takeoff and landing capabilities making it a versatile solution for land and maritime operations.

**12.5** Kg  
Takeoff weight

**2.5** Hr  
Endurance

**50** Km  
Extended control range

## GLOBAL PRESENCE

### Global Headquarters

Cyient Ltd.  
Plot No. 11  
Software Units Layout  
Infocity, Madhapur  
Hyderabad - 500081  
Telangana, India  
Tel: +91 40 6764 1000

### Asia Pacific

#### Australia

Cyient Australia Pty Ltd.  
Level 8, 350 Collins Street  
Melbourne, Victoria 3000  
Tel: +61 3 8605 4815

Cyient Australia Pty Ltd.  
8, Freight Drive  
Ravenhall  
Melbourne, Victoria 3023

Cyient Australia Pty Ltd.  
Lvl 4, 81 Flushcombe Rd  
Blacktown NSW 2148, Sydney  
Tel: +61 2 8887 8600

Cyient Australia Pty Ltd.  
34, Toohey Road  
Wetherill Park, NSW 2164  
Sydney

Cyient Ltd.  
45 Ventnor Avenue  
West Perth, WA 6005  
Tel: +61 8 9389 4410

#### New Zealand

Cyient Ltd.  
PO Box 97999, Manukau 2241  
Level 2, 652 Great South Road,  
Manukau, Level 2, 65 Upper  
Queen Street, Auckland  
Tel: +64 9 277 8278

#### South Korea

Cyient Ltd.  
21 F, Seoul Finance Center  
136, Sejong-daero, Jung-gu  
Seoul 04520  
Tel: + 82 2 3782 4936

#### Taiwan

Cyient Ltd.  
No. 262, Zhuangjing 6<sup>th</sup> Street  
Zhubei City, Hsinchu County 30264  
Tel: +886 3 668 5522

#### Japan

Cyient KK  
Sho-Building 6F  
3-14-5, Nihonbashi  
Chuo-Ku, Tokyo 103-0027  
Tel: +81 3 3527 9825

#### Malaysia

Cyient Ltd.  
Level 28  
The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
Kuala Lumpur 59200  
Tel: +60 3 2298 7321

#### Singapore

Cyient Ltd.  
1 North Bridge Road  
#19-04/05  
High Street Center  
Singapore 179 094  
Tel: +65 6 337 2472

Cyient Singapore Pte Ltd.  
61, Seletar Aerospace View  
Singapore 797560

#### India

Cyient Ltd.  
Cyient IT Park  
Plot No- 110A & 110 B  
Phase 1, Electronics City  
Hosur Road  
Bangalore - 560100  
Tel: +91 80 6635 6000

Cyient Ltd.  
Plot No. 2, IT Park  
Nanakramguda  
Gachibowli  
Hyderabad - 500032  
Telangana  
Tel: +91 40 6748 9100

Cyient Ltd.  
Lanco Hills SEZ  
Manikonda  
Hyderabad 500089  
Telangana  
Tel: +91 40 6777 5555

Cyient Ltd.  
NSL SEZ  
Block No. 1  
Plot No. 6, Survey No. 1  
IT/TES SEZ, IDA Uppal  
Hyderabad – 500039  
Telangana  
Tel: +91 40 6704 3400

Cyient Ltd.  
Plot No: 1, 2, 3, 4 & 5A  
IT SEZ, Sarpavaram  
Kakinada - 533005  
Andhra Pradesh  
Tel: +91 884 232 6700

Cyient Ltd.  
Survey No: 410  
Plot No: 14, SEZ Unit  
Hill No: 3  
Madhurawada(V)



Rushikonda, Vizag - 530045  
Andhra Pradesh  
Tel: +91 891 669 3100

Cyient Ltd.  
Plot No. 1  
IT Incubation center,  
TSIIC, Industrial estate  
Madikonda (SEZ),  
Kazipet (M)  
Warangal-506142  
Telangana  
Tel: +91 870 3360900

Cyient DLM Pvt. Ltd.  
Plot No. 347 - D1 & D2  
KIADB  
Electronics City  
Hebbal Indl. Area  
Mysore - 570016  
Karnataka  
Tel: +91 821 428 0000

Cyient Ltd.  
602, 6<sup>th</sup> Floor  
79/1-Zero One Building  
Mundhwa Road, Pingle Wasti  
Pune - 411036  
Maharashtra  
Tel: +91 20 3005 8000

Cyient Ltd.  
B-11, Sector 63  
Noida - 201307  
Uttar Pradesh  
Tel: +91 120 669 1000

Cyient Ltd.  
Plot No. 7, NSEZ, Phase-2  
Noida - 201305  
Uttar Pradesh

## Europe, Middle East, and Africa

### Belgium

AnSem NV  
Researchpark Haasrode 1113  
Esperantolaan 9  
3001 Heverlee, Leuven  
Tel: +32 16 38 65 00

### England

Cyient Europe Ltd.  
The Space Holborn,  
235 High Holborn,  
London WC1V 7LE,  
United Kingdom

Cyient Europe Ltd.  
Apex, Forbury Road,  
Reading RG1 1AX,  
United Kingdom

Cyient Europe Ltd.  
43/44 Martingale Way  
Marine View Office Park  
Portishead, Bristol, BS20 7AW  
Tel: +44 14 5480 9700

Cyient Europe Ltd.  
The Astrolabe  
Cheddar Business Park  
Wedmore Road  
Cheddar, Somerset  
BS27 3EB  
Tel: +44 (0) 1934 311 000

### Switzerland

Cyient Schweiz GmbH  
C/o AAA services Meier  
Franzelli  
Güterstrasse 22, 3008 Bern  
Tel: +41 31 382 5082

### The Netherlands

Cyient BV Minervum 7491  
4817 ZP Breda Oost, Breda  
Tel: +31 76 572 2966

AnSem BV  
Hengelosestraat 565  
7521 AG Enschede  
Tel: +31 53 203 2500

### Germany

Cyient GmbH  
Industriestrasse 23  
Stuttgart 70565  
Tel: +49 711 414402 0

### France

Cyient GmbH France  
18, Rue Saint Vincent, 78100  
Saint-Germain-en-Laye  
Tel: +33 130 611673

### Czech Republic

Cyient s.r.o  
Classic 7 Business Park  
Jankovcova 1603 / 47a  
170 00 Prague 7  
Czech Republic  
Tel: +420 277 008 201

### South Africa

Cyient  
255 Anna Wilson Street  
Kilnerpark, Pretoria – 0186

### UAE

Cyient Ltd.  
Dubai Airport Free Zone  
Authority (DAFZA)  
P.O. Box 54713, Dubai  
Tel: +971 50 686 7045



## Israel

Cyient Israel India Ltd.  
David Ben-Gurion 1, Bnei Brak  
Tel: +972 54 811 0200

## North America

### United States of America

Cyient Inc.  
5301 Linwood Dr Suite C-J  
Paragould  
AR 72450

Cyient Inc.  
510 East Foothill Blvd Suite 201  
San Dimas  
CA 91773

Cyient Inc.  
275 East Hillcrest Dr  
Thousand Oaks  
CA 91360

Cyient Inc.  
800 West Cummings Park  
Suite 6250, Woburn  
MA 01801

Cyient Inc.  
14440 Cherry Lane Court  
Suite 201, Laurel  
MD 20707

Cyient Inc.  
6115 Coca Cola Blvd.  
Columbus, GA 31909

Cyient Inc.  
Peoria Heights Executive Plaza  
4541 N. Prospect Rd, Suite 200  
Peoria Heights  
IL 61616

Cyient Inc.  
211 N Williamsburg Dr Suite D  
Bloomington  
IL 61704

Cyient Inc.  
1935 South Alpine Rd  
Rockford, IL 61108

Cyient Inc.  
7609 West Jefferson Blvd  
Fort Wayne, IN 46804

Cyient Inc.  
800 Washington Ave N  
Suite 503, Minneapolis  
MN 55401

Cyient Inc.  
43-32 22nd Street, 2nd floor  
#200 - #201  
Long Island City  
NY 11101

Cyient Inc.  
2141 EBCO Drive  
Suite B, Erie  
PA 16506

Cyient Inc.  
520 Central Parkway East  
Suite 101, Plano  
TX 75074

Cyient Inc.  
3<sup>rd</sup> & 4<sup>th</sup> Floor  
99 East River Drive  
East Hartford, CT 06108  
Tel: +1 860 528 5430

Cyient Inc.  
175, Addison Road  
Windsor, CT 06095

Cyient Inc.  
3<sup>rd</sup> Floor  
386, Main Street  
Middletown, Middlesex  
CT 06457

Cyient Inc.  
120 Production Ct  
New Britain CT 06051

Cyient Inc.  
1401 Nolan Ryan  
Expressway  
Arlington, TX 76011  
Tel: +1 817 268 9501

Cyient Inc.  
14703 Park of Commerce Blvd  
Jupiter, FL 33478  
Tel: +1 860 310 3758

Cyient Defense Services Inc.  
15300 Park of Commerce Blvd  
Jupiter, FL 33478  
Tel: +1 860 310 3758

Certon Software Inc.  
Suite D 1396  
South Babcock Street  
Melbourne, FL 32901


Cyient Inc.  
2611, Traceland Drive  
Tupelo MS 38801

### Canada

Cyient Canada Inc.  
Suite 403  
7575 Trans-Canada Hwy  
St. Laurent  
Québec H4T 1V6  
Tel: +1 514 489 0370

Notes

## This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Vice President of India,  
Shri M Venkaiah Naidu, and  
Minister of Law & Justice and IT,  
Shri Ravi Shankar Prasad, visited  
the Cyient ITES Skill Center in  
Hyderabad, January 2019.

The Cyient Skill Development Center  
was set up to provide vocational training  
to youth with lower socioeconomic  
status and help them earn a sustainable  
livelihood.









cyient.com

**Global Headquarters**

Cyient Limited, Plot No. 11, Software Units Layout,  
Infocity, Madhapur, Hyderabad - 500 081, India | T: +91 40 6764 1000