

CYIENT



25th ANNUAL REPORT

2015-16



25 YEARS OF DESIGNING TOMORROW TOGETHER



ENVISIONING THE FUTURE

Dear Shareholders,

It gives me immense pleasure to write to you on our 25th anniversary, when Cyient celebrates its silver jubilee. We are proud that we built a sustainable company over the last 25 years and realized many of our goals and aspirations. We are now even more motivated to scale Cyient to newer heights and build an organization that will last forever.

With this let me take you all through various industry and company updates through the year.

B.V.R. MOHAN REDDY
Founder & Executive Chairman

Macroeconomic Environment: We live in times when client expectations driven by digital technologies are creating challenges and opportunities alike with existing clients, new industry verticals and in many new geographies. In 2015, global economic activity remained subdued. Emerging markets and developing economies which account for 70% of global growth declined for the fifth consecutive year, while a modest recovery continued in advanced economies. The global economy grew by 3.1% in 2015 and is projected to grow by 3.4% during 2016. Last year, India was the fastest growing large economy with GDP growth of more than 7.6% and displayed strong financial discipline and emerged as the recipient of the highest FDI inflows surpassing China. However, we did face some global challenges: protectionism for free movement of talent, weakening of UK pound and other currencies because of Brexit, challenges with wage hikes and scarcity of resources in new technologies. Overall, from the macroeconomic perspective, we see growth in our business.

Indian IT-BPM Industry: Amidst a volatile global economic environment, the IT-BPM industry has still been able to grow from strength to strength and is sustaining its double-digit growth. The industry clocked \$143 billion in FY2016, doubling it over the last six years and crossing the \$100 billion milestone in export revenues. The rapid adoption of digital technologies by clients world over, will continue to see IT-BPM industry stay on its growth trajectory. In the digital world, we will see three types of businesses emerge: producers of technology, consumers of technology, and companies that are built on technology. India continues to gain market share in the global sourcing sector and has emerged as the largest diversified scalable destination.

Social, Mobility, Analytics and Cloud (SMAC), 3D Printing, Artificial Intelligence, Deep Learning, Automation, and Internet of Things (IoT) provide opportunities for new entrepreneurs and can challenge traditional market leadership. The fresh wave of startups have become the innovation hub of India. These startups are disrupting existing business models and creating new products and services with more value. We see a strong synergistic relation between the giant IT-BPM companies and these new-generation entrepreneurs.

Indian Government Initiatives: The government has been embracing the shifts in technology with new initiatives: Make in India, Smart Cities, Digital India, and Defence Procurement Policy (DPP). India has historically been a hub of creative minds and

has an edge in terms of designing. Make in India will become highly impactful if we look at it from the holistic view of Innovate>Create*Make*Support. India has the capabilities and ecosystem to become the design and innovation hub of the world, supporting complex and high-value manufacturing. Cyient and other design engineering players are examples of the design talent in India. Digital India initiative has the potential to transform our nation and create very positive social impact. Digital India will make it possible to reach the last mile to ensure that all citizens have access to essential services. Smart Cities initiative will help in making sure that India is creating the right infrastructure to house the ever-increasing population in urban areas. There is increased action from the government in defense procurement. Creation of defense export strategy and release of the new Defense Procurement Policy (DPP) are steps in the right direction. The government has also cleared new defence programs worth \$30 billion aimed at boosting domestic industry which should create a positive impact for Cyient in the coming years.

25 years of Cyient. Over the last 25 years, we have always made sure that we created value for our key stakeholders: clients, associates (employees), investors, and society. We have created industry best practices and have been persistent on further improvement to make sure we are leading the change. The continuous improvement in the results of client, associate, and investor satisfaction surveys gives us confidence that we have been equitable to all stakeholders. Repeat orders from existing clients remain high; associate engagement significantly improved last year and the overwhelming response to our Annual Investor Day confirms that our interventions are bearing results.

Strategy: To ride this tide of change, we are running initiatives to transform Cyient by focusing our business on seven industry verticals. We are redefining our business in line with our S3 strategy, restructuring our leadership to have more vertical-based roles and responsibilities, and pushing the boundaries to position ourselves as a Design Led Manufacturing Company. To track and execute this journey, we have defined our strategy and roadmap for 2020. Cyient has identified areas like Internet of Things, mechatronics, analytics, automation and robotics, and additive manufacturing as growth engines for the future.

Mergers and Acquisitions: We have very clear and ambitious goals for our company by 2020. As part of our growth initiatives, we completed several strategic acquisitions over the past two years. Rangsons Electronics is helping us design as well as manufacture for our clients.

Cyient Insights is creating synergistic opportunities in all verticals in big data and analytics. GSE (the aerospace aftermarket services business of Pratt & Whitney Singapore) is helping us provide repairs, development, and validation of aero engine components. These acquisitions were very well thought through and are in line with our Design, Build and Maintain strategy. The integration exercise is complete and the teams are very confident that starting this year these acquisitions will create a positive traction for our business.

Innovation: Innovation is in Cyient's DNA and our engineers have always delighted clients with innovative solutions. We have made significant and perceptible progress in enabling innovation across all our focus industries. We have launched organization-wide innovation challenges like Project Tango: aimed towards virtual reality and sensing technologies; Internet of Things Hackathon: developing working IoT-based prototypes in a week's time; and LEGO War: a rapid prototyping exercise to generate ideas. We established a world-class Experience Center that exemplifies 'Innovation @ Cyient' and incubates our Lego Lab, 3D Printing Lab, and IoT Lab. We are accelerating our innovation culture and emphasizing co-innovation and IP creation with clients. We filed 16 patents during FY15-16 including four patents that were independently filed by Cyient. During the year, we published 38 papers in different industry journals. In coming years, our endeavour would be to institutionalise "Innovation@Cyient".

Industry Analyst Ratings: We continue to reinforce our value proposition of Design-Build-Maintain that differentiates Cyient as a one-stop partner for global OEMs across several industry verticals. As per independent analyst firm Zinnov, Cyient continues to be the leader in Aerospace, Transportation, Energy & Utilities and Construction & Heavy Machinery industries. It also mentions Cyient as an "Established and Expansive" player in the newly-added segment, Mechanical Engineering Services, and an "Established and Niche" player in Embedded Systems. The leadership team at Cyient and our associates are confident that Cyient's brand promise of "Designing Tomorrow Together" is well poised to become a global brand that touches the lives of millions of people around the world.

Global Delivery Centers: To strengthen our footprint of over twenty global delivery centers, we recently established our presence in Eastern Europe. Cyient's new engineering center in Prague, Czech Republic will be fully functional over the coming quarters. Cyient is expanding the Sydney delivery center to support further requirements from our Telecom and Utilities clients. The UTC

Engineering Center in East Hartford is also being expanded. Cyient is building a new delivery center in Warangal, Telangana. In setting up these centers, we are judiciously balancing between client needs, resource availability, cost, and inclusiveness.

Corporate Social Responsibility (CSR): Cyient Foundation has adopted 16 schools in and around our facilities and supports over 10,500 children from primary education through high school. Cyient Foundation has implemented digital libraries in two schools and supports five National Digital Literacy Mission (NDLM) centers. Under the Swachh Bharat Initiative, Cyient Foundation introduced the Swachh Telangana-Swachh Pathashala campaign to provide water, sanitation and hygiene (WASH) facilities in 54 government schools benefiting over 20,000 students in Lingampally Mandal in Ranga Reddy District, Telangana.

To celebrate the silver jubilee year, Cyient is running an initiative to set up 54 Cyient Digital Learning Centers (CDLCs) across Serilingampally Mandal, Telangana. These CDLCs (computer center, digital library, and NDLM) are envisioned as the digital gateway for the underprivileged students and the surrounding BPL community. In this disruptive world, Cyient wants to be a supporter of digital transformation of society. This CSR initiative of Cyient will provide access to digital knowledge and open up new possibilities to more than 20,000 underprivileged children and will foster IT literacy in over 50,000 communities in the Mandal. 2500 Cyient associates have contributed 9000+ volunteering hours through various CSR activities during weekends and holidays.

Corporate Governance: The highest standards of corporate governance have been a cornerstone of Cyient and last year we further reinforced this by holding separate meetings of independent directors for systematic appraisal of the Board, Committees, Individual Directors, and the Chairman. We have implemented systems that provide more efficient information flow to the board and are leveraging technology solutions to enhance board committee interactions. Your company is committed to healthy motivation of its associates and in pursuit we have created new stock option plans. We have also increased our focus on non-financial disclosures through the publication of Business Responsibility Report.

Awards and Accolades: Cyient's ability to delight its clients through high-quality deliverables and exceptional services has been acknowledged by our top clients over many years. In 2015, Pratt & Whitney recognized Cyient as their most innovative supplier for the third consecutive year.

Cyient has been awarded Boeing's **Supplier of the Year Award 2015** in the service category for the third time and **Boeing Gold Level Performance Excellence Award 2015** for the first time. Also, our Design-Led Manufacturing (DLM) business received the **Best Supplier Award** from ABB for all round performance. The Economic Times recognized Cyient as the **Best Tech Brand** for 2015 in the IT and Engineering Services industry.

Conclusion: Over the past 25 years, Cyient has created a new industry segment—Engineering Services Outsourcing, and became the leader in pure play engineering services from India. This journey was tough. We never shied away from facing any challenge or adapting ourselves to market needs. Today Cyient has become synonymous with Design, Innovation, and Client Centricity.

Looking to the future, Cyient envisions itself as an engineering and technology leader, uniquely positioned as a design and manufacturing company. We will continue to attract the best technical minds, unleash their creativity, innovation and focus on solving tomorrow's even more complex problems.

I can envision the world being very different in the coming decade. However, I feel very confident that with 13,000+ talented associates, 300+ active clients, a strong investor base, and with a passion for creating social impact, we are embarking on a new phase of exceptional growth that will transform Cyient into an innovation-driven and globally successful technology brand.

Wish you all the best!



BVR Mohan Reddy

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The Journey

Completing 25 years is a significant milestone for any organization. Research shows that the average lifespan of a company listed in the S&P 500 index of leading US companies has decreased by more than 50 years in the last century, from 67 years in the 1920s to just 15 years today. I feel delighted to see that we have been able to create a sustainable business model which has delivered substantial value to all four stakeholders - clients, associates (employees), investors, and the society - for over last 25 years and beyond.

As Cyient completes 25 years, I wanted to share with you some reflections on our journey, how we transformed our organization over time and some thoughts for the future.

Built on Values: Cyient was built on strong values and that foundation has brought the company to where it is today. We always say our Values come FIRST which is an acronym for Fairness, Integrity, Respect, Sincerity and Transparency. The values of individuals and teams in an organization define their behavior and behavior in turn determines the organization's culture. We always believed that we should be equitable to every stakeholder who has made us successful. This has stood us in good stead especially in times of difficulty.

GIS Start-Up (Cyient 1.0) – Laying the Foundation:

Cyient started its journey in 1991 as Infotech Enterprises from the dining table in my modest home with four engineers who believed in my dream of building a global engineering services company. In 1991, India was taking its first steps towards becoming a global economy, encouraged by several reforms towards liberalization and globalization. The Internet revolution had arrived and I sensed the winds of change. The demand that was driving industrial growth in the western world had created a supply gap in skilled talent for engineering. We realized we had an opportunity to address this gap by leveraging the 'broadband disruption' that had connected India to the global economy.

While most of our peers in India concentrated on opportunities in the broader IT services space, we went down a road less traveled. We chose to lead rather than follow and it turned out to be the right decision. But it actually took us a while to realize our initial goal of creating an engineering services company. In 1991, Indian laws protecting intellectual property were not robust enough for the western world. The only engineering work

available was the low-end digitization of paper drawings and the volume was insignificant. It was hard to justify return on investment, which meant we could not get Cyient started as an engineering services company.

We continued to scan the market and soon found an interesting adjacency - the need to digitize maps for geographic information systems. In the early 90s, government and industry were taking the first steps towards becoming digital and began to invest in geographic information related to land, infrastructure, and assets. We found ourselves in the right market at the right time with the right business model. And we made the most of the opportunity.

Map digitization required technical skills to capture geographic data from paper maps accurately. The map databases we produced also needed to be intelligent. It was important to understand mapping standards and combine that with domain knowledge. While we instinctively sensed a tremendous opportunity, it was initially tough to achieve the right quality at scale. What eventually made us successful was executing an operational strategy that came to be known as Cyient's "PPT" strategy – the acronym stands for People, Process, Tools, Technology, and Training.

We focused on recruiting the right people whom we trained and motivated. We simultaneously invested in technology and built robust production processes. We came upon the idea of double-entry digitization and developed a robust tool that was unique and gave us over 99% accuracy. We brought an obsessive focus to quality and backed that with certifications like ISO 9001:2000.

We made significant investments in training, spending as much as 11% of our revenues to build the right capability. These efforts allowed us to scale our business without compromising on quality. After that, we concentrated on process innovation to bring even more productivity to our clients. The first breakthrough came in the form of a \$5mn+ GIS contract from Analytical Surveys Inc. It helped us invest in a platform for futuristic GIS solutions. Thereafter, we secured more large projects and started to earn brand recognition in the GIS space. We signed several long-term contracts with ETAK, Navionics, and others that gave business sustainability at scale.

We went public in 1997 to raise funds for our expansion. During this period we were also looking to gain market footprint and add more business and clients which led us to acquire Dataview Solutions UK, and Cartographic Sciences India.

The Engineering Player (Cyient 2.0) -

The Accelerator: While the business grew around map digitization services until 2000, we never lost sight of our vision to build an engineering services company. We persisted and achieved a breakthrough at the end of Cyient's first decade in business. By the year 2000, we were a 1000 associates with revenues at just over US \$10mn and were approaching a big inflection point in our journey.

Our persistence helped us achieve a major breakthrough with Pratt & Whitney (a division of UTC) and we signed a multi-year multi-million dollar Master Service Agreement. The initial 'Engineering Services' dream that the founding team had started with was now transforming into reality. We earned the client's trust by delivering quality on time at an affordable cost and Pratt soon decided to become a strategic investor in Cyient. Thereafter, we secured engineering services contracts with global OEMs like Bombardier, Hamilton Sundstrand, Boeing, Airbus, Alstom Transport and several others.

Our operational infrastructure grew rapidly from the year 2000 onwards. That year we inaugurated a state-of-the-art delivery center in Hyderabad to accommodate 4000 engineers. We soon saw our business outpacing our infrastructure and invested in ten acres of land that developed into the Manikonda campus in Hyderabad. We expanded our pan-India operations with engineering centers in Bangalore, and Vizag. Beyond India, we opened delivery centers in Puerto Rico and Frostburg, VA.

This period also brought more focus on quality and Cyient evolved a new quality system called BEST which measured quality, client satisfaction, and associate satisfaction to judge our performance. It was followed by SEI CMM level 5 certification for the software development center in Hyderabad that saw us join a select list of IT companies in India with that level of accreditation.

By this time our GIS business had systematically moved up the value chain. We put in play service offerings, which could provide comprehensive solutions for asset utilization and client satisfaction with GIS systems as the backbone. We started intensely addressing utilities and telecom markets globally. Cyient became a trusted brand and we signed landmark contracts with KPN Telecom, Swisscom, Telstra, FUGRO, and VWT.

Our growing base of clients and projects required our sales and delivery teams to get even closer to our clients. We opened offices in the US, UK, Germany, Singapore, Melbourne, Dubai, Canada, Japan, and Malaysia.

To keep pace with skills requirement, address client needs and strengthen market presence we acquired TeleAtlas India to scale our GIS business and capabilities, Daxcon Engineering and Wellsco to expand our US footprint, advanced graphics software (AGS) Germany and Map Centric UK to focus on engineering and GIS services in Europe, and Time to Market to accelerate entry into the Hi-Tech/Semiconductor space.

This was an accelerated growth phase powered by GIS and Engineering. We graduated from just being a GIS services company to a well-recognized engineering services brand from India. During this period, we multiplied revenues 20 times from \$10mn+ in 2000 to \$200mn+ in 2010 and our associate strength grew five times from 1500 to 7500+ employee during the same period.

The Cyient Brand (Cyient 3.0) – “Concept to

Solution” Partner: Towards the tail end of our second phase of growth and the start of this phase (Cyient 3.0), we had already grown into leadership position in focus industries like Aerospace, Transportation, Telecom, and Utilities. We were also recognized as an established player in Heavy Equipment, Hi-Tech, Oil & Gas and Energy. It called for a focused approach for each vertical and we decided on a Business Unit based operating model.

Recognizing Cyient's ability and intent to broaden its portfolio, many of our clients began asking for prototyping and manufacturing capability and those became a logical progression for our engineering business.

This was another inflection point for Cyient (around 2014) as we had grown to a size of 10,000+ associates and were operating from 25+ global locations. We created long lasting relationships with several customers: 20+ yrs with TomTom, 15+ yrs Pratt and Bombardier, etc. Many of our associates completed 20+ years of committed service with the company. We had huge pool of talent, strong and experienced leadership, 250+ active clients and a global brand in engineering and GIS services. It was a crucial juncture where we had to redefine ourselves and gear up for the next phase of growth. We had to make the right choices from a number of different options. We took cognizance of this and engaged business consultants and experts to help us transform into Cyient 3.0.

Cyient 3.0 has seen us rebrand ourselves from Infotech Enterprises, consolidate our industry focus, restructure our organization into an accountable and lean structure, articulate our S3 growth strategy (Services-Systems-Solutions), and add manufacturing into our service portfolio to complement our Design-Build-Maintain value proposition

All these initiatives have helped us become very sharp and more pinpointed towards our goals. To add manufacturing capability, we acquired Rangsons Electronics. We acquired Pratt's GSE repair engineering facility in Singapore to reinforce our 'Maintain (Support)' offering. We added new capabilities by acquiring Softential for service management/assurance and Invati Insights for big data and analytics.

To access new markets and clients and new business Cyient opened offices in South Korea, Taiwan, and Czech Republic.

In the course of our journey Cyient has won several accolades including the 'Golden Peacock' Award for excellence in corporate governance, three 'Supplier of the Year' awards from Boeing, three 'Supplier Innovation' awards from Pratt & Whitney, Geospatial World Excellence Award for Telecommunications at Geospatial World Forum 2011, The Edison Award 2008 for NDPL (now called TPDDL), was ranked among the 'Top 30 Outsourcing Companies in the world' by IAOP and has been rated the 'Leader' among global engineering services providers for five consecutive years in Zinnov's independent survey.

Over the past 25 years Cyient has faced its share of difficulties. Our value system, the commitment of our associates to overcome those challenges, and our ability to learn from them has kept us going on our journey. I believe we are a far more resilient organization because of that and can therefore be even more confident about the future.

People have been the Cyient's strength from day one. We have recruited, retained, rewarded, and retrained the best of the talent. We shared wealth with wealth creators through stock option schemes. People will continue to be our strength for the years to come.

Much before the Government of India mandated that corporations spend 2 percent of their

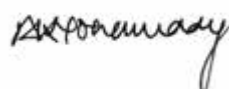
profits on corporate social responsibility, Cyient was spending 1.0 to 1.5 percent of its profit on CSR activities. Through our initiatives in primary education, we have adopted a number of government schools to touched the lives of several thousand school children in our neighborhoods. Social innovation aligned to business innovation is helping us contribute to society by making eye care affordable. We will continue to be good corporate citizens by relentlessly supporting the community not only through our funding but also through volunteerism.

The Cyient I founded 25 years ago with four employees and a strong entrepreneurial spirit has grown into a vibrant multinational organization earning revenues of around INR 3,000+ crores (close to US\$500 million) with a market capitalization of around INR 5500+ crores (approx. US\$ 800 million). Cyient today is truly multinational with operations in more than 38 global locations, contributing cumulative exports in excess of US\$2 billion to global Fortune 100 clients like Airbus, Boeing, Pratt & Whitney, Philips, and Caterpillar. Cyient and its subsidiary companies have created direct employment opportunities for more than 13,000+ professionals.

We have come a long way over the past two and a half decades and we are now on the path to becoming a well-recognized global technology brand. We are at the right inflection point to accelerate Cyient's growth. All of you have built a very robust organization which is scalable and has become a great place for complex innovation. Technologies like Automation, 3D printing, Deep Learning, Artificial Intelligence, and IoT are creating new business possibilities. Cyient's strong connect with these technologies will unleash the creativity of our talent and ignite exponential growth for us.

With the strong and unwavering support of all four stakeholders, I am confident that even more significant achievements and milestones await Cyient in the years to come.

Wish all of you a very successful and fulfilling journey!



B.V.R. Mohan Reddy
Founder & Executive Chairman

KEY MILESTONES IN THE HISTORY OF THE COMPANY

ORGANIZATION

- Inception of Infotech Enterprises
- Contract with Analytical Surveys, Inc. (ASI) to provide GIS services
- ETAK/ TeleAtlas/ TomTom – Long-term relationship
- Initial public offer
- Focus on process to get quality
 - ISO 9002 for conversion services
 - ISO 9001 for software development services
- Focus on technology to achieve productivity

GLOBAL EXPANSION

- Set up a US subsidiary in California

ORGANIZATION

- Strategic business relationship with Pratt & Whitney
- Focus on expertise to get industry diversity
- Signed up with FUGRO and KPN Telecom
- Long-term contract with Bombardier Transportation

FOCUS ON PROCESSES

- ISO 9001:2000 certification; Become the first certified company in GIS sector
- SEI CMM Level 5 for Software Development & Services Division
- BS 7799

GLOBAL EXPANSION

- Software development center in Madhapur, Hyderabad
- Engineering center in Bengaluru
- Development center in Puerto Rico



ACQUISITIONS

- SRG Infotech, Dataview Solutions Limited, and Cartographic Sciences Pvt. Ltd.

PARTNERSHIPS

- Partnered with IBM for enterprise-wide information systems

ACQUISITIONS

- Advanced Graphics Software GmbH, specializing in 3D CAD/CAM
- Map Centric, a leading independent GIS distributor in Europe
- VARGIS, a GIS company in the US

RECOGNITION

- Ranked 5th among top ten exporters from Andhra Pradesh for the Year 2000-2001
- FAPCCI Award for Best Information Technology (IT) Company

ORGANIZATION

- Decision to begin active localization of workforce
- Set up Infotech HAL Limited, a joint venture with HAL
- Engineering design agreement with Alstom Transportation
- GIS contract with GE for Swisscom
- Long-term engineering services contract with Hamilton Sundstrand (now UTAS)

GLOBAL EXPANSION

- Established offices in Singapore, Melbourne, Dubai, Canada, Japan, and Malaysia
- Engineering center in Vizag
- Inaugurated Geospatial production facility at Frostburg, Maryland, USA

ACQUISITIONS

- Tele Atlas India
- Daxcon Engineering and Wellsco in the US
- 74% stake in Geospatial Integra
- TTM; foray into the Hitech vertical

RECOGNITION

- Included in the Forbes Asia List of 200 Best under a Billion

ORGANIZATION

- Rebranded to Cyient
- Completes 25 years of operations
- Cyient Foundation announced programs to make engineers employable and empower neighborhood communities to participate actively in digital India

GLOBAL EXPANSION

- New development center in SEZ at Kakinada, Andhra Pradesh
- New offices in Silicon Valley, Taiwan, South Korea, and South Africa
- Experience center in Hyderabad, India
- Global design center in Bengaluru for SMEC
- Engineering centers in Dallas (Aerospace), Prague (Transportation), and Sydney (Telecom)
- Laid the foundation of a technology development center in Warangal

ACQUISITIONS

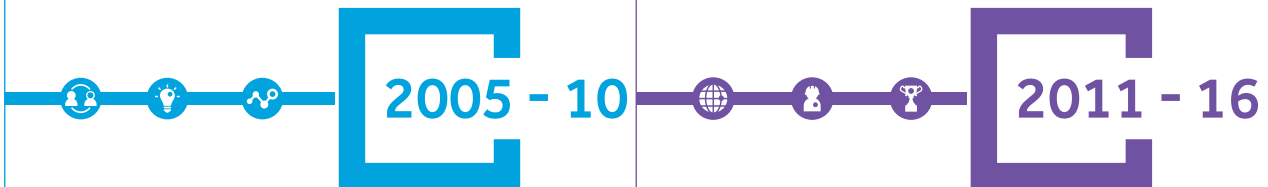
- Softential, Inc.
- Invati Insights
- Majority stake in Rangsons Electronics, strengthening end-to-end capabilities in integrated engineering, design, and production
- Pratt & Whitney Global Services Engineering Asia, Singapore

RECOGNITION

- Golden Peacock Award for excellence in Corporate Governance
- Awarded 'Supplier of the Year' by Boeing
- Ranked among top 30 out sourcing companies in the world by IAOP
- ICSI National Award for Excellence in Corporate Governance
- Ranked by Zinnov as a leader among global engineering service providers for the fifth consecutive year
- Engineering Services Supplier Innovation award from Pratt & Whitney. Also won this award in 2014, 2013 and 2011
- Cyient Executive Chairman, BVR Mohan Reddy, elected as Chairman of NASSCOM for 2015-16

PARTNERSHIPS

- MoU with Deakin for joint research on medical additive manufacturing
- MoU with TNB and UNITEN for joint research on smart grid technologies
- MoU with IIT Hyderabad to enable technical institutes to produce high-quality and ready-to-employ talent



2015 - 16 Highlights



AWARD

RECOGNITION FROM KEY CLIENTS

Pratt & Whitney recognized Cyient as their most innovative supplier for 2015 for the third consecutive year. We also won the Boeing **Supplier of the Year Award – 2015** in service category and **Boeing Gold Level Performance Excellence Award – 2015**. Continuing our success story, our Design Led Manufacturing (DLM) business received the **Best Supplier Award** from ABB for all-round performance.



GLOBAL PRESENCE

EXPANDING OUR FOOTPRINT

We recently opened a new engineering center in Prague, Czech Republic. The center is designed to serve our clients with specialized near-shore engineering solutions, across a wide variety of industry sectors. We also inaugurated the Bogies Technical Centre at Cyient for better collaboration and value-added services for our clients in Transportation.

SOCIETY

INVESTING IN EDUCATION AND SOCIETY

Cyient Foundation (the CSR arm of Cyient Ltd.) launched a Digital Library Initiative at the Akshara Vidyalaya School in Nellore and a National Digital Literacy Mission

(NDLM) Centre in Rangareddy district with the aim of helping underprivileged students gain access to repositories of high-quality educational resources. We also recently signed a collaborative engagement with Goodwin College, Hartford to develop manufacturing engineering talent in Connecticut.



EXPERTISE

STRENGTHENING AFTER MARKET CAPABILITIES

We acquired Aerospace aftermarket services business of Pratt & Whitney Singapore (GSE Asia) in Q2 FY16. The facility will expand our existing Aftermarket capabilities to further strengthen our growing aerospace services portfolio.

BRAND

WINNING AS CYIENT BRAND

Our rebranding initiative grabbed quite a few eyeballs and earned us the **Golden Trumpet Award** by the Publicity Club of Chicago for our rebranding campaign in the category of International Public Relations. We also were awarded the **Skyline Award** in the Reputation and Brand Management category by the Public Relations Society of America (PRSA) Chicago Chapter. To add another feather in our cap, Economic Times recognized us as the **Best Tech Brand** for the year 2015, in the IT and Engineering Services category.



INNOVATION

SUSTAINED FOCUS ON INNOVATION

We recently added one more lab to the Cyient Experience Center-Lego Lab, where associates can give shape to their concepts and validate their ideas. We inaugurated the state-of-the-art 'Experience Center' in Hyderabad, India last year which gives our engineers, clients, and prospects the ability to see, touch, and learn about products and components that we design.

DISTINCTION

CATEGORIZED AS A LEADER AMONG GLOBAL ENGINEERING SERVICE PROVIDERS

The 2015 Global Service Provider Ratings (GSPR) by industry research and advisory firm, Zinnov, continued to place us in the leadership position in the Aerospace and Transport segments for the fifth consecutive year. Furthermore, we continued to be ranked as a leader in the Energy and Utilities, and Construction and Heavy Machinery industries for the third successive year. Zinnov also categorized us as an 'Established and Expansive' player in mechanical engineering services, and an 'Established and Niche' player in embedded systems.



Cyient at a Glance

DESIGNING TOMORROW TOGETHER

Three simple words that describe our unique approach of working with you to improve your business and the lives of your customers

Designing

Cyient designs solutions across engineering, networks and operational services. We use our industry knowledge and expertise creatively to solve complex problems that have a big impact on our clients-allowing them to do more and reach further.

Tomorrow

We never lose sight of who really matters-the people who actually benefit from what we design. We're here to shape a better tomorrow for them by solving their everyday problems, large and small. The result could be anything from a quieter flight or a safer train ride, to a more reliable energy supply or a better map for their holiday.

Together

We're on the same side as our clients. We are able to make our processes fit seamlessly into their organization because we know their industry so well. So, with our clients and each other, we build ideas together and grow together. We share our knowledge, innovations and intellectual property on each project. This is the basis for our growing relationships.



13,500+

Associates across 38 global locations and 21 nationalities



310

Total Clients

29

Fortune 500 Clients



\$472MN

Revenue

\$65MN

Operating Profit



Values FIRST

Our guiding principle: Fairness, Integrity, Respect, Sincerity, Transparency



Comprehensive Service Portfolio

Engineering, Design Led Manufacturing, Data Analytics, Geospatial, and Networks and Operations



Expertise

Across 10 Industries



Our Portfolio of Brands

Cyient Insights (Data sciences), Rangsons Electronics (ESDM), and Techno Tools



Board of Directors

B.V.R. Mohan Reddy
Executive Chairman
1991 | R & I



M.M. Murugappan
Independent Director
1997 | A & L



Harsh Manglik
Independent Director
2012 | C & S



Krishna Bodanapu
Managing Director & CEO
2014 | R & I

K. Ramachandran
Independent Director
2009 | A, L, R & I

Som Mittal
Independent Director
2014 | S & A

Senior Leaders

B. Ashok Reddy
President - Corporate
Affairs & Infrastructure



Prabhakar Atla
Sr. VP - Rail
Transportation BU



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



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



Ajay Aggarwal
Chief Financial Officer



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



NJ Joseph
Sr. VP - Strategy &
Marketing



Andrea Bierce
Independent Director
2014 | C & L

Alain De Taeye
Non-Executive Director
2010 | C & S

John Wiedemer
Alternate Director to
Thomas W. Prete



John Paul Paterson
Independent Director
2014 | C & S

Thomas W. Prete
Non-Executive Director
2013 | A & L

PNSV Narasimham
Sr. VP - Global Human
Resources

Anand Parameswaran
Sr. VP - Aerospace &
Defense BU

Rajendra Velagapudi
Sr. VP - Business Excellence



Sunil Kumar Makkena
Sr. VP - Utilities &
Geospatial BU

Dr. Venkatesh Padmanabhan
Sr. VP - Design Led Manufacturing
& CEO - Rangsons Electronics

John Renard
President - Utilities & Geospatial
BU & President EMEA

Brian Wyatt
Sr. VP - Medical Tech BU

Legend:

A: Audit And Risk Management Committee | C: Customer Engagement Committee | I: Stakeholder Engagement Committee
L: Leadership, Nomination And Remuneration Committee | R: CSR Committee | S: Strategy Committee

Note: The year indicates the time of joining the Board



CREATING SHARED VALUE

Dear Shareholders,

I feel extremely proud to be celebrating our 25th anniversary, a pivotal moment in Cyient's history. It marks our incredible journey across two and half decades to become the unique organisation we are today. It is particularly gratifying to be celebrating this milestone at a time when the future of the engineering and technology services industry looks bright and Cyient is at the forefront of addressing newer horizons to build a sustainable organization that delivers accelerated growth.

KRISHNA BODANAPU
Managing Director & CEO

Reflecting on Cyient's history, you will agree that it is Mr. Mohan Reddy's extraordinary vision and execution that transformed us from an aspiring start-up with four employees in 1991 to the 13,000 plus global organization that we are today. I am happy to report that we now have a world-class management team that is motivated to further accelerate growth with the guidance and support of its Founder & Chairman.

The last financial year (FY16) was challenging, but at the same time it presented us with new opportunities that we addressed through a number of initiatives. Consolidated revenue for the year stood at INR 30,955.7 Mn an increase of 13.1% over the previous year. In dollar terms, our revenue was \$472.1 Mn an increase of 6% over the previous year. After taking into account currency fluctuations, our revenue growth (constant currency) was 10.2%. Our newly acquired Manufacturing business did not perform to expectation given the cyclical nature of that part of the business. Operating profit stood at INR 4,248.6 Mn which is higher by 5.9% year on year and our operating margin stood at 13.7% against 14.7% for the previous fiscal year. Net profit stood at INR 3,262.3 Mn down by 7.6% from the previous year. Currency fluctuations, increased onsite demand and lower utilization contributed to lower operating margins. Consequently, Earnings per Share (EPS) dropped 7.6% to INR 29 from INR 31.5. With strong focus on collections and optimizing our capital expenditure we were able to significantly improve our cash position. This year saw us record our highest ever cash balance at INR 7,742Mn (\$117 Mn) despite four acquisitions and consistent dividend payouts. Days Sales Outstanding (DSO) was the lowest ever at 79 days and effective tax rate was lowest at 23.9%.

Despite the challenges we faced last year it also saw us achieve several significant 'firsts'. Our opportunity pipeline crossed the billion-dollar mark for the first time. We had our first 100 Mn dollar client in FY 16. We saw additions across our 5+Mn, 10+Mn and 20+Mn client base. There was an increase in new client additions across all industry segments or Business Units (BU) and we

added a number of Must Have Accounts (MHA) through the year.

Last year saw us make investments in strategic areas to enhance our capabilities, and global presence. In line with our strategy of constantly enhancing Cyient's technical competency, we acquired the Aerospace aftermarket services business of Pratt & Whitney Singapore (GSE Asia). We also made investments in a technical center for Bogies for providing value added services to clients in the Rail Transportation industry. To expand delivery footprint, we established our presence in Eastern Europe by setting up a subsidiary in Prague, Czech Republic. This subsidiary is now generating revenue and is expected to be a significant contributor in the future.

Stakeholder (shareholder, customer and associate) satisfaction is of paramount importance to Cyient and we focus on continuously improving our stakeholder engagement and satisfaction through third-party assessments. For FY 16, our investor satisfaction (ISAT) score stood at 5.06 on a 7-point scale compared to 5.32 last year. Our investors continue to rate us highly on leadership and communication while our score on strategy execution and financial performance dipped. We understand the key concerns of investors, especially around revenue and profitability and I would like to assure you that we are executing a number of initiatives that will address these concerns. Customer Satisfaction (CSAT) index improved by 10% to a 57.6 score against the industry average of 56.3. This increase is across all client levels, business units and regions. Our Associate engagement (ASAT) score improved by 5%, to 61%. While we still have some work to do to reach our stated goal of being a best-in-class employer, I am happy to report that we made significant progress on all engagement drivers.

Our leadership and commitment to create value for our stakeholders is reflected in the awards and accolades we receive. Last year, Cyient was rated as a "Leader" in engineering services

in four categories: Aerospace, Railways, Energy & Utilities, Telecom and Hi-tech by the research and analyst firm, Zinnov Consulting. We were also recognized as the Best Tech Brand by Economic Times in 2015 in the IT and Engineering Services sub-category. Pratt and Whitney recognized us as the most innovative supplier in 2015 for the third consecutive year. Cyient rebranding initiative was awarded a "Skyline Award" in the Reputation and Brand Management category by the Public Relations Society of America (PRSA) Chicago Chapter. We were also awarded the Golden Trumpet Award by the Publicity Club of Chicago for our Rebranding Campaign in the category of International Public Relations. Additionally, the year saw us receive numerous awards from our clients in various categories like innovation, process improvements and delivery excellence.

As we step into the new financial year, we are very cognizant of the fast changing world around us. With the onset of digital technologies and disruptions, the way we manage our business is also changing rapidly. We believe that our **S3** strategy (Services, Systems, and Solutions) anticipates these changes and will help transform Cyient into the business we want to become by 2020.

Over the past two years we articulated and developed the S3 strategy and have been actively transforming our industry portfolios to differentiate Cyient as a Design-Build-Maintain partner for our industries and clients. Recognizing industry trends and anticipating customer needs, we are also building digital capability into our solutions by leveraging emerging technologies like analytics, Internet of Things (IoT), additive manufacturing and design-led thinking.

We have reorganized ourselves into industry-focused Business Units (BU). The BU structure allows us to concentrate our domain expertise, client experience, resources, industry practices and investments into well-defined and efficient units that can more successfully execute S3

for their respective industries. Rangsons and Product Realization business have been renamed Design-Led Manufacturing (DLM) with the intent to drive design thinking into manufacturing and help our customers competitively deliver technologically complex products.

As we move forward, it is important for us to align our objectives and set targets to realize our 2020 aspirations. Our FY 17 objectives are focused on delivering strong financial performance and raising the bar on stakeholder satisfaction.

This year we articulated specific actions to meet our FY 17 objectives. This will enable us to measure progress very clearly against each of these actions.

These are our key objectives for FY 17:

Operational Efficiency: Focus on operational efficiency is extremely important to sustain our business and deliver profitable growth. We will further enhance our rigor around efficiency improvement and focus on better span of control and improve utilization.

Growth through Key Accounts: Our top 20 clients account for about 65% of our revenue. Growth across these accounts has a significant impact on overall group revenue. We have identified a number of opportunities to increase wallet share with these clients and maximize revenue. We will redouble our focus on Key Account Plan execution with our top clients.

New Focus Areas – DLM, Medical Technology and Analytics: Each presents Cyient with significant growth potential across existing accounts and new clients. We continue to strengthen our offerings and go-to-market initiatives and are committed to meeting budgeted numbers in these focus areas.

Engaged Employees: Employee engagement is core to Cyient's performance and well being. We are committed to building a rewarding workplace for our employees. This year, along with

investments in training, leadership development and retention, we will focus on enhancing employee experience, providing forums for discussions and building a collaborative work culture.

Execution of S3 Strategy: The close alignment between strategy and the new organization structure is helping us build strong momentum around execution. As our Business Units execute across a set of strategic opportunities, our focus will be on contributions from these opportunities into FY17 pipeline and revenue.

Cyient has enjoyed extraordinary successes over the past 25 years and I know you will share my pride in what we have achieved. While many things have changed over this period, the trust that our stakeholders place in us has been a constant source of strength for the organization and is greatly cherished. It is your trust that motivates us to aim higher, work harder and achieve further.

While we can look back with satisfaction at Cyient's achievements and milestones over the past twenty five years, our ambition is to eclipse them by what we accomplish over the next twenty five. Milestones like these are also a great moment to reflect on our journey and may I request your presence at the Annual General Meeting (AGM) on 29th August 2016, where we look forward to convey Cyient's gratitude to our shareholders for their unwavering trust and support.

Here's to another fantastic 25 years.



Krishna Bodanapu
Managing Director & CEO



REFLECTIONS OF LEAD INDEPENDENT DIRECTOR

M.M. MURUGAPPAN
Independent Director

The Board of Cyient has had a busy and satisfying year 2015-16. Its composition remained unchanged, and it remains a good blend of experience and expertise, along with an international perspective-considering that the members are located in North America, Europe, and Asia. With senior management also spread across these regions of the world, the approach towards a transition from a multi-national company to one with a truly global perspective is well in place.

Apart from statutory meetings of the board and its committees, members have been engaging actively with the Chairman, Managing Director, and senior management on long-term strategy, client engagement, and leadership development. In addition to adaptation to changing regulations in India and across the world, stakeholder satisfaction, fiscal discipline, compliance, and governance policies have also been on the agenda. It is done through specific committees which report to the Board at its quarterly meetings. Also, there are regular ongoing interactions with the top management about these subjects.

The independent directors met in camera to discuss the evaluation of the board and directors' performance and took a constructively critical view of Cyient's strategic direction, and the leadership requirements to fulfill such goals and aspirations. The Chairman, Managing Director, and the Leadership team have been greatly supportive of these processes, and the Board appreciates their openness to receive feedback, introspect, and facilitate action as required. As Cyient turns 25, the board is confident that the company will meet its goals and transform itself as required. The company is well-positioned in terms its financial strength, management ability, and geographical spread to do so in an accelerated manner while maintaining sound values and good governance. The Board's role is to ensure this while supporting the Chairman, Managing Director, and the Leadership team in their untiring effort.



M.M. Murugappan
Independent Director

CORPORATE INFORMATION

Registered Office

Cyient Limited
4th Floor, 'A' Wing,
11, Software Units Layout,
Infocity, Madhapur,
Hyderabad – 500 081
Tel: +91 40 67641000

Auditors

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

Internal Auditors

Ernst & Young LLP
Oval Office, 18, i Labs Center,
Madhapur, Hyderabad – 500 081
Tel: +91 40 67362000

Secretarial Auditor

S. Chidambaram
#6-3-855/10/A, Flat No. 4A,
Sampathji Apartments,
Ameerpet, Hyderabad-500 016
Tel: +91 40 23413376

Tax Advisors

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

Bankers

The Hongkong and Shanghai Banking Corporation Limited
6-3-1107 & 1108, Raj Bhavan Road
Somajiguda
Hyderabad – 500 082
Tel: +91 40 66162077

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

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

Company Secretary & Compliance Officer

Sudheendhra Putty
4th Floor, 'A' Wing,
11, Software Units Layout, Infocity
Madhapur, Hyderabad – 500 081
Tel: +91 40 67641322

Registrar & Share Transfer Agents

Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot No 31&32
Financial District, Gachibowil,
Hyderabad – 500 032
Tel: +91 40 67161562



Dear Mr. Reddy,

On behalf of Confederation of Indian Industry and my personal behalf, we extend our heartiest congratulations to you and your 13,000 strong, Cyient team for completing 25 glorious years of success.

CII has had the privilege of your leadership in Southern Region, in 2008-09, and we greatly value our long term association with Cyient.

As a passionate industry leader, we are sure that you will have many more important roles to play that would take the country to greater heights, and we wish you all the best in your future endeavors.

CII also recognizes Cyient's support to Swachh Bharat-Swachh Vidyalaya campaign in Telangana and its contribution to social development especially in the area of primary education and environment protection which have made a positive impact on society.

We wish you and Cyient all the best in making it a truly global giant company. CII would love to have a continued and long term association with Cyient in the days to come.



Chandrajit Banerjee

Director General

Confederation of Indian Industry (CII)

Notice of Annual General Meeting

Notice is hereby given that the 25th Annual General Meeting of the shareholders of the company will be held on Monday, 29 August 2016 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

- To receive, consider and adopt:
 - the audited financial statements of the company for the financial year ended 31 March 2016 together with the reports of the board of directors and the auditors thereon
 - the audited consolidated financial statements of the company for the financial year ended 31 March 2016, together with the report of the auditors thereon.
- To confirm the first and second interim dividends paid on equity shares for and during the financial year 2015-16.
- To appoint a Director in place of Mr. B.V.R Mohan Reddy (DIN 00058215), who retires by rotation and offers himself for re-appointment.
- To appoint a Director in place of Mr. Krishna Bodanapu (DIN 05301037), who retires by rotation and offers himself for re-appointment.

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

"RESOLVED that pursuant to the provisions of section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S) as auditors of the company, made at the 23rd Annual General Meeting (AGM), to hold office until the conclusion of the 26th AGM of the Company to be held in the year 2017 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, as may be mutually agreed between the board of directors of the company and the auditors."

By Order of the Board



Sudheendhra Putty
Company Secretary

Place : Hyderabad
Date : 21 April 2016

Registered Office

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

Notes

- A shareholder entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll on behalf of him and the proxy need not be a member. The proxy form (available elsewhere in the annual report) should be deposited at the Registered Office of the company not less than 48 hours before the commencement of the AGM. A person can act as proxy on behalf of shareholders not exceeding fifty (50) in number and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other shareholder.
- The Register of Members and the Share Transfer Books of the company will remain closed from 25 August 2016 to 29 August 2016 (both days inclusive) in connection with the AGM.
- The Board of Directors of the company had declared an interim dividend of ₹ 3.00 per share *i.e.*, at the rate of 60% on face value of ₹ 5 each and ₹ 4 per share *i.e.*, at the rate of 80% on face value of ₹ 5 each on 15 October 2015 and 17 March 2016 respectively. The same was paid on 4 November 2015 and on 31 March 2016 respectively. The said interim dividends are to be confirmed at the AGM.
- The relevant details as required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS 2) issued by the Institute of Company Secretaries of India, of persons seeking re-appointment as Directors under Item Nos. 3 and 4 above are annexed hereto.
- Shareholders/proxies are requested to bring their copies of the Annual Report to the AGM and the attendance slip duly filled in for attending the AGM. Copies of the Annual Report will not be provided at the AGM.

6. 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.
7. 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.
8. 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 Electronic Clearance Service (ECS), LECS (Local ECS)/RECS (Regional ECS)/NECS (National ECS), National Electronic Fund Transfer (NEFT) 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.
9. Shareholders who wish to claim unclaimed dividends of the past years, are requested to correspond with Mr. N. Ravi Kumar, Deputy Company Secretary, at the company's registered office. Shareholders are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the company's Unpaid Dividend Account, will as per the provisions of Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
10. The certificate from the auditors of the company under SEBI (Share Based Employee Benefit) Regulations, 2014, as amended, will be available for inspection by the shareholders at the AGM.
11. In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) 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.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic format, therefore, are requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form may submit their PAN details to the company/company's R&T Agents.
13. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members 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, members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the R&T Agent of the Company. These forms will be made available on request.
14. 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 25th AGM of the Company.

By Order of the Board



Sudheendra Putty
Company Secretary

Place : Hyderabad
Date : 21 April 2016

Registered Office

4th Floor, A Wing, Plot No.11,
Software Units Layout, Infocity,
Madhapur, Hyderabad 500 081
Telangana
CIN: L72200TGP1991PLC013134
Email: company.secretary@cyient.com
Website: www.cyient.com

Electronic Voting

Pursuant to the provisions of section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited, in respect of all resolutions set forth in this Notice. The facility of casting votes by shareholders using an electronic voting system from a place other than the venue of the AGM is termed as 'Remote Electronic Voting' (e-voting)

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

- a) The remote e-voting period commences on **Thursday, 25 August 2016** (9.00 am IST) and ends on **Sunday, 28 August 2016** (5.00 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 **Monday, 22 August 2016**, 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.* Monday, 22 August 2016, may obtain user ID and password by sending a request at evoting@karvy.com However, if you are already registered with Karvy for e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset the password by using 'Forgot User Details/Password' option available on '<https://evoting.karvy.com>'
- c) The shareholders who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but will not be entitled to cast their vote again.
- d) The facility for voting through ballot paper will be made available at the AGM venue and the shareholders attending the AGM, who have not cast their vote by remote e-voting will be able to exercise their right at the AGM venue through ballot paper. Shareholders who have not cast their vote electronically, by remote

e-voting, may only cast their vote at the AGM through ballot paper.

- e) The voting rights of shareholders will be in proportion to the shares held by them, as on the cut-off date of Monday, 22 August 2016.
- f) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman, with the assistance of scrutineer, will order voting through ballot paper for all those shareholders who are present at the AGM but have not cast their votes electronically using the remote e-voting facility.
- g) Immediately after the conclusion of voting at the AGM, the Scrutineer will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company. The Scrutineer will prepare a consolidated Scrutineer's Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who will then declare the result of the voting.
- h) The voting results declared along with the Scrutineer's Report will be placed on the company's website www.cyient.com and on the website of Karvy immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results will also be immediately forwarded to the BSE Ltd. and National Stock Exchange of India Ltd.
- i) Please contact toll free No. 1-800-34-54-001 or mail to Mr. Mohd Mohsin Uddin, e-mail: mohsin.mohd@karvy.com / Mr. Ravi Kumar Nukala, e-mail: company.secretary@cyient.com for any further assistance/clarifications.

Guidelines for e-voting:

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

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

| | |
|-----------|--|
| User – ID | For shareholders holding shares in Demat Form:- |
| | a) For NSDL:- 8 Character DP ID followed by 8 Digits Client ID |
| | b) For CDSL:- 16 digits beneficiary |

- | | |
|----------|---|
| | c) ID For shareholders holding shares in Physical Form:- <ul style="list-style-type: none"> 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>i.e.</i> , 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/FIs/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



Sudheendra Putty
Company Secretary

Place : Hyderabad
Date : 21 April 2016

Registered Office

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

Transport arrangements to attend the Annual General Meeting

Your company will be providing transport facility from various strategic locations across the twin-cities at 1.00 p.m. on Monday, 29 August 2016 to enable you to reach the venue of the AGM comfortably. Those who wish to avail of this facility are requested to contact Mr. K. Tirupathi Reddy on or before 26 August 2016 (by 6.00 pm) at the following number:

Cell: +91-9246536439

You may also send your requests by email to AGM@cyient.com. Your requests must reach us latest by 26 August 2016.

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

BRIEF PROFILES OF DIRECTORS SEEKING RE-APPOINTMENT

Item No. 3

B.V.R. Mohan Reddy is a visionary who has placed India on the global map for leading-edge engineering research and development (ER&D) services. Having established Cyient Limited (formerly Infotech Enterprises) in 1991, Mohan Reddy pioneered computer-aided design/computer-aided manufacturing (CAD/CAM) solutions serving international clients. Cyient is consistently ranked among the top 15 IT services exporters from India as per the NASSCOM annual report. Cyient is also the largest independent exporter of high value research and development (R&D) services from India as per the Zinnov annual report. 7 of the top 10 global aerospace companies, 5 of the top 5 global rail companies, 2 of the top 5 global semiconductor companies, 7 of the top 10 heavy equipment companies are Cyient's customers.

The American Society of Mechanical Engineers (ASME) CIE division conferred the distinguished Leadership Award on Mohan Reddy in 2011. This is the industry's most prestigious global award for engineering and Mohan Reddy was the first Indian and the seventh recipient globally. Mohan Reddy was conferred the Distinguished Alumnus Award by Indian Institute of Technology (IIT) Kanpur. It is the highest award given by the IIT to its alumni in recognition of their achievements of exceptional merit. Mohan Reddy was conferred the Lifetime Achievement Award by Hyderabad Management Association (HMA) in 2016. He also received an Honorary Doctorate (Ph.D.) from the Jawaharlal Nehru Technological University, Hyderabad, Honorary degree of Doctor of Science from the Andhra University, Visakhapatnam, and Doctor of Science Honoris Causa from KL University, Vaddesaram, Vijayawada. Mohan Reddy is a Fellow of The Institute of Engineers (India). Cyient won the coveted ICSI (Institute of Company Secretaries of India) National Award for Excellence in Corporate Governance 2014.

Mohan Reddy's dedicated commitment to Corporate Social Responsibility (CSR) has made an incredible mark on the lives of many individuals and is an acknowledged contributor to community, state and nation. Through its "Adopt-a-School" initiative, Cyient touches the lives of over 10,000 underprivileged children. To promote digital education and inclusive growth, Cyient Foundation launched a Digital

Library at the AksharaVidyalaya School in Nellore District, Andhra Pradesh. Cyient continues to contribute to India's growth story by setting up development centers in Tier-2 towns of Andhra Pradesh such as Visakhapatnam and Kakinada and has created over 1,000 technology jobs in Kakinada alone. Mohan Reddy is a Member of Board of Trustees of LV Prasad Eye Institute, Hyderabad.

Mohan Reddy served as Chairman of NASSCOM for 2015-2016, as Vice Chairman during 2014-2015, and has been a member of the Executive Council since 2003. At NASSCOM, Mohan Reddy laid the foundation of NASSCOM's engineering services council (ER&D Forum) through a range of initiatives, including instituting industry research on ER&D services. At NASSCOM, he established the Member Connect program. Mohan Reddy has also served as the Chairman of the Confederation of Indian Industry (CII), Southern Region (2008-2009). Mohan Reddy is also a Founding Director of T-Hub, the largest incubation centre in India for start-ups set up by Government of Telangana.

Mohan Reddy has immense passion towards promoting education in India. Towards this, Mohan Reddy serves as Member on the Board of NIIT University, Neemrana; Member of Centre for Innovation and Entrepreneurship at IIT, Hyderabad, and Member of Executive Council of JNTU, Kakinada. The Honorable President of India in his capacity as the Visitor of IIT-Hyderabad, has nominated Mohan Reddy as the Chairman of the Board of Governors, IIT-Hyderabad for 2012-15 and re-nominated for 2015-18. Mohan Reddy has also been appointed as a Director on the Board of National Skill Development Corporation (NSDC).

Mohan Reddy holds 1,46,14,888 equity shares in the company. The names of companies and the committees in which Mohan Reddy is a director/member are available for inspection at the registered office of the company during normal business hours.

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

Item No. 4

Krishna Bodanapu is Managing Director & CEO at Cyient. In this role, he manages all business operations including delivery, sales, marketing, strategy and organizational excellence. He is also responsible for identifying new growth opportunities and extending current service offerings to new markets.

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

In July 2014 Krishna was conferred with "Fellowship" of Engineers Australia. Engineers Australia is the national forum for the advancement of engineering that embraces

all discipline of engineering and is the largest and most diverse body with over 100,000 members.

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

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

Krishna holds 18, 50,760 equity shares in the company. The names of companies and the committees in which Krishna is a director/member are available for inspection at the registered office of the company during normal business hours.

Except Krishna and Mohan Reddy and their relatives, none of the other Directors/Key Managerial Personnel of the company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 above.

“Cyient took the road less traveled, differentiated itself right at the outset, and focused on white spaces. It anticipated the demand for mobility and pioneered GIS (Geographical Information Systems) as a service offering in India. Cyient grew in high-end engineering research & design services-across industries such as aerospace, transportation, utilities, and semiconductors using a hybrid growth strategy - a mix of organic and inorganic, helping add capabilities, and target new markets – a role model for niche firms aiming to scale up. Besides focusing on international markets, it has also remained focused on Indian domestic market – a crucial pillar in India’s infrastructure growth story- examples include Delhi Metro, upcoming Hyderabad Metro. It is already onboard the digital highway with emphasis on end to end solution capabilities around product design, and analytics. The leadership led by Mr. Reddy has always focused on expanding the industry, working closely with NASSCOM and key members. Mr. Reddy was the founder of the NASSCOM Engineering Forum and helped ideate the first strategy report for the sector. As Chairman NASSCOM, Mr. Reddy has been closely involved across the entire spectrum of NASSCOM activities and is widely respected across the industry.”

R. Chandrashekhar
President, NASSCOM

Directors' Report

Dear Shareholders,

Your directors have pleasure in presenting the 25th Directors' Report on the business and operations of your company, for the financial year ended 31 March 2016.

FINANCIAL HIGHLIGHTS

(Amount in ₹ Million)

| Particulars | Consolidated | | Standalone | |
|--------------------------------------|--------------|----------|------------|----------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Total Income | 32,041.1 | 28,577.0 | 13,590.6 | 13,969.5 |
| EBIDTA | 5,292.9 | 5,225.9 | 3,635.0 | 4,053.6 |
| Finance Cost | 178.8 | 57.6 | 2.3 | 5.1 |
| Depreciation | 893.0 | 712.8 | 688.0 | 618.1 |
| Exceptional items | 87.2 | - | 71.6 | - |
| Profit before Tax | 4,134.0 | 4,455.5 | 2,873.0 | 3,430.5 |
| Current Tax | 1,139.4 | 1,023.6 | 614.5 | 707.6 |
| Tax pertaining to earlier years | 10.3 | 24.0 | - | 1.3 |
| MAT Credit | (30.3) | (1.4) | (30.3) | (2.0) |
| Deferred Tax | (133.3) | 50.1 | (45.7) | 12.0 |
| Share of profit in associate company | 120.3 | 150.4 | - | - |
| Minority Interest | (5.7) | 22.4 | - | - |
| Profit after Tax | 3,262.5 | 3,532.0 | 2,334.5 | 2,711.6 |
| Basic Earnings per share (₹) | 29.01 | 31.48 | 20.76 | 24.17 |
| Diluted Earnings per share (₹) | 28.96 | 31.37 | 20.73 | 24.09 |
| Interim dividend paid (₹/Share) | 7.00 | 3.00 | 7.00 | 3.00 |
| Final dividend recommended (₹/Share) | - | 5.00 | - | 5.00 |
| Paid up Equity Share Capital | 562.4 | 561.8 | 562.4 | 561.8 |
| Reserves | 18,535.7 | 17,878.8 | 16,267.7 | 15,244.3 |

APPROPRIATIONS

Dividend

During the year company has declared and paid two interim dividends of 140% of the par value of the equity share. The 1st interim dividend was ₹ 3 per equity share (60%) on par value of ₹ 5 per share. The 2nd interim dividend was ₹ 4 per equity share (80%) on par value of ₹ 5 per share. The interim dividends were declared on 15 October 2015 and 17 March 2016 respectively. Total dividend (including dividend distribution tax) as a percentage of profit after tax is 40.6% as compared to 39.5% in the previous year.

LIQUIDITY

Your company maintains sufficient cash reserves to meet its operations and strategic objectives. As at 31 March 2016, your company had liquid assets of ₹ 5,746.7 million as

against ₹ 4,760.6 million at the previous year end. These funds have been invested in short term deposits and mutual funds with scheduled banks and debt based mutual funds.

FIXED DEPOSITS

Your company has not accepted any deposits and as such, no amount of principal or interest was outstanding as on 31 March 2016.

SHARE CAPITAL

Allotment of Shares

Your company has allotted 1,22,312 equity shares of ₹ 5 each to the associates of the company and its subsidiaries upon exercise of an equal number of stock options vested in them pursuant to the extant Stock Option Schemes of the company.

In view of the above allotments, the outstanding shares of the company increased from 112,361,065 equity shares of ₹ 5 each to 112,483,377 equity shares of ₹ 5 each.

STATE OF AFFAIRS/COMPANY'S PERFORMANCE

DNO

With a goal to provide specialized solutions across our customer's value chain, the Data Transformation, Network and Operations (DNO) group has been engaged in wide-ranging long-term customer engagements, that has enabled the company to emerge as a renowned organization in the industry with marque customers in the sectors addressed.

In the Data Transformation, we have over 2 decades of experience in providing varied services in the geospatial technology and mapping industry. Over the years, this Data Transformation group has moved from creating of spatial data to also developing insights from the data, positioning itself as an end to end data transformation business.

With some of the world's largest Communication Service Providers and Utilities as our customers, this Network & Operations group provides specialized services spanning across the "Plan - Build - Operate" life cycle of our customers.

This operating unit generated revenues of ₹ 5,308.0 million as against previous year's ₹ 5,833.5 million, at a degrowth rate of 9.0%. As a percentage of operating revenues, this vertical contributed 42.6%. Number of employees in this group - 5,343.

Engineering

This operating unit provides complete product life cycle support, from product ideation and design engineering, through product realization to aftermarket services, across Aerospace & Defense, Transportation, Industrial Equipment, Oil & Gas, Energy, Mining, Semiconductors, Consumer, and Medical industries. With deep domain knowledge combined with engineering expertise, application know how and innovative business models, Cyient is positioning itself as an ideal partner for clients who want to design innovative products faster, optimize their engineering costs and improve time to market.

The operating unit generated revenues of ₹ 7,138.8 million as against last year's revenues of ₹ 7,106.5 million, resulting in an increase of 0.5%. This vertical contributed 57.3% of the total operating revenues. Number of employees in this group - 3,944.

Product Realization

This business unit focuses on building capabilities that support conceptualizing, system engineering, prototyping, testing, certification and high-value realization for customers and prospects. This operating unit generated

revenues of ₹ 8.8 million and contributed 0.1% of the total operating revenues. Number of employees in this group - 23.

Focused on Aerospace & Defense, Medical, Rail and Industrial, this business unit of the company offers Design Led Product Realization for its customers by providing sub systems partnerships, accelerated product development and customizing product for emerging markets.

SUBSIDIARIES

Cyient, Inc. (CI)

Headquartered in East Hartford, Connecticut, CI provides engineering services in North America. CI has 23 offices across the US and Canada, with over 1,600 associates working with clients in North America.

CI caters to a broad spectrum of clients, from Fortune 500 companies to small organizations and local, state, and federal government agencies. CI generates annual revenues of over \$230 M working across 40 states and 6 Canadian provinces.

CI leverages both the local and global delivery capability of Cyient while executing projects in the Americas region.

Cyient Europe Limited (CEL)

Incorporated in London as Dataview Solutions 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, large utility companies, public sector agencies, and commercial businesses. In addition it provides engineering design services as well as big data and analytics capabilities. The company enjoys long-term relationships with several of its partners and customers and has built a strong foundation of trust and reliability.

Cyient Benelux BV, based in Breda, the Netherlands provides support to our business in the Benelux region, Cyient Schweiz GmbH provides support to our business in Switzerland, while the Middle East operations are managed at the Dubai Office. In September 2015, Cyient SRO, Czech Republic was created to provide engineering and data services to customers across the European Union.

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 in Europe.

Cyient GmbH (CG)

Cyient GmbH offers world-class engineering services and solutions in Germany. It was established as Advanced Graphics Software (AGS) in Leonberg, Germany, in 1992 - a 3D CAD/CAM, e-solution software and application provider.

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

Cyient KK (CKK)

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

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

Cyient Australia Pty Limited (CAPL)

Headquartered in Melbourne and incorporated during the year 2014-15, CAPL commenced commercial operations during the current year. It provides engineering, data and network operations services to diverse industries to its Asia Pacific customers. CAPL supports its customers from global delivery centres in Sydney and Melbourne with operations Australia wide and across the APAC region.

Cyient Singapore Pte Limited (CSPL)

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

Cyient Engineering (Beijing) Limited (CEBL)

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

Rangsons Electronics Private Limited (REPL)

In 2015 Cyient acquired a majority interest in REPL as an expression of its S3 strategy to provide a complete product life cycle solution set to its customers. Established in 1993 in Mysore, Karnataka with 3 manufacturing facilities REPL is a market leader in High-Mix, High-Tech Electronic & Mechanical Manufacturing Services in Aerospace & Defence, Rail Transportation, Medical Technology, Telecom & Industrial business segments. REPL possesses and

maintains quality certifications that enable it to supply electro-mechanical products to clients in these industries.

Since acquisition, REPL is being aligned with the 7 business units of Cyient to extend Design Led Manufacturing solutions to their clients around the world. In many cases, techno-commercial stress points faced by clients (e.g., pricing pressure, supplier cost escalation or need to enter emerging market at different feature/price point) are addressed by a set of seasoned experts to deliver value-engineered products derived from a combination of manufacturing, sourcing and design solutions.

Infotech Geospatial India Private Limited (IGIPL)

IGIPL, a wholly owned subsidiary of the company, was merged effective 1 April 2015 vide order of the Hon'ble High Court of Judicature at Hyderabad for the states of Telangana and Andhra Pradesh dated 2 March 2016.

Infotech Enterprises Information Technology Services Private Limited (IEITSPL)

The Company disinvested its 100% stake in IEITSPL on 16 September 2015.

Cyient Insights Private Limited (CIPL)

Cyient acquired a majority stake in Invati Insights Private Limited, Hyderabad, India and Troy, Michigan, USA based Datasciences Company in October 2014. The company was subsequently renamed Cyient Insights Private Limited.

CIPL enables customers drive business innovation and deliver quantifiable business results through smart data analytics and actionable intelligence. CIPL prides itself on the unique approach in acquiring, managing and analyzing the vast amount of data generated by sensors embedded in machines and devices, and the unmatched commitment to add value to customers with the proven global delivery model.

CIPL leverages Cyient's relationships in different verticals such as Aerospace & Defence, Heavy Engineering, Transportation, Medical, Telecommunications, Utilities, Energy & Natural Resources its global delivery model in executing projects.

Infotech Aerospace Services Inc. (IASI)

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

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

Infotech HAL Limited (IHL)

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

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

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

Pursuant to section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of company's subsidiaries in Form AOC-1 is enclosed elsewhere in this report.

BUSINESS RESPONSIBILITY REPORT

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

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

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

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

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

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

Principle 5: Businesses should respect and promote human rights

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

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

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

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

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

Global Compact Network India

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

Human Rights

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

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

Labour

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

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

Principle 5: the effective abolition of child labour; and

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

Environment

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

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

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

Anti-Corruption

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

CORPORATE SOCIAL RESPONSIBILITY

The company believes in giving back to society in some measure that is proportionate to its success in business. Corporate Social Responsibility (CSR) aims at balancing the needs of all stakeholders. The company's CSR initiative goes beyond charity and believes that as a responsible company

it should take into account its impact on society as much as designing tomorrow together. The CSR initiatives are conducted through Cyient Foundation. The CSR Annual Report is enclosed as Annexure 'B'.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

None of the directors of the company is disqualified under the provisions of the Act or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Appointments/Re-appointments

Pursuant to Article 56 of the Articles of Association of your company and the provisions of section 152 of the Companies Act, 2013, Mr. B.V.R. Mohan Reddy and Mr. Krishna Bodanapu retire by rotation at the ensuing Annual General Meeting (AGM) and offer themselves for re-appointment.

Pursuant to the provisions of Secretarial Standard 2 on General Meetings issued by ICSI, brief particulars of the directors who are proposed to be re-appointed are provided as an annexure to the notice convening the AGM.

During the year no additional directors were inducted on the Board. There are no new appointments being made in the ensuing AGM.

Cessations

Mr. Shankar Narayanan ceased to be a Director with effect from 6 August 2015. Your directors place on record their appreciation and gratitude to him for his valuable contributions during his tenure as director.

There is no change in the key managerial personnel during the year.

Policy on directors' appointment and remuneration and other details

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

Number of board meetings during the year

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

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 this background, the board undertook a formal board assessment and evaluation process during 2015-16. The Leadership, Nomination & Remuneration Committee has overall stewardship for the process. The evaluation process covers the following aspects:

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

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

AUDITORS

Pursuant to the provisions of section 139 of the Act and the rules framed thereunder, Deloitte Haskins & Sells, Chartered Accountants, were appointed as statutory auditors of the company from the conclusion of the 23rd AGM of the company held on 17 July 2014 till the conclusion of the 28th AGM to be held in the year 2019, subject to ratification of their appointment at every AGM. Accordingly, requisite resolution forms part of the notice convening the AGM.

AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

The auditors' report and secretarial auditors' report do not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as an annexure which forms part of this report (Annexure 'C').

EMPLOYEE STOCK OPTION PLANS

During the year the company had the Infotech Associate Stock Option Plans in operation for granting stock options

to the associates of the company and its subsidiaries, in accordance with the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Disclosures pursuant to the above Regulations are enclosed as Annexure 'D'.

During the year company put in place a new stock option scheme named 'Cyient Associate Stock Option Plan 2015' based on the special resolution passed by the shareholders at the 24th AGM. Company has since obtained the in-principle approval for the scheme from BSE Limited and National Stock Exchange of India Limited. No options have been granted by the company from this scheme during this year.

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

The details are enclosed as Annexure 'E'.

MANAGEMENT DISCUSSION & ANALYSIS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

RELATED PARTY TRANSACTIONS

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

EXTRACT OF ANNUAL RETURN (MGT 9)

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

Particulars of employees

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

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

| Executive Directors | Ratio to Median remuneration |
|------------------------------|------------------------------|
| B. V. R. Mohan Reddy | 85.92 |
| Krishna Bodanapu | 108.21 |
| Independent Directors | |
| M.M. Murugappan | 2.00 |
| K. Ramachandran | 2.00 |
| Som Mittal | 2.00 |
| Harsh Manglik | 2.00 |
| John Paterson | 4.30 |
| Andrea Bierce | 4.30 |

- 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 | -9.0% |
| Krishna Bodanapu | 84.7% |
| Ajay Aggarwal | 13% |
| Sudheendhra Putty | 12% |

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

- d. **The number of permanent employees on the rolls of Company:** 13,123

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

On an average, employees received an annual increase of 8% in India. The individual increments varied from 4 % to 14 %, based on individual performance.

Employees outside India received wage increase varying from 1 % to 3 %. The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects company performance, the performance pay

is also linked to organization performance, apart from an individual's performance.

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

| | |
|--|----------------|
| Aggregate remuneration of key managerial personnel (KMP) in FY16 | 32,950,356 |
| Revenue | 12,455,620,209 |
| Remuneration of KMPs (as % of revenue) | 0.3 |
| Profit before Tax (PBT) | 2,873,032,762 |
| Remuneration of KMP (as % of PBT) | 1.1 |

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

| Particulars | March 31, 2016 | March 31, 2015 | % Change |
|---------------------------------|----------------|----------------|----------|
| Market Capitalization (₹ lakhs) | 479,967 | 566,603 | -15.30 |
| Price Earnings Ratio | 20.55 | 20.86 | -1.50 |

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

| Particulars | March 31, 2016 | IPO Date | IPO Price | Adjusted IPO price by considering CA* | % Change |
|--------------------|----------------|--------------------|-----------|---------------------------------------|----------|
| Market Price (BSE) | 425.4 | September 25, 1997 | 87.70 | 7.31 | 5719 |
| Market Price (NSE) | 426.7 | September 30, 1998 | 124.30 | 10.36 | 4019 |

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

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

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

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

The average annual increase was around 8%. However, during the course of the year, the total increase is approximately 8%, after accounting for promotions and other event based compensation revisions.

Increase in the managerial remuneration for the year was 24.4%.

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

(Amount in ₹)

| | B.V.R. Mohan Reddy Executive Chairman | Krishna Bodanapu MD & CEO | Ajay Aggarwal Chief Financial Officer | Sudheendhra Putty Company Secretary |
|-------------------------------|---|------------------------------|---|---|
| Remuneration | 51,663,911 | 65,061,685 | 12,949,163 | 2,126,663 |
| Revenue | 12,455,620,209 | | | |
| Remuneration as % of revenues | 0.41% | 0.52% | 0.10% | 0.02% |
| Profit before Tax (PBT) | 2,873,032,762 | | | |
| Remuneration (as % of PBT) | 1.80% | 2.26% | 0.45% | 0.07% |

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

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

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

None.

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

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

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

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

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

Your Company has adopted a policy on Prevention of Sexual Harassment (POSH) at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. An Internal

Complaints Committee ("ICC") has been set up from the senior management (with women employees constituting the majority) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year the company:

- organized hourly sessions for female associates at each location to connect with them & create more awareness about POSH & its processes
- created a page in Company's internal portal along with a mailer to all associates with the link to view this page & educate themselves about POSH.
- created an online training programme on POSH for all associates.

There were no complaints received under the policy during 2015-16.

RISK MANAGEMENT

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

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

CORPORATE GOVERNANCE

The company will continue to uphold the true spirit of Corporate Governance and implement the best governance practices. A report on Corporate Governance pursuant to the provisions of Corporate Governance Code stipulated under SEBI (LODR) Regulations, 2015 is published elsewhere in the report. The Auditors' Certificate regarding compliance of conditions of corporate governance is enclosed as Annexure 'I'.

DISCLOSURE REQUIREMENTS

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

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

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

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for 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 the SEBI (LODR) Regulations, 2015 (<http://www.cyient.com/investors/corporate-governance>).

CEO's DECLARATION

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

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

ACKNOWLEDGMENTS

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

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

For and on behalf of the Board



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

Place : Hyderabad

Date : 21 April 2016

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

Business Responsibility Report

Annexure-A

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

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

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

What follows hereunder is the Business Responsibility Report as envisaged under the said guidelines. In the preparation of the Report, the company has largely followed the GRI guidelines and the salutary guidance provided by the Institute of Company Secretaries of India (ICSI). The company has also discerned the principles enunciated by the Global Compact Network India - the Indian arm of the United Nations' Global Compact.

Annual Business Responsibility Report - 2015-16

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company :L72200TG1991PLC013134
2. Name of the Company : Cyient Limited (Formerly Infotech Enterprises Limited)
3. Registered address : 4th Floor, 'A' Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500081
4. Website : www.cyient.com
5. E-mail id : Company.Secretary@cyient.com
6. Financial Year reported : 2015-16 (1 April 2015 to 31 March 2016)
7. Sector(s) that the Company is engaged in :Engineering, geospatial services and solutions and product realization.
8. List three key products/services that the Company manufactures/provides (as in balance sheet) -

Engineering services addressing solutions in the engineering, manufacturing and infrastructure verticals; geospatial services to the utilities and telecom sectors, as well as data transformation and analytics services to the utility and transportation segments, both in public and private realm and product realization.

9. Total number of locations where business activity is undertaken by the Company - 38 locations.
 - i. Number of International Locations: Full list provided elsewhere in the Annual Report
 - ii. Number of National Locations - Hyderabad, Bangalore, Noida, Kakinada, Vizag and Warangal
10. Markets served by the Company - International

Section B: Financial Details of the Company

1. Paid up Capital (₹) 56.24 crores
2. Total Turnover (₹) 1,246 crores
3. Total profit after taxes (₹) 233 crores
4. Total Spending on Corporate Social Responsibility (CSR) - (₹) 4.76 crores

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies? - Yes.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) - Yes; 9
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
Yes-More than 60%

Principle 1.

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

- 1.1 For the company, good governance is an intrinsic part of its fiduciary responsibility, and hence, emphasis is on the transparency of operations. The cornerstone of the company's philosophy on corporate governance is accountability to stakeholders, transparency in operations and fairness to all stakeholders. Governance practices in the company are predicated upon an ethos of transparency, accountability and disclosure.

- 1.2 The company's values operate on the FIRST principle - Fairness, Integrity, Respect, Sincerity and Transparency. These are articulated across the company and all relevant stakeholders on a holistic and continuous basis.

Fairness - means equity and solidarity where the associates and customers experience an unbiased environment, irrespective of their cultural backgrounds. The company believes in providing an encouraging and motivating ambience which enables associates to meet their personal and organizational objectives.

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

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

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

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

- 1.3 The company has designed and implemented a code of conduct for its associates. The code of conduct encompasses the core values that the company upholds and lives by: Integrity and Transparency, Teamwork, Customer Delight, Leadership by Example, Fairness and Pursuit of Excellence. The code covers such matters as honest and ethical conduct, avoidance of conflicts of interests, legal compliances, disclosures and confidentiality obligations, competition and fair

dealing. There is a more stringent code of conduct applicable for senior management and the board of directors buttressing the same principles of ethics and transparency. Besides, the company also has in place policies on anti-bribery and corruption.

- 1.4 The company has designed and implemented a vigil mechanism (whistle blower policy) that provides a formal mechanism for all associates of the company including subsidiaries to approach the Ombudsperson of the company and make protective disclosures about unethical behaviour and actual or suspected fraud. The objective of the Whistle Blower Policy is to provide associates, customers and vendors an avenue to raise concerns, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. Further, the policy also provides necessary safeguards for protection of associates from reprisals or victimization for whistle blowing in good faith.
- 1.5 With a view to providing greater non-financial disclosures, the company has voluntarily adopted the secretarial standards issued by the Institute of Company Secretaries of India (ICSI) and substantially complies with the guidance note issued by the ICSI on Non-Financial Disclosures.
- 1.6 The company recognizes that individuals have an expectation that personal data provided during their dealing with the company will be protected from inappropriate use or disclosure. In furtherance of this, the company introduced a Data Privacy Policy to reinforce its commitment to comply with applicable data privacy and security requirements in which the company and its subsidiaries operate. The policy provides common core values, policies and procedures intended to achieve nearly universal compliance.
- 1.7 In recognition of its exemplary and laudable corporate governance practices, the company was awarded the 14th National Award for Excellence in Corporate Governance by the Institute of Company Secretaries of India in December, 2014. Prior to that, in 2012, the company won the Golden Peacock Award for Excellence in Corporate Governance.

Principle 2.

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

- 2.1 The company is committed to continuously improve its Safety Standards, Sustainability and Environmental

Management System through processes defined below:

- Minimizing the consumption of electrical energy, chemicals and natural resources.
 - Encouraging use of renewable/replenishable / sustainable resources.
 - Compliance to applicable legal requirements and other requirements related to environmental aspects.
 - Prevention of pollution to air, water and land by using environment friendly chemicals (where applicable) and continuous reduction of hazardous material in the processes.
 - Reduction in generation of identified wastes.
 - Promotion & adoption of environmental friendly and non-hazardous materials, components and processes
 - Setting, maintaining and monitoring the environmental objectives & targets
 - Promoting environmental and safety awareness among all the associates, vendors and contractors.
- 2.2 The company ensures that the various support services such as house keeping, security services, pantry, transportation are all sourced and maintained in a sustainable manner. In particular, the services are sourced from agencies in the vicinity of the operations of the company. This helps in encouraging local entrepreneurship and reducing environmental pollution by minimizing transportation.
- 2.3 The company has canteen/pantry services at its various locations to cater to the needs of its associates. The said services are outsourced and the food waste is disposed off by the contractor in an environment friendly manner with no contribution to pollution.
- 2.4 The company has tied up with a pollution control board certified electrical and electronic waste disposal agency to handle the e-waste generated by it in compliance with the E-Waste Management & Handling Rules, 2011.
- 2.5 The company encourages the usage of electronic mode for all its activities (with associates, customers and society, in general) and minimizes the use of paper. Every paper is used to the optimum and one-sided paper is used meticulously.

2.6 The company disposes the paper waste to ITC, which is renowned for preparation of recycling paper products.

2.7 The company conducts training programmes on First Aid and fire fighting training program to ERT [Emergency Response Team] members to handle emergency situation during office hours. Evacuation drills at all our locations are organized during the year 2015-16 during which all associates including senior leadership actively participated.

Case Study:

Over the last 4 years Cyient has worked on designing Pratt & Whitney's PurePower® Geared Turbofan™ (GTF) engine - dubbed "The Green Engine" - Many aerospace engines focus only on performance. But the PurePower Geared Turbofan also aims to provide tangible benefits for people, both in the air and on the ground. The engine reduces fuel consumption by 16 percent and delivers a 50 percent overall reduction in regulated emissions. The GTF's fuel efficiency can save airlines millions, creating opportunities for cheaper flights and different routes for places people want to go. With a 75 percent reduction in overall noise footprint, the engine opens doors to increased air travel at airports. A quieter engine also means a quieter, more enjoyable experience for people on the ground and passengers in the sky. Such sustainability advances will only magnify in importance as air travel surges in popularity.

By 2050, it is estimated that there will be more than 9 billion people, and about 70% of them will be living in urban areas. Currently transportation depends heavily on fossil-based energy sources, generating greenhouse gases and pollutants. This will need to change in order to avoid long-term impacts on the environment, health and climate change. Rail, as one of the most energy efficient and least polluting of the motorized transportation modes, can contribute to attract travelers away from road transport - Cyient works with world's leading Rail Transportation OEMs in designing next-generation Rail cars.

Cyient's MedTech BU works with its customers on designing and building sustainable healthcare products that aims to serve the people in the world with little to no access to healthcare, through the development of disruptive, low-cost technologies relevant to multiple care scenarios and non-traditional users.

Principle 3.

Businesses should promote the wellbeing of all employees.

3.1 At Cyient, talent is a key component of the company's strategy for sustainable growth. People represent the

most important asset; the company emphasizes the importance of aligning its human resources with business goals; and the human resource priorities comprise the following:

- Building high performing talent and teams by empowering associates to excel
- Providing pro-active HR Service delivered through systems and process aligned to strategic business needs
- Integration and prioritization of approaches to address the needs of internal and external customers
- Attracting, retaining and engaging associates in line with organizational objectives
- Nurturing a strong workforce through leadership development and training for a company with over 12,000 associates, the prime objective of the human resource function continued to be associate development.
- Management and personal effectiveness initiatives

3.2 Associate satisfaction levels plays a prime role at Cyient, there are numerous activities to measure and keep the associate engagement levels high at Cyient.

- **Associate satisfaction survey:** Every year associate satisfaction survey is conducted where associates provide their genuine feedback. This helps the company to evaluate feedback and start working on those areas for effective engagement. This year, the response rate received a new high of 86%, and 10,184 associates responded to the A-Sat survey & the engagement score improved by 6%. In addition to intensifying leadership development, floor connects and communication we have had a very high focus on employee health and wellness. Below are some engagement activities
- **Cyient Health Month:** In November 2015 wherein across the globe associates participated in various fitness/wellness related activities.
 - ◆ Health camps - General check-up, Eye & dental checkups, nutritionist counseling
 - ◆ Weight loss challenge where associates were rewarded for losing weight over period of six months
 - ◆ Pledge to take stairs

- ◆ Blogging on individuals experiences with fitness and food
- ◆ Walk a mile
- **Cyient run for wellness** - 250 associates ran the Hyderabad Marathon. We have been actively sponsoring associates participating in Marathons. Plan to extend this initiative to rest of the organization.
- Participation in Various Cycle races
- online engagement platforms like Cyient Fantasy league
- Campus Branding - Upgrades to cafeteria, Badminton, Basketball & Volley ball courts
- Instituted Chairman's Award
 - Create a stronger sense of pride in the awards - rebranding to Chairman's Awards, increasing visibility throughout the process etc.
 - Improve credibility in selection process by having an independent jury evaluate the nominees
 - Increase participation and excitement amongst associates by providing a mechanism for self and peer nomination apart from Manager nomination

Principle 4.

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

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

- 4.3 The company is conscious of the impact of its policies, decisions, products and services and associated operations on the stakeholders and shall avoid such actions which adversely affect the health, safety and welfare of the stakeholders.
- 4.4 The company proactively engages with and responds to those sections in the society that are disadvantaged, vulnerable and marginalized. It shall also give special attention to stakeholders in areas that are underdeveloped.
- 4.5 With a view to enhancing shareholder democracy, the company extends e-voting as part of postal ballot. Further, the company recognizes the fact that all shareholders do not attend the Annual General Meeting (AGM) of the company and despite the fact that the resolutions proposed thereat are passed with the requisite majority, a holistic response of the shareholders is not reflected in the same.
- 4.6 As a good governance practice and to enhance the levels of corporate democracy, the company introduced a non-mandatory ballot through the internet as a channel for shareholders to informally provide their consent/dissent on the resolutions included for transaction at the 22nd, 23rd and 24th AGMs in 2013, 2014 and 2015 respectively. This process will enable the company to assess the views of the shareholders who do not attend and participate in the AGM. This is being implemented this year too.
- 4.7 The Company is committed to resolve differences with stakeholders in a just, fair and equitable manner.

Principle 5.

Businesses should respect and promote human rights

- 5.1 The company appreciates that human rights are inherent, universal, indivisible and interdependent in nature. The spirit of Fundamental Rights and Directive Principles of State Policy of the Indian Constitution shall, as far as practicable, be imbibed in all the company's policies and systems. The Company shall strive to adhere to the human rights laws and guidelines of the International Bill of Human Rights.
- 5.2 The company integrates respect for human rights in management systems and ensure that all individuals impacted by the business have access to grievance redressal mechanisms. To this extent, the company has devised a whistle blower mechanism to enable all associates of the company including subsidiaries to approach the Ombudsperson of the company and make protective disclosures about unethical behaviour and actual or suspected fraud.

- 5.3 The company recognizes and respects the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups. As such, the company does not discriminate against people on any grounds whatsoever and is an equal opportunity employer.
- 5.4 The company recognizes the individual rights of the associates about their "personal information" and safeguards the same in line with a data privacy policy.
- 5.5 The company, within its sphere of influence, promotes the awareness and realization of human rights across its value chain.
- 5.6 Policy on sexual harassment:

The company is an equal employment opportunity provider and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The company also believes that all associates of the company, have the right to be treated with dignity.

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

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

Principle 6.

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

- 6.1. The company complies with all applicable legal / regulatory requirements related to environment protection, pollution control management and sustainable development.
- 6.2. The company has been certified as per ISO 14001 - 2004 (Environmental Management System) standard

for four locations - two in India and two in Australia. This certification testifies the company's continued commitment to environmental conservation.

- 6.3. The company is determined to focus its attention to achieve the goal of "Reduce, Reuse and Recycle" in all its operations for sustainable development. Company is committed to put efforts towards renewable resources to avoid depletion of natural resources
- 6.4. The company has established robust process to dispose electronic waste. The company has signed a MoU with a Vendor authorized by Govt. of India for safe disposal of e-waste.
- 6.5. The company also disposes paper waste through an authorized vendor for recycling. Before the disposal of paper waste, all documents are shredded in a secured environment to ensure that no customer and company related information is leaked out.
- 6.6. The company in the last year has been able to use up to 40 % of its electricity consumption from solar energy, thereby reducing carbon footprint.
- 6.7. The company in a phased manner is implementing LED lighting in all facilities in its endeavour to reduce energy consumption.
- 6.8. The company has been successful in reducing consumption of ground water by using the treated water from STP (Sewage Treatment Plant at Manikonda and Kakinada) to water landscaping area resulting in 40% reduction.
- 6.9. The company has a pronounced commitment to achieve economic, ecological and social responsibility objectives of sustainable development through its varied business operations and activities. Being an Environmentally responsible citizen, the company commits itself to take all necessary initiatives towards optimization and continual reduction in utilization of natural resources and also man-made resources.
- 6.10. Regarding conservation of water, the company has adapted plant species such as Cyperusalternifolius and Allamanda that aid in the conservation of ground water levels. Drip irrigation is also encouraged for irrigating the vegetation.
- 6.11. The company specially focuses on the reduction of energy usage and encourages the usage of alternative energy sources in its premises. The various energy conservation measures include:
 - Energy Efficient lighting
 - Occupancy sensors in all the feasible areas.
 - High performance Air conditioning systems.

- Efficient supply fans
- Eco-Friendly Refrigerants
- Reducing ODP & GWP

6.12. With a view to focusing on achieving High Indoor Environment Quality and Conditions for Enhanced Productivity of Occupants, the company provides for adequate fresh air and Use of day lighting at its various premises. The measures in this regard include:

- Adequate supply of fresh air - 30% extra than ASHRAE 62.1 & CO2 monitoring for occupants' wellbeing & productivity
- Individual Controllability of Lighting for occupants Visual Comfort & Productivity
- Temperature & RH controls for occupants thermal comfort & productivity
- Outside View to the building spaces for occupants wellbeing & Productivity

6.13. The company promotes the re-cycling of waste. The re-cyclable waste is segregated and other waste is sent for sand fills. The company actively promotes the usage of re-cycled content material so as to reduce the usage of virgin material. This includes:

| S.No. | Products with recycled content |
|-------|--------------------------------|
| 1 | Ultima Mineral Fibre Tile |
| 2 | MDF |
| 3 | Glass |
| 4 | ACP |
| 5 | Structural Steel |
| 6 | Vitrified tiles |
| 7 | False ceiling |

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

Principle 7.

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

7.1. As a Corporate Citizen, the company understands its responsibility to function within the democratic set up and the constitutional framework. It recognizes that businesses operate within the specified legislative and policy frameworks prescribed by the Government and other regulators, which guide their growth and also provide for certain desirable restrictions and boundaries. The company and its associates respect the legal / regulatory framework and comply with all the applicable provisions of laws. They shall also abide by

the policies, procedures, rules and regulations relating to the business of the company. The company believes that policy advocacy must preserve and expand public good and does not advocate any policy change to benefit itself alone or a select few in a partisan manner.

- 7.2. In case of any grievance with any legislative / regulatory mandates, it shall seek redressal of the same and resort to policy advocacy consistent with the principles and policies contained in the Code.
- 7.3. The company is an active member, inter alia, of the following bodies:
 - Confederation of Indian Industry (CII)
 - National Association of Software and Services Companies (NASSCOM)
 - The Federation of Telangana & Andhra Pradesh Chambers of Commerce & Industry
 - National HRD Network
 - Hyderabad Management Association
 - Indo-American chamber of commerce
 - National Aerospace Laboratories
 - Association of Geospatial Industries
 - International Corporate Governance Network
 - Global Compact Network India
 - Investor Relations Society of India
- 7.4. The company maintains cordial relations with bodies such as the Indian Institute of Technology, Indian School of Business, Institute of Company Secretaries of India, the Institute of Chartered Accountants of India and the Institute of Directors, besides several universities and educational institutions.
- 7.5. The senior management of the company is also represented on various committees and boards constituted by the government on regulatory matters. The Executive Chairman of the Company, Mr. Mohan Reddy was the Chairman of NASSCOM for 2015-16.
- 7.6. The company presented its comments on the Companies (Amendment) Bill, 2015.

Principle 8.

Business should support inclusive growth and equitable development.

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

8.2 Strategy:

The company's intent is to improve the quality of education through adoption of Government schools. CYIENT Foundation had adopted 16 schools in and around its facilities and presently, supports 10,500+ children from primary education to high schooling.

In recent times, Cyient has started exploring areas where it can use our skills set - specifically on public healthcare systems and digital literacy. It leverages its engineering capabilities to develop low cost technology products for diagnosing eye diseases. It is also running National Digital Literacy Mission centres to empower neighbourhood communities with digital literacy. Through Skill Development initiative, Cyient Foundation takes the lead in making more Engineers Employable, intent being to groom engineering students & help them acquire industry-relevant skills.

- 8.2.1 The goal is to make the adopted Government schools the preferred place to learn. To achieve this, we provide infrastructure support like brick and mortar buildings, library, labs, teaching aids and teaching staff with an aim to increase student enrolment, attendance, and retention and enhanced pass out rate.
- 8.2.2 The company's Chairman has been an active champion of CSR initiatives. His enthusiastic support for schemes such as mid-day meals and adopting unaided schools, adoption of government polytechnic colleges and improving the digital literacy in communities around the adopted schools has greatly helped in bringing equitable and inclusive growth. Support offered includes notebooks, school bags and uniforms to all the Cyient adopted school children and motivates and inspires them towards success in life.

CSR vision:

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

CSR mission:

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

8.3. Program Implementation:

Cyient Foundation Digitally Empowering Neighbourhoods:

- **Cyient Foundation (National Digital Literacy Mission) NDLM Centers:**

NDLM Centers aims to empower neighbourhood communities with digital literacy, and facilitate deployment of digitally-enabled citizen services. As part of the programme, 4000 community members, one from each family, would be trained to operate a computer or a digital access device (such as a tablet), and use the Internet to search for information, send/receive emails and access various e-governance services. Training modules would be developed in association with NASSCOM, covering content on health, education, literacy and livelihood. The Cyient Foundation also partnered with an NGO specialized in executing community development programs. Engaging primarily with children, youth and women the program would generate social, cultural and economic advantages for under-served communities. The initial phase of the program would focus on the Cyient Foundation adopted schools in suburban Hyderabad.

NDLM Centers provides L1 and L2 level certification training to the community members.

L1: The basic level IT Literacy Training

L2: L1 + trainees will be trained to effectively interact with the Government

- To date Cyient Foundation has started 4 NDLM Centers and so far 1000+ community members have benefited through this initiative. It is targeted to digitally literate 4000 community members in the span of four years.

- **Cyient Foundation Digital Libraries:**

Cyient Foundation initiated two Digital Libraries with the aim of helping 1000+ underprivileged students gain access to repositories of high-quality educational resources.

These are first of its kind models developed in Andhra Pradesh and Telangana and are equipped with e-learning tools to help students with their classwork, and provide educational material in a number of interesting formats.

| S.No. | Training Program | Location | Beneficiaries | Status |
|-------|--------------------------|-----------|---------------|--------------------------|
| 1. | NDLM Center - Gachibowli | Hyderabad | 467 | L1 &L2Training Completed |
| 2 | NDLM Center - Khajaguda | Hyderabad | 371 | L1 &L2Training Completed |
| 3 | NDLM Center - Kondapur | Hyderabad | 63 | L1 Training Completed |
| 4 | NDLM Center - Sarpavaram | Kakinada | 107 | L1 &L2Training Completed |

Cyient Foundation Skill Development Initiative:

- Cyient Foundation took the lead in making more engineers employable.
- Selected 3536 students from 19 tier-2 engineering colleges in and around Hyderabad and provided them in intensive Mechanical Product design and IT/ITES skills training in 3 phases while they are in colleges.
- 3 Phase Training provided them with placements assistance. More than 40% of the students were placed in jobs in the FY2015-16.

Cyient Foundation skilling for rural employment

- Cyient Foundation in association with Swarna Bharat Trust initiated skill development center for unemployed youth in Nellore.
- Cyient Foundation trained more than 150+ unemployed rural youth on job skills.
- As on date, more than 30% of the youth were employed in the FY2015-16.

Social Innovation aligned to Business Innovation:

Cyient Foundation funded for Srujana: Innovation@LVPEI

We committed to donate Rs. 2.5 crores over a period of five years from 2013 and also leverage engineering capabilities to support in the development of new products for diagnosing eye diseases.

Through Srujana, research is being conducted by 18 basic researchers in collaboration with over 40 clinical colleagues, and is spread over the centers at Hyderabad, Bhubaneswar, Visakhapatnam and Vijayawada.

Support extended to Public Health Foundation of India (PHFI), in developing an innovation center in Hyderabad.

CYIENT FOUNDATION funding towards expenditure on scientific research (that may be undertaken in the form of projects/studies/programs/activities).

Our funding to support in the area of preventive healthcare and strengthening of health systems, for enabling delivery of better primary healthcare in India.

Community Development:

Cyient Foundation Taken the Lead in Making Smart Villages:

- Cyient Foundation adopted Moksha Gundam Village and is working on the 20 non-negotiable development commitments of Smart Village-Smart Ward program designed by AP State Government.
- Cyient Foundation is developing Roads, helping in provision of sanitation facilities, primary health, education and drinking water.

Cyient Foundation making Swachh Telangana-SwachhPathashala

- As part of Swachh Bharat Initiative, Cyient Foundation introduced the Swachh Telangana-SwachhPathashala campaign to provide water, sanitation and hygiene (WASH) facilities in 54 government schools.
- Impacting more than 18,000 students in Lingampally Mandal in Ranga Reddy District, Telangana.

8.4 Cyient Foundation Progress in supporting underprivileged children:

8.4.1 Cyient Foundation has made remarkable progress by adopting 16 schools in the neighbourhood of our facilities in Hyderabad, Kakinada and Noida.

8.4.2 Empowering Underprivileged Children

- Till date, we have supported over 10,500 underprivileged children across 16 adopted schools in our neighborhood

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

- Cyient Associates volunteer to conduct various meetings with children, parents and the local community in bringing awareness on education and its social impact for a child's future.
- Volunteers conduct career guidance programs to show sustainable earning sources to the children after completing their SSC.

- Provide assistance to the needy to continue their higher education through scholarships, fellowships, grants etc.
- Provide nutritious food supplements and supply snacks to the children who attend the extra classes to keep them agile.
- Results: The overall Dropouts reduced to 4% from 15% and the new admissions improved to 23% from 13%.

8.6 Cyient Foundation Activities in providing quality education:

- Constructed seven additional class rooms for higher classes in adopted Schools.
- Developed play areas and secured the school premises by proper fencing to avoid trespassing by public thus creating a congenial school atmosphere.
- Restored power connection and provided lights & ceiling fans for the comfort of students.
- Appointed 36 qualified teaching staff for Science, Mathematics and English subjects.
- Conducting special classes for 9th & 10th class students.
- Distributed Note Books, Exam Kits School Bags, Uniforms and Teaching Aids to school children for every academic year.
- Conducted various competitions like essay writing, elocution and painting to bring out the latent talent in children as an ongoing exercise and encourage children with prizes.
- Results: The overall pass out rate has improved to 83% from 28%.

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

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

Our passion: Improving education for girls:

- Female volunteer's conducted parental awareness sessions and career guidance and counseling programs
- Recruited qualified teaching staff
- Girl student dropouts decreased from 13% to 4%.
- Enrollment of girl students improved from 20% to 52.5%.
- Pass percentage of girl students improved from 31% to 75%.

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

Training and Curriculum:

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

Faculty augmentation and training:

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

Monitoring mechanism for Quality:

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

| | FY 2008-09 | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Pass % in Cyient schools | | 35% | 57% | 71% | 79% | 81% | 82% | 82% |
| Mid Year Dropout % | | 14% | 6% | 5% | 4% | 4% | 4% | 4% |
| New Admission % | | 13% | 15% | 18% | 21% | 20% | 21% | 21% |
| Girl Student Enrollment | | 22% | 25% | 31% | 43% | 51% | 52% | 52.5% |
| No. of school adopted | 4 | 10 | 10 | 10 | 13 | 13 | 13 | 16 |
| No. of students in schools | 1370 | 4500 | 5400 | 5500 | 7000 | 8000 | 8800 | 10580 |
| No. of Vidya Volunteers | 3 | 11 | 24 | 24 | 25 | 36 | 48 | 52 |
| Watch & Ward | 2 | 5 | 10 | 10 | 13 | 13 | 18 | 19 |
| No. of students in Cyient Polytechnic College | | | | | | 1980 | 2032 | 2685 |

Community Engagement:

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

- Government participation in Cyient Foundation Events:
With the follow up of Cyient Foundation on the requests raised for additional Class Rooms, Government of Telangana extended support to Cyient Adopted Schools in building 12 additional class rooms in 3 of the Cyient Adopted Schools with ₹ 0.72Crores
- Parent meets in Cyient Adopted Schools:
To bring awareness among parents of school children and the local community about Cyient CSR initiatives, Cyient holds monthly meetings (with parents and guardians) to encourage them to send their children to school.

8.9 Celebrate successes:

- To sustain the momentum of our CSR programme, we involve the active participation of the company leadership and highlight the success of these initiatives that give the programmes (Cyient CSR Activities) a real meaning

- In the rapidly expanding global workplace, the celebration of these successes not only drives the implementation of CSR initiatives, but also allows sound corporate HR practices to enable them
- Additionally, the publicity around these successes creates an understanding of the cultures of each region within the company. The local population would know that in addition to providing jobs, the company takes an active interest in, and participates in, local issues

8.10 Share and Communicate CSR value to company and community:

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

8.11 Impact of the Cyient School Adoption Programme: Cyient aims at improving the quality of education imparted to under privileged children in adopted schools. With Cyient involvement the community and the society at large where our schools are located are impacted.

- Reaching out to the Underprivileged:
Cyient Adopted School Adoption is driven to reach out to the community. Presently operating primarily in states where Cyient operates in India, the programme mainly focuses on improving the quality of education imparted to disadvantaged and maximum enrolment of girl children. Of the total enrolment at the Cyient Adopted Schools as of 2015-16, 52.5% of our students are girls.
- Special focus on the Girl Child: Cyient Foundation is specially intended to impart education to girl children who have been deprived of education for

long. Through an inbuilt strategy, our initiatives attempt to overcome the challenges that prevent girl children from attending school. Specially designed girl-child policy, separate toilet for girls, one female teacher in each shift and special sensitization campaigns through Cyient volunteers have been put in place to encourage parents to send their daughters to school.

8.12 Impact on Teaching-Learning:

Cyient Activities focus on holistic, conceptual and experiential learning helping students emerge as agents of change in the society. The learning levels of students have shown significant improvement in 2015-16 with SSC overall pass percentage as 83%.

8.13. Impact on Community:

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

- Reaching out to the Underprivileged: Cyient Foundation School/College Adoption is driven to reach out to the community by providing various amenities and facilities. Cyient Foundation to provide assistance to the needy to continue their higher education.
- Special focus on the Girl Child: Cyient Foundation is specially intended to impart education to girl children.
- Impact on Teaching-Learning: Cyient Foundation Activities focus on holistic, conceptual and experiential learning. Appointed 30 qualified teaching staff.
- Impact on Community: There has been an increased parent and community participation. Cyient CSR Volunteers to conduct meetings with children parents & local community. Career guidance programs to show sustainable earning sources.

8.14 Generation of Employment:

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

- Recruitment of local qualified youth as teachers (Cyient Foundation appointed vidya volunteers to maintain ideal teacher to student ratio in Cyient Adopted schools).

- Hiring of locals as school maids (care takers)
- Hiring of locals as school watchmen and cleaners.
- The Mid-Day Meal Supplement vendors are community members, especially parents of students in our schools.
- School Bags, Note Books, Examination kits & Uniforms etc., are also procured from local suppliers.

8.15 Innovative Practices Adopted:

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

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

8.16 CYIENT Associates participation:

Cyient Volunteering: Cyient Associates had spent 8800+ volunteering hours through participation in various CSR Activities on their week offs and holidays in FY2015-16

| | FY 2008-09 | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| No. of CSR Volunteers | 35 | 65 | 83 | 557 | 650 | 1540 | 2102 | 2685 |
| Volunteering Hours | 145 | 261 | 339 | 2108 | 2543 | 6192 | 6946 | 8878 |

Principle 9.

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

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

Technical Value:

Product Cost reduction - Partnered in development of heavy duty truck used in the construction industry, in 11 month time frame and to meet roadability requirements of all states in USA. Through the use of alternate materials and design optimizations, the team was successful in reducing the weight of the product by 30% while completing the project within time.

Business Value:

Innovations in network planning and Design: Leading service provider in Netherlands was finding it difficult to analyze the FTTh market needs and design an optimized fiber network. We have implemented a holistic plan and design solution to help the client address deployment challenges. By analyzing the existing FTTh deployment areas, optimizing the fiber cable routes for infrastructure placements and utilizing existing duct routes, we have enabled delivery of FTTh to 300,000 homes in 22 cities in a record time, with 70% reduced field survey costs and 40% savings in deployment costs

Human Value:

Affordable health tracking system for cost sensitive markets - Developed an e-health product for the Indian market that has the capacity to capture vital health parameters, sending them to the patient health records systems through wireless network.

Quieter and greener skies - For one of our aerospace clients, we participated in development of a next-generation aero engine program. We have contributed to 27% of the design effort and proposed more than 100 design concepts and resulted in faster development at lower costs. The final design of the engine is 14% more fuel efficient and 50% less noisy.

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

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

Annual Report on CSR Activities

Annexure-B

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

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

The company's CSR mission is:

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


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

- The CSR committee of the company is comprised of:
Mr. K. Ramachandran
Mr. B.V.R. Mohan Reddy and
Mr. Krishna Bodanapu.
Mr. B. Ashok Reddy, President - Corporate Affairs & Infrastructure is a permanent invitee to the committee.
- Average net profit of the company for last three financial years: ₹ 23,799 Lakhs
- Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): 476 Lakhs
- Details of CSR spent during the financial year.
 - Total amount to be spent for the financial year: ₹ 476 Lakhs
 - Amount unspent, if any; Nil
 - Manner in which the amount spent during the financial year is detailed below.

| (1) Sl. No. | (2) CSR Project or Activity identified | (3) Sector in which the Project is covered | (4) Projects or programs (1) Local Area or Other (2) Specify the state and district where projects or programs undertaken | (5) Amount outlay (budget) project or program wise (₹) Lakhs | (6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs. (2) Overheads: (₹) Lakhs | (7) Cumulative expenditure upto the reporting period (₹) Lakhs | (8) Amount Spent: Direct or through implementing agency |
|----------------|---|---|--|---|--|---|--|
| 1. | Improve Quality of Education | Support Extended to Cyient Foundation Adopted Schools & Colleges | Rangareddy & Hyderabad - Telangana; East Godavari & Kakinada - Andhra Pradesh | 158 | 158 | 158 | Direct |
| 2. | Community Development | Village Adoption - Smart Village Swatch Bharat Swatch Vidyalaya - Sanitation & Hygiene facilities | Prakasam District - Andhra Pradesh; Rangareddy District - Telangana | 119 | 122 | 122 | Direct |
| 3. | IT Literacy to Community | Digital Literacy to Community members through Cyient Foundation NDLM (National Digital Literacy Mission) Centers and Digital libraries. | Rangareddy & Hyderabad - Telangana; East Godavari & Kakinada - Andhra Pradesh | 71 | 71 | 71 | Through NASSCOM Foundation |
| 4. | Healthcare to the Needy | Support extended to Business aligned innovation in Health Care | Rangareddy & Hyderabad - Telangana; | 83 | 83 | 83 | Through Hyderabad Eye Research Foundation |
| 5. | Skill Development Initiative | Cyient Foundation through its Skill Development Initiative | Rangareddy District - Telangana ; Nellore District - Andhra Pradesh | 48 | 42 | 42 | Direct |
| Total | | | | 479 | 476 | 476 | |

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

Place : Hyderabad
Date : 21 April 2016


Krishna Bodanapu
(Managing Director & CEO)


K. Ramachandran
(Chairman-CSR Committee)

SECRETARIAL AUDITORS' REPORT

Annexure-C

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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
(Formerly Infotech Enterprises Limited)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cyient Limited (formerly Infotech Enterprises 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, 2016 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, 2016 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) SEBI (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;
- (vi) Employees' State Insurance Act, 1948 and Employees' State Insurance (General) Regulations, 1950;
- (vii) The Employees Provident Funds and Miscellaneous Provisions Act, 1952 and The Employees' Provident Funds Scheme, 1952;
- (viii) The Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
- (ix) The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;

- (x) Income Tax Act, 1961 and rules made thereunder;
- (xi) Service Tax Act, 1994 and rules made thereunder;
- (xii) A.P. Shops and Establishment Act, 1988;
- (xiii) The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
- (xiv) The Special Economic Zones Act, 2005 and rules made thereunder;

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) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited/SEBI (LODR) Regulations, 2015, as applicable;

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 : 20 April 2016

Details of Stock Options pursuant to SEBI regulations

Infotech Associate Stock Option Plan (Infotech ASOP)

| Sl.No. | Description | ASOP 2008 |
|--------|---|---|
| 1. | Number of options outstanding at the beginning of the period | 637,383 |
| 2. | Options granted during the year | 81,000 |
| 3. | Pricing formula | Market price as defined in SEBI (Share Based Employee Benefits) Regulations, 2014 |
| 4. | Options vested | 581,970 |
| 5. | Options exercised | 122,312 |
| 6. | Total no. of shares arising as a result of exercise of options | 122,312 |
| 7. | Options lapsed | 276,071 |
| 8. | Variation of terms of options | Nil |
| 9. | Money realized by exercise of Options (₹) | 21,003,228 |
| 10. | Total no. of options outstanding at the end of the period | 318,750 |
| 11. | Total no. of options exercisable at the end of the period | 130,400 |
| 12. | Employee wise details of options granted to | |
| | i) Senior Managerial Personnel: | |
| | Ajay Aggarwal | 10,000 |
| | Katie Cook | 5,000 |
| | Tom Edwards | 5,000 |
| | N J Joseph | 5,000 |
| | Sanjay Krishnaa | 5,000 |
| | Sunil Kumar Makenna | 5,000 |
| | Anand Parmeswaran | 7,500 |
| | John Renard | 10,000 |
| | Rajendra Velagapudi | 5,000 |
| | Brain Wyatt | 5,000 |
| | Venkatesh Padmanabhan | 15,000 |
| | ii) Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year: | Nil |
| | 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 |
| 13. | Diluted EPS as per Accounting Standard 20 (INR) | 20.73 |

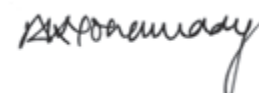
14. i) Method of calculation of employee compensation cost : The Company has calculated the employee compensation cost using the intrinsic value of the stock options
- ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options : ₹ 9.74 Million (increase)
- iii) The Impact of this difference on profits and on EPS of the company :
- | | | |
|---|---|------------------|
| Profit After Tax (PAT) | ₹ | 2,334.50 million |
| Less: Additional employee compensation cost based on fair value | ₹ | 9.74 million |
| Adjusted PAT | ₹ | 2,324.76 million |
| Adjusted EPS | ₹ | 20.64 |

- 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 ₹) |
|--------------------------|--|------------------------------------|---|
| 15/04/10 | 350.00 | 175.72 | 362.30 |
| 02/07/10 | 188.00 | 87.81 | 186.60 |
| 16/07/10 | 169.00 | 82.99 | 170.50 |
| 23/10/10 | 165.00 | 76.34 | 165.00 |
| 02/02/11 | 165.00 | 76.93 | 162.90 |
| 22/03/11 | 161.00 | 78.44 | 162.95 |
| 13/06/11 | 142.00 | 141.90 | 142.25 |
| 19/10/11 | 118.00 | 115.00 | 115.50 |
| 17/10/13 | 184.00 | 184.45 | 184.45 |
| 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 |

- v) Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information : The Black Scholes option pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.
- vi) The main assumptions used in the Black Scholes option-pricing model during the year were as follows:
- | | | |
|--|---|---------------|
| Risk free interest rate (%) | : | 8.29-8.40 |
| Expected life of options from the date(s) of grant | : | 3-4 years |
| Expected volatility (%) | : | 40.00 - 58.29 |
| Dividend yield (%) | : | 1.53 - 2.64 |

On behalf of the Board of Directors



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

Place : Hyderabad
Date : 21 April 2016

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

Annexure-E

1. Conservation of Energy

It is the continuous endeavour of the company to implement the best practices in areas of energy conservation. In this regard, company is availing Solar Power for Manikonda location. Out of the overall units consumption, 75% energy from Solar Power is used for Manikonda location only. Also, as part of energy conservation, company has initiated the process of implementing energy savings practices at organization level by replacing the existing conventional lighting with LED lighting fixtures, creating awareness to associates by sending mailers, continuous monitoring after office hours and during weekends and sending mailers on observations. This has resulted in considerable savings to the organization. After analysis of the savings, the company is replicating the best practices at other locations. Also, as part of the initiative taken by the company, the E-Waste [old systems, hard disks, printers] related assets are sold to a firm approved by Pollution Control Board.

As part of the conservation of natural resources, the paper waste from the locations is given to ITC for recycling of paper for making of recycled products.

More information is available in the Business Responsibility Report.

2. Research & Development and Benefits thereon

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

The company has made a significant and perceptible growth in enabling innovation across business units and accelerating and sustaining innovation culture, emphasizing on co-innovation and IP creation with the clients. The company filed 16 patents during the FY 2015-16. Of these, 4 were filed independently by us while 12 IP assests were co-created with our clients. We reviewed the entire IP portfolio by performing patent valuation to improve the intellectual property management. This valuation included audit of the existing portfolio to determine macro trends in the current portfolio and to determine the future course of action and focus.

Company has launched organization wide innovation challenges like Project Tango challenge: aimed towards

VR and Sensing technologies, IoT Hackathon: to bring about developing working on IoT based prototypes in a week's timeLEGO war: a rapid prototyping exercise for ideas etc. These internal innovation campaigns have generated some traction with clients and are hopeful to see a service line emerging soon. A few position papers were prepared on UAVs and 'Internet of Things' to educate and impart knowledge to associates on emerging technologies and hint towards transformational business opportunities. Company has also proposed partnerships with some of the world's leading research organizations like Boeing, IBM, Microsoft, Verisae, etc. for co-innovation in commercial technology developments like UAV's, IoT & VR . Company has been successful in completing the first co-innovation project on augmented reality this year with client.

For the FY 2015-16, company facilitated publishing of 38 papers in different industry domains. The drive has harvested 1,016 ideas from the associates which led to development of 376 incremental productivity aids, saving 406,000 effort hours and saving USD 8,515,000.

World class innovation labs such as Lego lab, Dassault lab and IoT lab at Experience center were established focused on 'Innovation @ Cyient' which will help the engineers to explore, experiment and prototype their designs. Experience center is the in-house R&D center which is recognized by Department of Scientific and Industrial Research (DSIR), Government of India. This recognition will bring us many collaborative benefits including tax benefits.

(₹ in million)

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|----------------------------------|------------------------------|------------------------------|
| Revenue Expenditure | 56.13 | 14.69 |
| Capital Expenditure | — | 51.82 |
| Total R&D Expenditure | 56.13 | 66.51 |
| R&D Expenditure as percentage of | | |
| Total Revenue | 0.45% | 0.51% |

3. Technology Absorption, Adaptation and Innovation

Information Technology

The use of Information Technology continues to remain an area of focus. As always there is strong

emphasis on Cyber and Data security throughout the organization. The process rigor around security is complemented by investments in latest technologies at all levels.

The company is also making the necessary investments to ensure that it has a scalable IT organization that is well aligned to the organizational objectives. The company is currently building a state of the art data center at Manikonda to cater to its operational needs.

The coming year also promises to be exciting from a corporate applications perspective as we are slated to become the first India headquartered company to move to the Workday, Human Capital Management (HCM) platform. Workday with its advanced capabilities around data management, reporting will provide a superior user experience whilst simultaneously driving operational efficiencies. The company is rolling out 'Concur' and 'Ariba' packages for streamlining of all expenses & for better supplier management and contract management respectively. During the year, the company implemented 'compliance manager' tool to track, monitor and ensure statutory compliances.

4. Foreign Exchange Earnings and Outgo

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

| (₹ in million) | | |
|--------------------------|------------------------------|------------------------------|
| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
| Foreign Exchange Earning | 11,715.0 | 12,181.2 |
| Foreign Exchange Outgo | 2,064.5 | 2,184.6 |

On behalf of the Board of Directors



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

Place : Hyderabad

Date : 21 April 2016

Business Performance Overview

FY16 has been a mixed year for Cyient in terms of revenue growth and profitability. We had consistent Q-o-Q growth, but the revenue for the year was lower than what we initially expected. While our revenue improved by 6% through the year in dollar terms, our core business remained flat. We faced significant headwinds in some of the investments we made. Our manufacturing business-now called Design Led Manufacturing (DLM)-did not perform as per expectations. We faced challenges due to cyclical nature of the business. On the other hand, this year saw us generate highest ever cash balance at INR 7,742Mn (\$117 Mn) despite four acquisitions and dividend payout. Our DSO was the lowest ever at 79 days and our opportunity pipeline addressed was the largest ever. This year also saw an increase in our million dollar client base with one client crossing over to the US \$ 100 Mn segment. We witnessed improvements in client and associate satisfaction levels through the year. Overall, this has been a mixed year in terms of performance, with its share of successes and challenges.

Global Economy

The world economy grew at 3.1% through the year in 2015 with a sizeable slowdown in the second half of the year at 2.8%. The unexpected weakness in the second half of the year was a result of slower activity in advanced economies-especially US along with Japan and other Asian economies. Growth in the United States fell to 1.4% in the fourth quarter of 2015 from 2.5% for the first half of the year. Weaker domestic demand, weak exports, and a decline in non-residential investments outside of energy sector impacted the growth in the region. China grew at 6.9% in 2015 driven by growth in the services sector that offset the slowdown in manufacturing. Developing countries grew at a rate of 4.3% while Eurozone grew at 1.5% in 2015.

The global economy has struggled over the last few months to get back on its feet from the rough start that was witnessed at the beginning of the year. We expect the projected growth to remain modest through the year with the global growth expected to be at 2.9% in 2016. A recovery is projected in 2017, based primarily on emerging market while the situation in developing economies starts to normalize gradually. However, the scenario of uncertainty has increased the risks of weaker growth prospects. Adding to this headwinds are the concerns related to the Brexit situation and its impact on the global economy.

Aerospace and Defense

Aerospace and Defense business unit continued to witness growth through the year with a strong pipeline for next 12 months. We saw strong traction in commercial aerospace business in North America with a focus on services like value engineering, manufacturing support, aftermarket, and analytics. We also saw a rise in demand for risk sharing business models by our clients through the year. We continued to see strong growth in services like tooling, manufacturing support, and parts transition for some of our key clients. Also, to further strengthen our aerospace portfolio and expand our existing aftermarket capabilities, we acquired Pratt and Whitney's aftermarket business Global Services Engineering Asia (GSEA) during the second quarter of the year.

In 2016, the industry is expected to return to strong growth with estimated 3% growth through the year. This is a positive stride following years of declining revenue growth because of the industry being largely impacted by decreased revenues in the United States defense subsector. The growth in 2016 is expected to be fuelled by increases in civil aircraft deliveries, increased spend on security, and growth in defense budgets of key nations around the world. Growth in manufacturing engineering especially additive manufacturing and aftermarket with a focus on digitization of technical documentation and integrated platform for aftermarket services is expected to drive revenue growth.

Transportation

The Rail Transportation industry is witnessing significant investments across the world in new projects and enhancement of existing projects. The global rolling stock segment is expected to grow at a CAGR of 2.2%, from €51 Bn in 2016 to €55 Bn in 2019, while the rail control market is expected to grow at a CAGR of 3.1% from €14 Bn in 2016 to €15 Bn in 2019.

The industry is also witnessing an increased pace of internationalization that is evident from the growing number of investments by the OEMs in emerging markets including APAC. Furthermore, the OEMs and rail operators alike are now more driven to look for cost-optimal solutions spanning modularization, standardization, digitization, and automation of rail engineering and operations. We believe that the industry needs reliable global partner suppliers to drive this paradigm shift and are confident that Cyient, a global leader in this space, is well poised to tap into this

opportunity. Rolling stock, rail control, and operations will continue to be our principal focus areas in the domain.

We are actively exploring organic and inorganic opportunities to bolster our expertise in the domain and also to further our aspirations on the S3 strategy. We have recently opened a near shore engineering center in Prague. The center will act as a near shore center to address requirements across our key customers in the industry. We expect a steady progression of value and volume contribution from this center in the near future. Our outlook for this business continues to be positive, supported by our strong long-term relationships and healthy opportunity pipeline, despite anticipated currency related challenges in the short-term.

Industrial, Energy and Natural Resources

The global energy market is expected to be impacted by dropping oil prices through the year 2016. The capital expenditures in exploration have been cut, with large exploration and production projects being put on hold. However, refining and retail segment continues to see investments with a focus on long-term. The pressure on capital expenditure cuts and cost reductions, especially on the equipment side is expected to continue through the year. Current market conditions continue to put financial pressure on our key clients in the industry.

Similarly, the slowdown in the mining industry is expected to continue through 2016 with companies focusing on cost control and short-term liquidity management. The sector is also facing significant challenges in terms of skill shortages, executing capital projects efficiently, and meeting government's regulatory expectations. As a result, we expect the growth to remain muted for the business through the year.

The global industrial market is expected to witness a slowdown in the next few years with a slowdown in mining and construction industry. All major product development projects are down owing to capital expenditure issues. The growth in the industry will be predominantly driven by investments in ASSET (Advance, Software, Sensor, Electronics and Telematics). The focus will be on equipment monitoring and preventive maintenance area for the next few years. We are also witnessing a lot of momentum in DLM services for industrial products. For the coming year, our focus would be on developing capabilities in electronics and address DLM opportunities in the segment.

Semiconductor

The Global Semi conductor market witnessed softened

growth through the year. We further expect degrowth in the industry to 2.4% in 2016 with market at US\$327Bn. For geographies, the decline is expected across all regions in 2016, with the largest being in Americas.

The growth in the industry is expected to return only in 2017 and 2018. The market is forecast to witness a growth of ~2% year-on-year in both 2017 and 2018 with a positive growth rate projected for all regions. The Americas and APAC regions are expected to witness the highest growth rate, accounting for approximately 80% of the market in 2017 and 2018. Growth in the Semiconductor market is projected to be fuelled by China as a growth engine. China is expected to grow as a market and as a strong center of influence. The industry is also witnessing consolidation with rapid M&A activity, drop in capital and R&D investments. With this, we expect to see slow growth in the business unit through the year. However, we continue to invest in building capabilities and competencies to address this industry. This year we reached a major milestone in our S3 strategy for Semiconductor. We took ownership of the complete lifecycle of an ASIC chip for a client. The prototype of the first product has been successfully tested, and the product is up for mass production in the coming months. This is a unique achievement for an Indian services company and helps us position ourselves among the leading businesses in the global semiconductor arena.

Medical Technology and Healthcare

The global medical devices market witnessed a strong growth of over 8% in the past couple of years. Going forward, we expect the growth to slow down to ~4%. The market will be mainly driven by rising volumes and booming emerging markets. This is expected to lead to the need for low-cost solutions and "value" alternatives. To address this, our focus will be on providing solutions around design for cost and value and low-cost manufacturing services. The industry is also experiencing strong demand for smart devices and on-remote monitoring and IOT platform to provide solutions to clients. Our focus will also be on building our capability in connected devices and provide analytics solutions for predictive and preventive maintenance. Overall, the industry is witnessing exciting innovations and there is tremendous opportunity to address this market. To further strengthen our capabilities and focus on innovative solutions, we have invested in two medical startups through our corporate venturing initiative.

Communications

The industry will witness continued focus on key areas like M2M, data analytics, cloud computing, and the overarching

Internet of Things (IoT). 4G upgrade/ LTE deployment will be a key trend globally with 5G roll out taking place in late 2017. There will also be a huge investment in fixed broadband based on fiber. The US market will see continued investment in fiber deployment through CAF II initiative. It will drive significant opportunities for us in the coming years. We see this trend continue for at least the next five years as the government funding continues to provide resources to build these networks and the general public demand for the services continues. In the European market, large fiber rollout programs are expected to drive opportunities for us in the coming year. The APAC market will see a remarkable increase in FTTH rollout in the region. With strong capabilities in telecom engineering in physical (OSP) and logical network (ISP), we are well-positioned to address these requirements in the region.

Utilities and Geospatial

The global utilities market is poised to grow at a rate of 8% over the next five years. The industry is going through tremendous technological advances, the key among them being the large investments in smart grid technologies, distributed generation, and renewables. These advancements are coupled with an increasing penetration of Automated Metering Infrastructure (AMI) in a move to modernize meter reading and data collection system, thus enabling a smart grid. Finally, the deployment of mobile and wireless technologies to improve the efficiencies of the field force is gaining momentum in the industry. Through our core utility network and asset data management skills coupled with our focus on grid control solutions, we are well-placed to help the utilities benefit from these trends.

The global geospatial market is also continuing to grow, with the Government sector the fastest growing spender. Alongside Government and other traditional users of geospatial, many new entrants are coming into the market, and the location is now critical to many of the world's fastest growing B2B and B2C businesses. Their focus is increasingly on mobile solutions as well as areas such as AR, 3D, and indoor mapping. Autonomous vehicles and highly

automated driving are further disrupting the geospatial world and bringing up many opportunities.

With our experience and capabilities in the utilities and geospatial industries, we expect to see double-digit growth in the business in the coming year.

Design Led Manufacturing

Over the past two years, we articulated and developed the S3 strategy and have been actively transforming our portfolio to differentiate ourselves as a design-build-maintain partner for clients in our focus industries. In-line with this strategy, we acquired Rangsons (renamed to Design Led Manufacturing) to strengthen our manufacturing capabilities. Design Led Manufacturing focuses on bringing design thinking into manufacturing to help clients build technologically complex products.

Over the last year, we have been witnessing strong traction in this business driven by customers in Aerospace and Defense, Industrial, and Medical Technology. This is expected to drive growth for us in the coming year. Along with this, our expansion into Israel to tap into Aerospace and Defense segment in the region will add to our growth in the business. While we did get impacted by the cyclical nature of this business in the past year with strong order backlog and pipeline, we are confident of delivering greater than 50% growth in this business in the coming year.

Business Outlook for FY 17

Our outlook for FY 17 is very strong. With a healthy pipeline and order backlog, we are confident on delivering a strong financial performance through the year. We expect to see a double-digit growth through our services business and greater than 50% growth through our manufacturing business. However, margins are expected to remain flat to marginally positive through the year. This year, we will also strengthen our rigor around operational efficiency improvement and SG&A management to control our margins. Consequently, we are focused on delivering a double-digit earnings growth for the year.

Threats, Risks and Concerns

| Risk description | Risk impact | Risk mitigation |
|---|---|--|
| 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 pressures 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 | Inappropriate acquisitions or mismanaged integration may result in failure to achieve the strategic objectives of the acquisition | There is a dedicated team monitoring the post-merger integration with well laid out plans. There is a periodic review of the activities and the same are reported to the Board |
| Data privacy and cyber security | 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. |
| Outsourcing restrictions | There may be legislations restricting outsourcing to India from US and UK and also leading to tightening of visa norms. This may have an impact on the business from those countries. | We continue to represent our case through industry bodies in India. We evaluate our business mix and delivery model to mitigate the impact. |

Quality

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

Our quality implementation efforts are all pervasive, beginning with a stated goal.

Quality Policy

Cyientis committed to deliver innovative solutions that

delight customers through deployment of robust processes

Quality Objectives:

- Delight customers through delivery excellence.
- Attract, train and retain talented professionals through active employee engagement.
- Deliver solutions/services based on cutting edge tools, technologies and methodologies.

- Continuous process improvement and achieve operational excellence.

By emphasizing and reinforcing the need for continuous improvement in all spheres of activity, we ensure that clients receive high quality products and services that help them capitalize on market opportunities.

Our Credentials

True to our image as a global player, we have developed a reputation for providing our clients with world-class quality. Our 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 9001:2008, ISO 27001:2013, AS 9100 C, ISO 13485:2003, IRIS Rev2.0, TL 9000 R5.5, ISO 14001-2004, BS-OHSAS 18001-2007 and CMMI-DEV Version 1.3.

A brief on the standards that are meticulously followed:

ISO 9001:2008 - Quality Management System Requirements

Cyient is the first Indian company to gain ISO certification for GIS services. ISO 9001 specifies the requirements for a quality management system to enhance customer satisfaction. Cyient is certified to ISO 9001:2008 by Bureau Veritas Certification, India.

ISO 27001:2013 Information Security Management System

This is the most widely recognized standard for information security management. It gives assurance that the confidentiality, integrity and availability of vital corporate and client information is protected and maintained.

Cyient is certified by Bureau Veritas Certification, India.

AS 9100 C: QMS Requirements for Aviation, Space and Defence Organizations

AS9100C defines additional areas within an aerospace quality management system that must be addressed when implementing an ISO 9001:2008-based quality system. The standard ensures that aviation, space and defence organizations produce and continually improve safe, reliable products that meet or exceed customer and applicable statutory and regulatory requirements. The standard has been prepared by IQAG (International Aerospace Quality Group).

Cyient is certified to AS9100C by DQS, India

IRIS Rev 2.0 (International Railway Industry Standard):

International Railway Industry Standard (IRIS) is a globally recognized standard unique to the rail sector for evaluation of Business Management Systems. IRIS is headed by UNIFE (Union des Industries Ferroviaires Européennes). The

organizations certified to IRIS get registered in UNIFE database, which is used by operators and manufacturers in the rail sector for supplier selection.

IRIS is based on ISO 9001:2008, with added, specific requirements of the railway industry.

Cyient is certified to IRIS Rev 2.0 by DQS, India.

ISO 13485:2003 - Medical Devices- Quality Management Systems- Requirements for regulatory purposes:

ISO 13485:2003 is an international standard that specifies requirements for a quality management system that can be used by medical device manufacturers/service providers.

The main goal of ISO 13485:2003 is to provide a harmonized model for quality management system requirements in the international market.

Cyient is certified to ISO 13485:2003 by DQS, India.

CMMI-DEV Version 1.3 Level 5 (Capability Maturity Model Integration):

CMMI model demonstrates the quality and maturity of an organization's processes.

CMMI is an enhanced version of Capability Maturity model (CMM) that integrates various frameworks created by Software Engineering Institute. It enables not only to strengthen software engineering processes, but also manage risks and make structured decisions. It is being adopted worldwide by leading IT companies as a benchmark quality model.

Cyient is appraised at CMMI- DEV, Version 1.3 -Level 5. The scope of appraisal covers Full Lifecycle Software Development projects of Engineering and DNO operations units.

Cyient partnered with QAI India Limited for CMMI appraisal.

TL 9000 R 5.5- The Telecom Quality Management System:

QuEST Forum developed the TL 9000 quality management system (QMS) to meet the supply chain and operational quality requirements of the global information and communication technologies (ICT) industry. TL 9000 is built on ISO 9001 and its quality principles.

It aims at continually improving the telecom industry performance by promoting a harmonized global set of quality system standards and models for the telecom industry. The purpose of TL 9000 is to define the telecommunications quality system requirements for the design, development, production, delivery, installation and maintenance of products and services. Included in TL 9000 is performance and cost based metrics that measure reliability and quality performance of the products and services

Cyient is certified to TL 9000 R 5.5 by Bureau Veritas Certification under Product category 7.2.1.1- Fixed Network Engineering services.

Environmental and Occupational Health & Safety (EOHS)

The EOHS Management System is intended to control and improve health and safety performance. EOHS promotes a safe and healthy working environment by providing a framework that helps organizations to consistently identify and control health and safety risks; reduce the potential for accidents, aid legislative compliance and improve overall performance. Cyient's EOHS Management System (EOHSMS) is certified in accordance with ISO 14001: 2004 and BS OHSAS 18001:2007 standards.

Internal Controls and adequacy

The Company's global presence across multiple countries and large associate strength makes it imperative for us to have a robust internal controls framework. The company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. The company has a well-defined manual for delegation of authority for approving revenue and expenditure. The company uses SAP system, globally, to record data for accounting, consolidation and management information purposes, which connects to different locations for exchange of information.

M/s Ernst & Young LLP carried out the internal audit for the financial year 2015-16 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 auditors have also independently audited the internal financial controls over financial reporting as on March 31, 2016 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.

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 (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.

Acquisitions / Amalgamations

The company disinvested its 100% stake in Infotech Enterprises Information Technology Services Pvt Ltd on September 16, 2015. This was in line with the company's strategy to focus on engineering and network operations services.

The company amalgamated with itself its wholly-owned subsidiary, Infotech Geospatial India Pvt Ltd w.e.f April 1, 2015. This is mainly to simplify the operations in India.

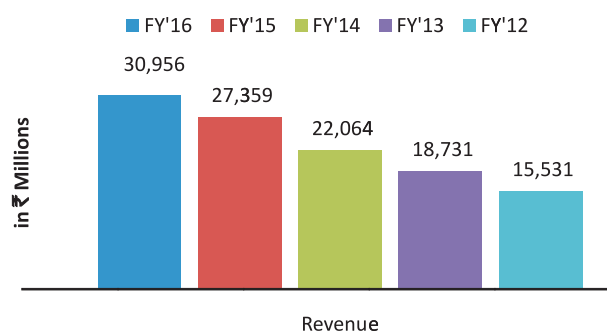
The company acquired the business of Global Services Engineering Asia, Singapore, on September 1, 2015. Through this transaction, Cyient continues to build on its growth strategy for the Asia Pacific region, specifically in aftermarket services for the aerospace industry.

Shareholder Value Creation

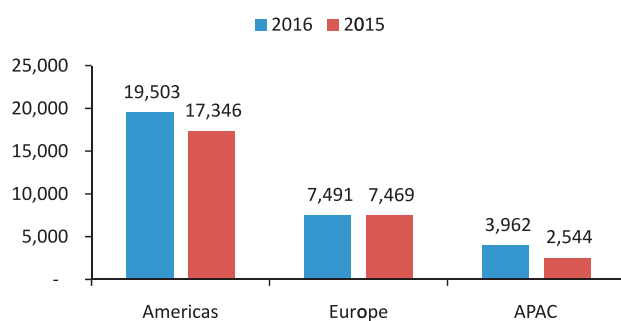
The company has worked towards shareholder value creation over the years. This has resulted in significant growth in revenue and profit of 21% and 18% respectively over the last 5 years. Dividend payout has substantially improved over last 5 years from 12% in FY 12 to 30% in FY16. The free cash generation has improved significantly in view of the focus on receivables management, tax optimization and prudent capex strategy.

Revenue Growth

The company has sustained robust revenue growth momentum in the last 5 years with an impressive compounded annual growth rate (CAGR) of 21%. The revenue for the company has more than doubled driven by focus on a well-diversified business and geography portfolio.



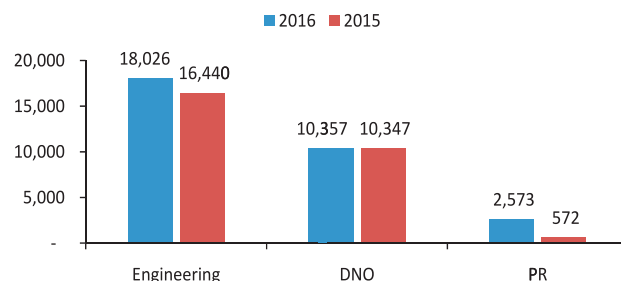
Revenue by Geography



The company has delivered robust growth across all geographies. Largest geo by revenue (Americas), followed by (EMEA) and emerging markets (APAC and Others) led the overall growth for the company.

Revenue by Operating Units

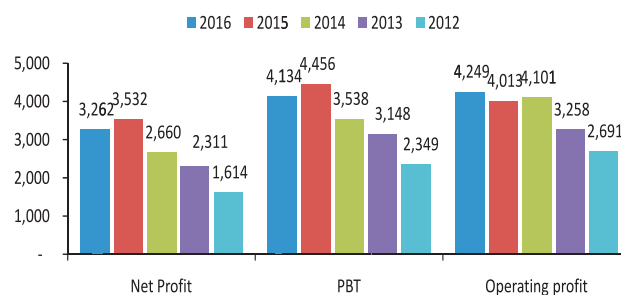
The company had been operating by three different Operating Units (OU) and each of the unit have grown strongly across all the geographies and industry segments.



The company understands importance of getting more business from existing clients and has taken specific initiatives to improve its client mining capabilities. Revenue per client for the company is up from US\$ 0.9 Mn in FY'11 to US\$ 1.5 Mn in FY'16 and revenue from Non-Top 10 customers as % of revenue is up from 43% to 50% for the same period. The company will continue to focus on improving revenue per customer by focusing on strategic customers and generating more up-sell and cross-sell opportunities.

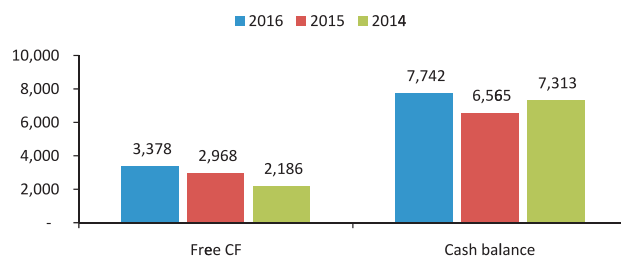
Profits Trend

The company focused on strategy of revenue growth concomitant with better profitability. The company achieved significant growth on all measures of profitability. Net Profit grew at a 5 year CAGR of 18%



Business Free Cash Flow (FCF) Generation

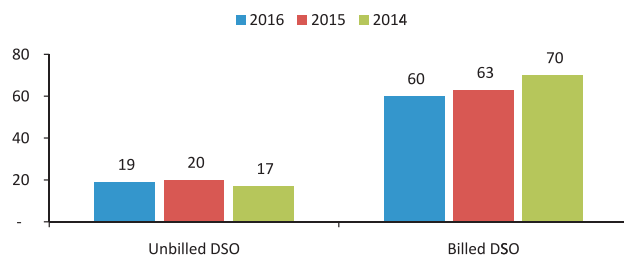
The company has achieved significant improvement in free cash flow (FCF) generation capabilities of the business in last 3 years. In FY'16, the company generated its highest ever FCF at 3,378mn against FCF generated in FY'15 at 2,968Mn. Company's FCF as % of operating profit increased from 53% in FY'14 to 80% in FY'16. FCF improvement driven by company's specific focus on improving days sales outstanding, achieving lower tax rate and optimizing the capital expenditure.



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

Days Sales Outstanding (DSO)

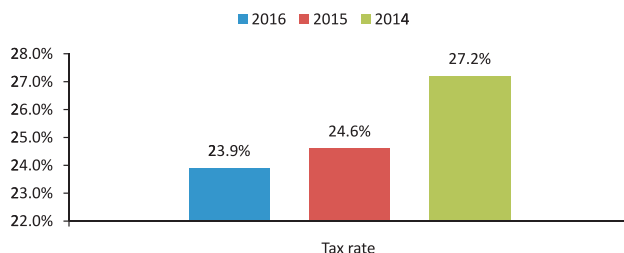
The company has delivered consistent improvement in Days Sales Outstanding (DSO) in last 3 years owing to focus on better collection cycle management. Total DSO improved by 4 days in FY'16 to reach 79 Days. The company is confident of continued improvement in DSO.



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

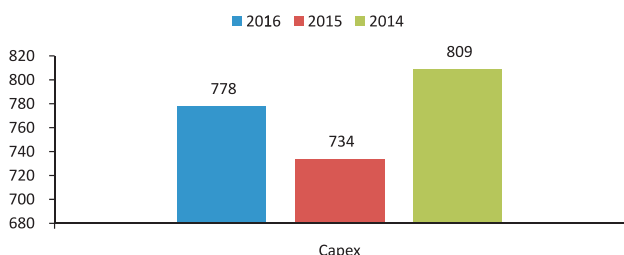
Tax Rate

Driven by Special Economic Zone (SEZ) deployment strategy, the company has realized substantial tax reduction in last 3 years. Effective tax rate for the organization has improved by 70 bps from 24.6% in FY'15 to 23.9% in FY'16. The company has added close to ~3,000 people in SEZ in last 3 years for new business.



Capex

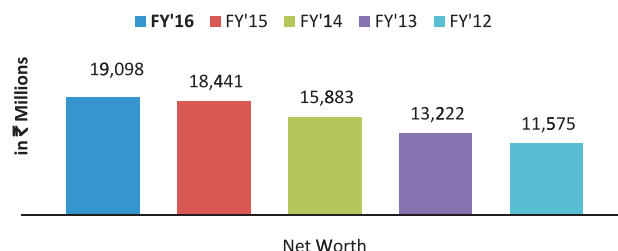
The company ended the FY'16 with capital expenditure of ₹ 778mn, which is 2.5% of total revenue. It is the lowest ever capex spend as % of revenue which is driven by company's focus on an asset light model, implementation of lease and buyback strategy and robust internal capex control.



Net worth

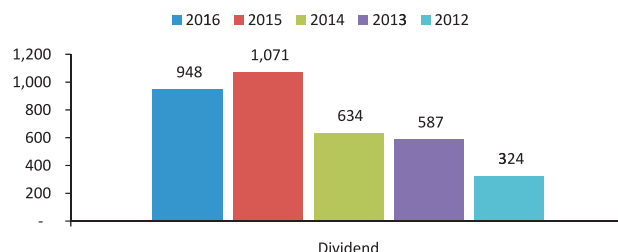
Net worth of the company has grown by 65% in last 5 years from ₹ 11,575Mn to ₹ 19,098Mn. It can be attributed to the profitable growth in each of the last years, driven by both organic and inorganic initiatives.

Net Worth

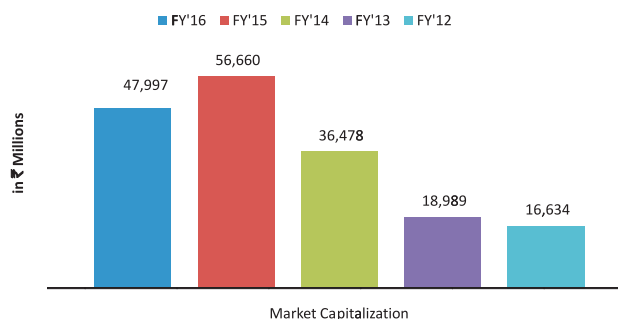


Return to investors

Dividend: Dividend payment trend for the company has improved substantially in last 5 years. The company expects the current dividend payout ratio to be maintained.



Market capitalization: Market capitalization of the company has improved significantly



FINANCIAL PERFORMANCE FOR THE YEAR 2015-16 (CONSOLIDATED)

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

A. FINANCIAL RESULTS

| Particulars | March 31, 2016 | | March 31, 2015 | |
|---|----------------|--------------|----------------|--------------|
| | ₹ Mill | % of Revenue | ₹ Mill | % of Revenue |
| Income from operations | 30,956 | 100.0 | 27,359 | 100.0 |
| Other income | 1,085 | 3.5 | 1,218 | 4.5 |
| Total Income | 32,041 | | 28,577 | |
| Expenses | | | | |
| Employee benefits expense | 18,081 | 58.4 | 16,756 | 61.2 |
| Cost of material consumed | 1,881 | 6.1 | 291 | 1.1 |
| Changes in inventory | 6 | 0.0 | 168 | 0.6 |
| Operating, administration and other expenses | 6,780 | 21.9 | 6,136 | 22.4 |
| Finance costs | 179 | 0.6 | 58 | 0.2 |
| Depreciation | 893 | 2.9 | 713 | 2.6 |
| Total expenses | 27,820 | 89.9 | 24,121 | 88.2 |
| Profit before tax, share of profit of associate and minority interest | 4,221 | 13.6 | 4,455 | 16.3 |
| Exceptional item | 87 | 0.2 | - | - |
| Profit after exceptional item and before tax | 4,134 | 13.4 | 4,455 | 16.3 |
| Tax expense | 986 | 3.2 | 1,097 | 4.0 |
| Profit after tax, before share of profit in associate and minority interest | 3,148 | 10.2 | 3,359 | 12.3 |
| Share of profit from associate company | 120 | 0.4 | 150 | 0.5 |
| Profit after tax before share of profit/(loss) attributable to minority interest | 3,268 | 10.6 | 3,510 | 12.8 |
| Share of loss attributable to minority interest | (6) | 0.0 | 22 | 0.1 |
| Profit for the year | 3,262 | 10.5 | 3,532 | 12.9 |

(B) ANALYSIS

REVENUE

Analysis of revenue growth

The growth in constant currency is 10.2%. The company grew across geographies and major operating units.

| Growth attributable to | % |
|-------------------------|-------------|
| Volume growth | 6.0 |
| Price increase | 0.0 |
| Impact of exchange rate | 4.2 |
| Total growth | 10.2 |

Other income

Other income for the year was at ₹ 1,085 million as compared to ₹ 1,218 million last year. The decrease was mainly due to lower realized gain on forward contracts.

The movement of Rupee against major currencies was as follows :

| | YE March 2016 | | YE March 2015 | |
|-----|---------------|---------|---------------|---------|
| | Closing | Average | Closing | Average |
| USD | 66.33 | 65.47 | 62.59 | 61.14 |
| EUR | 75.10 | 72.29 | 67.51 | 77.52 |
| GBP | 95.09 | 98.73 | 92.46 | 98.57 |

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 has increased by 7.9% from ₹ 16,756 million to ₹ 18,081 million, mainly due to increase in manpower, salary increases, full year impact of acquisitions and foreign exchange impact.

Operating, administration and other expenses

| | March 31, 2016 | | March 31, 2015 | |
|-------------------------|----------------|--------------|----------------|--------------|
| | ₹ Mill | % of Revenue | ₹ Mill | % of Revenue |
| Rent | 519 | 1.7 | 429 | 1.6 |
| Travel | 1,094 | 3.5 | 1,203 | 4.4 |
| Subcontracting charges | 1,652 | 5.3 | 1,648 | 6.0 |
| Repairs and maintenance | 794 | 2.6 | 709 | 2.6 |
| Others | 2,721 | 8.8 | 2,147 | 7.8 |
| TOTAL | 6,780 | 21.9 | 6,136 | 22.4 |

Other operating expenses have been lower at 21.9% of revenues as compared to 22.4% of revenue last year.

Finance costs

Finance costs have increased from ₹ 58 million last year to ₹ 179 million this year, mainly on account of borrowings in subsidiaries and impact of acquisitions.

Depreciation

Depreciation has increased by 25% from ₹ 713 million last year to ₹ 893 million this year. This increase is attributable to additions to fixed assets during the year, mainly computers and software. Depreciation as a percentage of revenue is at 2.9%.

Profit before tax

The profit before tax has decreased by 7.2% from ₹ 4,455 million last year to ₹ 4,134 million in current year. This was also impacted due to an exceptional item.

Tax expense

The effective tax rate has reduced from 24.6% in 2015 to 23.9% in 2016. The reduction is due to deployment of new business in special economic zones.

Share of profit from associate company (IASI)

Share of profit from associate company has decreased from ₹ 150 million last year to ₹ 120 million in this year.

Profit after tax

The profit after tax has decreased by 7.6% from ₹ 3,532 million last year to ₹ 3,262 million in current year. This was also impacted due to an exceptional item.

FINANCIAL POSITION AS AT MARCH 31, 2016 (CONSOLIDATED)**Share capital**

The paid-up capital has increased from ₹ 561.8 million as at March 31, 2015 to ₹ 562.4 million as at March 31, 2016. The increase is on account of issue of ASOPs to associates of the company

Reserves and Surplus

Reserves and surplus as at March 31, 2016 stood at ₹ 18,536 million as compared to ₹ 17,879 million as at March 31, 2015.

Securities premium account increased by ₹ 20 million on account of premium on issue of ASOPs.

Balance in profit and loss, after appropriation of dividend, stood at ₹ 8,915 million (₹ 8,181 million as at March 31, 2015).

Foreign currency translation reserve increased from ₹ 268 million as at March 31, 2015 to ₹ 494 million as at March 31, 2016, due to movement in exchange rates of currencies during the year 2015-2016. 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.

Short term borrowings

The short-term borrowings increased from ₹ 813 million as at March 31, 2015 to ₹ 1,147 million as at March 31, 2016. This relates to short-term borrowings in our subsidiary, mainly utilization of borrowing limits, which also helps company in interest arbitrage.

Trade payables

Trade payables consist of payables towards purchase of goods and services and stood at ₹ 3,107 million as at March 31, 2016 (₹ 2,754 million as at March 31, 2015). The increase is in line with increase in business and is steady at 10% of revenue.

Short-term provisions

Short term provisions decreased from ₹ 956 million as at March 31, 2015 to ₹ 579 million as at March 31, 2016, mainly due to provision for proposed dividend (including dividend tax thereon) in the previous year.

Fixed assets

There has been an addition of ₹ 778 million to the gross block of fixed assets. The additions are mainly towards computer software as well as infrastructure facilities.

Goodwill on consolidation

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

Goodwill on consolidation as at March 31, 2016 stood at ₹ 2,708 million (₹ 4263 million as at March 31, 2015). Pursuant to amalgamation of Softential Inc with Cyient Inc and Infotech Geospatial (India) Pvt Ltd with Cyient Ltd, the general reserve has been adjusted for the goodwill for these acquisitions and hence the reduction in goodwill.

Non-current investments

Increase in non-current investments of ₹ 120 million is on account of share of profit from associate company for the year 2015-16.

Current investments

Current investments, comprising of investment in mutual funds, have increases from ₹ 336 million as at March 31, 2015 to ₹ 790 million as at March 31, 2016.

Cash and bank balances

The cash and bank balances have increased from ₹ 6,229 million as at March 31, 2015 to ₹ 6,951 million as at March 31, 2016, mainly due to investment in bank deposits.

Total cash and cash equivalents :

| | (₹ Mill) | |
|----------------------------|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| Cash and bank balances | 6,951 | 6,229 |
| Investment in Mutual funds | 791 | 336 |
| Total | 7,742 | 6,565 |

This was the highest ever cash position despite four acquisitions and dividend payout in 2015-16.

Trade receivables

The trade receivables have increased from ₹ 5,336 million as at March 31, 2015 to ₹ 6,145 million as at March 31, 2016 mainly due to increase in business. However, there has been a reduction in DSO from 83 days as at March 31, 2015 to 79 days as at March 31, 2016 due to focused approach in collection of dues.

Short-term loans and advances

Short-term loans and advances have decreased from ₹ 1,356 million as at March 31, 2015 to ₹ 1,089 million as at March 31, 2016 mainly due to decrease in derivative assets arising out of foreign currency hedging.

Other current assets

Other current assets have increased from ₹ 1,834 million as at March 31, 2015 to ₹ 1,993 million as at March 31, 2016, due to increase in unbilled revenue. The company keeps a close watch on unbilled revenue, separately as well as collectively along with trade receivables.

HR Highlights

Becoming the Employer of Choice for a Global Workforce : We strive to maintain our position as the employer of choice. Our HR team, in sync with the company vision of 'Designing Tomorrow Together' works towards attracting, retaining, and nurturing high-quality talent. We consistently try to incorporate healthy talent management practices across all HR functions, from recruiting the best talent to providing new learning and growth opportunities. Our continued focus is to create an environment with high employee engagement that, in turn, leads to improved client experience and success.

Major initiatives Implemented During the Fiscal Year 2015-16

TALENT ACQUISITION

The talent acquisition team took up initiatives to enhance the overall effectiveness of the hiring efforts.

- Team was restructured on the basis of skills focussed towards hiring the talent with improved timelines. This resulted in reduced TAT of nearly 10%.
- Post offer engagement of candidates was an area of focus and the improved process lead to a joining ratio of 88%
- Enhanced referral schemes were introduced to increase sourcing through referrals. This resulted in 6% increase in from last year.
- Campus Connect program refined to increase the offer to join ratio. This resulted in 80% turnout this year.

LEARNING & DEVELOPMENT

- Emerging Leader Program (ELP) and Business Leader Program (BLP) batches were completed covering 35 and 53 global associates respectively. ELP aims to spot talent early on, in the careers, and nurture them to shoulder higher responsibilities at an accelerated pace. BLP has been specially designed to build a strong leadership pipeline and helps business fill leadership positions internally. ELP and BLP comprise of Individual Development Plan, learning-in-action, e-learning, classroom training and guidance from a senior leader / expert. Impact evaluation of ELP indicates improvement in employee retention and role enhancement. On the other hand, impact evaluation of BLP indicates high Associate Satisfaction (ASAT) score and MyManager Index. These flagship leadership programs continued for 2015-16 as well with 27 participants for ELP and 54 participants for BLP. Flip training has been introduced from this year which will have training content shared with the participants in advance and utilize the classroom time to discuss the opportunities to practice and addressing the challenges while implementing leading practices.
- In our endeavor to develop high potential emerging leaders, we introduced 'Value Based Leadership' workshop series (comprising six sessions of 2-hours each) conducted by Dr BVR Mohan Reddy, also encircling industry leader knowledge sharing by Dr Krishna Ella, Managing Director, Bharat Biotech & Mr Rishi Rana, Founder Managing Director, SumTotal Systems APAC.
- After completing assessments including 360-degree feedback for senior leadership, 56 leaders have prepared Individual Development Plans (IDP) which is being executed over a year period. The IDP includes self-initiated actions, seeking experience by

performing different tasks / roles, seeking exposure through coaching or mentoring and participating in the training programs. Leadership members are supported for all these actions and monitored on the completion status of IDP actions.

- With a view to unify the induction & on-boarding process globally, 10 online induction modules were launched on pilot mode across the organisation. These were well received paving way for full-fledged online modules for all business units and functions in FY 17. This FY has seen several customized programs for the business verticals and leadership levels. One such program is "Communicate to lead" covering over 100 senior managers and above levels across multiple project groups in DNO delivery unit which helped in increasing customer satisfaction level on the communication of managers with clients. These project groups also became part of "Most Improved C-SAT score Projects for the Year". In continuation to our efforts to support the societies that we operate in, delivered full-course on Advanced Computer Aided Engineering for JNTU-Kakinada and few other colleges covering 180 students through remote delivery.

EMPLOYEE ENGAGEMENT

At Cyient, its providing the associates the right atmosphere for them to contribute their best has been our focus. We engage our associates through a variety of means and some of the changes made in our method of engagements are highlighted below:

Rewards and Recognition: Instituting the Chairman's award process and revamping the Mark of Excellence award. The top 1% of the contributions of associates in the previous financial year were reviewed for the Chairman's awards. There was a major revamp of the process of nomination, review by a jury panel before the awards were finalised. The entire process was aimed at making the whole process more transparent and objective.

Compensation and Benefits: The communication to associates of the total reward rather than only compensation was another exercise that was undertaken and well appreciated by the associates. This provided associates a view to their total reward eligibility and brought

in better clarity in their understanding of their total compensation and benefits. The current benefits were also reviewed in areas around insurance coverage and flexible benefit package during this financial year.

Other Initiatives: Several initiatives like Spirit of Cyient, Health month were launched during FY 15-16 and saw significant participation.

The result of the above is seen in the improvement of the Associate Engagement index by 6% compared to the last year.

OTHER METRICS

| Attrition | Voluntary |
|-----------|-----------|
| 2014-15 | 19.67% |
| 2015-16 | 19.55% |

| New Hires Experience | < 1 year | % > 1 Year | % | Total | |
|----------------------|----------|------------|------|-------|------|
| 2014-15 | 1231 | 32% | 2646 | 68% | 3877 |
| 2015-16 | 1188 | 36% | 2085 | 64% | 3273 |



| Years | Female Associates | GEO Local Hires |
|---------|-------------------|-----------------|
| 2014-15 | 21% | 11% |
| 2015-16 | 20% | 13% |

Cautionary statement

Certain statements made in this report may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from such expectations, whether expressed or implied.

(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 2015-16.

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

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

| Entity | Relationship |
|--|----------------------|
| 1 Cyient Inc. | Subsidiary |
| 2 Cyient Canada Inc., Canada | Step down subsidiary |
| 3 Cyient Europe Limited, UK | Subsidiary |
| 4 Cyient Benelux BV, Netherlands | Step down subsidiary |
| 5 Cyient Schweiz GmbH, Switzerland | Step down subsidiary |
| 6 Cyient SRO, Czech Republic | Step down subsidiary |
| 7 Cyient GmbH, Germany | Subsidiary |
| 8 Cyient AB, Sweden | Step down subsidiary |
| 9 Cyient KK, Japan | Subsidiary |
| 10 Cyient Australia Pty Ltd, Australia | Subsidiary |
| 11 Cyient Singapore Private Limited, Singapore | Subsidiary |
| 12 Cyient Engineering (Beijing) Limited, China* | Subsidiary |
| 13 Cyient Insights Private Limited, India | Subsidiary |
| 14 Cyient Insights, LLC | Step down subsidiary |
| 15 Rangsons Electronics Private Limited, India | Subsidiary |
| 16 Techno Tools Precision Engineering Private Limited, India | Step down subsidiary |
| 17 Infotech HAL Limited, India | Joint Venture |
| 18 Infotech Aerospace Services Inc., Puerto Rico | Associate |
| 19 Infotech Geospatial (India) Private Limited | Subsidiary |
| 20 Infotech Enterprises Information Technology Services Private Limited, India | Subsidiary |
| 21 Infotech Enterprises Information Technology Services GmbH, Germany | Step down subsidiary |

* yet to commence commercial operations

(b) Nature of contracts/arrangements/transactions

IT Enabled Engineering Services & Geospatial Services.

(c) Duration of the contracts/arrangements/transactions

Intercompany 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:

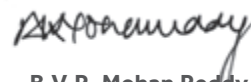
To provide IT Enabled Engineering Services & Geospatial Services to the client/customers to the company as a tripartite agreement.

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 : 21 April 2016

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31 March 2016

[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 (Formerly Infotech Enterprises Limited) |
| iv) | Category/Sub-Category of the Company | Company Limited by shares/Indian Non-Government Company |
| v) | Address of the Registered office and contact details | 4th Floor, A, Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081, Telangana. Tel: 040-67641322; Fax:040-66624368 E-mail: company.secretary@cyient.com; Website: www.cyient.com |
| vi) | Whether listed company | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Karvy Computershare Private Limited Unit: Cyient Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032, Telangana. Contact Person: Mr. Mohd Mohsin Uddin, Manager-Corporate Registry Ph: 040 - 6716 1562 E-mail: mohsin.mohd@karvy.com Website: www.karvycomputershare.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name of the Company | Country of Incorporation | CIN/GLN | Holding/ Subsidiary/ Associate | Extent of Holding as at 31 March 2016 | Applicable Section |
|---------|---|--------------------------|-----------------------|--------------------------------|---------------------------------------|--------------------|
| 1 | Rangsons Electronics Private Limited | India | U31909KA1993PTC014470 | Subsidiary | 74% | Sec. 2(87) |
| 2 | Cyient Insights Private Limited | India | U72200TG2013PTC087527 | Subsidiary | 51% | Sec. 2(87) |
| 3 | Infotech HAL Limited | India | U29200KA2007PLC043691 | Joint Venture | 50% | Sec. 2(6) |
| 4 | Infotech Geospatial (India) Private Limited ¹ | India | U72200TG2006PTC049449 | Subsidiary | NA | Sec. 2(87) |
| 5 | Infotech Enterprises Information Technology Services Private Limited ² | India | U72200TG2008PTC061416 | Subsidiary | NA | Sec. 2(87) |
| 6 | Cyient Inc. | U.S.A. | Not Applicable | Subsidiary | 100% | Sec. 2(87) |
| 7 | Cyient Europe Limited | U.K. | Not Applicable | Subsidiary | 100% | Sec. 2(87) |
| 8 | Cyient Canada Inc. | Canada | Not Applicable | Step down subsidiary | 100% | Sec. 2(87) |
| 9 | Cyient Insights, LLC | U.S.A | Not Applicable | Step down subsidiary | 51% | Sec. 2(87) |
| 10 | Cyient Benelux BV | Netherlands | Not Applicable | Step down subsidiary | 100% | Sec. 2(87) |
| 11 | Cyient Schweiz GmbH | Switzerland | Not Applicable | Step down subsidiary | 100% | Sec. 2(87) |
| 12 | Cyient SRO ³ | Czech Republic | Not Applicable | Step down subsidiary | 100% | Sec. 2(87) |
| 13 | Cyient GmbH | Germany | Not Applicable | Subsidiary | 100% | Sec. 2(87) |
| 14 | Cyient AB | Sweden | Not Applicable | Step down subsidiary | 100% | Sec. 2(87) |
| 15 | Infotech Enterprises Information Technology Services GmbH ² | Germany | Not Applicable | Step down subsidiary | NA | Sec. 2(87) |
| 16 | Cyient KK | Japan | Not Applicable | Subsidiary | 100% | Sec. 2(87) |
| 17 | Techno Tools Precision Engineering Private Limited | India | U29200KA2007PLC043691 | Step down subsidiary | 74% | Sec. 2(87) |
| 18 | Cyient Singapore Private Limited ⁴ | Singapore | Not Applicable | Subsidiary | 100% | Sec. 2(87) |
| 19 | Cyient Australia Pty Ltd, Australia | Australia | Not Applicable | Subsidiary | 100% | Sec. 2(87) |
| 20 | Infotech Aerospace Services Inc. | Puerto Rico | Not Applicable | Associate | 49% | Sec. 2(6) |
| 21 | Cyient Engineering (Beijing) Limited ⁵ | China | Not Applicable | Subsidiary | 100% | Sec. 2(87) |

¹ Pursuant to a resolution of the Board of Directors and order of the High Court of Judicature, Andhra Pradesh & Telangana, IGIL was merged with the Company effective April 1, 2015.

² The Company disinvested its 100% stake in Infotech Enterprises Information Technology Services Private Limited, India and its wholly-owned subsidiary, Infotech Enterprises Information Technology Services GmbH, Germany, on September 16, 2015.

³ On September 30, 2015, the Company incorporated a wholly owned subsidiary, Cyient SRO, in Czech Republic, through its wholly-owned subsidiary Cyient Europe Limited (formerly Infotech Enterprises Europe Limited). Cyient SRO has commenced commercial operations during the year.

⁴ On May 07, 2015, the Company incorporated a wholly owned subsidiary, Cyient Singapore Private Ltd, in Singapore. Cyient Singapore Private Limited commenced commercial operations during the year pursuant to the Company investing an amount of ₹ 238,179,600.

⁵ The Company is yet to commence commercial operations and there are no financial transactions for the year ended March 31, 2016. The said subsidiary was not considered for consolidation.

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

| Code | Category of Shareholder | No. of shares held at the beginning of the year (1 April 2015) | | | | No. of shares held at the end of the year (31 March 2016) | | | | % 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 | 24952226 | 0 | 24952226 | 22.21 | 24969748 | 0 | 24969748 | 22.20 | -0.01 |
| (b) | Central Government/State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Financial Institutions/Banks | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total A(1) : | 24952226 | 0 | 24952226 | 22.21 | 24969748 | 0 | 24969748 | 22.20 | -0.01 |
| (2) | FOREIGN | | | | | | | | | |
| (a) | Individuals (NRIs/Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Institutions | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total A(2) : | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Total A=A(1)+A(2) | 24952226 | 0 | 24952226 | 22.21 | 24969748 | 0 | 24969748 | 22.20 | -0.01 |
| (B) | PUBLIC SHAREHOLDING | | | | | | | | | 0.00 |
| (1) | INSTITUTIONS | | | | | | | | | 0.00 |
| (a) | Mutual Funds/UTI | 15280733 | 0 | 15280733 | 13.60 | 10976140 | 0 | 10976140 | 9.76 | -3.84 |
| (b) | Financial Institutions/Banks | 25867 | 0 | 25867 | 0.02 | 21135 | 0 | 21135 | 0.02 | 0.00 |
| (c) | Central Government/State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (f) | Foreign Institutional Investors | 40049123 | 200 | 40049323 | 35.64 | 44570220 | 200 | 44570420 | 39.62 | 3.98 |
| (g) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (h) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) | Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total B(1) : | 55355723 | 200 | 55355923 | 49.27 | 55567495 | 200 | 55567695 | 49.40 | 0.13 |
| (2) | NON-INSTITUTIONS | | | | | | | | | |
| (a) | Bodies Corporate | 5265368 | 1500 | 5266868 | 4.69 | 5303802 | 1500 | 5305302 | 4.72 | 0.03 |
| (b) | Individuals | | | | | | | | | |
| | (i) Individuals holding nominal share capital upto ₹ 1 lakh | 4372283 | 405400 | 4777683 | 4.25 | 4866915 | 379288 | 5246203 | 4.66 | 0.41 |
| | (ii) Individuals holding nominal share capital in excess of ₹ 1 lakh | 1483901 | 0 | 1483901 | 1.32 | 890879 | 0 | 890879 | 0.79 | -0.53 |
| (c) | Others | | | | | | | | | |
| | NBFCs registered with RBI | | | | | 620 | | 620 | 0.00 | 0.00 |
| | Foreign Nationals | 356540 | 16050 | 372590 | 0.33 | 323193 | 16050 | 339243 | 0.30 | -0.03 |
| | Foreign Collaborators | 16792960 | 0 | 16792960 | 14.95 | 16792960 | 0 | 16792960 | 14.93 | -0.02 |
| | Foreign Bodies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Clearing Members | 29771 | 0 | 29771 | 0.03 | 10204 | 0 | 10204 | 0.01 | -0.02 |
| | Non Resident Indians | 2750023 | 417000 | 3167023 | 2.82 | 2780865 | 417000 | 3197865 | 2.84 | 0.02 |
| | Trusts | 0 | 162120 | 162120 | 0.14 | 538 | 162120 | 162658 | 0.14 | 0.00 |
| (d) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total B(2) : | 31050846 | 1002070 | 32052916 | 28.53 | 30969976 | 975958 | 31945934 | 28.40 | -0.13 |
| | Total B=B(1)+B(2) : | 86406569 | 1002270 | 87408839 | 77.79 | 86537471 | 976158 | 87513629 | 77.80 | 0.01 |
| | Total (A+B) : | 111358795 | 1002270 | 112361065 | 100.00 | 111507219 | 976158 | 112483377 | 100.00 | 0.00 |
| (C) | Shares held by custodians, against which Depository Receipts have been issued | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (1) | Promoter and Promoter Group | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (2) | Public | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | GRAND TOTAL (A+B+C) : | 111358795 | 1002270 | 112361065 | 100.00 | 111507219 | 976158 | 112483377 | 100.00 | |

IV. ii) Shareholding of Promoters

| Sl. No. | Shareholder's name | Shareholding at the beginning of the year (1 April 2015) | | | Shareholding at the end of the year (31 March 2016) | | |
|---------|---------------------|--|----------------------------------|--|---|----------------------------------|--|
| | | No. of shares | % of total shares of the Company | % of shares pledged/encumbered to total shares | No. of shares | % of total shares of the Company | % of shares pledged/encumbered to total shares |
| 1 | B.V.R. Mohan Reddy | 14,597,366 | 12.99 | 0 | 14,614,888 | 12.99 | 0 |
| 2 | B. Sucharitha | 6,541,200 | 5.82 | 0 | 6,541,200 | 5.82 | 0 |
| 3 | B.G.V. Krishna | 1,850,760 | 1.65 | 0 | 1,850,760 | 1.65 | 0 |
| 4 | B. Sri Vaishnavi | 1,790,400 | 1.59 | 0 | 1,790,400 | 1.59 | 0 |
| 5 | D. Nageswara Reddy | 115,200 | 0.10 | 0 | 115,200 | 0.10 | 0 |
| 6 | Carol Ann Reddy | 38,400 | 0.03 | 0 | 38,400 | 0.03 | 0 |
| 7 | B.V.S. Ratna Kumari | 15,600 | 0.01 | 0 | 15,600 | 0.01 | 0 |
| 8 | A. Amala Reddy | 3,000 | 0.01 | 0 | 3,000 | 0.01 | 0 |
| 9 | B. Ashok Reddy | 300 | 0.00 | 0 | 300 | 0.00 | 0 |
| | Total | 24,952,226 | 22.21 | | 24,969,748 | 22.21 | |

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

| Sl. No. | Name of the Promoter | Shareholding at the beginning of the year | | Cumulative shareholding at the end of the year | |
|---------|-----------------------------------|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | B.V.R. Mohan Reddy | 14,597,366 | 13.04 | | |
| | Increase/Decrease during the year | 17,522 | 0.05 | | |
| | At the end of the year | | | 14,614,888 | 12.99 |
| 2 | B. Sucharitha | 6,541,200 | 5.84 | | |
| | Increase/Decrease during the year | Nil | Nil | | |
| | At the end of the year | | | 6,541,200 | 5.82 |
| 3 | B.G.V. Krishna | 1,850,760 | 1.65 | | |
| | Increase/Decrease during the year | Nil | Nil | | |
| | At the end of the year | | | 1,850,760 | 1.65 |
| 4 | B. Sri Vaishnavi | 1,790,400 | 1.6 | | |
| | Increase/Decrease during the year | Nil | Nil | | |
| | At the end of the year | | | 1,790,400 | 1.59 |
| 5 | D. Nageswara Reddy | 115,200 | 0.1 | | |
| | 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 | 3,000 | 0.01 | | |
| | Increase/Decrease during the year | Nil | Nil | | |
| | At the end of the year | | | 3,000 | 0 |
| 9 | B. Ashok Reddy | 300 | 0 | | |
| | Increase/Decrease during the year | Nil | Nil | | |
| | At the end of the year | | | 300 | 0 |

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

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

| Sl. No. | Name of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative shareholding at the end of the year | |
|---------|--|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Carrier International Mauritius Ltd | 15,292,960 | 13.61 | 15,292,960 | 13.6 |
| 2 | First Carlyle Ventures Mauritius | 11,099,416 | 9.88 | 11,099,416 | 9.87 |
| 3 | Deutsche Securities Mauritius Ltd | 5,456,424 | 4.86 | 5,456,277 | 4.85 |
| 4 | Lavender Investments Ltd | 4,732,101 | 4.21 | 4,732,101 | 4.21 |
| 5 | Icici Prudential Life Insurance Company Ltd | 4,694,674 | 4.18 | 4,806,297 | 4.27 |
| 6 | Oppenheimer International Small Company Fund | 4,603,554 | 4.10 | 5,040,320 | 4.48 |
| 7 | Amansa Capital Pte Limited A/C Amansa Holdings | 4,326,252 | 3.85 | 4,155,404 | 3.69 |
| 8 | Reliance Capital Trustee Co. Ltd A/C Relianceequit | 2,921,225 | 2.60 | 3,581,556 | 3.18 |
| 9 | T. Rowe Price International Discovery Fund | 2,673,785 | 2.38 | 2,574,316 | 2.29 |
| 10 | National Westminster Bank Plc | 1,399,043 | 1.25 | 2,719,104 | 2.42 |

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 datewise 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 | M.M. Murugappan (Director) | 30,000 | 0.27 | | |
| | Increase/Decrease during the year | Nil | Nil | | |
| | At the end of the year | | | 30,000 | 0.26 |
| 2 | Ajay Aggarwal (CFO) | 5,900 | 0 | | |
| | Increase/Decrease during the year | -5,800 | | | |
| | At the end of the year | | | 100 | 0 |
| 3 | Sudheendhra Putty (CS) | 0 | 0 | | |
| | Increase/Decrease during the year | 0 | 0 | | |
| | At the end of the year | | | 0 | 0 |

Note: None of the other directors hold any shares in the company. The shareholding of Mr. B.V.R. Mohan Reddy and Mr. Krishna Bodanapu has been disclosed under the heading of 'shareholding of promoters'.

V. INDEBTEDNESS

Company has not availed any loans during the year and is a debt free company

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 | 18,042,733 | 14,884,000 | 32,926,733 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil | Nil | Nil |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 4,860,000 | 3,888,000 | 8,748,000 |
| | (c) Profits in lieu of salary under section 17(3) Incometax Act, 1961 | Nil | Nil | Nil |
| 2 | Stock Options | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil |
| 4 | Commission | | | |
| | (a) as % of Profit | 28,761,178 | 46,289,685 | 75,050,863 |
| | (b) Others, Specify | Nil | Nil | Nil |
| 5 | Others, please specify | Nil | Nil | Nil |
| | Total (A) | 51,663,911 | 65,061,685 | 116,725,596 |
| | Ceiling as per the Act | | | 293,364,012 |

B. Remuneration to other directors:

(Amount in ₹)

| Sl.No. | Particulars of Remuneration | Commission |
|----------|--|--------------------|
| 1 | Independent Directors | |
| i | M.M. Murugappan | 1,200,000 |
| ii | K. Ramachandran | 1,200,000 |
| iii | Harsh Manglik | 1,200,000 |
| iv | Som Mittal | 1,200,000 |
| v | John Paterson | 2,588,166 |
| vi | Andrea Bierce | 2,588,166 |
| | Total (1) | 9,976,332 |
| 2 | Other Non-Executive Directors | |
| i | Alain De Taeye | Not claimed |
| ii | Tom Prete | Not claimed |
| iii | Shankar Narayanan | Not claimed |
| | Total (2) | Nil |
| | Total (B) =(1+2) | 9,976,332 |
| | Overall Ceiling as per the Act | 29,336,401 |
| | Total Managerial Remuneration (A+B) | 126,701,928 |

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 | 11,720,743 | 1,869,842 | 13,590,585 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | 1,228,419 | 256,820 | 1,485,239 |
| 2 | No. of Stock Options granted during the year | 10,000 | Nil | 10,000 |
| 3 | Sweat Equity | Nil | Nil | Nil |
| 4 | Commission | | | |
| | (a) as % of Profit | Nil | Nil | Nil |
| | (b) Others, Specify | Nil | Nil | Nil |
| 5 | Others, please specify | Nil | Nil | Nil |
| | Total (A) | 12,949,162 | 2,126,662 | 15,075,824 |

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 |

Auditors' Certificate regarding compliance of conditions of Corporate Governance

Annexure-I

To
The Members of
Cyient Limited
(formerly Infotech Enterprises Limited)
Hyderabad

1. We have examined the compliance of conditions of Corporate Governance by Cyient Limited ("the Company"), for the year ended on 31 March 2016, as stipulated in:

Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.

Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.

Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and

Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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



Ganesh Balakrishnan
Partner

Place : Secunderabad
Date: 21 April 2016

(Membership No. : 201193)

CEO's Declaration

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 2016.

Place : Hyderabad
Date : 18 April 2016

For **Cyient Limited**



Krishna Bodanapu
Managing Director & CEO
(DIN-05301037)

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

Annexure-K

The Board of Directors
Cyient Limited
Hyderabad.

16 April 2016

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

This is to certify that

- A. We have reviewed financial statements and the cash flow statement (standalone and consolidated) for the year 2015-16 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 asignificant role in the company's internal control system over financial reporting.



(Krishna Bodanapu)
Managing Director & CEO
(DIN-05301037)



(Ajay Aggarwal)
Chief Financial Officer

Report on Corporate Governance

Company's Philosophy on Corporate Governance

Corporate governance is about internalizing and manifesting a firm commitment to the adoption of ethical practices across the company to deliver value in all of its dealings with a wide group of stakeholders encompassing associates, customers, vendors, regulators and shareholders at all times. It is in this background that the company whole heartedly embraces good governance practices. The company believes that corporate governance is an integral means for the existence of the company. It ensures adherence to the moral and ethical values, legal and regulatory framework and the adoption of good practices beyond the realms of law.

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 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 and fairness. 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 captured below:

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

Best Governance Practices

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

- Leveraging technology to increase company-shareholder interface by facilitating e-voting as part of postal ballot and at the annual general meeting
- 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
- Investor, vendor and associate satisfaction surveys conducted to elicit feedback from all stakeholders
- Policies and procedures for disclosure and dissemination of information by the company
- Publication of business responsibility report on voluntary basis
- Internal Audit conducted by independent professionals
- All board committees headed by independent directors
- Designation of lead independent director and separate meetings of independent directors

Good governance policies

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

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

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

The company complies with the corporate governance provisions as specified in chapter IV of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and provisions of erstwhile clause 49 of listing agreement with stock exchanges. 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 shareholder meetings.
- being informed of the rules, including voting procedures that govern general meetings.
- opportunity to ask questions to the board of directors, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable and statutory limitations.
- exercise of ownership rights by all shareholders, including institutional investors.
- adequate mechanism to address the grievances of the shareholders.
- protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress.

Timely information:

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

Equitable treatment:

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

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

Role of stakeholders in corporate governance:

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

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

Disclosure and transparency:

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

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

Board of Directors

The board acts on an informed basis and in the best interests of the company with good faith, care and diligence, for the benefit of shareholders, while having regard to all relevant stakeholders.

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

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

- a) guide, review and approve corporate strategy and financial planning, including major capital expenditures, acquisitions and divestments;
- b) monitor the effectiveness of the company's governance practices, environmental practices, and social practices, and adhere to applicable laws;

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

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

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

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

- a) The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships/memberships held by them in other public companies as on 31 March 2016 are given herein below:

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

(Contd.)

| Name of the Director | Category | Board Meetings | | Last AGM attended | No. of directorships in other public companies | | No. of committee positions held in other public companies | |
|--|----------------------------------|----------------|----------|-------------------|--|----------|---|--------|
| | | Held | Attended | | Chairman | Director | Chairman | Member |
| Mrs. Andrea Bierce DIN 06997266 | Independent, Non-Executive | 5 | 5 | Present | – | – | – | – |
| Mr. Alain De Taeye DIN 03015749 | Non - Independent, Non-Executive | 5 | 3 | Present | – | – | – | – |
| Mr. Thomas W Prete DIN 06634086 | Non - Independent, Non-Executive | 5 | 1 | Absent | – | – | – | – |
| Mr. JayantSabnis DIN 06719021 (Alternate Director to Mr. Thomas Prete) | Non - Independent, Non-Executive | 3 | 1 | Absent | – | – | – | – |
| Mr. Shankar Narayanan* DIN 00219212 | Non - Independent, Non-Executive | 2 | 2 | Absent | NA | NA | NA | NA |

* Resigned as director w.e.f 6 August 2015

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

The company does not have any 'material non-listed subsidiary company' as defined under SEBI Regulations

b) Meetings held during the financial year 2015-16:

| Quarter | No. of Meetings | Dates on which held |
|-----------------------------|-----------------|---------------------------|
| April '15 to June '15 | 1 | April 23, 2015 |
| July '15 to September '15 | 1 | July 16, 2015 |
| October '15 to December '15 | 1 | October 15, 2015 |
| January '16 to March '16 | 2 | Jan 14 and March 17, 2016 |

(Meeting held on 17 March 2016 was by Audio Visual means)

Board Effectiveness

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

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

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

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

Term of Board membership

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

Training of board members

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

The company sees director induction as a first step of the board's continuing improvement. It is the company's firm belief that investment in board development strengthens the board as well as the individual directors. Directors are regularly updated on changes in policies and programmes, laws and the general business environment.

Details of the familiarization programme for Non-Executive Directors and their letter of appointment are published on the website of the company.

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 this background, the board undertook a formal board assessment and evaluation process during 2015-16. The Leadership, Nomination & Remuneration Committee has overall stewardship for the process. The evaluation process covers the following aspects:

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

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

Board membership criteria

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

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

Board accountability

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

Board processes, procedures and practices

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

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

Annual Calendar

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

Board Charter

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

Meeting location

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

Frequency of meetings

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

Board agenda

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

Briefing papers

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

Decision making process

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

Directors' participation

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

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

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

Board Minutes

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

E-Initiatives

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

Availability of information to the board

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

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

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the board.
5. Minutes of the meetings of the subsidiary companies.
6. General notices of interest received from directors.
7. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary, if any.
8. Show cause, demand, prosecution notices and penalty notices which are materially important.

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

Whistle blower policy/Vigil Mechanism

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

Action Taken Report

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

Secretarial Standards

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

Meetings of Independent Directors

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

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

Role of the Chairman

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

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

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

Role of Managing Director & CEO

The CEO is vested with operational responsibility for delivering the company's strategy. The CEO's relationship with the chair is the key dynamic that underpins the effectiveness of the board. The responsibilities of the chairman and the CEO are set out in writing and agreed with the board. Particular attention is paid to areas of potential overlap.

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.

The CEO encourages directors to express their views frankly and challenge constructively in order to improve the standard of discussion in the boardroom.

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

Role of Non Executive Directors

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

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

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

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

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

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

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

Role of Lead Independent director

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

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

Decision making at the board

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

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

Succession planning at the board:

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

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

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

Role of company secretary in overall governance process

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

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

Remuneration Policy of Directors

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

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

Criteria for making payment to Non-Executive Directors

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

Details of remuneration to the Non-Executive Directors^a:

| (Amount ₹) | |
|------------------------|------------|
| Name of the Director | Commission |
| Mr. M.M. Murugappan | 1,200,000 |
| Mr. K. Ramachandran | 1,200,000 |
| Mr. Harsh Manglik | 1,200,000 |
| Mr. Som Mittal | 1,200,000 |
| Mr. John Paterson | 2,588,166 |
| Mr. Andrea Bierce | 2,588,166 |
| Mr. Shankar Narayanan* | 0 |
| Mr. Thomas W Prete* | 0 |
| Mr. Alain De Taeye* | 0 |

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

^a Excluding Service Tax

The company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Executive Chairman and Managing Director & CEO as approved by the shareholders of the company.

Details of remuneration to the Executive Directors:

| (Amount ₹) | | | | | |
|------------------------|------------|------------|-----------|----------------|------------|
| Name of the Director | Salary | Commission | PF | Superannuation | Total |
| Mr. B.V.R. Mohan Reddy | 18,042,733 | 28,761,178 | 2,160,000 | 2,700,000 | 51,663,911 |
| Mr. Krishna Bodanapu | 14,884,000 | 46,289,685 | 1,728,000 | 2,160,000 | 65,061,685 |

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

Shareholding of the Directors in the Company as on 31 March 2016

Mr. B.V.R. Mohan Reddy, Executive Chairman holds 1,46,14,888 equity shares (12.99%) in the Company and Mr. Krishna Bodanapu, Managing Director & CEO, holds 18,50,760 equity shares (1.65%).

Except Mr. M.M. Murugappan who holds 30,000 equity shares (0.02%) in the company, no other non-executive director holds any shares, convertible instruments or stock options in the company as on 31 March 2016.

Board committees

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

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

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

During the year 2015-16, the company had, *inter alia*, the following board committees

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

Audit & Risk Management Committee:

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

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

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.

- o Summarize the findings of statutory audit report; understand process gaps, mitigation plans implemented to address the same.

Risk Management:

- o 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;
- o Overseeing the risk management, compliance and control activities of the company, including but not limited to the development and execution by management of strategies to mitigate risks;
- o Overseeing the integrity of the company's governance framework of operational controls with respect to legal and regulatory compliance

Financial Review:

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

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

The composition and details of the meetings of the Committee as on 31 March 2016 are as follows:

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

In addition, the committee met on 31 March 2016 by audio-visual means to evaluate its readiness for the roll out of IndAS and IFCS.

The company secretary acts as secretary of the committee.

The Chairman of the Audit Committee was present at the 24th Annual General Meeting (AGM).

The Executive Chairman, Managing Director & CEO and CFO are permanent invitees to the committee. On a case to case basis, the heads of the business units, HR and other functions are also invited and attend the meetings of the committee. Representatives of the statutory and internal auditors attend the meetings of the audit committee.

Leadership, Nomination & Remuneration (LNR) Committee:

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

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of Independent Directors and the Board
- Devising and administering a policy on Board diversity

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Reviewing Leadership Development programmes
- Review of Succession Planning
- Discussing and evaluating best practices in Leadership Development, Succession Planning and Executive Compensation.

In addition the committee also considers and transacts the items listed out in the SEBI (LODR) Regulations, 2015. The committee works in tandem with the board to plan for an appropriate succession of the leadership within the board and the company.

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

| Name of the Member | Position | Meetings held during the year | Meetings attended |
|---------------------|----------|-------------------------------|-------------------|
| Mr. K. Ramachandran | Chairman | 2 | 1 |
| Mr. M.M. Murugappan | Member | 2 | 2 |
| Ms. Andrea Bierce | Member | 2 | 2 |

Criteria for selection and appointment of independent directors

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

Board Diversity

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

Stakeholder Engagement Committee:

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

The composition of this Committee is as follows:

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

The Chairman of this committee is an independent director.

During the year, the committee met once.

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

Details of Shareholder Complaints /Service Requests received during the year 2015-16

| Sl. No. | Particulars | Received | Disposed |
|--------------|--------------------------------------|------------|------------|
| 1 | Change/Correction of Address | 10 | 10 |
| 2 | Non Receipt of Dividend Warrants | 44 | 44 |
| 3 | Request for ECS Facility | 05 | 05 |
| 4 | Change/Correction of Bank Mandate | 01 | 01 |
| 5 | Non Receipt of Annual Reports | 15 | 15 |
| 6 | Non Receipt of Securities | 03 | 03 |
| 7 | Dividend Warrants for Revalidation | 15 | 15 |
| 8 | Issue of duplicate Dividend warrants | 08 | 08 |
| TOTAL | | 101 | 101 |

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

Corporate Social Responsibility (CSR) Committee:

The Company has set up a CSR committee to inter alia

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

The composition of the committee as on 31 March 2016 is as follows:

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

During the year, the committee met once.

Strategy Committee:

A strategy committee of the board has been created to review and advise on the organization strategy. Following the development of Cyient's S3 strategy the previous financial year, the Strategy Committee of the Board focused on the company's execution initiatives over the course of FY 2015-16. The committee's deliberations covered industry-specific strategies, inorganic growth plans, long-range financial planning and emerging opportunities in data analytics and design-led manufacturing. The committee periodically guided the management team on macro trends, long-range planning, strategy execution and various acquisition targets.

The composition of the committee as on 31 March 2016 is as follows:

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

During the year, the committee met four times.

Customer Engagement Committee:

The overall objective of the Client Engagement Committee is to provide guidance to the management team around strategies and tactics to strengthen company's relationships with existing clients, develop relationships with prospective clients and ensure those strategies result in sustainable and profitable revenue growth.

The committee reviews and provides recommendations on the following:

- key success parameters (client satisfaction, revenue growth, profitability, relationship depth, etc)
- client satisfaction survey methodology and results and ensure key insights are taken and translated to action.
- the key account planning process and representative plans and recommend management direction and performance expectations.
- the client experience and Cyient's communication strategy, touch points and execution (relationship health reporting, newsletters, social media connect, onboarding, etc.)
- new initiatives to strengthen client performance engagement (client advisory board, client communities or forums, etc) and provide recommendations.
- understanding the client mindset, challenges and priorities and work to align client experience and benefits to defined client profiles.

The composition of the committee is as follows:

| Name of the Member | Position |
|--------------------|-------------|
| Ms. Andrea Bierce | Chairperson |
| Mr. John Paterson | Member |
| Mr. Alain De Taeye | Member |
| Mr. Harsh Manglik | Member |

During the year, the committee met twice.

General Meetings

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

| Annual General Meeting | Venue | Time, Day & Date | No. of special resolutions passed |
|------------------------|--|--------------------------------------|-----------------------------------|
| 24th AGM | L&D Centre (company's Campus), Plot No. 2, IT Park, Nanakramguda, Manikonda, Hyderabad - 500 032 | 2:30 p.m. on Thursday, July 16, 2015 | 3 |
| 23rd AGM | ---- do --- | 2:30 p.m. on Thursday, July 17, 2014 | 3 |
| 22nd AGM | ---- do --- | 2:30 p.m. on Thursday, July 18, 2013 | Nil |

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

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

Special Resolutions passed through postal ballot during the year 2015-16: Nil

Procedure for postal ballot:

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

Investor Relations

The company recognizes the investor community as a key stakeholder of the business, and aims to build its investor relations on pillars of trust and transparency. To ensure informed decisions by investors, the company provides comprehensive information in the form of annual reports, quarterly earnings reports, investor releases and investor presentations made to institutional investors & analysts. Additionally, regular conference calls, management interviews, face to face investor meetings and annual general meetings ensure a direct interaction with the management team. The company also publishes its quarterly, half-yearly and annual results in leading newspapers in India. The results are also displayed on the Company's

website "www.cyient.com". The company has been taking continuous initiatives to meet investor expectations, and has rolled out several initiatives in pursuit of an effective two way communication channel with investors. These initiatives include "Investor Satisfaction Survey", "Annual Investors' Day", focus on investor return metrics, improved disclosures, and increased frequency of management interactions with investors.

Investor Satisfaction Survey

In the company's continued quest to improve investor satisfaction, one of the ways to measure Investor Satisfaction (ISAT) is via an annual survey. The company partnered with an independent research firm for carrying out this survey during 2016. The insights based on investors feedback were presented to the management and the board. Based on the ISAT survey, company wishes to align itself better with investor expectations so that it can deliver greater and positive value to its investors in the coming years.

Scores

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

Handbook

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

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

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

Company's philosophy on Disclosure and transparency

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

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

Disclosures

- a) The Managing Director & CEO and Chief Financial Officer have given a Certificate to the Board as contemplated in SEBI (LODR) Regulations, 2015. This is published elsewhere in annual report.
- b) There are no materially significant related party transactions please refer note No. 39 of the consolidated financial statements, forming part of this Annual Report
- c) There were no pecuniary transactions with any of the Non-Executive Directors, except payment of commission.
- d) A compliance report of all applicable laws and regulations duly signed by the Executive Chairman, Chief Financial Officer and the Company Secretary is placed at periodic intervals for review by the Board. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

The Board considers materially important show cause/demand notices received from statutory authorities and the steps/action taken by the company in this regard. A status report of material legal cases and disputed liabilities pending before the various courts/judicial forums is also put up to the board on a quarterly basis.

- e) The board of directors has laid-down a 'Code of Conduct' (Code) for all the board members and senior management personnel of the company and this Code is posted on the website of the Company. Annual declaration is obtained from every associate covered by the Code. The declaration of the Managing Director & CEO, as required under SEBI (LODR) Regulations, 2015, is published elsewhere in the Annual Report.
- f) The board regularly discusses the significant business risks identified by the management and the mitigation process being taken up. A detailed note on the risk identification and mitigation is included in the Risk Management Report and Management Discussion and Analysis annexed to the Directors' Report.
- g) No penalties or strictures were imposed on the company by the Stock Exchanges, SEBI or other statutory authorities on any matter related to capital markets during the last three years.
- h) The company is compliant with the provisions of applicable laws and the SEBI (LODR) Regulations, 2015 and the listing agreement with the stock exchanges, as applicable.
- i) 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.
- j) Mr. Krishna Bodanapu is the son of Mr. B.V.R. Mohan Reddy. There are no *inter se* relationships between and among any other directors.

Means of Communication

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

Management Discussion and Analysis Report

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

Compliance of Insider Trading Norms

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

General Shareholder Information

- a) AGM - Date, Time and Venue : Monday, August 29, 2016 at 3.00 p.m.
L & D Centre, Plot No.2, IT Park,
Manikonda, Hyderabad 500032, Telangana
- b) Financial Year : 1 April 2015 to 31 March 2016
- c) Date of Book Closure : August 25 to August 29, 2016 (both days inclusive)
- d) Dividend Payment Date : NA
- e) Listing on Stock Exchanges : BSE Ltd., P.J. Towers, Dalal Street, Fort, Mumbai-400 001
National Stock Exchange of India Ltd., Exchange Plaza,
Bandra-kurla Complex, Bandra (East), Mumbai-400 051

The company has paid the annual listing fees to each of the stock exchanges.
- f) Stock Code : BSE : 532175
NSE : CYIENT/EQ
CIN : L72200TG1991PLC013134
ISIN : INE136B01020
- g) Market price data: High/Low during each month in the financial year 2015-16 and performance in comparison to broad based indices such as BSE Sensex and Nifty is as follows:

| Month & Year | BSE (₹) | | SENSEX | | NSE (₹) | | NIFTY | |
|-----------------|---------|--------|----------|----------|---------|--------|---------|---------|
| | High | Low | High | Low | High | Low | High | Low |
| Apr-15 | 543.55 | 458.35 | 29094.61 | 26897.54 | 543.20 | 458.00 | 8844.80 | 8144.75 |
| May-15 | 568.50 | 460.00 | 28071.16 | 26423.99 | 569.85 | 460.00 | 8489.55 | 7997.15 |
| Jun-15 | 613.45 | 503.50 | 27968.75 | 26307.07 | 615.00 | 501.10 | 8467.15 | 7940.30 |
| Jul-15 | 574.55 | 496.30 | 28578.33 | 27416.39 | 575.45 | 496.20 | 8654.75 | 8315.40 |
| Aug-15 | 598.00 | 527.05 | 28417.59 | 25298.42 | 604.75 | 526.00 | 8621.55 | 7667.25 |
| Sep-15 | 612.45 | 545.00 | 26471.82 | 24833.54 | 614.95 | 536.65 | 8055.00 | 7539.50 |
| Oct-15 | 641.00 | 525.00 | 27618.14 | 26168.71 | 642.75 | 525.15 | 8336.30 | 7930.65 |
| Nov-15 | 538.80 | 480.00 | 26824.30 | 25451.42 | 539.95 | 480.00 | 8116.10 | 7714.15 |
| Dec-15 | 500.00 | 462.00 | 26256.42 | 24867.73 | 501.90 | 462.00 | 7979.30 | 7551.05 |
| Jan-16 | 547.15 | 404.00 | 26197.27 | 23839.76 | 548.00 | 406.00 | 7972.55 | 7241.50 |
| Feb-16 | 442.95 | 370.50 | 25002.32 | 22494.61 | 444.00 | 369.25 | 7600.45 | 6825.80 |
| Mar-16 | 446.00 | 398.70 | 25479.62 | 23133.18 | 440.00 | 396.00 | 7777.60 | 7035.10 |

- h) Registrar and Transfer Agents : Karvy Computershare Private Limited
Unit: Cyient Limited
Plot No. Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.
Tel : +91-40-6716 1562
Email : mohsin.mohd@karvy.com; einward.ris@karvy.com
Website : www.karvycomputershare.com

i) Share Transfer System

Shares lodged for physical transfer are registered within a period of 8 days as against service standard of 15 days, if the documents are clear and complete in all respects. The shares duly transferred are dispatched to the shareholders concerned within a week from the date of approval of transfers by the Share Transfer Committee. For this purpose, the Share Transfer Committee meets as often as required. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. As the Company's shares are currently traded in dematerialized form, the transfers are processed and approved in the electronic form by NSDL / CDSL through their depository participants. Karvy Computershare Private Limited is the Common R&T Agent for both physical and dematerialised mode.

j) Distribution of Shareholding

The Distribution of shareholding of the Company as on March 31, 2016 is as follows:

| Sl. No. | Category | Cases | % of Cases | Amount | % Amount |
|--------------|----------------|---------------|---------------|--------------------|---------------|
| 1 | upto 5000 | 16,375 | 92.22 | 9,771,220 | 1.74 |
| 2 | 5001 - 10000 | 605 | 3.41 | 4,173,965 | 0.74 |
| 3 | 10001 - 20000 | 378 | 2.13 | 5,436,315 | 0.96 |
| 4 | 20001 - 30000 | 105 | 0.59 | 2,629,420 | 0.47 |
| 5 | 30001 - 40000 | 42 | 0.24 | 1,497,140 | 0.27 |
| 6 | 40001 - 50000 | 37 | 0.21 | 1,710,605 | 0.30 |
| 7 | 50001 - 100000 | 61 | 0.34 | 4,656,810 | 0.83 |
| 8 | 100001 & ABOVE | 153 | 0.86 | 532,541,410 | 94.69 |
| TOTAL | | 17,756 | 100.00 | 562,416,885 | 100.00 |

Shareholding pattern:

| Sl. No. | Description | Cases | Shares | % Equity |
|--------------|---------------------------------|---------------|--------------------|---------------|
| 1 | Banks | 3 | 21,135 | 0.02 |
| 2 | Clearing Members | 48 | 10,204 | 0.01 |
| 3 | Employees | 212 | 442,655 | 0.39 |
| 4 | Foreign Collaborators | 2 | 16,792,960 | 14.93 |
| 5 | Foreign Institutional Investors | 49 | 17,542,416 | 15.60 |
| 6 | Foreign Nationals | 25 | 339,243 | 0.30 |
| 7 | Foreign Portfolio Investors | 55 | 27,028,004 | 24.03 |
| 8 | H U F | 284 | 73,449 | 0.07 |
| 9 | Bodies Corporates | 368 | 5,305,302 | 4.72 |
| 10 | Mutual Funds | 49 | 10,976,140 | 9.76 |
| 11 | NBFC | 3 | 620 | 0.00 |
| 12 | Non Resident Indians | 610 | 3,197,865 | 2.84 |
| 13 | Company Promoters | 10 | 24,969,748 | 22.20 |
| 14 | Resident Individuals | 16,033 | 5,620,978 | 5.00 |
| 15 | Trusts | 5 | 162,658 | 0.14 |
| TOTAL | | 17,756 | 112,483,377 | 100.00 |

Shareholders holding more than 1% of shares:

| Name of the Shareholder | No. of equity shares | % of shareholding |
|--|----------------------|-------------------|
| Carrier International Mauritius Ltd | 15,292,960 | 13.60 |
| B.V.R. Mohan Reddy | 14,614,888 | 12.99 |
| First Carlyle Ventures Mauritius | 11,099,416 | 9.87 |
| B. Sucharitha | 6,541,200 | 5.82 |
| Deutsche Securities Mauritius Limited | 5,456,277 | 4.85 |
| Oppenheimer International Small Company Fund | 5,040,320 | 4.48 |
| ICICI Prudential Life Insurance Company Ltd | 4,806,297 | 4.27 |
| Lavender Investments Limited | 4,732,101 | 4.21 |
| Amansa Holdings Private Limited | 4,155,404 | 3.69 |
| National Westminster Bank Plc | 2,719,104 | 2.42 |
| T. Rowe Price International Discovery Fund | 2,574,316 | 2.29 |
| Reliance Capital Trustee Co. Ltd | 2,022,434 | 1.80 |
| B.G.V. Krishna | 1,850,760 | 1.65 |
| Bodanapu Sri Vaishnavi | 1,790,400 | 1.59 |
| Tele Atlas Data 'S Hertogenbosch B V | 1,500,000 | 1.33 |
| SBI Magnum Taxgain Scheme | 1,490,761 | 1.33 |

Reconciliation of Share Capital

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

k) Dematerialization of shares and liquidity

As per SEBI guidelines on investor protection, the Company's shares are to be traded only in dematerialized mode. Accordingly, the company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity for scripless trading. As at the end of March 31, 2016, 99.13% of the outstanding equity shares of the company are in electronic form.

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

The Company has not issued any GDRs/ADRs/Warrants/convertible debentures during the year 2015-16 and there are no outstanding convertible instruments which will impact the equity.

m) Development Facilities

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

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

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

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

Investors' correspondence may be addressed to Mr. Sudheendhra Putty, company secretary and any queries relating to the financial statements of the Company may be addressed to Mr. Ajay Aggarwal, Chief Financial Officer at the Registered Office of the Company at 4th Floor, 'A' Wing, Plot No.11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081 Tel:+91-40-2311-2296/6764 1322 Fax: +91-40-6662-4368, E-mail : Company.Secretary@cyient.com / Ajay.Aggarwal@cyient.com.

o) Equity shares in the suspense account:

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

| Particulars | Number of shareholders | Number of equity shares |
|---|------------------------|-------------------------|
| Aggregate number of shareholders and the outstanding shares in the suspense account as on 1 April 2015 | 119 | 99,265 |
| Shareholders who approached the Company for transfer of shares from suspense account during the year | 5 | 23,225 |
| Shareholders to whom shares were transferred from the suspense account during the year | 5 | 23,225 |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March 2016 | 114 | 76,040 |

The voting rights on the shares outstanding in the suspense account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

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

| Financial Year | Rate of Dividend | Date of Declaration of Dividend (Date of AGM) | Due date to claim the dividend |
|-----------------------|------------------|---|--------------------------------|
| 2008-2009 | 30% | July 01, 2009 | August 07, 2016 |
| 2009-2010 | 40% | July 14, 2010 | August 20, 2017 |
| 2010-2011 | 25% | July 20, 2011 | August 26, 2018 |
| 2011-12 (Interim) | 25% | October 27, 2011 | December 3, 2018 |
| 2011-12 (Final) | 25% | July 18, 2012 | August 24, 2019 |
| 2012-13 (Interim) | 40% | November 7, 2012 | December 13, 2019 |
| 2012-13 (Final) | 50% | July 18, 2013 | August 24, 2020 |
| 2013-14 (Interim) | 40% | October 17, 2013 | November 23, 2020 |
| 2013-14 (Final) | 60% | July 17, 2014 | August 23, 2021 |
| 2014-15 (Interim) | 60% | September 29, 2014 | October 28, 2021 |
| 2014-15 (Final) | 100% | July 16, 2015 | August 22, 2022 |
| 2015-16 (1st interim) | 60% | October 15, 2015 | November 21, 2022 |
| 2015-16 (2nd interim) | 80% | March 17, 2016 | April 23, 2023 |

For the financial year 2007-08, company has transferred the unclaimed dividend to the IEPF and filed the relevant forms with the Registrar of Companies, Telangana.

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

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

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

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



For the past two and half decades, information technology has been spearheading the growth in our state. From a fledgling Industry in the early 1990s, today Telangana IT and ITES industry are a mature and a global competitive force. IT/ITES exports from the state today stand at INR 75,070 crores, employing more than 4,00,000 professionals directly.

As the impact and contribution of the state to the global IT industry has grown by leaps and bounds, we should acknowledge that this success has been possible due to the contribution of several key individuals and organizations and the proactive state governments that we have had. Mr. BVR Mohan Reddy, the Founder and Executive Chairman of Cyient, is one such key person. Apart from the achievements in the field of technology where Cyient has carved a niche for itself in engineering services across industries under his leadership, he has helped build a favorable business ecosystem both in the state and nationally by actively leading industry bodies like HYSEA, NASSCOM, and CII. As HYSEA too celebrates the Silver Jubilee year of its formation, we fondly recollect the important role played by Mr. BVR Mohan Reddy during the formative years, as its President from 1993 to 1999.

In addition to putting Hyderabad and the country on the GIS map of the world, another noteworthy contribution of Cyient has been in the area of CSR. They have done commendable work through their Adopt-a-school initiative and have contributed significantly to HYSEA CSR Forum's Education and Community Outreach programs. It underlines their commitment to holistic development for sustainable communities, in addition to excelling in their core competency.

Our hearty congratulations once again to Cyient on completing 25years of its journey. We wish Cyient and its entire team many more laurels in the years to come!



Ranga Pothula

President, HYSEA (Hyderabad Software Enterprises Association) & VP and Centre Head, Infor India Ltd

INDEPENDENT AUDITORS' REPORT ON ABRIDGED FINANCIAL STATEMENTS

TO THE MEMBERS OF

CYIENT LIMITED (formerly Infotech Enterprises Limited)

- (i) We have examined the abridged Balance Sheet of **CYIENT LIMITED (Formerly INFOTECH ENTERPRISES LIMITED)** ('the Company') as at March 31, 2016, the abridged Statement of Profit and Loss and the abridged Cash Flow Statement for the year then ended, together with the notes thereon. These financial statements are the responsibility of the Company's Management.
- (ii) These abridged financial statements have been prepared by the Company in accordance with Form AOC-3, pursuant to Rule 10 of the Companies (Accounts) Rules, 2014 and are based on the audited financial statements of the Company for the year ended March 31, 2016 prepared in accordance with the provisions of sub-section(1) of Section 136 of the Companies Act, 2013 and covered by our report dated April 21, 2016 to the members of the Company, which report is attached hereto.

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



(GANESH BALAKRISHNAN)
(Partner)
(Membership No.201193)

SECUNDERABAD
April 21, 2016

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
CYIENT LIMITED** (formerly Infotech Enterprises Limited)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **CYIENT LIMITED (formerly INFOTECH ENTERPRISES LIMITED)** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, 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, and the Cash Flow Statement 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 Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements- Refer Note 21.1(i) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 24 to the financial statements.
 - 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)



GANESH BALAKRISHNAN
Partner
(Membership No. 201193)

Secunderabad,
April 21, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS'

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' 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** (formerly **INFOTECH ENTERPRISES LIMITED**) ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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 (the "Guidance Note"). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, 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 standalone 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, 2016, 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.

For DELOITTE HASKINS & SELLS

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

**Ganesh Balakrishnan**

Partner
(Membership No. 201193)

Secunderabad,
April 21, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

i. In respect of the Company's fixed assets:

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

| Particulars of the freehold land | Gross Block as at March 31, 2016 | Net Block as at March 31, 2016 | Remarks |
|--|----------------------------------|--------------------------------|---|
| Freehold land located at Nanakramguda Village, admeasuring 10 acres. | 3,947,700 | 3,947,700 | Pending completion of legal formalities relating to conveyance. |

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset 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 CARO 2016 is not applicable.
- iii. According to the information and explanations given to us, the Company has granted loans, unsecured, to companies covered in the register maintained under section 189 of the Act, 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 Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2016 and therefore, reporting under clause (v) of the CARO 2016 is not applicable.
- vi. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. Excise duty is not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable. Excise duty is not applicable to the Company.

- (c) Details of dues of Sales Tax, Service Tax, and Value Added Tax which have not been deposited as on March 31, 2016 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 ₹) |
|--|-------------------------------------|---|------------------------------------|----------------------|
| Central Sales Tax Act, 1956 | Sales Tax (including penalty) | Sales Tax Appellate Tribunal | 2004-05 to 2009-10 & 2012-13 | 7,656,660 |
| Andhra Pradesh Value Added Tax Act, 2005 | Value Added Tax (including penalty) | Sales Tax Appellate Tribunal | 2005-06 to 2009-10 | 1,964,650 |
| Finance Act, 1994 | Service Tax (including penalty) | Central Excise and Service Tax Appellate Tribunal | 2006-07 to 2013-14 | 108,924,169 |

There are no dues of Income-tax, Customs Duty as on March 31, 2016 on account of disputes. Excise duty is not applicable to the Company.

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

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



GANESH BALAKRISHNAN
Partner
(Membership No. 201193)

SECUNDERABAD
April 21, 2016

Abridged Balance Sheet as at March 31, 2016

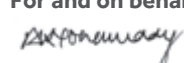
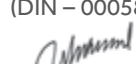

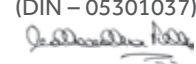
(Amount in ₹)

| | As at March 31, 2016 | | As at March 31, 2015 | |
|---|-------------------------|-----------------------|-------------------------|-----------------------|
| (A) EQUITY AND LIABILITIES | | | | |
| Shareholders' funds | | | | |
| Share capital | | | | |
| Equity | 562,416,885 | | 561,805,325 | |
| Reserves and surplus | | | | |
| Revenue reserves | 9,254,343,038 | | 9,561,206,659 | |
| Surplus | 7,013,366,006 | 16,830,125,929 | 5,683,080,036 | 15,806,092,020 |
| Share application money pending allotment | | 1,288,000 | | - |
| Non-current liabilities | | | | |
| Long-term provisions | | 550,169,003 | | 472,594,945 |
| Current liabilities | | | | |
| Trade payables | | | | |
| Dues to micro enterprises and small enterprises | 3,055,599 | | 4,121,880 | |
| Dues to creditors other than micro enterprises and small enterprises | 1,187,078,250 | | 846,367,698 | |
| Other current liabilities | 589,479,877 | | 502,158,865 | |
| Short-term provisions | 105,950,270 | 1,885,563,996 | 777,176,286 | 2,129,824,729 |
| TOTAL | | 19,267,146,928 | | 18,408,511,694 |
| (B) ASSETS | | | | |
| Non-current assets | | | | |
| Fixed assets | | | | |
| Tangible assets | 2,584,072,342 | | 2,647,686,377 | |
| Intangible assets | 241,206,542 | | 438,416,490 | |
| Capital work-in-progress | 6,319,492 | | 23,754,427 | |
| Intangible assets under development | 8,999,949 | 2,840,598,325 | 8,999,949 | 3,118,857,243 |
| Non-current investments | | 4,587,229,191 | | 4,460,291,860 |
| Deferred tax assets (net) | | 56,523,359 | | 5,923,976 |
| Long-term loans and advances | | 1,485,801,697 | | 1,103,974,970 |
| Current assets | | | | |
| Current investments | 790,478,924 | | 336,076,496 | |
| Trade receivables | 2,802,351,179 | | 2,983,916,788 | |
| Cash and bank balances | 4,956,259,869 | | 4,424,552,331 | |
| Short-term loans and advances | 749,279,335 | | 842,531,828 | |
| Other current assets | 998,625,049 | 10,296,994,356 | 1,132,386,202 | 9,719,463,645 |
| TOTAL | | 19,267,146,928 | | 18,408,511,694 |
| See accompanying notes forming part of abridged financial statements | | | | |

In terms of our report attached on abridged financial statements

For **Deloitte Haskins & Sells**
Chartered Accountants
Ganesh Balakrishnan
PartnerPlace : Secunderabad
Date : April 21, 2016

For and on behalf of the Board of Directors


B.V.R. Mohan Reddy
Executive Chairman
(DIN – 00058215)
Ajay Aggarwal
Chief Financial OfficerPlace : Hyderabad
Date : April 21, 2016
Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)
Sudheendhra Putty
Company Secretary

Abridged Statement of Profit and Loss for the year ended March 31, 2016

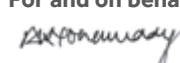

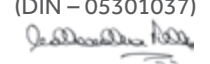
(Amount in ₹)

| | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|--------------------------------------|--------------------------------------|
| INCOME | | |
| Revenue from operations | | |
| Income from services | 12,455,620,209 | 12,940,137,647 |
| Other income (net) | 1,134,937,830 | 1,029,322,771 |
| TOTAL INCOME | 13,590,558,039 | 13,969,460,418 |
| EXPENSES | | |
| Employee benefits expense | 6,303,128,894 | 6,439,413,053 |
| Operating, administration and other expenses | 3,652,440,434 | 3,476,409,497 |
| Finance costs | 2,277,910 | 5,123,862 |
| Depreciation and amortisation expense | 688,048,943 | 618,053,423 |
| TOTAL EXPENSES | 10,645,896,181 | 10,538,999,835 |
| Profit before exceptional items and tax | 2,944,661,858 | 3,430,460,583 |
| Exceptional items | 71,629,096 | - |
| Profit before tax | 2,873,032,762 | 3,430,460,583 |
| Tax expense | | |
| (a) Current tax | 614,516,520 | 707,603,747 |
| (b) Tax pertaining to earlier years | - | 1,321,761 |
| (c) MAT credit entitlement | (30,312,167) | (2,009,229) |
| (d) Deferred tax (net) | (45,675,899) | 11,955,005 |
| Profit for the year | 2,334,504,308 | 2,711,589,299 |
| Earnings per share | | |
| (Equity shares, par value of ₹ 5 each) | | |
| - Basic | 20.76 | 24.17 |
| - Diluted | 20.73 | 24.09 |
| Weighted average number of equity shares | | |
| - Basic | 112,442,098 | 112,182,127 |
| - Diluted | 112,637,613 | 112,578,995 |
| See accompanying notes forming part of abridged financial statements | | |

In terms of our report attached on abridged financial statements

For **Deloitte Haskins & Sells**
Chartered Accountants
Ganesh Balakrishnan
PartnerPlace : Secunderabad
Date : April 21, 2016

For and on behalf of the Board of Directors


B.V.R. Mohan Reddy
Executive Chairman
(DIN – 00058215)
Ajay Aggarwal
Chief Financial OfficerPlace : Hyderabad
Date : April 21, 2016
Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)
Sudheendhra Putty
Company Secretary

Abridged Cash Flow for the year ended March 31, 2016

(Amount in ₹)

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|--------------------------------------|--------------------------------------|
| Net cash flow from operating activities | 2,578,318,562 | 2,163,501,109 |
| Net cash (used in) investing activities | (762,643,662) | (3,058,714,406) |
| Net cash flow (used in) financing activities | (1,599,421,854) | (723,773,622) |
| Net increase / (decrease) in Cash and cash equivalents | 216,253,046 | (1,618,986,919) |
| Cash and cash equivalents at the beginning of the year | 4,395,843,117 | 5,784,527,366 |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | 304,242,176 | 230,302,670 |
| Cash and cash equivalents at the end of the year (Refer Note (i) below) | 4,916,338,339 | 4,395,843,117 |
| Notes: | | |
| (i) Reconciliation of Cash and cash equivalents with the Balance sheet | | |
| Cash and bank balances as per Balance Sheet | 4,956,259,869 | 4,424,552,331 |
| Less: In earmarked accounts (Refer Note (ii) below) | | |
| Unpaid dividend accounts | 11,852,464 | 7,085,306 |
| Balances held as margin money/security for bank guarantees | 28,069,066 | 21,623,908 |
| Cash and cash equivalents at the end of the year* | 4,916,338,339 | 4,395,843,117 |
| *Comprises: | | |
| (a) Cash on hand | 234,884 | 127,852 |
| (b) Balances with banks | | |
| (i) In current accounts | 436,827,791 | 313,799,947 |
| (ii) In EEFC accounts | 396,156,375 | 297,394,454 |
| (iii) In deposit accounts | 4,039,424,129 | 3,784,520,864 |
| (c) Remittances in transit | 43,695,160 | - |
| TOTAL | 4,916,338,339 | 4,395,843,117 |

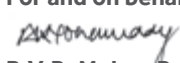

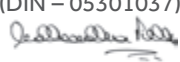
(ii) The earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of abridged financial statements

In terms of our report attached on abridged financial statements

For **Deloitte Haskins & Sells**
Chartered Accountants
Ganesh Balakrishnan
PartnerPlace : Secunderabad
Date : April 21, 2016

For and on behalf of the Board of Directors


B.V.R. Mohan Reddy
Executive Chairman
(DIN – 00058215)
Ajay Aggarwal
Chief Financial OfficerPlace : Hyderabad
Date : April 21, 2016
Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)
Sudheendhra Putty
Company Secretary

Notes to the abridged financial statements

1. Corporate Information

(Refer to Note No. 1 of the standalone financial statements)

Cyient Limited ('Cyient' or 'the Company') is engaged in providing global technology services and solutions specialising in geospatial, engineering design and IT solutions. The Company has its headquarters and development facilities in India and serves a global customer base through its subsidiaries in United States of America (USA), United Kingdom (UK), Germany, Japan, 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 changed its name from Infotech Enterprises Limited to Cyient Limited w.e.f. May 07, 2014 post approval of the Board of Directors and the Shareholders through postal ballot.

2. Related Party Transactions

(Refer to Note No. 29 of the standalone financial statements)

2.1 List of related parties on which the Company is able to exercise control.

Subsidiaries:

| Name of the Subsidiary | Country of incorporation | Extent of holding (%) as at March 31, 2016 | Extent of holding (%) as at March 31, 2015 |
|--|--------------------------|--|--|
| Cyient Europe Limited (formerly Infotech Enterprises Europe Limited) | UK | 100% | 100% |
| Cyient Inc., (formerly Infotech Enterprises America Inc.) (Refer Note (iv) below) | USA | 100% | 100% |
| Cyient GmbH (formerly Infotech Enterprises GmbH) | Germany | 100% | 100% |
| Infotech Geospatial (India) Private Limited, (IGIL) (Refer Note (vii) below) | India | - | 100% |
| Cyient KK (formerly Infotech Enterprises Japan KK) | Japan | 100% | 100% |
| Infotech Enterprises Information Technology Services Private Limited, (IEITS) (Refer note (vi) below) | India | - | 100% |
| Cyient Insights Private Limited (formerly Invati Insights Private Limited) (Refer Note (i) below) | India | 51% | 51% |
| Cyient Australia Pty Limited (Refer Note (ii) below) | Australia | 100% | 100% |
| Rangsons Electronics Private Limited (Refer Note (iii) below) | India | 74% | 74% |
| Cyient Singapore Private Limited (Refer Note (v) below) | Singapore | 100% | - |
| Cyient Engineering (Beijing) Limited (Refer Note (viii) below) | China | 100% | - |

Note:

- (i) During the previous year, the Company acquired 51% stake in Invati Insights Private Limited on October 15, 2014. The acquisition was executed through a share purchase agreement for a consideration of ₹ 87,938,018. Subsequent to the acquisition, Invati Insights Private Limited acquired 100% stake in Invati Insights LLC, USA on October 16, 2014. Consequent to the acquisition, Invati Insights Private Limited was renamed to Cyient Insights Private Limited.
- (ii) During the previous year, on September 05, 2014, the Company incorporated a wholly owned subsidiary, Cyient Australia Pty Limited, in Melbourne, Australia. Cyient Australia Pty Limited commenced commercial operations during the year. The Company invested an amount of ₹ 46,265.
- (iii) During the previous year, the Company acquired 74% stake in Rangsons Electronics Private Limited, India and its wholly owned subsidiary, Techno Tools Precision Engineering Private Limited on February 04, 2015. The acquisition was executed through a share purchase agreement for a consideration of ₹ 2,925,310,754.

- (iv) During the previous year, with effect from April 01, 2014, the Company acquired 100% stake in Softential Inc, through its wholly-owned subsidiary Cyient Inc. (formerly Infotech Enterprises America Inc.). Softential Inc, merged with Cyient Inc. (formerly Infotech Enterprises America Inc.) with effect from April 01, 2015.
- (v) On May 07, 2015, the Company incorporated a wholly owned subsidiary, Cyient Singapore Private Limited, in Singapore. Cyient Singapore Private Limited commenced commercial operations during the year. The Company invested an amount of ₹ 238,179,600.
- (vi) The Company disinvested its 100% stake in Infotech Enterprises Information Technology Services Private Limited, India and its wholly-owned subsidiary, Infotech Enterprises Information Technology Services GmbH, Germany, on September 16, 2015. The Company ceased to consolidate these entities from its consolidated financial results w.e.f September 01, 2015 for convenience as the transactions between September 01, 2015 and September 15, 2015 were not material.
- (vii) The Company merged its wholly-owned subsidiary Infotech Geospatial (India) Private Limited, India with effect from April 1, 2015.
- (viii) On March 25, 2016, the Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in Beijing, China, which has not commenced commercial operations during the year.

Joint Venture:

| Name of the Joint Venture Company | Country of incorporation | Extent of holding (%) as at March 31, 2016 | Extent of holding (%) as at March 31, 2015 |
|-----------------------------------|--------------------------|--|--|
| Infotech HAL Limited | India | 50% | 50% |

Associate:

| Name of the Associate | Country of incorporation | Extent of holding (%) as at March 31, 2016 | Extent of holding (%) as at March 31, 2015 |
|----------------------------------|--------------------------|--|--|
| Infotech Aerospace Services Inc. | USA | 49% | 49% |

Subsidiary of Cyient Inc. (formerly Infotech Enterprises America Inc.):

| Name of the Subsidiary | Country of incorporation | Extent of holding (%) as at March 31, 2016 | Extent of holding (%) as at March 31, 2015 |
|--|--------------------------|--|--|
| Cyient Canada Inc., (formerly Infotech Software Solutions Canada Inc.) | Canada | 100% | 100% |

Subsidiary of Cyient Europe Limited (formerly Infotech Enterprises Europe Limited):

| Name of the Subsidiary | Country of incorporation | Extent of holding (%) as at March 31, 2016 | Extent of holding (%) as at March 31, 2015 |
|--|--------------------------|--|--|
| Cyient Benelux BV (formerly Infotech Enterprises Benelux BV) | Netherlands | 100% | 100% |
| Cyient Schweiz GmbH (formerly Infotech Enterprises GmbH) | Switzerland | 100% | 100% |
| Cyient SRO* | Czech Republic | 100% | - |

*The Company's wholly-owned subsidiary, Cyient Europe Limited, UK, incorporated a wholly-owned step down subsidiary, Cyient SRO in Prague, Czech Republic on September 30, 2015.

Subsidiary of Cyient GmbH (formerly Infotech Enterprises GmbH)

| Name of the Subsidiary | Country of incorporation | Extent of holding (%) as at March 31, 2016 | Extent of holding (%) as at March 31, 2015 |
|--|--------------------------|--|--|
| Cyient AB (formerly Infotech Enterprises AB) | Sweden | 100% | 100% |

Subsidiary of Infotech Enterprises Information Technology Services Private Limited:

| Name of the Subsidiary | Country of incorporation | Extent of holding (%) as at March 31, 2016 | Extent of holding (%) as at March 31, 2015 |
|---|--------------------------|--|--|
| Infotech Enterprises Information Technology Services GmbH* (Refer Note 2.1(vi)) | Germany | - | 100% |

*During the previous year, on March 23, 2015, the Company acquired 100% stake in Infotech Enterprises Information Technology Services GmbH, Germany through its wholly owned subsidiary, Infotech Enterprises Information Technology Services Private Limited.

Subsidiary of Cyient Insights Private Limited (formerly Invati Insights Private Limited):

| Name of the Subsidiary | Country of incorporation | Extent of holding (%) as at March 31, 2016 | Extent of holding (%) as at March 31, 2015 |
|--|--------------------------|--|--|
| Cyient Insights LLC* (formerly Invati Insights LLC)# | USA | 51% | 51% |

*During the previous year, on October 16, 2014, Cyient Insights Private Limited (formerly Invati Insights Private Limited) acquired 100% stake in Invati Insights LLC, USA.

#Invati Insights LLC, USA (a wholly owned subsidiary of Cyient Insights Private Limited, India) was renamed as Cyient Insights, LLC w.e.f November 18, 2015.

Subsidiary of Rangsons Electronics Private Limited:

| Name of the Subsidiary | Country of incorporation | Extent of holding (%) as at March 31, 2016 | Extent of holding (%) as at March 31, 2015 |
|--|--------------------------|--|--|
| Techno Tools Precision Engineering Private Limited * | India | 74% | 74% |

* During the previous year, on February 04, 2015, the Company acquired 74% stake in Rangsons Electronics Private Limited and its wholly owned subsidiary, Techno Tools Precision Engineering Private Limited.

Other related party:

| Name of the Subsidiary | Country of incorporation | Nature of relationship |
|--|--------------------------|------------------------|
| Cyient Foundation (formerly Infotech Enterprises Charitable Trust) | India | Controlled trust |

Key Managerial Personnel:

| Name | Designation |
|-------------------|---|
| B V R Mohan Reddy | Executive Chairman |
| B Sucharitha | Whole time director (Up to April, 2014) (Ceased to be a director w.e.f 17th July 2014) |
| Krishna Bodanapu | Managing Director & CEO |
| Ajay Aggarwal | Chief Financial Officer |

Relative of Executive Chairman and Managing Director & CEO

| | |
|----------------|-------------------------------|
| B. Ashok Reddy | President - Corporate Affairs |
|----------------|-------------------------------|

2.2 Summary of the transactions and balances with the above related parties are as follows:

(a) Transactions during the year:

(Amount in ₹)

| Nature of the transaction | Party name | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---------------------------|---|-----------------------------------|-----------------------------------|
| Revenue | Cyient Inc. (formerly Infotech Enterprises America Inc.) (Refer Note 2.1(iv)) | 3,090,853,509 | 3,011,235,005 |
| | Cyient Europe Limited (formerly Infotech Enterprises Europe Limited) | 956,628,383 | 683,794,337 |
| | Cyient Benelux BV (formerly Infotech Enterprises Benelux BV) | 277,914,544 | 257,232,214 |
| | Cyient Schweiz GmbH (formerly Infotech Enterprises GmbH) | 65,112,371 | 55,293,485 |
| | Cyient GmbH (formerly Infotech Enterprises GmbH) | 584,640,906 | 1,081,549,687 |
| | Cyient AB (formerly Infotech Enterprises AB) | 174,381,024 | 149,465,507 |
| | Cyient Canada Inc. (formerly Infotech Software Solutions Canada Inc.) | 117,040,455 | 119,879,611 |
| | Infotech Geospatial (India) Private Limited (Refer Note 2.1 (vii)) | - | 11,704,655 |
| | Cyient KK (formerly Infotech Enterprises Japan KK) | 150,086,015 | 114,201,113 |
| | Infotech HAL Limited | 15,054,070 | 19,486,078 |
| | Cyient Australia Pty Limited | 260,180,558 | - |
| Subcontracting charges | Cyient Inc. (formerly Infotech Enterprises America Inc.) | 264,878,667 | 329,424,657 |
| | Cyient Europe Limited (formerly Infotech Enterprises Europe Limited) | 36,275,271 | 17,784,436 |
| | Cyient Benelux BV (formerly Infotech Enterprises Benelux BV) | 11,743,358 | 15,604,731 |
| | Cyient GmbH (formerly Infotech Enterprises GmbH) | 45,049,727 | 56,777,709 |
| | Cyient AB (formerly Infotech Enterprises AB) | 6,431,067 | 9,602,853 |
| | Cyient Canada Inc. (formerly Infotech Software Solutions Canada Inc.) | 7,869,305 | 11,307,678 |
| | Infotech Geospatial (India) Private Limited (Refer Note 2.1 (vii)) | - | 7,476,291 |
| | Cyient KK (formerly Infotech Enterprises Japan KK) | - | 5,837,288 |
| | Cyient Insights Private Limited (formerly Invati Insights Private Limited) | 11,981,928 | 4,366,367 |
| | Infotech Enterprises Information Technology Services Private Limited (Refer Note 2.1(vi)) | 7,631,301 | 19,686,196 |
| Reimbursement of Expenses | Cyient Inc. (formerly Infotech Enterprises America Inc.) | 52,822,509 | 26,759,321 |
| | Cyient Europe Limited (formerly Infotech Enterprises Europe Limited) | 5,947,258 | 2,717,003 |
| | Cyient Benelux BV (Formerly Infotech Enterprises Benelux BV) | 7,876,166 | 3,312,163 |
| | Cyient GmbH (formerly Infotech Enterprises GmbH) | 5,367,600 | 8,346,347 |
| | Cyient AB (formerly Infotech Enterprises AB) | 260,841 | 821,959 |
| | Cyient Canada Inc. (formerly Infotech Software Solutions Canada Inc.) | - | 1,880,238 |
| | Infotech Geospatial (India) Private Limited (Refer Note 2.1 (vii)) | - | 10,000 |

Transactions during the year (Contd.)

(Amount in ₹)

| Nature of the transaction | Party name | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|---|---|--|
| Corporate guarantee given to subsidiary's bankers | Rangsons Electronics Private Limited Cyient Inc. (formerly Infotech Enterprises America Inc.) Cyient Singapore Private Limited | 3,210,300,000 401,314,045 636,795,840 | - 688,498,800 - |
| Commitments | Financial support to a subsidiary | - | 479,323,840 |
| Investments in Subsidiaries | Cyient Insights Private Limited (formerly Invati Insights Private Limited) Rangsons Electronics Private Limited ^{#1} Cyient Singapore Private Limited Cyient Australia Pty Limited | - (67,588,534) 238,179,600 46,265 | 87,938,018 2,925,310,754 - - |
| Disposal of Subsidiaries | Infotech Enterprises Information Technology Services Private Limited (Refer Note 2.1(vi)) | (100,000) | - |
| Advance given / (recovered) | Infotech Geospatial (India) Private Limited (Refer Note 2.1 (vii)) Infotech Enterprises Information Technology Services Private Limited (Refer Note 2.1(vi)) Cyient KK (formerly Infotech Enterprises Japan KK) Infotech HAL Limited | - 5,930,883 31,071,690 3,947,622 | (227,888) (10,856,459) (20,591,059) 2,898,094 |
| Loans given | Cyient Insights Private Limited (formerly Invati Insights Private Limited) Rangsons Electronics Private Limited | 36,686,522 150,000,000 | 26,000,000 - |
| Loans Recovered | Infotech HAL Limited | - | 2,812,500 |
| Interest on Loans given | Cyient Insights Private Limited (formerly Invati Insights Private Limited) Rangsons Electronics Private Limited | 4,349,520 1,717,808 | 417,489 - |
| Repayment of Loan by KMP | B Ashok Reddy | 426,693 | 121,176 |
| Interest recovered from loan to KMP | B Ashok Reddy | 1,203 | 12,048 |
| Other Income | Infotech HAL Limited Cyient Insights Private Limited | 727,644 3,294,667 | 727,644 - |
| CSR Expenditure | Cyient Foundation (formerly Infotech Charitable Trust) | 47,567,491 | 35,118,562 |
| Remuneration to Key Managerial Personnel ^{#2} | B V R Mohan Reddy B Sucharitha (Refer Note 2.1) Krishna Bodanapu Ajay Aggarwal B Ashok Reddy | 51,663,911 - 65,061,685 12,949,163 10,135,515 | 56,751,883 2,091,747 35,227,616 12,914,163 9,770,693 |
| Dividend to KMP's | B V R Mohan Reddy B Sucharitha Krishna Bodanapu Ajay Aggarwal | 175,238,480 78,494,400 22,209,120 1,200 | 87,584,196 39,247,200 11,104,560 25,800 |
| Sale of asset to relative of KMP's | B Ashok Reddy | 4,367 | - |

^{# 1} Adjusted for an amount of ₹ 67,588,534 received from the promoters of Rangsons Electronics Private Limited, by way of an indemnity claim, defined by the share purchase agreement.

^{# 2} Does not include provision for compensated absences.

(b) Balances at the year-end:

(Amount in ₹)

| Nature of the Balance | Party name | As at March 31, 2016 | As at March 31, 2015 |
|-----------------------|--|----------------------|----------------------|
| Trade Receivables | Cyient Inc. (formerly Infotech Enterprises America Inc.) (Refer Note 2.1 (iv)) | 548,874,844 | 343,120,321 |
| | Cyient Europe Limited (formerly Infotech Enterprises Europe Limited) | 228,766,976 | 395,602,017 |
| | Cyient Benelux BV (formerly Infotech Enterprises Benelux BV) | 59,823,016 | 81,965,489 |
| | Cyient Schweiz GmbH (formerly Infotech Enterprises GmbH) | - | 311,306 |
| | Cyient GmbH (formerly Infotech Enterprises GmbH) | 49,267,351 | 199,190,355 |
| | Cyient AB (formerly Infotech Enterprises AB) | 92,610,159 | 48,250,373 |
| | Cyient Canada Inc. (formerly Infotech Software Solutions Canada Inc.) | 76,960,788 | 98,919,137 |
| | Infotech Geospatial (India) Private Limited (Refer Note 2.1 (vii)) | - | 13,151,351 |
| | Cyient KK (formerly Infotech Enterprises Japan KK) | 101,592,155 | 96,377,382 |
| | Infotech Enterprises Information Technology Services Private Limited (Refer Note 2.1 (vi)) | - | 1,795,478 |
| | Infotech HAL Limited | 21,191,187 | 14,983,950 |
| | Cyient Australia Pty Limited | 160,795,725 | - |
| | Cyient Insights Private Limited (formerly Invati Insights Private Limited) | 1,387 | - |
| | Rangsons Electronics Private Limited | 485,423 | - |
| | Cyient Singapore Private Limited | 18,298,529 | - |
| Unbilled Revenue | Cyient Inc. (formerly Infotech Enterprises America Inc.) | 98,811,802 | 154,975,887 |
| | Cyient Europe Limited (formerly Infotech Enterprises Europe Limited) | 117,576,591 | 69,311,851 |
| | Cyient Benelux BV (formerly Infotech Enterprises Benelux BV) | 32,975,555 | 17,465,863 |
| | Cyient Schweiz GmbH (formerly Infotech Enterprises GmbH) | 792,081 | 3,602,715 |
| | Cyient AB (formerly Infotech Enterprises AB) | 19,914,920 | - |
| | Cyient GmbH (formerly Infotech Enterprises GmbH) | 98,109,679 | 87,400,279 |
| | Cyient KK (formerly Infotech Enterprises Japan KK) | 3,377,849 | - |
| | Cyient Australia Pty Limited | 33,521,802 | - |
| Trade payables | Cyient Inc. (formerly Infotech Enterprises America Inc.) (Refer Note 2.1 (iv)) | 319,691,137 | 90,694,598 |
| | Cyient Europe Limited (formerly Infotech Enterprises Europe Limited) | 27,551,532 | - |
| | Cyient Benelux BV (formerly Infotech Enterprises Benelux BV) | 24,433,190 | 251,352 |
| | Cyient GmbH (formerly Infotech Enterprises GmbH) | 26,897,557 | - |
| | Cyient KK (formerly Infotech Enterprises Japan KK) | 38,379,970 | 17,427,346 |
| | Cyient Insights Private Limited (formerly Invati Insights Private Limited) | - | 2,970,585 |

(b) Balances at the year-end:(Contd.)

(Amount in ₹)

| Nature of the Balance | Party name | As at March 31, 2016 | As at March 31, 2015 |
|---|--|-------------------------|-------------------------|
| Corporate guarantee given to subsidiary's bankers | Infotech Enterprises Information Technology Services Private Limited (Refer Note 2.1 (vi)) | - | 3,677,283 |
| | Cyient Canada Inc. (formerly Infotech Software Solutions Canada Inc.) | 10,809,457 | - |
| | Infotech HAL Limited | 295,856 | - |
| | Cyient Inc. (formerly Infotech Enterprises America Inc.) | 1,462,640,445 | 1,001,452,800 |
| | Cyient Europe Limited (formerly Infotech Enterprises Europe Limited) | 171,634,201 | 166,888,676 |
| | Cyient GmbH (formerly Infotech Enterprises GmbH) | 330,420,200 | 297,045,760 |
| | Infotech Geospatial (India) Private Limited (Refer Note 2.1 (vii)) | - | 40,000,000 |
| | Rangsons Electronic Private Limited | 3,210,300,000 | - |
| | Cyient Singapore Private Limited | 621,827,440 | - |
| | Financial support to a subsidiary company | 533,178,050 | 479,323,840 |
| Commitments | Cyient KK (formerly Infotech Enterprises Japan KK) | 113,684,968 | 82,613,278 |
| | Infotech Geospatial (India) Private Limited (Refer Note 2.1 (vii)) | - | 31,347,462 |
| | Infotech Enterprises Information Technology Services Private Limited (Refer Note 2.1 (vi)) | - | 3,631,158 |
| Advance to subsidiaries | Infotech HAL Limited | 8,331,287 | 4,383,665 |
| | Cyient Insights Private Limited (formerly Invati Insights Private Limited) | 62,686,522 | 26,000,000 |
| | B Ashok Reddy | - | 426,693 |
| | Rangsons Electronics Private Limited | 150,000,000 | - |
| Outstanding loans | Cyient Insights Private Limited (formerly Invati Insights Private Limited) | 4,767,009 | 417,489 |
| | Rangsons Electronic Private Limited | 1,717,808 | - |
| Interest on outstanding loans | B V R Mohan Reddy | 28,761,178 | 35,057,014 |
| | Krishna Bodanapu | 28,761,178 | 17,528,507 |

3. Earnings Per Share (EPS)

(Refer to Note No. 31 of the standalone financial statements)

(Amount in ₹)

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|---|------------------------------|------------------------------|
| Profit After Tax (₹) | 2,334,504,308 | 2,711,589,299 |
| Basic: | | |
| Number of shares outstanding at the year end | 112,483,377 | 112,361,065 |
| Weighted average shares outstanding | 112,442,098 | 112,182,127 |
| Earnings Per Share (₹) | 20.76 | 24.17 |
| Diluted: | | |
| Effect of potential equity shares on employee stock options outstanding | 195,515 | 396,868 |
| Weighted average number of equity shares outstanding (including dilution) | 112,637,613 | 112,578,995 |
| Earnings Per Share (₹) | 20.73 | 24.09 |

4. Segment Information

(Refer to Note No. 28 of the standalone financial statements)

Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS 17) on Segment Reporting specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

5. Stock Option Plans

(Refer to Note No. 35 of the standalone financial statements)

Infotech Employee Stock Offer Scheme 1999 (ESOP Plan)

In 1998-99, the Company set up ESOP plan and allotted 80,900 equity shares of ₹ 10 each at a premium of ₹ 100 per share to the Infotech ESOP trust. The trust on recommendation of management and upon receipt of full payment upfront transfers the equity shares in the name of the selected employees. The Company modified the ESOP Plan and adjusted the number of options and exercise price on account of bonus issue and stock split cum bonus issue during 2002-03, 2006-07 and 2010-11 respectively.

Associate Stock Option Plans (ASOP Plan)

The Company currently has three ASOP plans - ASOP 2002, ASOP 2004 and ASOP 2008. Under each of these schemes, options will be issued to employees at an exercise price which shall not be less than the market price on the date of the grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of the first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of the third year.

Options Outstanding:

| Plan | As at March 31, 2016 | As at March 31, 2015 |
|-----------|-------------------------|-------------------------|
| ASOP 2002 | — | — |
| ASOP 2004 | — | — |
| ASOP 2008 | 318,750 | 637,383 |

Associate Stock Option Plan - 2015 (ASOP 2015)

The Company instituted Associate Stock Option Plan 2015 for all eligible employees in pursuance of the resolution passed by the members of the Company at their meeting held on July 16, 2015. Company has got the in-principle approval from the stock exchanges. Under the said scheme, 1,200,000 equity shares of ₹ 5 each have been earmarked. The options are yet to be granted to eligible employees.

6. Contingent Liabilities and Commitments

(Refer to Note No. 21 of the standalone financial statements)

(Amount in ₹)

| Contingent liabilities (to the extent not provided for) | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| (i) Claims against the Company not acknowledged as debt (Refer Note (a), (b), (c), (d) & (e) below) | 433,959,229 | 356,391,935 |
| (ii) Guarantees (Refer Note (f) below) | 5,796,822,286 | 1,505,387,236 |

- The Company has disputed various demands (including draft notice of demand) raised by Income Tax authorities for the assessment years 1997-98 to 2010-11 (March 31, 2015 - 1997-98 to 2010-11). The orders are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 155,897,185 (March 31, 2015 - ₹ 138,351,334). The Company is confident that these appeals will be decided in its favour.
- The Company has disputed various demands raised by the Sales Tax authorities for the financial years 2004-05 to 2009-10 and 2012 - 13 (March 31, 2015 - 2004-05 to 2009-10). The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 20,098,231 (March 31, 2015 - ₹ 20,096,061). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
- The Company has disputed various demands raised by the Service Tax authorities for the financial years 2006-07 to 2013-14 (March 31, 2015 - 2006-07 to 2012-13). The Company has filed appeals, which are pending with the

appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 140,104,649 (March 31, 2015 - ₹ 172,263,324). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.

- d. During the previous year, the Company received an order from Provident Fund (PF) authorities regarding PF payment on certain allowances given by the Company to its employees for the years 2010-11 to 2012-13. The Company appealed against the order and the same is pending before Provident Fund Appellate Tribunal. The Company paid ₹ 5,136,244 (March 31, 2015 - ₹ 5,136,244) under protest, being 20% of the total demand of ₹ 25,681,216 (March 31, 2015 - ₹ 25,681,216).
- e. 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 ₹ 92,177,948.
- f. Corporate guarantee given to subsidiary's bankers to obtain line of credit ₹ 5,796,822,286 (March 31, 2015 - ₹ 1,505,387,236).

Commitments:

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | | |
| Tangible assets | 60,324,945 | 49,137,538 |
| Intangible assets (Refer Note below) | 139,524,000 | 21,326,862 |
| ii) Financial support to a subsidiary Company | 533,178,050 | 479,323,840 |

Note: Commitment towards intangible assets include software and related purchases

- iii) During the previous year, the Company acquired 74% of the share capital of Rangsons Electronics Private Limited on February 4, 2015 (Refer Note 2.1(iii)). According to conditions stipulated in the Investment Agreement, the Company has an option to acquire the balance 26% of the share capital, on or before seven years from the date of the acquisition. These balance shares are currently placed in an Escrow account with a registered escrow agent as the custodian.

7. Cash & Bank Balances:

(Refer to Note No. 14 of the standalone financial statements)

The details of cash and bank balances at the year end are as follows:

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Cash on hand | 234,884 | 127,852 |
| Balance with banks | | |
| In current accounts | 436,827,791 | 313,799,947 |
| In EEFC accounts | 396,156,375 | 297,394,454 |
| In deposits accounts (Refer Note i below) | 4,039,424,129 | 3,784,520,864 |
| In earmarked accounts | | |
| Unpaid dividend account | 11,852,464 | 7,085,306 |
| In deposits held as margin money/security for bank guarantees | | |
| (Refer Note ii below) | 28,069,066 | 21,623,908 |
| Remittance in transit | 43,695,160 | - |
| TOTAL | 4,956,259,869 | 4,424,552,331 |
| Of the above, balances that meet the definition of cash and cash equivalents as per Accounting Standard -3 | | |
| Cash Flow Statement | 4,916,338,339 | 4,395,843,117 |

Note:

- (i) Balances with banks include deposits amounting to ₹ 1,991,241 (March 31, 2015 - ₹ 1,663,581) and margin monies amounting to ₹ 6,231,438 (March 31, 2015 - ₹ 1,414,970) which have an original maturity of more than 12 months from the Balance Sheet Date.
- (ii) Includes deposits placed in lien for credit facilities aggregating ₹ 21,837,628 (March 31, 2015 - ₹ 20,212,938) and margin monies amounting ₹ 6,231,438 (March 31, 2015 - ₹ 1,414,970).

8. Book value and Market Value of Quoted Investments:

(Refer to Note No. 12 of the standalone financial statements)

| Particulars | (Amount in ₹) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Aggregate cost of quoted investments | 790,478,924 | 336,076,496 |
| Aggregate market value of quoted investments | 790,566,064 | 336,079,777 |

9. Employee benefits expense

(Refer to Note No. 18 of the standalone financial statements)

| Particulars | (Amount in ₹) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2016 | Year ended March 31, 2015 |
| Salaries and bonus | 5,560,975,494 | 5,622,608,015 |
| Contribution to provident and other funds | 277,791,922 | 274,907,886 |
| Social security and other benefits for overseas employees | 71,512,933 | 75,057,097 |
| Gratuity | 87,309,917 | 158,581,848 |
| Staff welfare expenses | 305,538,628 | 308,258,207 |
| TOTAL | 6,303,128,894 | 6,439,413,053 |

10. Amalgamation:

(Refer to Note No. 40 of the standalone financial statements)

During the year, Infotech Geospatial (India) Private Limited (IGIL), a wholly owned subsidiary of Cyient Limited (formerly Infotech Enterprises Limited) ("the Company") was amalgamated with the Company w.e.f. April 1, 2015 ("Appointed Date") pursuant to Scheme of Amalgamation approved by the Hon'ble High Court of Judicature, Andhra Pradesh & Telangana vide its order dated March 02, 2016 and filed with Registrar of Companies on March 31, 2016. Consequently all the Assets, Liabilities and Reserves stand transferred and vested in the Company retrospectively from April 1, 2015. The amalgamation has been accounted for under the "Pooling of Interests" method as prescribed by Accounting Standard - 14. Accordingly, the assets, liabilities and reserves have been taken over at their book values and in the same form. As Infotech Geospatial (India) Private Limited was a wholly owned subsidiary of the Company, no additional shares were issued to effect the Amalgamation. Increase in Authorised share capital of the Company on amalgamation is pending filing of relevant documents with Registrar of Companies.

| Particulars | As at March 31, 2016 | |
|---|-------------------------|------------|
| | ₹ | ₹ |
| Value of assets and liabilities amalgamated: | | |
| Fixed assets | | 12,200,751 |
| Deferred Tax | | 4,923,484 |
| Long-term loans and advances | | 7,122,137 |
| Net current assets | | |
| Current Assets | | |
| Trade receivables | 5,973,589 | |
| Cash and cash equivalents | 2,974,798 | |
| Short-term loans and advances | 740,368 | |
| Other current assets | 65,154 | |

(Contd.)

Particulars**As at
March 31, 2016**

| Value of assets and liabilities amalgamated: | ₹ | ₹ |
|---|--------------|--------------------|
| Current Liabilities | | |
| Trade payables | (44,733,368) | |
| Other current liabilities | (5,376,720) | |
| Short-term provisions | (65,138) | (40,421,317) |
| Long-term provisions | | (374,958) |
| General reserve | | (246,486) |
| P&L Account | | 56,796,389 |
| TOTAL | | 40,000,000 |
| Less : Carrying value of investments in the Company | | 43,600,000 |
| Difference considered as capital reserve* | | (3,600,000) |

* Capital Reserve has been adjusted to the general reserve of the Company on amalgamation as at Appointed Date.

11. Disposal of Investment in Infotech Enterprises Information Technology Services Private Limited

(Refer to Note No. 39 of the standalone financial statements)

The Company disinvested its 100% stake in Infotech Enterprises Information Technology Services Private Limited, India, and its wholly-owned subsidiary, Infotech Enterprises Information Technology Services GmbH, Germany, on September 16, 2015. An amount of ₹ 98,184,877, being excess of sale consideration over the investment, was recognised as Profit on Sale of Long-term investment.

12. Depreciation & amortisation

(Refer to Note No. 41 of the standalone financial statements)

During the previous year ended March 31, 2015, pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has adjusted an amount of ₹ 11,314,383 (net of deferred tax of ₹ 5,716,126) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year ended March 31, 2015 was lower by ₹ 52,919,089 consequent to the change in the useful life of the assets.

13. Exceptional Item

(Refer to Note No. 43 of the standalone financial statements)

Exceptional item relates to provision made towards bonus payable for the period of April to December 2015 amounting to ₹ 71,629,096 consequent to the amendment to the Payment of Bonus Act, 1965 (i.e the Payment of Bonus (Amendment) Act, 2015). The liability for the year 2014 - 15 has been disclosed as a contingent liability.

14. Corporate Social Responsibility (CSR)

(Refer to Note No. 38 of the standalone financial statements)


The Company contributes towards Corporate Social Responsibility (CSR) activities through its trust, Cyient Foundation (formerly Infotech Enterprises Charitable Trust). As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, adoption of schools, medical and other social projects. Expenses incurred on CSR activities are charged to the Statement of Profit and Loss under 'Operating, administration and other expenses' - ₹ 47,567,491 (2014-15 - ₹ 35,118,562)

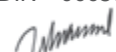
15. Regrouping/Reclassification

(Refer to note No. 45 of the standalone financial statements)


Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification /disclosures.

For and on behalf of the Board of Directors


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


Ajay Aggarwal
 Chief Financial Officer


Krishna Bodanapu
 Managing Director & CEO
 (DIN – 05301037)


Sudheendhra Putty
 Company Secretary

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

CYIENT LIMITED (formerly Infotech Enterprises Limited)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **CYIENT LIMITED** (formerly **INFOTECH ENTERPRISES LIMITED**)(hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate and Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards

and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entity as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of fifteen subsidiaries, and a jointly controlled entity, whose financial statements reflect total assets of ₹ 7,270,070,544 as at March 31, 2016, total revenues of ₹ 9,380,005,156 and net cash flows amounting to ₹ 414,440,363 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 ₹ 120,324,634 for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of an associate, 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, jointly controlled entity and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, 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, 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 and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled company incorporated in India, none of the

directors of the Group companies and jointly controlled company incorporated in India is disqualified as on March 31, 2016 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 Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and jointly controlled company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding company, subsidiary companies and jointly controlled company incorporated in India
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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, its associate and jointly controlled entity - Refer Note 31.1(i) to the consolidated financial statements.
 - ii. The Group, its associate and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts - Refer Note 33 to the consolidated financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate company and jointly controlled entity incorporated in India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 008072S)



GANESH BALAKRISHNAN

Partner

(Membership No. 201193)

SECUNDERABAD
April 21, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' 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, 2016, we have audited the internal financial controls over financial reporting of **CYIENT LIMITED (formerly INFOTECH ENTERPRISES LIMITED)** (hereinafter referred to as "the Holding Company") and its subsidiary companies and jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 (the "Guidance Note"). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and jointly controlled company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 Holding Company, its subsidiary companies and jointly controlled company, 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, 2016, 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three (3) subsidiary companies and one (1) jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **DELOITTE HASKINS & SELLS**

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



GANESH BALAKRISHNAN

Partner
(Membership No. 201193)

SECUNDERABAD
April 21, 2016

Consolidated Balance Sheet as at March 31, 2016

(Amount in ₹)

| | Note | As at March 31, 2016 | | As at March 31, 2015 | |
|---|---------|-------------------------|-----------------------|-------------------------|-----------------------|
| (A) EQUITY & LIABILITIES | | | | | |
| Shareholders' funds | | | | | |
| Share capital | 3 | 562,416,885 | | 561,805,325 | |
| Reserves and surplus | 4 | 18,535,661,741 | 19,098,078,626 | 17,878,786,170 | 18,440,591,495 |
| Share application money pending allotment | | | | | |
| | 55 | | 1,288,000 | | |
| Minority Interest | | | | | |
| | | | 128,054,013 | | 122,325,318 |
| Non-current liabilities | | | | | |
| Long-term borrowings | 5 | | 681,033,262 | | 466,774,083 |
| Deferred tax liability (net) | 42.2 | | 41,757,880 | | 50,521,417 |
| Other long-term liabilities | 6 | | 90,384,087 | | 200,034,788 |
| Long-term provisions | 7 | | 653,462,750 | | 582,353,713 |
| Current liabilities | | | | | |
| Short-term borrowings | 8 | 1,146,570,215 | | 812,891,299 | |
| Trade payables | 9 | | | | |
| Dues to micro enterprises and small enterprises | | 3,055,599 | | 4,121,880 | |
| Dues to creditors other than micro enterprises and small enterprises | | 3,103,722,355 | | 2,749,439,377 | |
| Other current liabilities | 10 | 1,842,792,615 | | 1,400,828,645 | |
| Short-term provisions | 11 | 579,396,795 | 6,675,537,579 | 955,769,664 | 5,923,050,865 |
| TOTAL | | | 27,369,596,197 | | 25,785,651,679 |
| (B) ASSETS | | | | | |
| Non-current assets | | | | | |
| Fixed assets | | | | | |
| Tangible assets | 12A | 3,128,824,979 | | 3,156,352,714 | |
| Intangible assets | 12B | 846,643,321 | | 465,255,860 | |
| Capital work-in-progress | 12C | 23,745,440 | | 55,154,079 | |
| Intangible assets under development | 47 | 84,503,947 | 4,083,717,687 | 40,914,778 | 3,717,677,431 |
| Goodwill (on consolidation) | 35 | | 2,708,166,755 | | 4,263,450,299 |
| Non-current investments | 13 | | 795,739,966 | | 675,415,332 |
| Deferred tax assets (net) | 42.2 | | 187,487,613 | | 65,238,912 |
| Long-term loans and advances | 14 | | 1,645,444,637 | | 1,365,652,386 |
| Other non-current assets | 15 | | 2,119,870 | | 1,840,800 |
| Current assets | | | | | |
| Current investments | 16 | 790,478,924 | | 336,076,496 | |
| Inventories | 17 | 978,579,884 | | 606,063,549 | |
| Trade receivables | 18 | 6,145,005,861 | | 5,335,859,590 | |
| Cash and bank balances | 19 | 6,950,843,360 | | 6,228,505,537 | |
| Short-term loans and advances | 20 | 1,088,663,899 | | 1,356,069,068 | |
| Other current assets | 21 | 1,993,347,741 | 17,946,919,669 | 1,833,802,279 | 15,696,376,519 |
| TOTAL | | | 27,369,596,197 | | 25,785,651,679 |
| Corporate information and significant accounting policies | | | | | |
| | 1 and 2 | | | | |
| See accompanying notes forming part of the Consolidated financial statements | | | | | |

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Secunderabad
Date : April 21, 2016

For and on behalf of the Board of Directors

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

Ajay Aggarwal
Chief Financial Officer

Place : Hyderabad
Date : April 21, 2016

Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)

Sudheendhra Putty
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(Amount in ₹)

| | Note | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|---------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| Revenue from operations (Gross) | 22 | 31,036,176,405 | 27,365,103,096 |
| Less: Excise duty | | 80,478,283 | 5,773,285 |
| Revenue from operations (Net) | | 30,955,698,122 | 27,359,329,811 |
| Other income (Net) | 23 | 1,085,394,203 | 1,217,657,735 |
| TOTAL INCOME | | 32,041,092,325 | 28,576,987,546 |
| EXPENSES | | | |
| Employee benefits expense | 24 | 18,080,838,009 | 16,756,048,085 |
| Cost of materials consumed | 25 | 1,881,181,192 | 291,098,173 |
| Changes in inventories of finished goods and work in progress | 26 | 5,993,284 | 167,536,224 |
| Operating, administration and other expenses | 27 | 6,780,164,675 | 6,136,430,253 |
| Finance costs | 28 | 178,830,786 | 57,558,151 |
| Depreciation and amortisation expense | 12D | 892,954,866 | 712,775,106 |
| TOTAL EXPENSES | | 27,819,962,812 | 24,121,445,992 |
| Profit before exceptional item, tax, share in profit of associate company and minority interest | | 4,221,129,513 | 4,455,541,554 |
| Exceptional item (net) | 56 | 87,155,406 | - |
| Profit before tax, share in profit of associate company and minority interest | | 4,133,974,107 | 4,455,541,554 |
| Tax expense: | | | |
| (a) Current tax | 42.1 | 1,139,437,176 | 1,023,585,606 |
| (b) Tax pertaining to earlier years | 42.3 | 10,269,508 | 23,962,344 |
| (c) MAT credit entitlement | 42.5 | (30,312,167) | (1,427,883) |
| (d) Deferred tax (net) | 42.2 | (133,316,517) | 50,148,807 |
| Profit after tax, before share in profit of associate company and minority interest | | 3,147,896,107 | 3,359,272,680 |
| Share in profit of associate company | | 120,324,634 | 150,374,958 |
| Profit after tax before share of (profit)/loss attributable to Minority interest | | 3,268,220,741 | 3,509,647,638 |
| (Less)/add: Share of (profit)/loss attributable to Minority interest | | (5,728,695) | 22,388,776 |
| Profit for the year attributable to the shareholders of the Company | | 3,262,492,046 | 3,532,036,414 |
| Earnings per share | 41 | | |
| (Equity shares, par value of ₹ 5 each) | | | |
| - Basic | | 29.01 | 31.48 |
| - Diluted | | 28.96 | 31.37 |
| Weighted average number of equity shares | | | |
| - Basic | | 112,442,098 | 112,182,127 |
| - Diluted | | 112,637,613 | 112,578,995 |
| Corporate information and significant accounting policies | 1 and 2 | | |
| See accompanying notes forming part of the Consolidated financial statements | | | |

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Secunderabad
Date : April 21, 2016

For and on behalf of the Board of Directors

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

Ajay Aggarwal
Chief Financial Officer

Place : Hyderabad
Date : April 21, 2016

Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)

Sudheendhra Putty
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2016

(Amount in ₹)

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|--------------------------------------|--------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 4,133,974,107 | 4,455,541,554 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation expense | 892,954,866 | 712,775,106 |
| (Gain) / loss on sale of fixed assets (net) | (972,424) | 652,572 |
| Finance costs | 178,830,786 | 57,558,151 |
| Interest income | (330,988,437) | (489,965,130) |
| Dividend income | (24,859,146) | (18,616,967) |
| Rental income from operating leases | (1,250,153) | (2,541,159) |
| Liabilities/provisions no longer required written back | (77,090,644) | (86,585,256) |
| Profit on sale of long term investments | (23,135,239) | - |
| Provision for doubtful trade and other receivables, loans and advances | 136,337,700 | 82,441,827 |
| Bad debts written off | 493,542 | - |
| Unrealised gain on translation differences | 198,722,189 | (68,325,805) |
| Effects of exchange difference on translation of foreign currency cash & cash equivalents | (304,242,176) | (230,302,670) |
| Unrealised forex (gain) / loss | (39,307,150) | 41,252,715 |
| Operating profit before working capital changes | 4,739,467,821 | 4,453,884,938 |
| <i>Changes in working capital:</i> | | |
| Adjustments for (increase)/decrease in operating assets: | | |
| Trade receivables | (1,005,776,590) | 43,486,078 |
| Inventories | (372,516,335) | 200,948,748 |
| Short-term loans and advances | (13,751,115) | (322,669,851) |
| Long-term loans and advances | (101,231,841) | (124,121,515) |
| Other current assets | (185,314,969) | (95,183,209) |
| Other non - current assets | (279,070) | 241,782 |
| Adjustments for increase/(decrease) in operating liabilities: | | |
| Trade payables | 442,301,162 | 561,768,467 |
| Other current liabilities | 286,105,686 | 85,354,896 |
| Short-term provisions | 45,637,997 | 2,676,156 |
| Other Long termLiabilities | (109,650,701) | (212,696,330) |
| Long-term provisions | 83,853,237 | 194,883,067 |
| Cash generated from operations | 3,808,845,282 | 4,788,573,227 |
| Net income tax paid | (1,024,179,533) | (1,171,468,538) |
| Net cash flow from operating activities (A) | 2,784,665,749 | 3,617,104,689 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Capital expenditure on fixed assets, including capital advances (Refer Note (iii) below) | (1,287,216,621) | (818,496,491) |
| Proceeds from sale of fixed assets | 5,379,842 | 15,133,645 |
| Current investments | | |
| - Purchased | (1,185,020,559) | (1,959,570,311) |
| - Proceeds from sale | 730,618,131 | 2,023,853,418 |
| Purchase of long-term investments | | |
| - Subsidiaries | - | (4,518,552,376) |
| Sale of Non-current investments | | |
| - Subsidiaries | 98,184,877 | - |
| Interest received | | |
| - Others | 356,757,944 | 452,874,958 |
| Dividend income received | | |
| - Others - dividend from mutual funds | 24,859,146 | 18,616,967 |
| Rental income from operating leases | 1,250,153 | 2,541,159 |
| Movement in Bank balances not considered as cash and cash equivalents | 406,984,174 | (498,326,792) |
| Net cash flow (used in) investing activities (B) | (848,202,913) | (5,281,925,823) |

Consolidated Cash Flow Statement (Contd.)

(Amount in ₹)

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|--------------------------------------|--------------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of equity shares | 21,003,228 | 65,704,088 |
| Share application money received | 1,288,000 | - |
| Movement in short term borrowings (net) | 333,678,916 | 45,344,327 |
| Movement in long term borrowings (net) | 335,034,464 | 409,713,252 |
| Finance costs | (178,868,113) | (55,613,296) |
| Dividends paid | (1,344,348,075) | (669,507,255) |
| Tax on dividend | (275,087,097) | (114,846,593) |
| Net cash flow (used in) financing activities (C) | (1,107,298,677) | (319,205,477) |
| Net increase/(decrease) in Cash and cash equivalents (A+B+C) | 829,164,159 | (1,984,026,611) |
| Cash and cash equivalents at the beginning of the year | 5,703,851,435 | 6,886,377,478 |
| Cash and cash equivalents on (sale)/acquisition of subsidiaries during the year | (4,084,338) | 571,197,898 |
| Effect of exchange differences on translation of foreign currency Cash and cash equivalents | 304,242,176 | 230,302,670 |
| Cash and cash equivalents at the end of the year (Refer Note (i) below) | 6,833,173,432 | 5,703,851,435 |
| Notes: | | |
| (i) Reconciliation of Cash and cash equivalents with the Balance sheet | | |
| Cash and bank balances as per Balance Sheet (Refer Note 19) | 6,950,843,360 | 6,228,505,537 |
| Less: In earmarked accounts (refer note (ii) below) | | |
| - Unpaid dividend accounts | 11,852,464 | 7,085,306 |
| - Balances held as margin money/security for bank guarantees | 105,817,464 | 517,568,796 |
| Cash and cash equivalents at the end of the year* | 6,833,173,432 | 5,703,851,435 |
| *Comprises: | | |
| (a) Cash on hand | 511,099 | 297,085 |
| (b) Balances with banks | | |
| (i) In current accounts | 1,818,305,091 | 1,538,525,967 |
| (ii) In EEFC accounts | 855,228,186 | 334,722,030 |
| (iii) In deposit accounts | 4,060,483,483 | 3,790,671,247 |
| (c) Remittances in transit | 98,645,573 | 39,635,106 |
| | 6,833,173,432 | 5,703,851,435 |

(ii) The earmarked account balances with banks can be utilised only for the specific identified purposes.

(iii) Purchase of fixed assets includes payments for items in capital work-in-progress and capital advances for purchase of fixed assets. Adjustments for increase/decrease in current liabilities relating to the acquisition of fixed assets has been made to the extent identified.

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Secunderabad
Date : April 21, 2016

For and on behalf of the Board of Directors

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

Ajay Aggarwal
Chief Financial Officer

Place : Hyderabad
Date : April 21, 2016

Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)

Sudheendhra Putty
Company Secretary

Notes forming part of the Consolidated financial statements

1. Corporate information

Cyient Limited ('Cyient' or 'the Company') and its subsidiaries, joint venture and associate (collectively referred to as 'the Group') is engaged in providing global technology services and solutions specialising in geospatial, engineering design, IT solutions and data analytics. During the previous year, the group has also started operating 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 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 Group's range of services include digitisation of drawings and maps, photogrammetry, computer aided design/engineering (CAD/CAE), design and modelling, repair development engineering, reverse engineering application software development, software products development, consulting, analytics and implementation. Cyient Group specialises in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets.

The Company changed its name from Infotech Enterprises Limited to Cyient Limited w.e.f. May 07, 2014, post approval of the Board of Directors and the Shareholder through postal ballot.

2. Significant accounting policies

2.1 Basis of accounting and preparation of the consolidated financial statements

- i) The financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis under the historical cost convention.

The financial statements of the subsidiary companies used in consolidation are drawn up to the same reporting date as at Cyient Limited (formerly Infotech Enterprises Limited).

Accounting policies are consistently applied except where a newly issued accounting

standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use. Where a change in accounting policy is necessitated due to changed circumstances, detailed disclosures to that effect along with the impact of such change is duly disclosed in the consolidated financial statements.

- ii) The Accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiaries have been combined on a line-by line basis by adding together like items of assets, liabilities, income and expenses. Inter-Company balances and transactions and unrealised profits and losses have been fully eliminated.
- ii) The consolidated financial statements include the share of profit / loss of associate Company, which are accounted under Equity method as per which the share of profit / loss is adjusted to the cost of investment.
- iii) The excess of cost to the Group of its investments in its subsidiary companies over its share of the equity at the dates on which the investments are made, is recognised as Goodwill (on Consolidation), being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of the investment of the Group, it is recognised as Capital Reserve (on Consolidation) and included under the head 'Reserves and Surplus' in the consolidated financial statements.
- iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments are made in the subsidiary Company and future movements in the share of the equity, subsequent to the dates of investment.

- v) On disposal of a subsidiary, the attributable goodwill is included in the determination of the profit and loss on disposal.

2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expenditure during the year. Examples include provisions for doubtful debts, provision for employee benefits, provision for taxation, useful lives of depreciable assets, provisions for impairment, provision for contingencies, provision for warranties / discounts etc. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

Future results could differ from those estimates. The effects of changes in accounting estimates are reflected in the financial statements in the period in which results are known and, if material, are disclosed in the financial statements.

2.4 Revenue recognition

Income from Services:

Revenue recognition depends on the arrangements with the customer which are either on "Time and material" or on a "Time bound fixed-price" basis.

Revenue from software services performed on a "time and material" basis is recognised as and when services are performed.

The Group also performs work under "Time bound fixed-price" arrangements, under which customers are billed, based on completion of specified milestones and/or on the basis of man-days/man hours spent as per terms of the contracts. Revenue from such arrangements is recognised over the life of the contract using the percentage completion method. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses on such engagements is made in the year in which such loss becomes probable and can be reasonably estimated.

Revenue from sale of equipment is recognised when the product has been delivered, in

accordance with the sales contract and when the title is transferred to the customer.

Revenues from fixed-price maintenance contracts are recognised pro-rata over the period of the contract in which the services are rendered.

Reimbursement of expenditure is recognised under revenue along with recognition of sale of service to which it relates.

Revenue is net of volume discounts / price incentives which are estimated and accounted for based on the terms of the contracts and also net of applicable indirect taxes.

Amounts received or billed in advance of services performed are recorded as unearned revenue. Unbilled revenue represents amounts recognised based on services performed in advance of billings in accordance with contract terms and is net of estimated allowances for uncertainties and provision for estimated losses.

Manufacturing income and service charges are recorded at invoice value and accrued manufacturing income is recognized as at year-end.

Sale of Products:

Revenue is recognized net of sales returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Export benefits under DEPB license and excise benefits are accounted on accrual basis.

2.5 Inventories

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

- i) Raw Materials & Consumables - At Cost or Net realizable Value whichever is less.
- ii) Stores and Spares - At Cost.
- iii) Work in Process & Finished Goods - At Cost or Net realizable Value whichever is less.

Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost includes direct material, labour and a proportion of manufacturing overheads.

2.6 Other income

Income from interest is recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.

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

2.7 Fixed assets, intangible assets and capital work-in-progress

Fixed Assets are stated at actual cost, less accumulated depreciation and impairment. Cost includes all expenses incurred to bring the assets to its present location and condition. Subsequent expenses on fixed assets after its purchase is capitalised only if such expenses results in an increase in the future benefits from such assets beyond the previously announced standards of performance.

The cost and the accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are recognised in the Consolidated Statement of Profit and Loss.

Asset under installation or under construction as at Balance sheet date are shown as Capital Work in Progress (CWIP).

Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.

Intangible assets under development:

Expenditure incurred towards development (Refer Note 2.11) eligible for capitalization are carried as intangible assets under development where such assets are not yet ready for their intended use.

2.8 Depreciation & amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advise, 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, etc.:

| Type of asset | Useful life |
|------------------------|---|
| Leasehold Land | Over the lease period of 6 - 79 years |
| Building | 28 years |
| Leasehold Improvements | Shorter of lease period or estimated useful lives |
| Plant and Equipment * | 10 years |
| Tools & Equipment | 5 years |
| Computers | 3 years |

* Except a subsidiary Company

Intangible assets are amortised over their estimated useful life on straight line method basis as follows:

| Type of asset | Useful life |
|--|---|
| Software | 3 years |
| Software purchased for use in the projects | Over the period of the respective project |
| Customer rights | 3 years |

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Depreciation is charged on pro-rata basis from the date of capitalisation. Individual assets costing ₹ 5,000 or less are fully depreciated in the year of acquisition.

2.9 Impairment of assets

At each balance sheet date, the Management reviews the carrying amount of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets' net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risk specific to the asset.

When there is indication that impairment loss recognised for an asset in earlier accounting period no longer exists or may have decreased such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment annually. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

2.10 Investments

Investments are either classified as current or long-term based on their nature / holding period / Management's intent at the time of making the investment. Current investments are carried individually at the lower of cost and fair value.

Long-term investments are carried individually at cost less provision made to recognise any diminution, other than temporary, in the value of such investment. Cost of investments include acquisition charges such as brokerage, fees and duties. Provision is made to recognise any reduction in the carrying value of long-term investments and any reversal of such reduction is credited to the Consolidated Statement of Profit and Loss.

2.11 Research and development

Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic

benefits are probable, the Company has intention and ability to complete and use the asset and the costs are measure reliably, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

2.12 Foreign currency transactions/translations

The transactions in foreign exchange entered into by the Company are accounted at the exchange rate prevalent on the date of the transaction. Foreign currency monetary items (other than derivative contracts) outstanding as at Balance Sheet date are restated at year end exchange rate. Non-monetary items are carried at historical cost and the exchange gains or losses are recognised in the Consolidated Statement of Profit and Loss. Exchange differences arising on a monetary item that, in substance, form part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

The operations of foreign branches of the Company are integral in nature and the financial statements of these branches are translated using the same principles and procedures as those of head office.

For the purposes of consolidation, income and expenses are translated at average rates and the assets and liabilities are converted at closing rate. The net impact of such change is accumulated under foreign currency translation reserve.

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange fluctuations. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

In case of forward exchange contract or any other financial instruments that is in substance a forward exchange contract (other than for a firm commitment or a highly probable forecast) to hedge the foreign currency risk, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract. Exchange differences on such forward exchange contracts are recognised in the Consolidated Statement of Profit and Loss in the reporting period in which the exchange rates change. Gain/Loss on settlement of transaction arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

2.13 Derivative instruments and hedge accounting

The Company uses foreign exchange forward contracts (derivative contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The use of foreign exchange forward contracts is governed by the Company's policies on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

The Company designates such derivative contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard 30 "Financial Instruments - Recognition and Measurement" (AS-30) as issued by ICAI in respect of such derivative contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. These derivative contracts are stated at the fair value at each reporting date. Changes in fair value of these foreign exchange forward contracts that are designated and effective as hedges of future cash flows are recognised directly in the "Hedging reserve account" under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in the "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

Derivative contracts that are not designated in a cash flow hedging relationship are marked to market, where ever required, as at the Balance Sheet date and the unrealised losses, if any, are dealt with in the Statement of Profit and Loss. Unrealised gains, if any, on such derivatives are not recognised in the Statement of Profit and Loss.

2.14 Employee benefits

Employee benefits include provided fund, superannuation fund, employee's state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

Contributions in respect of Employees Provident Fund and Pension Fund which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as an expense based on the amount of contribution required to be made and when service are rendered by the employees.

Contributions under the superannuation plan which is a defined contribution scheme, are made to a fund administered and managed by the Life Insurance Corporation of India and are charged as an expense based on the amount of contribution required to be made and when service are rendered by the employees.

Cyient Inc. (formerly Infotech Enterprises America Inc.) provides a defined contribution plan benefit through the Cyient Inc. (formerly Infotech Enterprises America Inc.) 401(K) Retirement Plan to all of its eligible employees. The plan is administered by Cyient Inc. (formerly Infotech Enterprises America 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., (formerly Infotech Enterprises America Inc.).

Defined benefit plans

The Company also provides for other retirement benefits in the form of gratuity. The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date based on projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Group records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Group measures the expected

cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

Other short-term employee benefits

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

2.15 Taxes on Income

Current income tax expense comprises of taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the applicable rates and the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

For subsidiaries the current charge for income tax is calculated in accordance with the relevant tax regulations. A provision is made for income tax annually, based on tax liability computed, after considering tax allowances and exemptions. Tax expense for a year comprises of current tax and deferred tax.

Deferred tax is recognised on timing difference, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

MAT credit

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In

the year in which the MAT credit becomes eligible to be recognised as an asset, in accordance with the provisions contained in the Guidance Note on Accounting for Credit Available under Minimum Alternate Tax, issued by the ICAI, the said asset is created by way of a credit to the Consolidated Statement of Profit and Loss and shown as 'MAT Credit Entitlement'. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Advance taxes and provisions for current income taxes are presented in the Consolidated Balance Sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and the intention is to settle the asset and liability on net basis.

2.16 Leases

(a) Where the Company is the lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

(b) Where the Company is the lessor -

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Consolidated Statement of Profit and Loss over the lease period. Costs, including depreciation, are recognised as an expense in the Consolidated Statement of Profit and Loss.

2.17 Warranty Costs

Post-sales client support and warranty costs are estimated by the Management on the basis of technical evaluation and past experience of costs. Provision is made for the estimated liability in respect of warranty costs in the year of recognition of revenue and is included in the Consolidated Statement of Profit and Loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made as and when required.

2.18 Earnings per share (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares

outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of any extra ordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.19 Associates Stock Options

Stock options granted to the associates of the Company under various Stock Option Schemes established after June 19, 1999 are evaluated as per the accounting treatment prescribed under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 / SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, issued by Securities Exchange Board of India and the Guidance note on Accounting for Employee Share-Based payments, issued by ICAI.

The exercise price under the aforesaid schemes is the market price as defined in the SEBI Guidelines from time to time. i.e. market price equals the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/ shares are issued, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered. The Company measures compensation cost relating to employee stock option scheme using the intrinsic value method and considering that all options are granted as above there is no compensation cost to be charged to the Consolidated Statement of Profit and Loss.

2.20 Provisions, Contingent liabilities and Contingent Assets

A provision is recognised when the Group has a

present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the consolidated financial statements.

2.21 Cash and cash equivalents (for the purpose of Consolidated Cash Flow Statement)

Cash comprises cash on hand, in bank and demand deposits with banks. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents. Such cash equivalents are subject to insignificant risk of changes in value.

Cash flows are reported using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transaction of non- cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.22 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service rendered is accounted and when there is no uncertainty in availing/utilising the credits.

2.23 Borrowing Costs

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of profit and loss in the period they occur. Borrowing costs, allocated to acquisition of qualifying assets upto the date of capitalisation of such asset is added to the cost of assets.

2.24 Operating Cycle

Based on the nature of activities of the group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the group has determined its operating cycle as 12 months for the purpose of classification of assets and liabilities as current and non-current.

| Note | As at March 31, 2016 | | As at March 31, 2015 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Number of shares | Amount in ₹ | Number of shares | Amount in ₹ |
| 3. Share capital | | | | |
| Authorised capital: | | | | |
| Equity shares of ₹ 5 each (Refer Note 35 (v)) | 270,000,000 | 1,350,000,000 | 270,000,000 | 1,350,000,000 |
| | | 1,350,000,000 | | 1,350,000,000 |
| Issued and subscribed and fully paid-up capital: | | | | |
| Equity shares of ₹ 5 each | 112,483,377 | 562,416,885 | 112,361,065 | 561,805,325 |
| | | 562,416,885 | | 561,805,325 |

Notes:**a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

| Particulars | For the year ended March 31, 2016 | | For the year ended March 31, 2015 | |
|--|--------------------------------------|--------------------|--------------------------------------|--------------------|
| | Number of shares | Amount in ₹ | Number of shares | Amount in ₹ |
| Equity shares | | | | |
| Opening balance | 112,361,065 | 561,805,325 | 111,964,613 | 559,823,065 |
| Equity shares allotted pursuant to exercise of stock options | 122,312 | 611,560 | 396,452 | 1,982,260 |
| Closing balance | 112,483,377 | 562,416,885 | 112,361,065 | 561,805,325 |

b. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

c. Details of shares held by each shareholder holding more than 5% of aggregate equity shares :

| Name of the share holder | As at March 31, 2016 | | As at March 31, 2015 | |
|-------------------------------------|-----------------------|--------|-----------------------|--------|
| | Number of shares held | % | Number of shares held | % |
| BVR Mohan Reddy | 14,614,888 | 12.99% | 14,597,366 | 12.99% |
| Carrier International Mauritius Ltd | 15,292,960 | 13.60% | 15,292,960 | 13.61% |
| First Carlyle Ventures Mauritius | 11,099,416 | 9.87% | 11,099,416 | 9.88% |
| B Sucharitha | 6,541,200 | 5.82% | 6,541,200 | 5.82% |

d. Aggregate number and class of shares allotted as fully paid up by way of bonus shares during 5 years immediately preceding the Balance Sheet date:

As at March 31, 2016 - 55,552,348 (March 31, 2015 - 55,552,348) equity shares of ₹ 5 each as fully paid-up by way of bonus shares by capitalising free reserves of the Company during the 5 years immediately preceeding the said dates (Refer Note 46.2).

e. Details of shares allotted under Associate Stock Option Plans (Refer Note 46.1)

- (i) 80,900 (As at March 31, 2015 - 80,900) equity shares of ₹ 10 each fully paid-up was allotted to Infotech ESOP trust pursuant to the Infotech Employee Stock Offer Scheme - 1999 (ESOP - 1999)
- (ii) 1,650,630 (As at March 31, 2015 - 1,650,630) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2001 (ASOP - 2001)
- (iii) 2,123,507 (As at March 31, 2015 - 2,123,507) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2002 (ASOP - 2002)
- (iv) 3,296,545 (As at March 31, 2015 - 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) 807,571 (As at March 31, 2015 - 685,259) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2008 (ASOP - 2008)

f. Details of shares reserved for issue:

- i. Shares aggregating 318,750 and 637,383 as at March 31, 2016 and March 31, 2015 respectively, reserved for issue under Associate Stock Option Plan Scheme 2008 (Refer Note 46.1).
- ii. Shares aggregating 1,200,000 (March 31, 2015 - Nil), reserved for issue under ASOP scheme 2015 (Refer Note 46.1)

(Amount in ₹)

| | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| 4. Reserves and Surplus | | |
| a) Securities premium account | | |
| Balance at the beginning of the year | 3,809,658,543 | 3,744,508,666 |
| Add: Premium on shares issued during the year | 20,391,668 | 65,149,877 |
| Balance at the end of the year | 3,830,050,211 | 3,809,658,543 |
| b) General reserve | | |
| Balance at the beginning of the year | 5,158,392,065 | 4,780,292,065 |
| Add: Transferred from surplus in Consolidated Statement of Profit and Loss | - | 217,100,000 |
| Transferred from Contingency Reserve (Refer Note 50) | - | 161,000,000 |
| Infotech Geospatial (India) Private Limited Amalgamation Adjustment (Refer Note 35 (v)) | 246,486 | - |
| Less: Infotech Geospatial (India) Private Limited Amalgamation Adjustment (Refer Note 35 (v)) | 3,600,000 | - |
| Balance at the end of the year | 5,155,038,551 | 5,158,392,065 |
| c) Hedging reserve (Refer Note 33) | | |
| Balance at the beginning of the year | 459,585,048 | 207,993,639 |
| Add: Changes in the fair value of effective portion of outstanding cashflow hedges (net) | 139,442,027 | 459,585,048 |
| Less: Losses transferred to Consolidated Statement of Profit and Loss on occurrence of forecasted hedge transactions during the year (net) | 459,585,048 | 207,993,639 |
| Balance at the end of the year | 139,442,027 | 459,585,048 |
| d) Contingency reserve | | |
| Balance at the beginning of the year | - | 161,000,000 |
| Less: Transferred to general reserve (Refer Note 50) | - | 161,000,000 |
| Balance at the end of the year | - | - |
| e) Surplus in Consolidated Statement of Profit and Loss | | |
| Balance at the beginning of the year | 8,180,960,195 | 5,972,309,590 |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (Net of deferred tax) (Refer Note 54) | - | 11,389,934 |
| Add: Profit for the year | 3,262,492,046 | 3,532,036,414 |
| Less: Adjustment of account of amalgamation of Softtential Inc. with Cyient Inc. (formerly Infotech Enterprises America Inc.) (Refer Note 35(ii)) | 1,535,063,820 | - |
| Less: Adjustment of account of amalgamation of Infotech Geospatial (India) Pvt Ltd with Cyient Limited (formerly Infotech Enterprises Limited) (Refer Note 35(v)) | 46,302,607 | - |
| Less: Minority Interest (Refer Note (i) below) | - | 23,904,059 |
| Amount available for appropriation | 9,862,085,814 | 9,469,052,011 |
| Appropriations: | | |
| Less: Interim Dividend | 787,362,639 | 336,397,269 |
| Dividend proposed to be distributed to equity shareholders | - | 561,805,325 |
| Tax on dividend | 160,288,507 | 172,198,503 |
| Residual Dividend Tax | (229,198) | 590,719 |
| Transfer to general reserve | - | 217,100,000 |
| Balance at the end of the year | 8,914,663,866 | 8,180,960,195 |
| f) Currency translation reserve | | |
| Balance at the beginning of the year | 267,576,052 | 454,726,230 |
| Additions/(deletions) during the year | 226,276,767 | (187,150,178) |
| Balance at the end of the year | 493,852,819 | 267,576,052 |
| g) Capital reserve | | |
| | 2,614,267 | 2,614,267 |
| TOTAL | 18,535,661,741 | 17,878,786,170 |

Note: (i) The amount represents share of loss attributable to Minority Interest on consolidation of a subsidiary as absorbed by the Company.

| | (Amount in ₹) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| 5. Long-term borrowings* | | |
| Term Loans | | |
| Secured | | |
| From Banks (Refer Notes 5.1, 5.2 & 5.3 below) | 644,831,988 | 434,368,750 |
| Unsecured | | |
| From Others (Refer Note 5.4 below) | 36,201,274 | 32,405,333 |
| TOTAL | 681,033,262 | 466,774,083 |

*Current maturities on long-term borrowings have been disclosed under the head Other current liabilities (Refer Note 10).

5.1 Term Loans of Rangsons Electronics Private Limited:

Nature of Security & Terms of Repayment :

(i) Nature of Security:

Term Loans are borrowed from State Bank of Mysore & HDFC Bank Limited, and are secured by -

- i. First pari-passu charge on all existing and future fixed assets of the Borrower, to be shared with existing term lenders.
- ii. Second pari-passu charge on current assets and other movable asset of the Company.
- ii. Guarantees: Corporate Guarantee of Cyient Limited

(ii) Terms of Repayment:

a. Term Loan of ₹ 60,000,000:

Repayable in 48 monthly variable installments commencing from May 2011. Last installment due in April 2015. Rate of interest 3.00% p.a. above Base Rate. Outstanding balance as at March 31, 2016 is ₹ Nil (March 31, 2015 : ₹ 1,523,731).

b. Term Loan - ₹ 55,000,000:

Repayable in 60 monthly variable installments commencing from May 2013. Last installment due in April 2018. Rate of interest 3.00% p.a. above Base Rate. Outstanding balance as at March 31, 2016 is ₹ 23,500,000 (March 31, 2015 : ₹ 34,300,000).

c. Term Loan - ₹ 90,000,000:

Repayable in 60 monthly installments commencing from November 2014. Last installment due in November 2019. Rate of interest 3.00% p.a. above Base Rate. Outstanding balance as at March 31, 2016 is ₹ 66,000,000 (March 31, 2015 : ₹ 84,000,000)

d. Term Loan - ₹ 150,000,000:

Repayable in 54 monthly equated installments commencing from March 2016. Rate of interest 1.30% p.a. above Base Rate. Outstanding balance as at March 31, 2016 is ₹ 3,334,686 (March 31, 2015 ₹ Nil).

5.2 Term Loan of Cyient Singapore Private Limited:

During the year Cyient Singapore Private Limited availed a term loan of ₹ 238,249,710 (USD 3,600,000). This loan is secured by a corporate guarantee from Cyient Limited (formerly Infotech Enterprises Limited). Outstanding balance as at March 31, 2016 is ₹ 218,395,568 (March 31, 2015 - ₹ Nil).

5.3 Term Loan of Cyient Inc. (formerly Infotech Enterprises America Inc.):

- (a) Cyient Inc. (formerly Infotech Enterprises America Inc.) availed a term loan of ₹ 601,000,000 (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, 2016 ₹ 373,106,250 (USD 5,625,000) (March 31, 2015: ₹ 508,543,750 (USD 8,125,000)). To cover the fluctuations in LIBOR, Cyient Inc. (formerly Infotech Enterprises America 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 (formerly Infotech Enterprises Limited).

- (b) Cyient Inc. (formerly Infotech Enterprises America Inc.) availed a term loan of ₹ 349,470,000 (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, 2016 ₹ 275,269,500 (USD 4,150,000) (March 31, 2015: ₹ Nil (USD Nil)). To cover the fluctuations in LIBOR, Cyient Inc. (formerly Infotech Enterprises America 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 (formerly Infotech Enterprises Limited).

5.4 Loan from others of Cyient Insights Private Limited (formerly Invati Insights Private Limited) :

Unsecured loans availed from others and outstanding as at March 31, 2016 ₹ 36,201,274 (March 31, 2015 - ₹ 32,405,333).

(Amount in ₹)

| | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| 6. Long-term liabilities | | |
| Security Deposits | 2,183,229 | 3,143,422 |
| Non-current portion of Unearned Revenue | 88,200,858 | 196,891,366 |
| TOTAL | 90,384,087 | 200,034,788 |

(Amount in ₹)

| | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| 7. Long-term Provisions | | |
| Provision for employee benefits | | |
| Provision for gratuity (net) (Refer Note 36.2(i)) | 389,160,729 | 323,400,417 |
| Provision for compensated absences (Refer Note 36.2(ii)) | 264,302,021 | 258,953,296 |
| TOTAL | 653,462,750 | 582,353,713 |

(Amount in ₹)

| | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| 8. Short-term borrowings | | |
| Secured | | |
| Working capital loans (Refer Note 8.1 below) | 1,146,570,215 | 769,372,061 |
| Unsecured | | |
| from other parties (Refer Note 8.2 below) | - | 43,519,238 |
| TOTAL | 1,146,570,215 | 812,891,299 |

8.1 (a) Working Capital Loan of Rangsons Electronics Private Limited:

- (i) State Bank of Mysore:

Loan outstanding balance as on March 31, 2016 is ₹ 572,932,023 (March 31, 2015 - ₹ 599,807,958)

Nature of Security:

- i. Guarantees: Corporate Guarantee of Cyient Limited (formerly Infotech Enterprises Limited).

(ii) HDFC Bank :

Loan outstanding balance as on March 31, 2016 is ₹ 428,041,147 (March 31, 2015 - ₹ 168,570,591)

Nature of Security:

i. Guarantees: Corporate Guarantee of Cyient Limited (formerly Infotech Enterprises Limited).

8.1 (b) Working Capital facility of Cyient Singapore Private Limited:

Loan outstanding balance as on March 31, 2016 is ₹ 145,597,045 (SGD 2,962,300) from HSBC (March 31, 2015 - ₹ Nil). This loan is secured by a corporate guarantee from Cyient Limited (formerly Infotech Enterprises Limited).

8.1 (c) Working Capital facility of Cyient GmbH (formerly Infotech Enterprises GmbH):

Working capital facility outstanding as on March 31, 2016 ₹ Nil (March 31, 2015 - ₹ 993,512) is secured by a stand by letter of credit from HSBC, India which inturn is secured by a corporate gurantee from Cyient Limited (formerly Infotech Enterprises Limited).

8.1 (d) Loan of Cyient Inc. (formerly Infotech Enterprises America Inc.):

During the year Cyient Inc. (formerly Infotech Enterprises America Inc.) borrowed short term loans aggregating ₹ 696,465,000 (USD 10,500,000) (March 31, 2015 - ₹ 1,054,665,000 (USD 17,250,000)) and repaid the same before the end of the financial year under a line of credit arranged with Citi Bank NA. This loan is secured by a stand by letter of credit from Citi Bank, India which inturn is secured by a corporate guarantee from Cyient Limited (formerly Infotech Enterprises Limited).

8.2 Unsecured Loan of Rangsons Electronics Private Limited:

Interest free Loan from Directors of the Subsidiary Company in the previous year and due on July 31, 2015 was fully repaid during the year.

| | (Amount in ₹) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| 9. Trade payables | | |
| Dues to micro enterprises and small enterprises (Refer Note 32) | 3,055,599 | 4,121,880 |
| Dues to creditors other than micro enterprises and small enterprises | 3,103,722,355 | 2,749,439,377 |
| TOTAL | 3,106,777,954 | 2,753,561,257 |

| | (Amount in ₹) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| 10. Other current liabilities | | |
| Current maturities of long-term debt | 314,774,016 | 193,998,731 |
| Unearned revenue | 370,453,857 | 498,760,347 |
| Unclaimed dividends (Refer Note below) | 11,850,934 | 7,031,045 |
| Interest Accrued but not due on borrowings | 1,907,528 | 1,944,855 |
| Other payables | | |
| - Statutory remittances and others (net) | 803,341,190 | 514,226,266 |
| - Derivative Liability (Refer Note 33.1) | 35,572,044 | 3,232,386 |
| - Payables on purchase of fixed assets | 46,095,482 | 35,786,908 |
| - Advance from customers | 194,214,831 | 141,045,330 |
| - Security Deposit | 3,398,935 | 1,056,945 |
| - Other liabilities | 61,183,798 | 3,745,832 |
| TOTAL | 1,842,792,615 | 1,400,828,645 |

Note: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

(Amount in ₹)

| | As at March 31, 2016 | | As at March 31, 2015 | |
|--|-------------------------|--------------------|-------------------------|--------------------|
| 11. Short-term provisions | | | | |
| Provision for employee benefits | | | | |
| Provision for gratuity (net) (Refer Note 36.2(i)) | 12,092,299 | | 11,807,474 | |
| Provision for compensated absences (Refer Note 36.2(ii)) | 184,224,849 | 196,317,148 | 145,834,118 | 157,641,592 |
| Provision - others: | | | | |
| Provision for warranty (Refer Note 45) | | 4,235,256 | | 5,578,782 |
| Provision for proposed equity dividend | | — | | 561,805,325 |
| Provision for tax on proposed equity dividend | | — | | 115,027,787 |
| Provision for taxation [Net of advance ₹ 1,892,408,824 (As at March 31, 2015 : ₹ 1,668,309,906)] | | 378,844,391 | | 115,716,178 |
| TOTAL | | 579,396,795 | | 955,769,664 |

12. FIXED ASSETS

(Amount in ₹)

| DESCRIPTION | GROSS BLOCK | | | | | ACCUMULATED DEPRECIATION/AMORTISATION | | | | | NET BLOCK | | | | |
|-------------------------------------|------------------------|---|---------------------------------|---------------------------|---|---------------------------------------|---------------------------|------------------------|--|---|---|---|---------------------------------------|---------------------------|-------------------------|
| | As at April 1, 2015 | Acquisitions through business combination (Refer Note 35) | Additions during the year | Deletions/ Adjustments | Deletions on Sale of Business (Refer Note 51) | Translation exchange difference | Balance March 31, 2016 | As at April 1, 2015 | Acquisitions through business combination (Refer Note 35) | Other adjustments/ Transition adjustment recorded against Surplus balance in Statement of Profit and Loss | For the year Adjustments (Refer Note 35) | Deletions on Sale of Business (Refer Note 51) | Translation exchange difference | Balance March 31, 2016 | As at March 31, 2015 |
| A. Tangible Assets | | | | | | | | | | | | | | | |
| a. Land (Refer Note II below) | 15,571,954 | - | - | - | - | - | 15,571,954 | - | - | - | - | - | - | - | 15,571,954 |
| - Freehold | (15,571,954) | (-) | (-) | (-) | (-) | (-) | (15,571,954) | - | (-) | (-) | (-) | (-) | (-) | (-) | (15,571,954) |
| - Leasehold (Refer Note II below) | 149,219,020 | - | - | - | - | - | 149,219,020 | 36,007,497 | - | - | 4,433,528 | - | - | 40,441,025 | 108,777,995 |
| b. Buildings (Refer Note III below) | 1,944,938,531 | (-) | 15,075,544 | 3,991,669 | 879,181 | (-) | 1,955,144,225 | 419,559,515 | - | - | 68,708,736 | 585,548 | 26,238 | 487,456,065 | 1,467,688,160 |
| (1,871,457,204) | (-) | (-) | (69,726,362) | (2,245,055) | (-) | (-) | (1,944,938,531) | (333,361,762) | (-) | (-) | (67,118,763) | (1,121,010) | (-) | (419,359,515) | (1,524,095,442) |
| c. Leasehold Improvements | 121,607,191 | (10,113,579) | (4,410,705) | (-) | (-) | (-) | 130,990,473 | 82,909,942 | (2,921,145) | (-) | (22,313,487) | 228,930 | (-) | 96,321,152 | 33,669,321 |
| (103,495,862) | (-) | (-) | (-) | (-) | (-) | (-) | (3,587,045) | (55,379,877) | (-) | (-) | (-) | (-) | 4,729,766 | (82,909,942) | (38,697,249) |
| d. Computers | 1,784,532,046 | (139,742,801) | 139,742,801 | 69,888,154 | 9,579,027 | (-) | 1,845,453,472 | 1,349,566,973 | (-) | (-) | 124,080,587 | 69,836,628 | 4,176,915 | 1,399,855,147 | 245,938,325 |
| (1,643,611,327) | (28,263,070) | (24,101,007) | (24,101,007) | (24,101,007) | (-) | (726,469) | (1,784,532,046) | (1,410,711,551) | (21,562,551) | (-) | (129,600,178) | (13,448,550) | (578,870) | (1,549,566,973) | (234,965,073) |
| e. Plant and equipment | 1,281,963,903 | (81,365,484) | 81,365,484 | 2,908,417 | 1,140,928 | (-) | 1,359,280,042 | 667,633,627 | (-) | (-) | 96,460,525 | 2,454,045 | 241,442 | 761,398,665 | 597,881,377 |
| (90,931,623) | (433,901,500) | (-) | (-) | (4,245,231) | (-) | (-) | (1,281,963,903) | (392,025,331) | (212,598,232) | (-) | (65,414,828) | (2,404,764) | (-) | (667,633,627) | (614,330,276) |
| f. Office equipment | 522,112,385 | (65,958,824) | 65,958,824 | 1,448,170 | 7,086,436 | (-) | 596,227,070 | 370,754,021 | (-) | (-) | 56,647,295 | 1,336,888 | 2,497,356 | 437,634,567 | 153,538,365 |
| (439,992,620) | (14,716,553) | (65,239,823) | (-) | (-) | (-) | (1,104,736) | (522,112,385) | (288,642,634) | (5,731,779) | (17,106,060) | (52,614,473) | 3,569,691 | (3,289,384) | (370,754,021) | (151,349,986) |
| g. Furniture and fixtures* | (431,552,897) | (55,740,603) | (46,877,592) | (4,244,722) | (-) | (1,338,424) | (531,364,484) | (239,985,271) | (-) | (-) | 51,300,407 | 2,514,253 | 1,435,497 | (303,311,546) | (227,952,938) |
| (398,580,281) | (19,727,196) | (-) | 22,359,880 | 504 | 2,045,991 | (1,535,716) | (439,626,180) | (185,278,306) | (7,963,999) | (-) | 42,093,046 | (-) | 88,072 | (271,650,000) | (209,767,452) |
| h. Electrical installations | 439,626,180 | (326,709) | (326,709) | (-) | (-) | (504) | (15,257,272) | (4,683,497) | (249,880) | (-) | (1,007,050) | (-) | (49,555) | (229,858,748) | (213,301,975) |
| i. Vehicles | 15,257,272 | (22,299,404) | 2,315,763 | (-) | (-) | (-) | (52,231,466) | 33,438,529 | (-) | (-) | 2,881,396 | 2,315,763 | (-) | 5,525,622 | 29,715,291 |
| (7,973,105) | (268,997) | (7,995,608) | (980,942) | (-) | (-) | (-) | (48,060,135) | (-) | (32,756,025) | (-) | 5,976,337 | (-) | (-) | (4,995,989) | (10,297,283) |
| j. Tools and Equipment | 48,060,135 | (48,127,071) | (816,092) | (883,028) | (-) | (-) | (150,813) | 150,813 | (-) | (-) | (1,254,752) | (572,248) | (-) | (33,438,529) | (14,621,606) |
| k. Borewell | 150,813 | (-) | (-) | (-) | (-) | (-) | (150,813) | (-) | (127,999) | (-) | (22,814) | (-) | (-) | 150,813 | (-) |
| TOTAL | 6,854,303,914 | 449,540,510 | 83,679,873 | 25,455,204 | 28,206,126 | 28,206,126 | 7,222,317,473 | 3,697,951,200 | 462,898,231 | 79,272,455 | 8,733,314 | 21,288,832 | 4,094,092,494 | 3,128,842,979 | 3,156,352,714 |
| Previous year | (5,828,845,971) | (611,009,382) | (443,566,436) | (36,028,529) | (-) | (6,910,754) | (6,854,303,914) | (2,961,642,198) | (301,663,203) | (17,106,060) | (429,132,133) | (-) | (8,121,686) | (3,156,352,714) | (2,867,203,673) |
| B. Intangible Assets | | | | | | | | | | | | | | | |
| a. Computer software | 2,315,592,641 | (-) | 236,737,986 | (-) | 2,006,426 | 12,057,440 | 2,562,381,641 | 1,882,988,134 | (-) | (-) | 331,141,398 | - | 633,128 | 2,224,823,041 | 432,604,507 |
| (2,024,867,806) | (21,194,452) | (268,621,832) | 653,501 | (-) | (-) | (255,050) | (2,315,592,641) | (1,600,352,939) | (18,702,681) | (-) | (262,349,984) | (-) | (1,462,260) | (1,882,988,134) | (424,514,867) |
| b. Other intangible assets | 147,805,287 | (-) | 577,437,216 | (-) | (-) | (-) | 725,242,503 | 115,153,934 | (-) | (-) | 98,955,237 | - | 2,048,811 | 216,157,782 | 32,651,353 |
| (122,569,805) | (-) | (25,235,482) | (-) | (-) | (-) | (-) | (147,805,287) | (71,858,825) | (-) | (25,235,482) | (180,599,627) | (-) | (-) | (115,153,934) | (50,710,980) |
| TOTAL | 2,463,397,928 | 814,175,202 | 2,006,426 | 2,006,426 | 12,057,440 | 12,057,440 | 3,287,624,144 | 1,998,142,068 | 430,096,635 | 633,128 | 13,375,248 | 13,375,248 | 2,440,980,823 | 846,643,321 | 465,255,860 |
| Previous year | (2,147,457,611) | (21,194,452) | (293,557,314) | 653,501 | (-) | (255,050) | (2,463,397,928) | (1,672,211,764) | (18,702,681) | (25,235,482) | (280,404,611) | (-) | (1,998,142,068) | (146,525,560) | (475,225,847) |
| Grand Total | 9,317,701,842 | 1,263,715,712 | 83,679,873 | 27,461,630 | 40,265,566 | 40,265,566 | 10,510,341,617 | 5,696,093,268 | 902,954,866 | 79,272,455 | 9,366,442 | 34,664,080 | 6,535,073,317 | 3,975,468,300 | 3,621,608,574 |
| Previous year | (7,976,283,682) | (632,203,834) | (737,423,750) | (55,375,028) | (-) | (7,165,804) | (9,317,701,842) | (4,633,853,962) | (320,365,884) | (42,341,542) | (19,588,810) | (-) | (5,696,093,268) | (3,621,608,574) | (3,342,429,520) |

*Including Interior Work

Notes: (i) Includes ₹3,947,700 (31.03.2015: ₹3,947,700) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

(ii) Includes ₹9,283,720 (31.03.2015: ₹9,283,720) in respect of which land allocation letter has been received, pending completion of legal formalities relating to conveyance.

(iii) Includes ₹779,663,326 (31.03.2015: ₹779,663,326) relating to Building constructed on leasehold land.

(iv) Figures in brackets relate to the previous year

| C. | Capital work-in-progress : | For the year ended | | For the year ended | |
|----|--------------------------------|--------------------|-------------------|--------------------|--------------------|
| | | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| | Construction related contracts | - | 3,408,035 | - | 709,536,744 |
| | Other fixed assets | 23,745,440 | 51,746,044 | 892,954,866 | 3,238,362 |
| | TOTAL | 23,745,440 | 55,154,079 | 892,954,866 | 712,775,106 |

D. Depreciation and amortisation expense:

| | | |
|---|--------------------|--------------------|
| Depreciation and amortisation on | 892,954,866 | 709,536,744 |
| Tangible assets and intangible assets | - | 3,238,362 |
| Amortisation of goodwill on consolidation | - | - |
| TOTAL | 892,954,866 | 712,775,106 |

| | (Amount in ₹) | | | |
|--|-------------------------|--------------------|-------------------------|--------------------|
| | As at March 31, 2016 | | As at March 31, 2015 | |
| 13. Non-Current Investments - Trade | | | | |
| Unquoted Investments | | | | |
| (a) Investment in Associate Company | | | | |
| Infotech Aerospace Services Inc., USA | 675,210,116 | | 524,835,158 | |
| 490 shares of \$0.01 par value fully paid-up (March 31, 2015 : 490 shares of \$0.01 each fully paid) | | | | |
| Add : Share of profit | 120,324,634 | 795,534,750 | 150,374,958 | 675,210,116 |
| (b) Other entities | | | | |
| (i) Canesta Inc., USA | | 98,206 | | 98,206 |
| 10,000 shares of \$ 0.19275 par value each fully paid-up (March 31, 2015 : 10,000 shares of \$ 0.19275 each fully paid) | | | | |
| (ii) Trafficmaster Plc., United Kingdom | | | | |
| 35,088 ordinary shares of GBP 1 each fully paid-up (March 31, 2015 : 35,088 shares of GBP 1 each fully paid) | 6,659,000 | | 6,659,000 | |
| Less: Provision for diminution in value of investment | 6,551,990 | 107,010 | 6,551,990 | 107,010 |
| TOTAL | | 795,739,966 | | 675,415,332 |
| Note: | | | | |
| Aggregate cost of unquoted investments | | 795,739,966 | | 675,415,332 |
| Aggregate provision for diminution | | 6,551,990 | | 6,551,990 |

| | (Amount in ₹) | | | |
|--|-------------------------|----------------------|-------------------------|----------------------|
| | As at March 31, 2016 | | As at March 31, 2015 | |
| 14. Long term loans and advances | | | | |
| (Unsecured) | | | | |
| a) Capital advances, considered good | | 62,321,127 | | 48,342,116 |
| b) Security deposits | | | | |
| Considered good | 157,306,385 | | 117,636,512 | |
| Considered doubtful | 16,200,000 | | 16,200,000 | |
| | 173,506,385 | | 133,836,512 | |
| Less: Provision for doubtful deposits | 16,200,000 | 157,306,385 | 16,200,000 | 117,636,512 |
| c) Loans and advances to employees | | 23,853,040 | | 33,902,926 |
| d) Prepaid expenses, considered good | | 104,476,400 | | 88,120,442 |
| e) Advance income taxes (net of provisions ₹ 3,550,986,486 (As at March 31, 2015: ₹ 2,806,816,516) | | 599,477,140 | | 461,876,077 |
| f) MAT credit entitlement, considered good (Refer Note 42.5) | | 32,863,855 | | 2,551,688 |
| g) Balances with Government authorities | | | | |
| Considered good | 665,146,690 | | 613,222,625 | |
| Considered doubtful - Balances with Government Authorities | 452,559 | | 452,559 | |
| | 665,599,249 | | 613,675,184 | |
| Less : Provision for other doubtful - Balances with Government Authorities | 452,559 | 665,146,690 | 452,559 | 613,222,625 |
| TOTAL | | 1,645,444,637 | | 1,365,652,386 |

| | (Amount in ₹) | |
|-------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| 15. Other non-current assets | | |
| (Unsecured) | | |
| Long-term Deposits, considered good | 2,119,870 | 1,840,800 |
| TOTAL | 2,119,870 | 1,840,800 |

| | (Amount in ₹) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| 16. Current Investments | | |
| Quoted trade investments | | |
| (at lower of cost and fair value) | | |
| Investment in mutual funds: | | |
| Nil (31.03.2015 - 40,222) Units of ₹ 1000 each | | |
| IDFC Money Manager Fund - Investment Plan | | |
| - Daily Dividend- (Regular Plan) | - | 40,240,224 |
| Nil (31.03.2015 - 3,857,933) Units of ₹ 10 each | | |
| JM High Liquidity Fund - Daily Dividend Option (39) | - | 40,239,009 |
| Nil (31.03.2015 - 40,611) Units of ₹ 1000 each | | |
| Reliance Liquid Fund - Cash Plan - Daily Dividend | | |
| Option Dividend Reinvestment | - | 45,246,472 |
| Nil (31.03.2015 - 44,999) Units of ₹ 1000 each | | |
| Taurus Liquid Fund - Existing Plan - Super | | |
| Institutional Daily Dividend Reinvestment | - | 45,010,820 |
| Nil (31.03.2015 - 3,492,720) Units of ₹ 10 each | | |
| Sundaram Ultra Short-term Fund Regular | | |
| Daily Dividend Option Reinvestment | - | 35,056,430 |
| Nil (31.03.2015 - 43,885) Units of ₹ 1000 each | | |
| Baroda Pioneer Treasury Advantage Fund | | |
| - Plan A Daily Dividend- Reinvestment | - | 45,000,000 |
| Nil (31.03.2015 - 39,581) Units of ₹ 1000 each | | |
| L&T Liquid fund - Daily Dividend Reinvestment Plan | - | 40,041,669 |
| 50,223 (31.03.2015 - 45,191) Units of ₹ 1000 each | | |
| Religare Invesco Liquid Fund - Daily Dividend | 50,284,356 | 45,241,872 |
| 499,961 (31.03.2015 - Nil) Units of ₹ 100 each | | |
| Birla Sun Life Cash Plus - Daily dividend - Regular plan | 50,093,549 | - |
| 50,004 (31.03.2015 - Nil) Units of ₹ 1000 each | | |
| Axis Liquid Fund - Daily dividend Reinvestment | 50,021,648 | - |
| 47,822 (31.03.2015 - Nil) Units of ₹ 1000 each | | |
| UTI-Liquid Cash Plan Institutional Daily Dividend | | |
| Reinvestment | 48,751,678 | - |
| 45,942 (31.03.2015 - Nil) Units of ₹ 1000 each | | |
| IDBI Liquid Fund Regular Plan Daily Dividend | | |
| Reinvestment | 46,177,198 | - |
| 406,722 (31.03.2015 - Nil) Units of ₹ 100 each | | |
| ICICI Prudential Liquid Fund Regular Plan Daily Dividend | 40,698,051 | - |
| 45,766 (31.03.2015 - Nil) Units of ₹ 1000 each | | |
| Baroda Pioneer Liquid Fund - Plan A Daily Dividend Reinvestment | 45,817,467 | - |
| 47,951 (31.03.2015 - Nil) Units of ₹ 1000 each | | |
| L&T Liquid fund - Daily dividend reinvestment plan | 48,508,419 | - |

(Contd.)

(Amount in ₹)

| | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| 45,919 (31.03.2015 - Nil) Units of ₹ 1000 each IDFC Cash fund - Daily dividend Regular plan | 45,940,419 | - |
| 30,062 (31.03.2015 - Nil) Units of ₹ 1500 each Reliance Liquid Fund Cash Plan Daily Dividend Option Dividend Reinvestment | 45,957,130 | - |
| 4,298,654 (31.03.2015 - Nil) Units of ₹ 10 each Sundaram Money Fund Regular Daily Dividend Option Reinvestment | 43,396,203 | - |
| 40,391 (31.03.2015 - Nil) Units of ₹ 1000 each Kotak Floater Short Term Daily Dividend Regular Plan | 40,860,641 | - |
| 98,181 (31.03.2015 - Nil) Units of ₹ 1000 each HDFC Liquid Fund Dividend Daily Reinvestment | 100,126,546 | - |
| 3,917,754 (31.03.2015 - Nil) Units of ₹ 10 each JM High Liquidity Fund Daily Dividend Option | 40,862,962 | - |
| 45,050 (31.03.2015 - Nil) Units of ₹ 1000 each DSP Black Liquid Fund Institutional Plan Daliy Dividend | 45,077,619 | - |
| 43,629 (31.03.2015 - Nil) Units of ₹ 1000 each LIC Nomura MF Liquid Fund Dividend Plan | 47,905,038 | - |
| TOTAL | 790,478,924 | 336,076,496 |
| Note: Aggregate cost of quoted investments | 790,478,924 | 336,076,496 |
| Aggregate market value of quoted investments | 790,566,064 | 336,079,777 |

(Amount in ₹)

| | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| 17. Inventories (Refer note below) | | |
| Raw Materials | 807,283,624 | 439,950,082 |
| Work-In-Process | 79,970,954 | 40,293,170 |
| Finished Goods | 67,928,255 | 113,599,323 |
| Consumables & Stores | 23,397,051 | 12,220,974 |
| TOTAL | 978,579,884 | 606,063,549 |

Note: Inventories are carried at the lower of Cost and Net realisable value.

(Amount in ₹)

| | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| 18. Trade receivables | | |
| (Unsecured) | | |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Considered good | 722,008,641 | 483,899,683 |
| Considered doubtful | 262,071,930 | 119,234,124 |
| | 984,080,571 | 603,133,807 |
| Less: Provision for doubtful trade receivables | 262,071,930 | 119,234,124 |
| Other trade receivables, considered good | 5,422,997,220 | 4,851,959,907 |
| TOTAL | 6,145,005,861 | 5,335,859,590 |

(Amount in ₹)

| | As at March 31, 2016 | | As at March 31, 2015 | |
|---|-------------------------|----------------------|-------------------------|----------------------|
| 19. Cash and bank balances | | | | |
| Cash on hand | | 511,099 | | 297,085 |
| Balances with banks (Refer Note (i) below) | | | | |
| In current accounts | 1,818,305,091 | | 1,538,525,967 | |
| In EEFC accounts | 855,228,186 | | 334,722,030 | |
| In deposit accounts (Refer Note (i) below) | 4,060,483,483 | | 3,790,671,247 | |
| In earmarked accounts (Refer Note (iii) below) | | | | |
| Unpaid dividend accounts | 11,852,464 | | 7,085,306 | |
| In deposits held as margin money/ security for bank guarantees (Refer Note (ii) below) | 105,817,464 | 6,851,686,688 | 517,568,796 | 6,188,573,346 |
| Remittance in transit | | 98,645,573 | | 39,635,106 |
| TOTAL | | 6,950,843,360 | | 6,228,505,537 |
| Of the above, balances that meet the definition of cash and cash equivalents as per Accounting Standard 3 Cash Flow Statement | | 6,833,173,432 | | 5,703,851,435 |

Notes :

- Balances with banks include deposits aggregating to ₹ 1,991,241 (March 31, 2015 - ₹ 1,663,581) and margin monies amounting to ₹ 6,231,438 (March 31, 2015 - ₹ 1,414,970) which have an original maturity of more than 12 months from the Balance Sheet Date.
- Includes deposits placed in lien for credit facilities aggregating ₹ 21,837,628 (March 31, 2015 - ₹ 20,212,938) and margin monies amounting ₹ 6,231,438 (March 31, 2015 - ₹ 1,414,970).
- Deposits in earmarked accounts includes amount placed in Escrow ₹ Nil (March 31, 2015 - ₹ 62,590,000) being part of the purchase consideration paid by Cyient Inc. (formerly Infotech Enterprises America Inc.) towards purchase of Softential Inc. which was released to the promoters of Softential Inc. on fulfillment of SPA terms and conditions.

(Amount in ₹)

| | As at March 31, 2016 | | As at March 31, 2015 | |
|--|-------------------------|----------------------|-------------------------|----------------------|
| 20. Short-term loans and advances (Unsecured) | | | | |
| Security deposits, considered good | | 150,000 | | 190,000 |
| Loans and advances to employees | | | | |
| Considered good | 46,735,307 | | 58,502,133 | |
| Considered doubtful | 235,718 | | 235,718 | |
| | 46,971,025 | | 58,737,851 | |
| Less: Provision for doubtful debts | 235,718 | 46,735,307 | 235,718 | 58,502,133 |
| Prepaid expenses, considered good | | 587,322,419 | | 617,686,755 |
| Derivative Asset (Refer Note 33.1) | | 175,014,071 | | 462,817,433 |
| Balances with Government authorities, Considered good | | 90,173,070 | | 86,519,035 |
| Other loans and advances | | | | |
| Considered good | 189,269,032 | | 130,353,712 | |
| Considered doubtful | 473,827 | | 473,827 | |
| | 189,742,859 | | 130,827,539 | |
| Less : Provision for doubtful loans and advances | 473,827 | 189,269,032 | 473,827 | 130,353,712 |
| TOTAL | | 1,088,663,899 | | 1,356,069,068 |

| | (Amount in ₹) | |
|---------------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| 21. Other current assets | | |
| Unbilled revenue | 1,661,875,323 | 1,467,084,920 |
| Interest accrued on deposits | 116,673,568 | 142,443,075 |
| Others | 214,798,850 | 224,274,284 |
| TOTAL | 1,993,347,741 | 1,833,802,279 |

| | (Amount in ₹) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| 22. Revenue from Operations | | |
| Sale of services, Manufacturing Income and Service Charges | 28,489,936,380 | 26,787,479,644 |
| Sale of products | 2,545,451,513 | 577,607,394 |
| Other operating revenues | 788,512 | 16,058 |
| Revenue from Operations (Gross) | 31,036,176,405 | 27,365,103,096 |
| Less : Excise duty | 80,478,283 | 5,773,285 |
| TOTAL | 30,955,698,122 | 27,359,329,811 |

| | (Amount in ₹) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| 23. Other income (net) | | |
| Interest income (Refer Note (i) below) | 330,988,437 | 489,965,130 |
| Dividend income from current investments | 24,859,146 | 18,616,967 |
| Net gain on foreign currency transactions and translations (net) (Refer Note 33.2) | 556,641,036 | 596,869,391 |
| Profit on Sale of Long Term Investments (Refer Note 51) | 23,135,239 | - |
| Other non-operating income (Refer Note (ii) below) | 149,770,345 | 112,206,247 |
| TOTAL | 1,085,394,203 | 1,217,657,735 |

Note:**i. Interest income comprises of:**

| | | |
|---------------------------------|--------------------|--------------------|
| Interest from banks on deposits | 322,429,338 | 471,369,846 |
| Interest on Income tax refund | 658,210 | 16,420,497 |
| Others | 7,900,889 | 2,174,787 |
| Total interest income | 330,988,437 | 489,965,130 |

ii. Other non-operating income comprises of :

| | | |
|--|--------------------|--------------------|
| Liabilities/provisions no longer required written back | 77,090,644 | 86,585,256 |
| Miscellaneous income | 70,457,124 | 23,732,404 |
| Profit/(loss) on sale of fixed assets (net) | 972,424 | (652,572) |
| Rental Income from operating lease | 1,250,153 | 2,541,159 |
| Total other non-operating income | 149,770,345 | 112,206,247 |

| | (Amount in ₹) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| 24. Employee benefits expenses | | |
| Salaries and bonus | 16,116,498,658 | 14,920,201,448 |
| Contribution to provident and other funds | 289,664,988 | 282,602,171 |
| Social security and other benefits for overseas employees | 710,225,466 | 651,301,043 |
| Gratuity | 92,572,195 | 164,927,148 |
| Staff welfare expenses | 893,077,656 | 750,303,587 |
| Less: Capitalised (Refer Note 47 (b)) | (21,200,954) | (13,287,312) |
| TOTAL | 18,080,838,009 | 16,756,048,085 |

| | (Amount in ₹) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| 25. Cost of materials consumed | | |
| Stock on acquisition (Refer Note 35 (iii)) | - | 476,313,179 |
| Opening stock | 439,950,082 | - |
| Add : Purchases | 2,248,514,734 | 254,735,076 |
| Less : Closing stock | 807,283,624 | 439,950,082 |
| TOTAL | 1,881,181,192 | 291,098,173 |

| | (Amount in ₹) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| 26. Changes in inventories of finished goods and work-in-progress | | |
| Opening Stock : | | |
| Finished goods | 113,599,323 | 162,588,970 |
| Work-in-progress | 40,293,170 | 158,839,747 |
| | 153,892,493 | 321,428,717 |
| Closing Stock : | | |
| Finished goods | 67,928,255 | 113,599,323 |
| Work-in-progress | 79,970,954 | 40,293,170 |
| | 147,899,209 | 153,892,493 |
| Net decrease | 5,993,284 | 167,536,224 |

| | (Amount in ₹) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| 27. Operating, administration and other expenses | | |
| Rent including lease rentals (Refer Note 40) | 498,028,349 | 425,477,935 |
| Factory rent | 21,073,140 | 3,340,522 |
| Rates and taxes | 107,043,197 | 90,111,004 |
| Insurance | 73,207,977 | 72,856,971 |
| Consumables & stores consumed | 49,287,836 | 7,580,656 |
| Excise duty on closing stock of finished goods (net) | 1,415,617 | 448,413 |
| Travelling and conveyance | 1,094,233,204 | 1,203,026,108 |
| Sub contracting charges | 1,651,936,509 | 1,647,505,952 |
| Communication | 177,918,790 | 188,174,375 |
| Printing and stationery | 42,525,240 | 40,053,549 |
| Power and fuel | 236,415,151 | 228,280,674 |
| Marketing expenses | 212,128,584 | 185,660,693 |
| Advertisement | 5,327,426 | 5,659,556 |

(Contd.)

| | (Amount in ₹) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| Repairs and maintenance | | |
| - Buildings | 9,913,833 | 19,789,845 |
| - Machinery | 688,641,953 | 605,421,205 |
| - Others | 95,407,685 | 83,764,037 |
| Directors remuneration: | | |
| Non executive directors commission | 9,976,332 | 7,303,632 |
| Directors sitting fees | 6,690,539 | 4,511,839 |
| Expenditure for Corporate Social Responsibility (Refer Note 48) | 47,567,491 | 35,578,562 |
| Legal & Professional charges | 786,485,132 | 494,979,911 |
| Bad debts/advances written off | 493,542 | - |
| Provision for doubtful debts | 134,681,848 | 82,441,827 |
| Trade receivables written off (net) | 36,806,023 | 89,692,855 |
| Less: Reversal of provision for doubtful debts | (35,150,171) | (89,692,855) |
| Loss on discard of fixed assets | - | 819,358 |
| Auditors' remuneration (Refer Note (i) below) | 39,902,254 | 37,380,304 |
| Freight Outwards | 12,432,085 | 2,707,363 |
| Recruitment expenses | 52,635,473 | 41,752,330 |
| Training and development | 48,342,880 | 44,248,701 |
| Purchase of computer software | 395,571,760 | 308,535,098 |
| Miscellaneous expenses | 279,224,996 | 269,019,833 |
| TOTAL | 6,780,164,675 | 6,136,430,253 |

Note:

- i. Auditors' remuneration (net of service tax) comprises of:

Company

| | | |
|---|-----------|-----------|
| As auditors - statutory audit | 6,500,000 | 6,500,000 |
| For other services | 4,475,000 | 3,875,000 |
| For services rendered by affiliates of statutory auditors | 7,297,140 | 2,669,794 |
| Reimbursement of expenses | 1,128,747 | 479,657 |

Subsidiaries

| | | |
|-------------------------------------|-------------------|-------------------|
| As auditors - statutory audit | 20,501,367 | 23,855,853 |
| Total Auditors' remuneration | 39,902,254 | 37,380,304 |

| | (Amount in ₹) | |
|------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| 28. Financial costs | | |
| Interest Expenses on | | |
| Term Loans | 32,069,799 | 17,964,293 |
| Working Capital demand loans | 95,789,768 | 16,059,691 |
| Others | 50,971,219 | 23,534,167 |
| TOTAL | 178,830,786 | 57,558,151 |

29. Subsequent to change in the name of the parent Company from Infotech Enterprises Limited to Cyient Limited the following subsidiary companies have changed their names upon receipt of appropriate approvals from respective statutory authorities to align to the name of the parent Company.

| Subsidiary Name | New Name |
|---|---------------------------------|
| Infotech Enterprises Europe Limited | Cyient Europe Limited |
| Infotech Enterprises Benelux BV | Cyient Benelux BV |
| Infotech Enterprises GmbH | Cyient Schweiz GmbH |
| Infotech Enterprises America Inc. | Cyient Inc. |
| Infotech Software Solutions Canada Inc. | Cyient Canada Inc. |
| Infotech Enterprises GmbH | Cyient GmbH |
| Infotech Enterprises AB | Cyient AB |
| Infotech Enterprises Japan KK | Cyient KK |
| Invati Insights Private Limited | Cyient Insights Private Limited |
| Invati Insights LLC | Cyient Insights LLC |

30. 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, 2016 | Extent of holding (%) as at March 31, 2015 |
|----------------------|--|--------------------------|--|--|
| Subsidiaries | | | | |
| 1. | Cyient Europe Limited (formerly Infotech Enterprises Europe Limited) | U.K | 100% | 100% |
| 2. | Cyient Benelux BV (formerly Infotech Enterprises Benelux BV) ^{@1} | Netherlands | 100% | 100% |
| 3. | Cyient Schweiz GmbH (formerly Infotech Enterprises GmbH) ^{@1} | Switzerland | 100% | 100% |
| 4. | Cyient Inc., (formerly Infotech Enterprises America Inc.) | U.S.A | 100% | 100% |
| 5. | Cyient Canada Inc. (formerly Infotech Software Solutions Canada Inc.) ^{@2} | Canada | 100% | 100% |
| 6. | Softential Inc. ^{@3} | U.S.A | - | 100% |
| 7. | Cyient GmbH (formerly Infotech Enterprises GmbH) | Germany | 100% | 100% |
| 8. | Cyient AB (formerly Infotech Enterprises AB) ^{@4} | Sweden | 100% | 100% |
| 9. | Infotech Geospatial (India) Private Limited (IGIL) ^{@5} | India | - | 100% |
| 10. | Cyient KK (formerly Infotech Enterprises Japan KK) | Japan | 100% | 100% |
| 11. | Infotech Enterprises Information Technology Services Pvt Limited (IEITS) ^{@8} | India | - | 100% |
| 12. | Cyient Insights Private Limited (formerly Invati Insights Private Limited) ^{@6} | India | 51% | 51% |
| 13. | Cyient Insights LLC (formerly Invati Insights LLC) ^{@6} | U.S.A | 51% | 51% |
| 14. | Rangsons Electronics Private Limited ^{@7} | India | 74% | 74% |
| 15. | Techno Tools Precision Engineering Private Limited ^{@7} | India | 74% | 74% |
| 16. | Infotech Enterprises Information Technology Services GmbH (IEITS GmbH) ^{@8} | Germany | - | 100% |
| 17. | Cyient Australia Pty Limited ^{@11} | Australia | 100% | - |
| 18. | Cyient Singapore Private Limited ^{@12} | Singapore | 100% | - |
| 19. | Cyient SRO ^{@13} | Czech Republic | 100% | - |
| Associate | | | | |
| 1. | Infotech Aerospace Services Inc. ^{@9} | U.S.A | 49% | 49% |
| Joint Venture | | | | |
| 1. | Infotech HAL Limited ^{@10} | India | 50% | 50% |

Note: During the year, the Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China. The Company is yet to commence commercial operations and there are no financial transactions for the year ended March 31, 2016. The said subsidiary was not considered for consolidation.

- Ⓐ¹ Wholly owned by the Company through its wholly owned subsidiary Cyient Europe Limited (formerly Infotech Enterprises Europe Limited)
- Ⓐ² Wholly owned by the Company through its wholly owned subsidiary Cyient Inc. (formerly Infotech Enterprises America Inc.)
- Ⓐ³ With effect from April 01, 2014, the Company acquired 100% stake in Softential Inc, through its wholly-owned subsidiary Cyient Inc. (formerly Infotech Enterprises America Inc.). Softential Inc. was merged with Cyient Inc. (formerly Infotech Enterprises America Inc.) with effect from April 01, 2015 (Refer Note 35 (i)).
- Ⓐ⁴ Wholly owned by Cyient Limited through its wholly owned subsidiary Cyient GmbH (formerly Infotech Enterprises GmbH).
- Ⓐ⁵ Pursuant to a resolution of the Board of Directors and order of the High Court of Judicature, Andhra Pradesh & Telangana, IGIL was merged with the Company effective April 1, 2015 (Refer Note 35 (v)).
- Ⓐ⁶ The Company acquired 51% shareholding in Cyient Insights Private Limited (formerly Invati Insights Private Limited) on October 15, 2014. Subsequent to the acquisition, Invati Insights Private Limited acquired 100% stake in Cyient Insights LLC (Formerly Invati Insights, LLC) on October 16, 2014 (Refer Note 35 (ii)). These entities have been consolidated from October 16, 2014.
- Ⓐ⁷ The Company acquired 74% shareholding in Rangsons Electronics Private Limited (and its wholly owned subsidiary, Techno Tools Precision Engineering Private Limited), on February 04, 2015 and the same has been consolidated from February 01, 2015 for convenience as there were no material transactions between February 01, 2015 & February 04, 2015. (Refer Note 35 (iii))
- Ⓐ⁸ Infotech Enterprises Information Technology Services Private Limited, a wholly owned subsidiary of the Company acquired 100% shareholding in Infotech Enterprises Information Technology Services GmbH, Germany on March 23, 2015.
- The Company disinvested its 100% stake in Infotech Enterprises Information Technology Services Private Limited, India and its wholly-owned subsidiary, Infotech Enterprises Information Technology Services GmbH, Germany, on September 16, 2015. The Company ceased to consolidate these entities from its consolidated financial results w.e.f September 01, 2015 for convenience as the transactions between September 01, 2015 and September 16, 2015 were not material.
- Ⓐ⁹ The Company's associate Infotech Aerospace Services Inc. follows calendar year as its reporting period. The consolidated financial statements include audited figures of the associate for the year ended March 31, 2016 after making adjustments for the operations for the three months ended March 31, 2015 and the three months ended March 31, 2016.
- Ⓐ¹⁰ The 50% in the Joint Venture i.e., Infotech HAL Limited has been accounted for using proportionate consolidation method in accordance with the Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures". Cyient's share in the assets, liabilities, income and expenses of the joint venture as adjusted for elimination from transactions with various companies in the group is included in the respective schedules in these consolidated financial statements. (Refer Note 44).
- Ⓐ¹¹ On September 05, 2014, the Company incorporated a wholly owned subsidiary, Cyient Australia Pty Limited, in Melbourne, Australia. Cyient Australia Pty Limited commenced commercial operations during the year pursuant to the Company investing an amount of ₹ 46,265.
- Ⓐ¹² On May 07, 2015, the Company incorporated a wholly owned subsidiary, Cyient Singapore Private Ltd, in Singapore. Cyient Singapore Private Limited commenced commercial operations during the year pursuant to the Company investing an amount of ₹ 238,179,600.
- Ⓐ¹³ On September 30, 2015, the Company incorporated a wholly owned subsidiary, Cyient SRO, in Czech Republic, through its wholly-owned subsidiary Cyient Europe Limited (formerly Infotech Enterprises Europe Limited). Cyient SRO has commenced commercial operations during the year.

31. Contingent Liabilities and Commitments

31.1 Contingent Liabilities

| Particulars | (Amount in ₹) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| (i) Claims against the Company not acknowledged as debt (Refer Note (a), (b), (c), (d), (e) & (f) below) | 587,147,494 | 490,940,457 |
| (ii) Guarantees (Refer Note (g) below) | 5,796,822,286 | 1,505,387,236 |
| (iii) Other money for which the Group is contingently liable (Refer Note (h) & (i) below) | - | 23,500,000 |

Notes:

- a. The Company has disputed various demands (including draft notice of demand) raised by Income Tax authorities for the assessment years 1997-98 to 2010-11 (March 31, 2015 - 1997-98 to 2010-11). The orders are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 155,897,185 (March 31, 2015 - ₹ 138,351,334). The Company is confident that these appeals will be decided in its favour.

A subsidiary Company has disputed income tax liabilities raised by Income Tax authorities for the assessment years 2008-09 to 2009-10. The aggregate amount of disputed tax not provided for is Nil (March 31, 2015 - ₹ 3,966,320).

- b. The Company has disputed various demands raised by the Sales Tax authorities for the financial years 2004-05 to 2009-10 and 2012 - 13 (March 31, 2015 - 2004-05 to 2009-10). The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 20,098,231 (March 31, 2015 - ₹ 20,096,061). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
- c. The Company has disputed various demands raised by the Service Tax authorities for the financial years 2006-07 to 2013-14 (March 31, 2015 - 2006-07 to 2012-13). The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 140,104,649 (March 31, 2015 - ₹ 172,263,324). 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 (March 31, 2015 - 2011-12). The aggregate amount of disputed tax not provided for is ₹ 592,349 (March 31, 2015 - ₹ 592,349).

- d. During the previous year, the Company received an order from Provident Fund (PF) authorities regarding PF payment on certain allowances given by the Company to its employees for the years 2010-11 to 2012-13. The Company appealed against the order and the same is pending before Provident Fund Appellate Tribunal. The Company paid ₹ 5,136,244 (March 31, 2015 - ₹ 5,136,244) under protest, being 20% of the total demand of ₹ 25,681,216 (March 31, 2015 - ₹ 25,681,216).
- e. Differential amount of Customs Duty (excluding interest) in a subsidiary Company in respect of machinery imported under various export promotion schemes ₹ 152,595,916. (March 31, 2015 - ₹ 129,989,853).
- f. 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 ₹ 92,177,948 (March 31, 2015 - ₹ Nil)
- g. Corporate guarantee given to subsidiary's bankers to obtain line of credit ₹ 5,796,822,286 (March 31, 2015 - ₹ 1,505,387,236). The amount outstanding against such guarantees is ₹ 2,817,785,048.
- h. A subsidiary Company has sub-leased one of its leased facilities with effect from February 1, 2015 till June 30, 2017, based on a tripartite agreement. In the event of sub-lessee's default, the subsidiary Company shall be liable to pay the rent to the original landlord for the balance period of the lease from the date of such default.
- i. Cyient Inc. (formerly Infotech Enterprises America Inc.) has certain obligations towards revenue authorities for its step down subsidiary Wellsco Inc. (amalgamated with Cyient Inc. (formerly Infotech Enterprises America Inc.) w.e.f April 01, 2012). Pending further evaluation, an amount of ₹ 50,808,780 (March 31, 2015 - ₹ 15,916,183 net of ₹ 23,500,000) has been provided in the books towards adjustment of any liabilities pertaining towards such obligation.

31.2 Commitments

| Particulars | (Amount in ₹) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | | |
| Tangible assets | 60,324,945 | 60,179,835 |
| Intangible assets | 139,524,000 | 25,588,497 |
| (ii) Financial support to a subsidiary Company | 533,178,050 | 479,323,840 |

Note: Commitment towards intangible assets include software and related purchases.

- (iii) During the previous year, the Company acquired 74% of the share capital of Rangsons Electronics Private Limited on February 4, 2015 (Refer Note 35(iii)). According to conditions stipulated in the Investment Agreement, the Company has an option to acquire the balance 26% of the share capital, on or before seven years from the date of the acquisition. These balance shares are currently placed in an Escrow account with a registered escrow agent as the custodian.

31.3 The Company has certain outstanding export obligations/commitments as at March 31, 2016 and March 31, 2015. The Management is confident of meeting these obligations/commitments within the stipulated period of time or obtain extensions as applicable.

32. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

| Particulars | (Amount in ₹) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 3,055,599 | 4,121,880 |
| (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 auditors

33. Derivative Instruments and Hedging - Company

33.1 The Company and its subsidiaries, in accordance with its risk management policies and procedures, enters into foreign exchange forward contracts to manage its exposure in foreign exchange rates.

The Company and its subsidiaries have applied the hedge accounting principles set out in Accounting Standard - 30 "Financial Instruments - Recognition and Measurement" (AS-30) as issued by ICAI in respect of such derivative contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. Accordingly, in respect of all such outstanding contracts as on March 31, 2016, that were designated and effective as hedges of the future cash flows, gain aggregating ₹ 139,442,027 (net) (March 31, 2015 - ₹ 459,585,048) has been recognised under the Hedging Reserve account (Refer Note 4c).

The fair values of such derivative contracts designated as Cash Flow hedges outstanding are as follows:

| Particulars | (Amount in ₹) | | | |
|-------------|-------------------|-------------------|----------------------|-------------------|
| | Derivative Asset | | Derivative Liability | |
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| Current | 175,014,071 | 462,817,433 | 35,572,044 | 3,232,386 |
| Non-current | - | - | - | - |

Outstanding forward exchange contracts as on March 31, 2016:

Company:

| Currency | No of Contracts | Amount in foreign currency | Amount in ₹ | Buy/Sell | Cross currency |
|----------|--------------------|-------------------------------|---------------|----------|----------------|
| USD | 24 | 72,500,000 | 5,081,070,000 | Sell | Rupees |
| EURO | 17 | 24,000,000 | 1,873,880,000 | Sell | Rupees |
| GBP | 12 | 5,800,000 | 613,763,000 | Sell | Rupees |
| AUD | 14 | 7,200,000 | 365,106,000 | Sell | Rupees |

Subsidiary:

| Currency | No of Contracts | Amount in foreign currency | Amount in Euro | Buy/Sell | Cross currency |
|----------|-----------------|----------------------------|----------------|----------|----------------|
| USD | 6 | 1,500,000 | 1,369,573 | Sell | Euro |

Outstanding forward exchange contracts as on March 31, 2015:

Company:

| Currency | No of Contracts | Amount in foreign currency | Amount in ₹ | Buy/Sell | Cross currency |
|----------|-----------------|----------------------------|---------------|----------|----------------|
| USD | 26 | 85,000,000 | 5,590,020,000 | Sell | Rupees |
| EURO | 12 | 24,000,000 | 2,006,300,000 | Sell | Rupees |
| GBP | 12 | 2,400,000 | 253,286,000 | Sell | Rupees |
| AUD | 12 | 7,200,000 | 403,098,000 | Sell | Rupees |

There were no outstanding forward exchange contracts with Subsidiaries as at March 31, 2015.

33.2 Other income for the year includes ₹ 346,447,613 (2014-15 - ₹ 586,511,680) towards gain on settlement of derivative contracts under principles of AS-30.

33.3 The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Company:

As at March 31, 2016:

(Amount)

| Currency | Cash and Cash equivalents | Current and Non-current | | | Trade Payables | Other current liabilities | Total |
|---------------------|---------------------------|-------------------------|----------------------|-----------------------------|----------------------|---------------------------|----------------------|
| | | Loans & advances | Other current assets | Trade and other receivables | | | |
| AED | 1,213,622 | 235,101 | 5,250 | 267,402 | - | (3,505) | 1,717,870 |
| AUD | 1,313,933 | 1,271,521 | 2,246,555 | 6,503,440 | (792,247) | (576,890) | 9,966,312 |
| BND | - | - | - | 27,000 | (96,320) | - | (69,320) |
| CAD | 137,517 | - | - | 31,255 | (255,124) | (1,030,710) | (1,117,062) |
| CHF | - | - | - | 79,035 | - | (2,585) | 76,450 |
| CNY | - | - | - | - | - | (59,701) | (59,701) |
| DKK | - | - | - | - | (150) | - | (150) |
| EUR | 776,799 | 2,528,549 | 3,306,792 | 3,312,474 | (894,685) | (283,671) | 8,746,258 |
| GBP | 522,654 | 289,863 | 2,180,477 | 2,380,062 | (325,658) | (17,686) | 5,029,712 |
| HKD | - | - | 827,954 | - | (5,450) | - | 822,504 |
| JPY | - | 1,676,406 | 5,719,351 | 132,235,921 | (67,458,024) | - | 72,173,654 |
| KRW | 254,824,750 | 62,251,295 | - | 237,139 | - | - | 317,313,184 |
| MYR | 1,832,328 | 3,630,868 | 811,480 | 649,222 | - | (25,385) | 6,898,513 |
| NOK | 10,682 | 685,587 | - | - | (64,963) | - | 631,306 |
| NZD | 537,821 | 101,264 | 502,299 | 1,423,620 | - | - | 2,565,004 |
| PHP | 195,316 | 4 | - | - | - | - | 195,320 |
| PLN | - | - | - | 298,224 | - | - | 298,224 |
| SAR | - | - | - | - | (12,957) | - | (12,957) |
| SEK | - | - | - | 2,636,809 | (101,879) | (113,845) | 2,421,085 |
| SGD | 1,086,281 | - | 187,311 | 1,070,556 | (39,131) | (298,764) | 2,006,253 |
| TWD | 784,093 | 4,409,734 | - | 928,820 | (285,414) | (25,407) | 5,811,826 |
| USD | 6,755,485 | 11,506,005 | 4,187,063 | 22,195,434 | (5,768,214) | (344,380) | 3,8531,393 |
| ZAR | 52,004 | 3,952 | - | - | (744) | (93,159) | (37,947) |
| ₹ Equivalent | 778,157,447 | 1,135,414,582 | 952,025,922 | 2,528,251,392 | (583,536,122) | (154,384,624) | 4,655,928,597 |

As at March 31, 2015:

(Amount)

| Currency | Cash and Cash equivalents | Current and Non-current | | Trade and other receivables | Trade Payables | Other current liabilities | Total |
|--------------|---------------------------|-------------------------|----------------------|-----------------------------|----------------|---------------------------|---------------|
| | | Loans & advances | Other current assets | | | | |
| AED | 47,276 | 84,010 | - | 258,912 | (78,509) | - | 311,689 |
| AUD | 2,027,973 | 105,411 | 2,394,777 | 6,794,857 | (3,303,175) | (624,317) | 7,395,526 |
| BND | - | - | - | 369,534 | (74,720) | - | 294,814 |
| CAD | 7,299 | 86,699 | 2,390 | 232,096 | (19,145) | - | 309,339 |
| CHF | - | - | 77,738 | 4,694 | - | (143,053) | (60,621) |
| DKK | - | - | - | - | - | (150) | (150) |
| EUR | 1,191,091 | 373,453 | 2,642,910 | 5,138,253 | (333,185) | (594,243) | 8,418,279 |
| GBP | 798,462 | 253,374 | 1,229,763 | 4,299,232 | (36,357) | - | 6,544,474 |
| JPY | - | - | 113,075 | 103,918,933 | (33,424,138) | (2,518,717) | 68,089,153 |
| KRW | 84,321,862 | 11,924,475 | 55,941,875 | - | (95,247,931) | (163,717,008) | (106,776,727) |
| MYR | 773,081 | 148,832 | 781,351 | - | (291,499) | (531,778) | 879,987 |
| NOK | 10,217 | 25,902 | - | - | (54,313) | - | (18,194) |
| NZD | 78,487 | - | 661,299 | 1,074,854 | (397,014) | - | 1,417,626 |
| PHP | 197,916 | - | - | - | - | - | 197,916 |
| QAR | - | - | - | 496,527 | (259,065) | - | 237,462 |
| SAR | - | - | - | - | (14,100) | - | (14,100) |
| SEK | - | - | - | 2,186,189 | (95,727) | (71,978) | 2,018,484 |
| SGD | 224,377 | 18,865 | 8,844 | 247,080 | (191,960) | (90,862) | 216,344 |
| TWD | 946,811 | 243,743 | 1,416,247 | 15,501,754 | (365,666) | (738,210) | 17,004,679 |
| USD | 3,495,501 | 5,603,275 | 8,405,255 | 22,511,165 | (3,017,150) | (618,941) | 36,379,105 |
| ₹ Equivalent | 503,757,347 | 414,769,779 | 987,846,690 | 2,680,728,893 | (438,602,471) | (153,559,721) | 3,994,940,517 |

Subsidiaries:

| Currency | As at March 31, 2016 | | As at March 31, 2015 | |
|----------|---|---|---|---|
| | Receivable/ (Payable) in Foreign currency | Receivable/ (Payable) (Amount in ₹) | Receivable/ (Payable) in Foreign currency | Receivable/ (Payable) (Amount in ₹) |
| AUD | 419 | 21,287 | 77,336 | 3,675,854 |
| CHF | 35,542 | 2,455,325 | 369,645 | 23,714,557 |
| DKK | - | - | 159,459 | 1,434,334 |
| EUR | 2,069,764 | 155,429,989 | 6,429,360 | 434,048,676 |
| GBP | 64,134 | 6,098,353 | - | - |
| PLN | 414,200 | 7,354,701 | - | - |
| NOK | - | - | 840,040 | 6,499,309 |
| SGD | 122 | 5,996 | - | - |
| USD | 11,307,610 | 750,066,549 | 5,340,795 | 334,284,609 |
| JPY | 629,261 | 371,642 | - | - |
| TRY | 1463 | 34,320 | - | - |
| AUD | (519) | (26,367) | (164,546) | (7,821,035) |
| CHF | (115,116) | (7,952,476) | (294,253) | (18,877,789) |
| CZK | (8,921,964) | (24,858,375) | - | - |
| DKK | (153,188) | (1,549,417) | (302,241) | (2,718,656) |
| EUR | (6,334,688) | (475,706,600) | (7,319,697) | (494,155,670) |
| GBP | (2,449,152) | (232,885,410) | (1,842,823) | (170,385,734) |
| NOK | (5,775,100) | (46,309,368) | (6,565,357) | (50,795,507) |
| SEK | (69,249,584) | (565,526,278) | (42,748,422) | (309,391,707) |
| PLN | (414,000) | (7,351,150) | - | - |
| USD | (1,420,475) | (94,224,195) | (7,041,001) | (440,701,885) |
| SGD | - | - | (122) | (5,543) |
| JPY | - | - | (1,003,752) | (523,055) |

34. Disclosure required in terms of clause 13.5A of Chapter XIII on Guidelines for preferential issue, SEBI (Disclosure and Investor Protection) Guidelines, 2000.

| | | (Amount in ₹) | |
|--|-------------------------|-------------------------|--|
| Particulars | As at March 31, 2016 | As at March 31, 2015 | |
| 2,724,000 Compulsorily convertible preference shares (CCPS) of ₹ 360 each issued to GA Global Investments Limited, Cyprus (Refer Note (i) below) | 980,640,000 | 980,640,000 | |
| 4,417,277 equity shares of ₹ 5 each at premium of ₹ 355 per share issued to GA Global Investments Limited, Cyprus | 1,590,219,720 | 1,590,219,720 | |
| 1,166,420 equity shares of ₹ 5 each at a premium of ₹ 355 per share issued to Carrier International Mauritius Limited, Mauritius | 419,911,200 | 419,911,200 | |
| Total amount received on preferential issue of shares (A) | 2,990,770,920 | 2,990,770,920 | |
| Amounts utilised out of the above: | | | |
| Purchase of fixed assets | 662,833,608 | 662,833,608 | |
| Payment of fee for increasing authorised capital | 5,750,000 | 5,750,000 | |
| Investment in wholly-owned subsidiary in Cyient Inc. | 508,553,272 | 508,553,272 | |
| Investment in wholly-owned subsidiary TTM (India) Private Limited | 40,742,353 | 40,742,353 | |
| Investment in wholly-owned subsidiary TTM Institute of Information Technology Private Limited | 100,000 | 100,000 | |
| Investment in 10% stake in Kalyani Net Ventures Limited | 26,065,000 | 26,065,000 | |
| Repayment of outstanding Term Loan with Tamilnadu Mercantile Bank Limited | 242,522,539 | 242,522,539 | |
| Investment in Rangsons Electronics Pvt Ltd | 1,331,079,085 | 1,331,079,085 | |
| Working Capital | 173,125,063 | - | |
| Total amount utilised (B) | 2,990,770,920 | 2,817,645,857 | |
| Balance (C) = (A) - (B) | - | 173,125,063 | |
| Income from temporary investment of unutilised funds: | | | |
| Sale of Investment in 10% stake in Kalyani Net Ventures Limited | 16,882,171 | 16,882,171 | |
| Dividend received on investments | 231,145,706 | 231,145,706 | |
| Interest received on investments (Net) | 1,055,680,093 | 1,016,238,936 | |
| Interest accrued but not received, included above | - | (86,093,850) | |
| Total (D) | 1,303,707,970 | 1,178,172,963 | |
| Total Net Balance (E) = (C) + (D) | 1,303,707,970 | 1,351,298,026 | |
| Investment/Utilisation of balance funds | | | |
| Short-Term Deposits with various banks | - | 1,351,298,026 | |
| Utilisation for Working Capital | 1,303,707,970 | - | |
| Net Outstanding unutilised funds | - | 1,351,298,026 | |

Notes:

- (i) The Company had issued 2,724,000 Compulsorily Convertible Preference Shares ("CCPS") with a face value of ₹ 360 on July 6, 2007 to M/s. GA Global Investments Limited ("GA" or "the Allottee"). The terms and conditions of the issue of these CCPS including the right to convert the CCPS into Equity Shares were subject to the provisions of the Agreement entered into between the Allottee and the Company, dated June 28, 2007, the guidelines issued by SEBI, RBI etc., and the Special Resolution passed in the Extraordinary General Meeting of members of the Company held on June 23, 2007. The CCPS were to be converted into equal number of equity shares within a period of 18 months from the date of allotment at the option of the Allottee and if no option is exercised, the same shall be automatically converted into equity shares at the end of 18 months.

GA Global investments exercised the option to convert the CCPS and in pursuance of this exercise the Company allotted 2,724,000 equity shares of ₹ 5 each, at a premium of ₹ 355 each on December 9, 2008. As such, there are no preference shares in the Company post the above conversion.

The Company altered the capital clause of the Memorandum of Association by deleting the reference to the

clauses pertaining to Compulsorily Convertible Preference Shares (CCPS). The clauses were no longer relevant as the said CCPS were issued in 2007 and have since been converted into equity shares. Form 5 was filed with the Registrar of Companies, Andhra Pradesh, notifying the said alteration (as approved by the members through postal ballot) on June 1, 2010.

- (ii) The Company does not maintain a separate bank account to manage these funds received on a preferential basis. The above allocation is based on Management's information systems.
- (iii) During the year, the Company has utilised an amount of ₹ 1,476,833,033 from proceeds of the preferential issue for working capital purpose.

35. Goodwill (On Consolidation)

| Particulars | (Amount in ₹) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| Opening Balance | 4,263,450,299 | 23,291,076 |
| Add: On account of acquisition of subsidiaries | - | 4,243,397,585 |
| Less: Adjustments on amalgamation | (1,555,283,544) | - |
| Gross Goodwill | 2,708,166,755 | 4,266,688,661 |
| Less: Amortisation | - | 3,238,362 |
| Net Goodwill | 2,708,166,755 | 4,263,450,299 |

(i) Amalgamation of Softential Inc.

On April 01, 2014, the wholly owned subsidiary Cyient Inc. (formerly Infotech Enterprises America Inc.) acquired 100% stake in Softential Inc. The total cost of acquisition was ₹ 1,503,404,833. The goodwill has been determined as follows:

| Particulars | (Amount in ₹) |
|---|----------------------|
| Consideration paid | 1,503,404,833 |
| Less : 100% of net assets as on April 1, 2014 | (31,658,987) |
| Goodwill | 1,535,063,820 |

Softential Inc. merged with Cyient Inc (Infotech Enterprises America Inc.) with effect from April 01, 2015. Consequently all the Assets, Liabilities and Reserves stand transferred and vested in Cyient Inc. (Formerly Infotech Enterprises America Inc.) retrospectively from April 1, 2015. The amalgamation has been accounted for under the "Pooling of Interests" method as prescribed by Accounting Standard - 14. Accordingly, the assets, liabilities and reserves have been taken over at their book values and in the same form. Consequent to the amalgamation, the goodwill has been adjusted with the reserves.

(ii) Goodwill arising on acquisition of Cyient Insights Private Limited (formerly Invati Insights Private Limited) and its wholly owned subsidiary Invati Insights LLC.

On October 15, 2014, the Cyient Limited (formerly Infotech Enterprises Limited) acquired 51% stake in Invati Insights Private Limited. The total cost of acquisition was ₹ 87,938,018. The goodwill has been determined as follows:

| Particulars | (Amount in ₹) |
|---|-------------------|
| Consideration paid | 87,938,018 |
| Less : 51% of net assets as on October 15, 2014 | (1,342,953) |
| Goodwill | 89,280,971 |

Consequent to acquisition, Invati Insights Private Limited was renamed to Cyient Insights Private Limited.

On October 16, 2014, Cyient Insights Private Limited (formerly Invati Insights Private Limited) acquired 100% stake in Invati Insights LLC, USA. Goodwill on consolidation of this step down subsidiary amounted to ₹ 10,788,183.

On November 18, 2015 Invati Insights LLC renamed itself to Cyient Insights LLC.

(iii) Goodwill arising on acquisition of Rangsons Electronics Private Limited (REPL) and its wholly owned subsidiary Techno Tools Precision Engineering Private Limited.

On February 04, 2015, the Cyient Limited (formerly Infotech Enterprises Limited) acquired 74% stake in Rangsons Electronics Private Limited and its wholly owned subsidiary, Techno Tools Precision Engineering Private Limited.

The total cost of acquisition was ₹ 2,925,310,754. The goodwill has been determined as follows:

| Particulars | (Amount in ₹) |
|---|----------------------|
| Consideration paid | 2,925,310,754 |
| Less : 74% of net assets as on February 4, 2015 | 347,516,300 |
| Goodwill | 2,577,794,454 |

On January 06, 2015, Rangsons Electronics Private Limited acquired 100% stake in Techno Tools Precision Engineering Private Limited, India. Goodwill on consolidation of this step down subsidiary amounted to ₹ 30,303,146.

(iv) Goodwill arising on acquisition of Infotech Enterprises Information Technology Services GmbH.

On March 23, 2015, the wholly owned subsidiary Infotech Enterprises Information Technology Services Private Limited acquired 100% stake in Infotech Enterprises Information Technology Services GmbH. The total cost of acquisition was ₹ 1,837,118. The goodwill has been determined as follows.

| Particulars | (Amount in ₹) |
|--|----------------|
| Consideration paid | 1,837,118 |
| Less : 100% of net assets as on March 23, 2015 | 1,670,107 |
| Goodwill* | 167,011 |

* Fully amortised in the previous year.

(v) Amalgamation of Infotech Geospatial (India) Private Limited.

Infotech Geospatial (India) Private Limited (IGIL), a wholly owned subsidiary of Cyient Limited (Formerly Infotech Enterprises Limited) ("the Company") was amalgamated with the Company w.e.f. April 1, 2015 pursuant to Scheme of Amalgamation approved by the Hon'ble High Court of Judicature, Andhra Pradesh & Telangana vide its order dated March 02, 2016 and filed with Registrar of Companies on March 31, 2016. Consequently all the Assets, Liabilities and Reserves stand transferred and vested in the Company retrospectively from April 1, 2015. The amalgamation has been accounted for under the "Pooling of Interests" method as prescribed by Accounting Standard - 14. Accordingly, the assets, liabilities and reserves have been taken over at their book values and in the same form. As Infotech Geospatial (India) Private Limited was a wholly owned subsidiary of the Company, no additional shares were issued to effect the Amalgamation. Increase in Authorised share capital of the Company on amalgamation is pending filing documents with Registrar of Companies.

| | Amount in ₹ | |
|--|-------------------------|--------------------|
| Particulars | As at March 31, 2016 | |
| Value of assets and liabilities amalgamated: | | |
| Fixed assets | | 12,200,751 |
| Deferred Tax | | 4,923,484 |
| Long-term loans and advances | | 7,122,137 |
| Net current assets | | |
| Current Assets | | |
| Trade receivables | 5,973,589 | |
| Cash and cash equivalents | 2,974,798 | |
| Short-term loans and advances | 740,368 | |
| Other current assets | 65,154 | |
| Current Liabilities | | |
| Trade payables | (44,733,368) | |
| Other current liabilities | (5,376,720) | |
| Short-term provisions | (65,138) | (40,421,317) |
| Long-term provisions | | (374,958) |
| General reserve | | (246,486) |
| P&L Account | | 56,796,389 |
| Amortisation of Goodwill till March 31, 2015 | | (10,493,782) |
| Adjusted against Surplus in Consolidated Statement of Profit and Loss | | 46,302,607 |
| Share Capital of Infotech Geospatial (India) Private Limited | | 40,000,000 |
| Less : Carrying value of investments in the Cyient Limited | | 43,600,000 |
| Difference considered as capital reserve* | | (3,600,000) |

* Capital Reserve has been adjusted to the general reserve of the Company on amalgamation as at Appointed Date.

36. Employee benefits:

The employee benefit schemes are as under:

36.1 Defined contribution plans

i. Provident Fund:

The Company, four of its subsidiaries and a joint venture makes provident fund contributions which are defined contribution retirement benefit plans for qualifying employees. Under the scheme, the Company, the subsidiaries and the joint venture are required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The monthly contributions are charged to the Consolidated Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 266,927,585 (2014-15 - ₹ 255,832,417).

ii. (a) Superannuation fund - India

The qualifying employees of the Company receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the 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 ₹ 22,737,403 (2014-15 - ₹ 26,769,754).

(b) Superannuation fund - Australia

The employees at the Australia branch & Subsidiary of the Company are also covered under a superannuation scheme with various super funds. The Company contributes 9.5% of the basic salary of the employee. The Company's monthly contributions are charged to the Consolidated Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 99,904,960 (2014-15 - ₹ 75,057,097).

36.2 Defined Benefit Plans

i. Gratuity

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company, four of its subsidiaries and a joint venture provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Consolidated Statement of Profit and Loss in the period determined. The gratuity plan is administered by the Company's own trust which has subscribed to the "Group Gratuity Scheme" of Life Insurance Corporation of India.

The following table sets out the Defined Benefit Plan - as per actuarial valuation as at March 31, 2016 and March 31, 2015 for the Company and its subsidiary in India:

| Particulars | (Amount in ₹) | |
|--|--------------------------------------|---------------------------------------|
| | For the year ended March 31, 2016 | For the year ended March 31, 2015* |
| Change in benefit obligation | | |
| Projected benefit obligation at the beginning of the year | | |
| (Excluding ₹ 10,626,112 on account of disinvestment of subsidiary) | 456,711,996 | 335,853,022 |
| Current service cost | 71,578,410 | 57,467,842 |
| Interest cost | 33,859,147 | 31,757,449 |
| Actuarial (gain)/loss | 7,780,622 | 79,284,314 |
| Benefits paid | (45,715,704) | (37,144,749) |
| Past service cost | - | 120,230 |
| Projected benefit obligation at the end of the year | 524,214,471 | 467,338,108 |
| Change in Plan assets | | |
| Plan assets at the beginning of the year | | |
| (Excluding ₹ 517,842 on account of disinvestment of subsidiary) | 147,286,065 | 79,550,143 |
| Expected return on plan assets | 11,906,873 | 9,449,664 |

(Contd.)

| Particulars | (Amount in ₹) | |
|---|--------------------------------------|---------------------------------------|
| | For the year ended March 31, 2016 | For the year ended March 31, 2015* |
| Employer contribution | 18,006,729 | 99,710,169 |
| Benefits payment | (45,715,704) | (37,547,202) |
| Asset loss | (184,584) | (3,358,867) |
| Plan Assets at the end of the year | 131,299,379 | 147,803,907 |
| Actual return on plan assets | 11,722,289 | 6,090,797 |
| Amount recognised in the balance sheet | | |
| Projected benefit obligation at the end of the year | 524,214,471 | 467,338,108 |
| Fair value of plan assets at the end of the year | (131,299,379) | (147,803,907) |
| Liability recognised in the Balance Sheet | 392,915,092 | 319,534,201 |
| Cost of employee benefits for the year | | |
| Current service cost | 71,578,410 | 57,188,091 |
| Interest cost | 33,859,147 | 31,757,449 |
| Expected return on plan assets | (11,906,873) | (9,449,664) |
| Net actuarial (gain) / loss recognised during the year | 7,965,206 | 82,874,909 |
| Net cost recognised in the Consolidated Statement of Profit and Loss | 101,495,890 | 162,370,785 |
| Actuarial Assumptions used in accounting for the Gratuity Plan | | |
| Discount rate (%) | 7.70 % - 7.97% | 7.80 % - 7.81% |
| Expected return on plan assets | 8.00% - 8.85% | 8.00% - 9.00% |
| Long term rate of compensation increase (%) | 5.00% -9.00% | 5.00% -10.00% |
| Attrition (%) | 5.00% - 17.00% | 5.00% - 17.00% |
| Mortality table | IALM (2006-08) Ultimate | IALM (2006-08) Ultimate |
| Expected Company contributions for the next year | 86,032,850 | 72,936,753 |

Note:

The above table excludes provision for gratuity made at overseas subsidiaries.

*Includes impact of acquisition made during the previous year.

Experience adjustments

| Gratuity | (Amount in ₹) | | | | |
|--|-------------------|-------------------|---------------------|---------------------|---------------------|
| | March 31, 2016 | March 31, 2015 | March 31, 2014 | March 31, 2013 | March 31, 2012 |
| Fair value of plan assets, end of period | 131,299,379 | 150,156,159 | 70,018,219 | 48,692,361 | 23,268,234 |
| Projected benefit obligation, end of period | 524,214,471 | 466,313,228 | 325,173,176 | 302,362,828 | 293,820,370 |
| (Surplus)/deficit in the plan | 392,915,092 | 313,618,809 | 255,154,957 | 253,670,467 | 270,552,136 |
| Experience adjustments on plan assets | (184,584) | (583,841) | 1,211,347 | 589,222 | (863,656) |
| (Gains)/losses due to change in assumptions | 4,085,284 | 24,556,896 | (14,706,973) | (75,703,649) | (8,779,263) |
| Experience (gains)/losses on PBO | 3,695,338 | 55,238,376 | (15,122,671) | 28,716,265 | (8,537,801) |
| Total (gain)/loss | 7,780,622 | 79,284,314 | (29,829,644) | (46,987,384) | (17,317,064) |

The estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government of India securities as at Balance Sheet date for the estimated term of the obligation.

Composition of plan assets

Plan assets comprise of 100% insurer managed funds. Fund is managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available

ii. a) Compensated absences – India:

| Actuarial assumptions for long-term compensated absences | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|-----------------------------------|-----------------------------------|
| Discount rate | 7.70% | 7.80% |
| Expected return on plan assets | NA | NA |
| Salary escalation | 6.00% to 8.00% | 6.00% to 8.00% |
| Attrition | 17.00% | 17.00% |
| Leave availment ratio | 5% | 5% |

b) Compensated Absences – Overseas Branches and Subsidiaries:

| Actuarial assumptions for long-term compensated absences | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|-----------------------------------|-----------------------------------|
| Discount rate | 7.75% | 7.80% |
| Expected return on plan assets | NA | NA |
| Salary escalation | 2.00% to 9.00% | 4.00% to 6.00% |
| Attrition | 5.00% | 5.00% |

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at year-end as per Company's policy. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Consolidated Statement of Profit and Loss in the period determined.

The estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government of India securities as at Balance Sheet date for the estimated term of the obligation.

c) Long Service Liability - 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. An amount of ₹ 17,022,204 has been recognised as liability towards such long service leave.

37. 401(K) benefit plan :

The amount payable towards 401(K) benefit plan in Cyient Inc., (formerly Infotech Enterprises America Inc.) was ₹ 19,146,397 (March 31, 2015 - ₹ 15,370,941).

38. Segment Information

Management 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: Data & Network Operations (DNO), Engineering, Manufacturing, Industrial Products (EMI) and Product Realisation (PR). The businesses cater to the specific requirements of customers in their respective user segments.

During the previous year, the Company renamed its Network & Content Engineering (N&CE) vertical as Data & Network Operations (DNO). There has been no reclassification on account of change of name.

During the previous year, the Company added a new segment Product Realisation (PR) to its business. This is a completely new segment and there has been no reclassification on account of addition of this new segment.

Geographic segments of the Cyient Group are India, North America, Europe and Rest of the world.

The Cyient Group has identified business segments as its primary segment and geographic segments as its secondary segment.

I. Data & Network Operations (DNO)

DNO vertical services customers in industries such as power, gas, telecom, transportation and local government. The Cyient Group service offerings to the DNO vertical include data conversion, data maintenance, photogrammetry and IT services.

II. Engineering, Manufacturing, Industrial Products (EMI)

EMI vertical services customers in industries such as aerospace, automotive, off-highway transportation and industrial and commercial products, engineering design, embedded software, IT Solutions, manufacturing support, technical publications and other strategic customers.

III. Product Realisation (PR)

PR 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 PR segment) and management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

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

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market /fair value factors.

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

Business Segment

Segment revenue (Amount in ₹)

| For the year ended March 31, 2016 | DNO | EMI | PR | Total |
|--|-----------------------|-----------------------|----------------------|-----------------------|
| External revenue | 10,356,611,799 | 18,026,099,156 | 2,572,987,167 | 30,955,698,122 |
| Less inter-segment revenues | - | - | - | - |
| Total revenue | 10,356,611,799 | 18,026,099,156 | 2,572,987,167 | 30,955,698,122 |
| Segment results | 1,406,438,356 | 2,664,888,978 | (740,464) | 4,070,586,870 |
| Un-allocable income (net of un-allocable expenses) | | | | 63,387,237 |
| Profit before tax | | | | 4,133,974,107 |
| Tax expense | | | | 986,078,000 |
| Profit after tax before share of profit in associate Company and minority interest | | | | 3,147,896,107 |
| Share of profit in associate Company | | | | 120,324,634 |
| Minority interest (gain) | | | | (5,728,695) |
| Profit for the year | | | | 3,262,492,046 |

(Amount in ₹)

| For the year ended March 31, 2015 | DNO | EMI | PR | Total |
|--|-----------------------|-----------------------|--------------------|-----------------------|
| External revenue | 10,347,146,929 | 16,440,332,715 | 571,850,167 | 27,359,329,811 |
| Less inter-segment revenues | - | - | - | - |
| Total revenue | 10,347,146,929 | 16,440,332,715 | 571,850,167 | 27,359,329,811 |
| Segment results | 1,880,208,393 | 2,107,044,899 | 26,307,186 | 4,013,560,478 |
| Un-allocable income (net of un-allocable expenses) | | | | 441,981,076 |
| Profit before tax | | | | 4,455,541,554 |
| Tax expense | | | | 1,096,268,874 |
| Profit after tax before share of profit in associate Company and minority interest | | | | 3,359,272,680 |
| Share of profit in associate Company | | | | 150,374,958 |
| Minority interest (loss) | | | | 22,388,776 |
| Profit for the year | | | | 3,532,036,414 |

The segment disclosures for the previous year have been reclassified to conform to the current year's presentation.

Segment Assets and Liabilities (As at March 31, 2016)**(Amount in ₹)**

| Particulars | PR | EMI/DNO | Unallocable | Total |
|-------------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| Segment Assets | | | | |
| Allocable Segment Assets | 2,470,770,701 | 17,076,003,154 | - | 19,546,773,855 |
| Unallocable: | | | | |
| Goodwill | - | - | 2,708,166,755 | 2,708,166,755 |
| Tax Assets | - | - | 819,828,608 | 819,828,608 |
| Fixed Deposits & Margin Money | - | - | 4,166,300,947 | 4,166,300,947 |
| Interest accrued on deposits | - | - | 116,673,568 | 116,673,568 |
| Unpaid Dividend | - | - | 11,852,464 | 11,852,464 |
| Total Assets | 2,470,770,701 | 17,076,003,154 | 7,822,822,342 | 27,369,596,197 |
| Segment Liabilities | | | | |
| Allocable Segment Liabilities | 938,928,676 | 4,626,508,656 | - | 5,565,437,332 |
| Unallocable: | | | | |
| Tax Liabilities | - | - | 420,602,271 | 420,602,271 |
| Long Term and Short Term Borrowings | - | - | 2,142,377,493 | 2,142,377,493 |
| Interest accrued on borrowings | - | - | 1,907,528 | 1,907,528 |
| Unclaimed Dividend | - | - | 11,850,934 | 11,850,934 |
| Total Liabilities | 938,928,676 | 4,626,508,656 | 2,576,738,226 | 8,142,175,558 |

Segment Assets and Liabilities (As at March 31, 2015)**(Amount in ₹)**

| Particulars | PR | EMI/DNO | Unallocable | Total |
|-------------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| Segment Assets | | | | |
| Allocable Segment Assets | 1,559,542,520 | 14,975,223,759 | - | 16,534,766,279 |
| Unallocable: | | | | |
| Goodwill | - | - | 4,263,450,299 | 4,263,450,299 |
| Tax Assets | - | - | 529,666,677 | 529,666,677 |
| Fixed Deposits & Margin Money | - | - | 4,308,240,043 | 4,308,240,043 |
| Interest accrued on deposits | - | - | 142,443,075 | 142,443,075 |
| Unpaid Dividend | - | - | 7,085,306 | 7,085,306 |
| Total Assets | 1,559,542,520 | 14,975,223,759 | 9,250,885,400 | 25,785,651,679 |
| Segment Liabilities | | | | |
| Allocable Segment Liabilities | 594,462,992 | 4,979,394,267 | - | 5,573,857,259 |
| Unallocable: | | | | |
| Tax Liabilities | - | - | 166,237,595 | 166,237,595 |
| Long Term and Short Term Borrowings | - | - | 1,473,664,113 | 1,473,664,113 |
| Interest accrued on borrowings | - | - | 1,944,855 | 1,944,855 |
| Unclaimed Dividend | - | - | 7,031,045 | 7,031,045 |
| Total Liabilities | 594,462,992 | 4,979,394,267 | 1,648,877,607 | 7,222,734,867 |

Note: Assets used in the Company's business or liabilities contracted have not been identified to its DNO and EMI segments, as the assets and support services are used interchangeably between these segments. The identifiable assets and liabilities pertaining to PR segment have been disclosed separately.

Geographic Segments**(Amount in ₹)**

| Segment Revenue Geographic Location | Year ended March 31, 2016 | Year ended March 31, 2015 |
|--|------------------------------|------------------------------|
| India | 8,282,462,537 | 7,325,360,806 |
| North America | 14,804,403,080 | 13,980,079,482 |
| Europe | 4,937,812,195 | 5,015,455,817 |
| Rest of World | 2,931,020,310 | 1,038,433,706 |
| TOTAL | 30,955,698,122 | 27,359,329,811 |

Segment Assets

(Amount in ₹)

Geographic Location

| | As at March 31, 2016 | As at March 31, 2015 |
|---------------|---------------------------------|---------------------------------|
| India | 9,497,816,454 | 9,756,366,630 |
| North America | 3,853,608,396 | 4,386,840,171 |
| Europe | 3,033,441,544 | 2,260,957,384 |
| Rest of World | 3,161,907,461 | 130,602,094 |
| TOTAL | 19,546,773,855 | 16,534,766,279 |

Segment Capital Expenditure

(Amount in ₹)

Geographic Location

| | Year ended March 31, 2016 | Year ended March 31, 2015 |
|---------------|--------------------------------------|--------------------------------------|
| India | 491,419,667 | 681,065,975 |
| North America | 133,594,826 | 47,794,740 |
| Europe | 17,667,586 | 31,312,044 |
| Rest of World | 633,214,169 | 2,457,720 |
| TOTAL | 1,275,896,248 | 762,630,479 |

39. Related Party Transactions

39.1 Cyient Group has transactions with the following related parties:

a. Joint Venture:

| Name of the Joint Venture Company | Country of incorporation | Extent of holding (%) as at March 31, 2016 | Extent of holding (%) as at March 31, 2015 |
|--|-------------------------------------|---|---|
| Infotech HAL Limited | India | 50% | 50% |

b. Associate:

| Name of the Associate | Country of incorporation | Extent of holding (%) as at March 31, 2016 | Extent of holding (%) as at March 31, 2015 |
|-----------------------------------|-------------------------------------|---|---|
| Infotech Aerospace Services Inc., | USA | 49% | 49% |

c. Other related party:

| Entity | Country of incorporation | Nature of relationship |
|--|---------------------------------|-------------------------------|
| Cyient Foundation (formerly Infotech Enterprises Charitable Trust) | India | Controlled trust |

c. Key Managerial Personnel:

| Name | Designation |
|-------------------|---|
| B V R Mohan Reddy | Executive Chairman |
| B Sucharitha | Whole time director (Up to April, 2014) Ceased to be a director w.e.f 17th July 2014) |
| Krishna Bodanapu | Managing Director & CEO |
| Ajay Aggarwal | Chief Financial Officer |

Relative of Executive Chairman and Managing Director & CEO

| Name | Designation |
|---------------|-------------------------------|
| B Ashok Reddy | President - Corporate Affairs |

39.2 Summary of the transactions and balances with the above related parties are as follows:

(a) Transactions during the year:

| Nature of the transaction | Party name | (Amount in ₹) | |
|---|--|-----------------------------------|-----------------------------------|
| | | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
| Share of Profits from Associate | Infotech Aerospace Services Inc., | 120,324,634 | 150,374,958 |
| Advances given/(recovered) | Infotech HAL Limited | 3,947,622 | 2,898,094 |
| Loans recovered | Infotech HAL Limited | - | 2,812,500 |
| Repayment of Loan by KMP | B Ashok Reddy | 426,693 | 121,176 |
| Interest recovered from loan to KMP | B Ashok Reddy | 1,203 | 12,048 |
| Other Income | Infotech HAL Limited | 727,644 | 727,644 |
| CSR Expenditure | Cyient Foundation (formerly Infotech Enterprises Charitable Trust) | 47,567,491 | 35,578,562 |
| Remuneration to Key Managerial Personnel# | B V R Mohan Reddy | 51,663,911 | 56,751,883 |
| | B Sucharitha | - | 2,091,747 |
| | Krishna Bodanapu | 65,061,685 | 35,227,616 |
| | Ajay Aggarwal | 12,949,163 | 12,914,163 |
| | B Ashok Reddy | 10,135,515 | 9,770,693 |
| Rental expenses | B Sucharitha | 2,508,000 | 6,019,200 |
| Dividend to KMP | B V R Mohan Reddy | 175,238,480 | 87,584,196 |
| | B Sucharitha | 78,494,400 | 39,247,200 |
| | Krishna Bodanapu | 22,209,120 | 11,104,560 |
| | Ajay Aggarwal | 1,200 | 25,800 |
| Sale of asset to relative of KMP | B Ashok Reddy | 4,367 | - |

#Does not include provision for compensated absences.

(b) Balances at the year-end:

| Nature of the Balance | Party name | As at March 31, 2016 | As at March 31, 2015 |
|------------------------------------|----------------------|----------------------|----------------------|
| | | | |
| Advance receivable | Infotech HAL Limited | 8,331,287 | 4,383,664 |
| Outstanding loans | B Ashok Reddy | - | 426,693 |
| Outstanding balance payable to KMP | B V R Mohan Reddy | 28,761,178 | 35,057,014 |
| | Krishna Bodanapu | 28,761,178 | 17,528,507 |

40. Lease expenses incurred under operating leases aggregating ₹ 498,028,349 (2014-15 - ₹ 425,477,935) have been recognised as an expense in the Consolidated Statement of Profit and Loss. The future minimum lease commitments of Cyient Group under non-cancellable operating leases are as follows:

| | (Amount in ₹) | |
|---|----------------------|----------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Maximum obligations on long-term non-cancellable operating leases: | | |
| Not later than one year | 405,678,652 | 372,593,776 |
| Later than one year but not later than five years | 476,438,026 | 686,974,896 |
| Later than five years | 120,246,143 | 137,677,482 |
| TOTAL | 1,002,362,821 | 1,197,246,154 |

41. Earnings per Share (EPS)

| Particulars | (Amount in ₹) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2016 | Year ended March 31, 2015 |
| Profit after taxation | 3,262,492,046 | 3,532,036,414 |
| Basic: | | |
| Number of shares outstanding at the year end | 112,483,377 | 112,361,065 |
| Weighted average number of equity shares | 112,442,098 | 112,182,127 |
| Earnings per share (₹) | 29.01 | 31.48 |
| Diluted: | | |
| Effect of potential equity shares on employee stock options outstanding | 195,515 | 396,868 |
| Weighted average number of equity shares outstanding (including dilution) | 112,637,613 | 112,578,995 |
| Earnings per share (₹) | 28.96 | 31.37 |

42. Provision for taxation

42.1 Current tax

Company:

The Company has made provision towards current tax in respect of its domestic operations for the year ended March 31, 2016. Further, the Management has assessed the Company's tax position in respect of its overseas operations taking into account the relevant rules and regulations as applicable in the respective countries.

Subsidiaries:

An amount of ₹ 524,920,656 (2014-15 - ₹ 316,563,205) has been included under Current tax expense in respect of the subsidiaries of the Company.

42.2 Deferred Taxes

| Particulars | (Amount in ₹) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| (A) Deferred tax (liability) | | |
| (i) Depreciation & Amortisation | (166,209,712) | (173,117,617) |
| Sub-Total (A) | (166,209,712) | (173,117,617) |
| (B) Deferred tax asset | | |
| (i) Employee benefits | 184,381,125 | 154,332,121 |
| (ii) Others | 38,351,946 | 24,709,472 |
| Sub-Total (B) | 222,733,071 | 179,041,593 |
| Net Deferred tax assets/(liability) [(A) + (B)] | 56,523,359 | 5,923,976 |

Note:

- Deferred tax liability as on March 31, 2016 includes amount of ₹ 4,923,484 on account of IGIL Amalgamation (Refer Note 35 (v))
- As of March 31, 2015, Deferred tax on impact of change in useful lives of certain class of fixed assets is ₹ 5,716,126 (Refer Note 54)

Subsidiaries:

The breakup of deferred tax assets/liabilities is as follows:

| Particulars | (Amount in ₹) | |
|--|-------------------------|--------------------------|
| | As at March 31, 2016 | As at March 31, 2015* |
| (A) Deferred tax (liability) | | |
| (i) Employee benefits | (1,802,400) | - |
| (ii) Fixed Assets | (1,195,741) | (38,887,769) |
| (iii) Others | (38,759,739) | (11,633,648) |
| Sub-Total (A) | (41,757,880) | (50,521,417) |
| (B) Deferred tax asset | | |
| (i) Employee benefits | 111,396,610 | 2,567,287 |
| (ii) Fixed Assets | (517,984) | 6,488,660 |
| (iii) Others | 20,085,628 | 50,258,989 |
| Sub-Total (B) | 130,964,254 | 59,314,936 |
| Net Deferred tax assets/(liability) [(A) + (B)] | 89,206,374 | 8,793,519 |

* Includes Deferred tax balances on account of acquisitions made during the previous year.

42.3 Tax pertaining to earlier years

Tax pertaining to earlier years relates to adjustment made to tax provision for earlier year arising from the Income tax assessment of one subsidiary ₹ 10,269,508 (2014 - 15 - ₹ 23,962,344, arising from Income tax assessments of the Company and one subsidiary).

42.4 Transfer pricing

The Company has entered into international transactions with related parties. In this regard, the Management is of the opinion that all necessary documents as prescribed by the Income Tax Act, 1961, to prove that these transactions are at arm's length are maintained by the Company and that the aforesaid legislation will not have any impact on the financial statements, particularly on the tax expense and the provision for taxation.

42.5 Minimum Alternate Tax (MAT) credit entitlement

| Particulars | (Amount in ₹) | |
|--------------------------------|-------------------|------------------|
| | March 31, 2016 | March 31, 2015 |
| Opening MAT credit entitlement | 2,551,688 | 1,123,805 |
| Add: made during the year | 30,312,167 | 2,009,229 |
| Less: utilised during the year | - | 581,346 |
| Closing MAT credit entitlement | 32,863,855 | 2,551,688 |

43. Research and Development Expenses - Company

Revenue expenditure pertaining to research and development charged to the Statement of Profit and Loss amounts to ₹ 56,129,089 (2014-15 - ₹ 14,687,303). The Company has made an application to the Department of Scientific and Industrial Research (DSIR) for approval of R&D centres and the same is pending approval.

44. Investment in Joint Venture : Infotech HAL Limited

The notes forming part of the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss include the following amounts towards Cyient's share in the Joint Venture:

Balance Sheet:

| Particulars | (Amount in ₹) | |
|-------------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Reserves and surplus | (8,340,112) | (13,315,089) |
| Short-term provisions | 294,863 | 59,994 |
| Long-term provisions | 876,351 | 668,786 |
| Trade payables | 23,050,987 | 13,754,317 |
| Other current liabilities | 246,461 | 33,750 |
| Fixed assets | 109,079 | 98,503 |
| Deferred tax assets (net) | 173,892 | - |
| Long-term loans and advances | 3,173,898 | 2,281,291 |
| Trade receivables | 10,478,711 | 10,740,638 |
| Cash and bank balances | 2,671,681 | 1,442,517 |
| Short-term loans and advances | 388,855 | 245,802 |
| Other current assets | 19,132,435 | 6,393,007 |

Statement of Profit and loss:

| Particulars | (Amount in ₹) | |
|---------------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2016 | Year ended March 31, 2015 |
| Income from services | 30,282,213 | 30,018,705 |
| Other Income | 463,168 | 134,946 |
| Employee benefits expense | 9,809,671 | 8,177,220 |
| Other expenses | 15,890,650 | 18,577,488 |
| Finance costs | - | 46,875 |
| Depreciation and Amortisation expense | 21,522 | 11,083 |
| Tax | 48,562 | 12,625 |

45. Details of provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

| Particulars | (Amount in ₹) | |
|---------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Opening Balance | 5,578,782 | 4,097,989 |
| Additions during the year | 4,705,626 | 6,326,595 |
| Utilisation/Reversal | 6,049,152 | 4,845,802 |
| Closing Balance | 4,235,256 | 5,578,782 |

Of the above, the following amounts are expected to be utilised / reverse within a year:

| Particulars | (Amount in ₹) | |
|------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| Provision for warranty | 4,235,256 | 5,578,782 |

46.1 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, 2016 and March 31, 2015, 80,900 equity shares of ₹ 10 each have been allotted to the Infotech ESOP trust.

Associate Stock Option Plan - 2001 (ASOP 2001)

The Company instituted ASOP 2001 in April 2001 and earmarked 225,000 equity shares of ₹ 10 each for issue to the employees under ASOP. The Company modified ASOP 2001 and adjusted the number of options and exercise price on account of stock split cum bonus issue during 2006-07. Under ASOP 2001, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

As at March 31, 2016, 1,650,630 (March 31, 2015 - 1,650,630) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2001 plan. Accordingly, options (net of cancellations) for a total number of Nil (March 31, 2015 - Nil) equity shares of ₹ 5 each were outstanding as at March 31, 2016.

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, 2016, 2,123,507 (March 31, 2015 - 2,123,507) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2002 plan. Accordingly, options (net of cancellations) for a total number of Nil (March 31, 2015 - Nil) equity shares of ₹ 5 each were outstanding as at March 31, 2016.

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, 2016, 3,296,545 (March 31, 2015 - 3,296,545) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2004 plan. Accordingly, options (net of cancellations) for a total number of Nil (March 31, 2015 - Nil) equity shares of ₹ 5 each were outstanding as at March 31, 2016.

Associate Stock Option Plan - 2008 (ASOP 2008)

The Company instituted ASOP 2008 in July 2008 and earmarked 1,000,000 equity shares of ₹ 5 each for issue to the employees under ASOP. Under ASOP 2008, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

As the options were granted to the employees at the market price on the date of grant there is no cost relating to grant of options during the year.

Changes in number of options outstanding were as follows:

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Options outstanding at the beginning of the year | 637,383 | 956,144 |
| Granted | 81,000 | 105,000 |
| Forfeited | (277,321) | (27,309) |
| Exercised | (122,312) | (396,452) |
| Options outstanding at the end of year | 318,750 | 637,383 |

Out of the total outstanding options, 132,500 (March 31, 2015 - 125,000) options pertain to options granted to the associates of subsidiary companies. During the year Company has granted 81,000 options (2014 - 15 - 105,000 options) to the associates.

As at March 31, 2016, 807,571 (March 31, 2015 - 685,259) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2008 plan. Accordingly, options (net of cancellations) for a total number of 318,750 (March 31, 2015 - 637,383) equity shares of ₹ 5 each were outstanding as at March 31, 2016.

Associate Stock Option Plan - 2015 (ASOP 2015)

The Company instituted Associate Stock Option Plan 2015 for all eligible employees in pursuance of the resolution passed by the members of the Company at their meeting held on July 16, 2015. Company has got the in-principle approval from the stock exchanges. Under the said scheme, 1,200,000 equity shares of ₹ 5 each have been earmarked. The options are yet to be granted to eligible employees.

Proforma EPS

In accordance with Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the compensation cost for Stock Option plans been recognized based on the fair value at the date of grant in accordance with Black Scholes model, the proforma amounts of the Company's net profit and earnings per share would have been as follows:

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|-------------------------------------|------------------------------|------------------------------|
| A. Profit After Tax | | |
| - As reported (₹) | 3,262,492,046 | 3,532,036,414 |
| - Proforma (₹) | 3,252,754,674 | 3,525,078,669 |
| B. Earnings Per Share | | |
| Basic | | |
| - Weighted average number of shares | 112,442,098 | 112,182,127 |
| - EPS as reported (₹) | 29.01 | 31.48 |
| - Proforma EPS (₹) | 28.93 | 31.42 |
| Diluted | | |
| - Weighted average number of shares | 112,637,613 | 112,578,995 |
| - EPS as reported (₹) | 28.96 | 31.37 |
| - Proforma EPS (₹) | 28.88 | 31.31 |

The following assumptions were used for calculation of fair value of grants:

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--------------------------------|-------------------------|-------------------------|
| | Black-Scholes Model | Black-Scholes Model |
| Exercise price (₹) (ASOP 2008) | 184-559 | 184-324 |
| Grant Date share price (₹) | 185-531.5 | 185-325 |
| Dividend yield (%) | 1.53-2.64 | 1.53-2.64 |
| Expected volatility (%) | 40-58.29 | 40-47 |
| Risk-free interest (%) | 8.29-8.4 | 8.29-8.4 |
| Expected term (in years) | 3-4 | 3-4 |

During the year Company has granted 81,000 options to the associates in respect of ASOP 2008

As no grants were made during the year ended March 31, 2016 and March 31, 2015 in respect of ASOP 2002 and ASOP 2004, the assumptions have not been changed.

46.2 Bonus Issue

The members of the Company during the year 2010-11 approved the Bonus Issue at the rate of one equity share of ₹ 5 each for every one equity share of ₹ 5 each held on the record date for the financial year 2010 - 11. The effect of bonus issue has been applied to all the outstanding options as at the date of member's approval.

47. Intangible assets under development

Intangible assets under development include amounts incurred by the Company to acquire right to use / right to exclusive supply arrangements. Subsequent to the completion of the projects the amounts would be capitalised as Intangible assets. Intangible assets under development includes:

- Amounts incurred by the Company pursuant to an agreement with a customer to reengineer and design certain equipment for which the Company would acquire a right to exclusive manufacture and supply of such equipment to the customer over the contracted period ₹ 8,999,949 (March 31, 2015 - ₹ 8,999,949).
- 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 / reward sharing model ₹ 75,503,998 (March 31, 2015 - ₹ 31,914,829)

- The Company contributes towards Corporate Social Responsibility (CSR) activities through its trust, Cyient Foundation (formerly Infotech Enterprises Charitable Trust). As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, adoption of schools, medical and other social projects. Expenses incurred on CSR activities are charged to the Statement of Profit and Loss under 'Operating, administration and other expenses' - ₹ 47,567,491 (2014-15 - ₹ 35,578,562)
- During the previous year, consequent to an internal reorganisation, the Bristol branch of Cyient GmbH (formerly Infotech Enterprises GmbH) situated in UK was transferred to Cyient Europe Limited (formerly Infotech Enterprises Europe Limited) w.e.f November 1, 2014. This transaction has no impact on the consolidated financial statements.
- Contingency reserve relates to certain tax liabilities. During the previous year, the Company received favourable orders from tax appellate authorities with respect to various assessment years. As a result, during the previous year the Company transferred ₹ 161,000,000 from contingency reserve to general reserve, based on professional advice. Balance in contingency reserve as at March 31, 2016 ₹ Nil (March 31, 2015 ₹ Nil).
- The Company disinvested its 100% stake in Infotech Enterprises Information Technology Services Private Limited, India, and its wholly-owned subsidiary, Infotech Enterprises Information Technology Services GmbH, Germany, on September 16, 2015. An amount of ₹ 23,135,239, being excess of sale consideration over the carrying value of the net-assets as on date of sale, was recognised as Profit on Sale of Long Term Investments.

- 52.** The Company incorporated a wholly-owned subsidiary in Singapore, Cyient Singapore Private Limited, on May 7, 2015. Cyient Singapore Private Limited acquired the business of "Global Services Engineering Asia" on September 1, 2015 for a consideration of ₹ 528,463,604. Consequent to the acquisition, an amount of ₹ 528,463,604 were recognized as an Intangible Asset, to be amortised over a period of four years from the date of acquisition.
- 53.** The Company acquired the rights to perform GIS and Field validation services to a Telecom Services Company in Australia. The Company paid ₹ 26,496,640 to acquire rights from another Company in Australia which was already providing the services to this customer. The service agreement was effective December 18, 2015, valid for a period of four years. The Company recognized the said amount as an Intangible asset to be amortised over the period of the contract.
- 54.** During the previous year ended March 31, 2015, pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has adjusted an amount of ₹ 11,389,934 (net of deferred tax of ₹ 5,741,806) against the opening Surplus in the Consolidated Statement of Profit and Loss under Reserves and Surplus.
- The depreciation expense in the Consolidated Statement of Profit and Loss for the previous year was lower by ₹ 54,981,117 consequent to the change in the useful life of the assets.
- 55.** The Company has received an amount of ₹ 1,288,000 (March 31, 2015 - ₹ Nil) towards share application money pending allotment. The share application money relates to money received from associates pursuant to Associate Stock Option Plan (ASOP) 2008.
- 56.** Exceptional item relates to provision made towards bonus payable for the period of April to December 2015 of ₹ 87,155,406 consequent to the amendment to the Payment of Bonus Act, 1965 (i.e the Payment of Bonus (Amendment) Act, 2015) in relation with the Company and two of its subsidiaries. The liability for the year 2014 - 15 has been recognised as contingent liability.
- 57.** The Company incorporated a wholly-owned subsidiary in China, Cyient Engineering (Beijing) Limited, on March 25, 2016, which has not yet commenced commercial operations during the year.

58. 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

| Name of the entity | Net assets, i.e., total assets minus total liabilities - March 16 | | Net assets, i.e., total assets minus total liabilities - March 15 | | Share of profit or (loss) - March 16 | | Share of profit or (loss) - March 15 | |
|---|---|----------------|---|----------------|--------------------------------------|---------------|--------------------------------------|---------------|
| | As % of consolidated net assets | Amount (in ₹) | As % of consolidated net assets | Amount (in ₹) | As % of consolidated profit or loss | Amount (in ₹) | As % of consolidated profit or loss | Amount (in ₹) |
| Parent Company Cyient Limited (formerly Infotech Enterprises Limited) | 87.43% | 16,811,273,944 | 83.59% | 15,517,043,417 | 69.26% | 2,259,454,617 | 76.77% | 2,711,589,299 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| 1. Infotech Geospatial India Private Limited (Refer Note 35(v)) | 0.00% | - | -0.16% | (29,438,246) | 0.00% | - | -0.23% | (8,004,872) |
| 2. Infotech Enterprises Information Technology Services Private Limited (Refer Note 51) | 0.00% | - | 0.36% | 66,000,579 | 0.27% | 8,865,873 | 0.26% | 9,114,087 |
| 3. Cyient Insights Private Limited (formerly Invati Insights Private Limited) | -0.90% | (173,252,279) | -0.26% | (47,971,440) | -3.74% | (121,992,884) | -1.31% | (46,150,555) |
| 4. Rangsons Electronics Private Limited | 1.30% | 249,305,819 | 1.31% | 244,010,262 | 0.68% | 22,033,431 | 0.02% | 865,369 |
| Minority Interests in all subsidiaries | | | | | | | | |
| Minority Interest of Cyient Insights Private Limited | 0.00% | - | 0.00% | - | 0.00% | - | 0.64% | 22,613,771 |
| (formerly Invati Insights Private Limited) | | | | | | | | |
| Minority Interest of Rangsons Electronics Private Limited | -0.67% | (128,054,018) | -0.66% | (122,325,318) | -0.18% | (5,728,695) | -0.01% | (224,996) |
| Foreign | | | | | | | | |
| 1. Cyient Inc (formerly Infotech Enterprises America Inc.) | 2.68% | 515,759,991 | 8.71% | 1,617,187,178 | 14.39% | 469,369,952 | 15.07% | 532,279,538 |
| 2. Cyient Europe Limited (formerly Infotech Enterprises Europe Limited) | 1.39% | 267,954,057 | 0.46% | 85,947,328 | 8.40% | 274,061,929 | 4.73% | 167,020,081 |
| 3. Cyient GmbH (formerly Infotech Enterprises GmbH) | 4.21% | 808,636,128 | 3.65% | 678,035,701 | 1.43% | 46,568,667 | -0.44% | (15,396,628) |
| 4. Cyient KK (formerly Infotech Enterprises Japan KK) | -0.43% | (81,896,162) | -0.52% | (96,295,677) | 0.85% | 27,716,294 | 0.13% | 4,627,999 |
| 5. Cyient Australia Pty Limited | 0.88% | 168,676,973 | 0.00% | - | 4.74% | 154,656,865 | 0.00% | - |
| 6. Cyient Singapore Private Limited | 0.07% | 12,993,548 | 0.00% | - | 0.07% | 2,186,386 | 0.00% | - |
| Associates (Investment as per the equity method) | | | | | | | | |
| Foreign | | | | | | | | |
| Infotech Aerospace Services Inc. | 4.08% | 784,362,750 | 3.58% | 664,038,116 | 3.69% | 120,324,634 | 4.26% | 150,374,958 |
| Joint Ventures (as per proportionate consolidation) | | | | | | | | |
| Indian | | | | | | | | |
| Infotech HAL Limited | -0.04% | (8,340,112) | -0.07% | (13,315,089) | 0.15% | 4,974,976 | 0.09% | 3,328,361 |

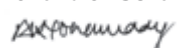
Note 1 : Step down subsidiary figures have been consolidated with respective subsidiary.

Note 2 : Cyient Australia Pty Limited was not considered for consolidation in the previous year.

59. Regrouping/Reclassification

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

For and on behalf of the Board of Directors



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



Ajay Aggarwal
Chief Financial Officer

Place : Hyderabad

Date : April 21, 2016



Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)



Sudheendhra Putty
Company Secretary

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 - AOC I)

Part "A": Subsidiaries

| Name of the subsidiary | Cyient Inc., | Cyient Europe Limited | Cyient GmbH | Cyient KK | Cyient Australia Pty Ltd | Cyient Singapore Private Limited | Cyient Insights Private Limited | Rangsons Electronics Private Limited |
|--|----------------|-----------------------|----------------|----------------|--------------------------|----------------------------------|---------------------------------|--------------------------------------|
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | April to March | April to March | April to March | April to March | April to March | April to March | April to March | April to March |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries. | | | | | | | | |
| Share capital | USD66.33 | GBP95.09 | EUR75.10 | JPY0.59 | AUD50.80 | SGD49.15 | INR | INR |
| Reserves & surplus | 21,450,000 | 1,850,000 | 600,000 | 9,000,000 | 1,000 | 5,085,360 | 19,994,780 | 13,670,000 |
| Total assets | 4,690,485 | 4,060,107 | 11,989,826 | (139,692,441) | 3,320,325 | 24,977 | (194,590,011) | 387,509,576 |
| Total Liabilities | 72,236,596 | 22,722,098 | 28,483,360 | 334,927,215 | 11,800,672 | 16,750,709 | 24,546,017 | 2,584,746,526 |
| Investments | 46,096,111 | 16,811,991 | 15,893,534 | 465,619,656 | 8,479,347 | 11,640,372 | 199,141,248 | 2,183,566,951 |
| Turnover | 1,928 | 1,949 | - | - | - | - | - | - |
| Profit before taxation | 230,677,035 | 35,631,092 | 22,334,171 | 546,936,506 | 22,797,902 | 8,410,859 | 36,433,600 | 2,564,442,577 |
| Provision for taxation | 10,937,775 | 3,368,826 | 1,107,283 | 52,086,188 | 4,743,322 | (154,023) | (121,994,840) | (102,345,865) |
| Profit after taxation | 4,893,035 | 651,771 | 351,526 | 6,801,600 | 1,422,997 | (179,000) | (1,956) | (33,043,450) |
| Proposed Dividend | 6,044,740 | 2,717,055 | 755,757 | 45,284,588 | 3,320,325 | 24,977 | (121,992,884) | (69,302,415) |
| % of shareholding | - | - | - | - | - | - | - | - |
| | 100% | 100% | 100% | 100% | 100% | 100% | 51% | 74% |

Notes:

1. Cyient Engineering (Beijing) Limited, China was incorporated during the year 2015-16. It has not yet started commercial operations.
2. Names of subsidiaries which have been merged or sold during the year -
 - (a) Infotech Geospatial(India) Private Limited (Merged with holding company)
 - (b) Infotech Enterprises Information technology services Private Limited (Sold)

Part "B": Associates and Joint Ventures

| Name of Associate/Joint Venture | Infotech Aerospace Services Inc., USA | Infotech HAL Limited , India |
|---|---------------------------------------|--|
| 1. Latest audited Balance Sheet Date | March 31, 2016 | March 31, 2016 |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | | |
| i. No. | i) 490 | i. 2,000,000 |
| ii. Amount of Investment in Associates/Joint Venture | ii) ₹ 11,172,000 | ii. ₹ 20,000,000 |
| iii. Extent of Holding% | iii) 49% | iii. 50% |
| 3. Description of how there is significant influence | There is no significant influence | There is significant influence to the extent of shareholding |
| 4. Reason why the associate/joint venture is not consolidated | NA | NA |
| 5. Net worth attributable to Shareholding as per latest audited Balance Sheet | \$ 15,582,329 | ₹ 11,659,888 |
| 6. Profit/Loss for the year | | |
| i. Considered in Consolidation | i) ₹ 120,324,634 | i) ₹ 4,974,977 |
| ii. Not Considered in Consolidation | ii) - | ii) - |

- Names of associates or joint ventures which are yet to commence operations - None.
- Names of associates or joint ventures which have been liquidated or sold during - None.

A 10 Year Historical Perspective - Standalone

(₹ Millions except per share data, other information and ratios)

| Particulars | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|
| For the year | | | | | | | | | | |
| Total Revenue | 3,549.40 | 4,540.86 | 5,438.11 | 6,079.50 | 6,774.24 | 9,173.78 | 10,888.66 | 12,769.19 | 13,969.46 | 13,590.56 |
| EBITDA | 988.77 | 1,091.92 | 1,123.29 | 1,960.04 | 1,667.73 | 2,645.64 | 3,196.24 | 3,967.31 | 4,053.64 | 3,634.99 |
| Financial charges | 3.61 | 28.70 | 35.14 | 4.71 | 0.80 | 5.65 | 0.85 | 3.61 | 5.12 | 2.28 |
| Depreciation & Amortization | 222.69 | 343.03 | 426.64 | 407.07 | 375.48 | 411.59 | 563.23 | 648.66 | 618.05 | 688.05 |
| Provision for Income Tax | 100.08 | 94.30 | 110.00 | 125.70 | 125.78 | 714.59 | 699.14 | 763.12 | 706.92 | 584.20 |
| Deferred Tax | (1.34) | 25.02 | (174.10) | 154.92 | 9.76 | (72.15) | 71.45 | 2.77 | 11.96 | (45.68) |
| Fringe Benefit Tax | 13.27 | 15.29 | 17.00 | - | - | - | - | - | - | - |
| Profit Before Exceptional item | 650.45 | 585.57 | 708.62 | 1,267.65 | 1,155.91 | 1,585.96 | 1,861.56 | 2,549.15 | 2,711.59 | 2,406.13 |
| Exceptional items | - | - | - | - | (22.89) | - | 18.12 | - | - | 71.63 |
| Profit after tax from ordinary activities | 650.45 | 585.57 | 708.62 | 1,267.65 | 1,178.80 | 1,585.96 | 1,843.45 | 2,549.15 | 2,711.59 | 2,334.50 |
| Dividend | 51.92 | 62.55 | 82.84 | 222.00 | 138.97 | 278.54 | 585.50 | 559.26 | 898.79 | 787.13 |
| As at the end of the year | | | | | | | | | | |
| Share capital | 230.77 | 1,241.28 | 276.15 | 277.50 | 556.38 | 557.08 | 558.01 | 559.82 | 561.81 | 562.42 |
| Reserves and surplus | 2,504.56 | 5,014.97 | 6,622.86 | 7,760.85 | 8,523.12 | 9,792.34 | 11,108.27 | 13,298.26 | 15,244.29 | 16,267.71 |
| Net Worth | 2,735.33 | 6,256.25 | 6,899.01 | 8,038.35 | 9,079.50 | 10,349.42 | 11,666.28 | 13,858.09 | 15,806.09 | 16,830.13 |
| Share application money | - | - | - | - | - | - | 3.92 | 1.43 | - | 1.29 |
| pending allotment | - | - | - | - | - | - | - | - | - | - |
| Loan funds | 151.74 | 380.54 | 186.67 | - | - | - | - | - | - | - |
| Gross block | 2,323.50 | 3,703.78 | 4,542.28 | 4,836.26 | 5,350.39 | 5,976.23 | 6,810.10 | 7,226.05 | 7,806.43 | 8,162.00 |
| Capital investment | 644.06 | 1,380.27 | 838.50 | 293.99 | 514.12 | 625.84 | 833.87 | 415.95 | 580.38 | 355.57 |
| Net Current assets | 1,046.02 | 1,766.40 | 3,203.98 | 2,651.53 | 4,495.57 | 5,438.16 | 6,230.26 | 8,523.76 | 7,589.22 | 8,411.43 |
| Debt - equity ratio | 0.055 | 0.061 | 0.027 | - | - | - | - | - | - | - |
| Market capitalization | | | | | | | | | | |
| Per share data | | | | | | | | | | |
| Bonus/Capital History | | | | 1:1 | | | | | | |
| Basic earnings from ordinary activities (₹) (EPS) | 14.18 | 11.54 | 13.30 | 11.45 | 10.60 | 14.24 | 16.53 | 22.81 | 24.17 | 20.76 |
| Dividend Per Share (₹) (DPS) | 1.13 | 1.20 | 1.50 | 2.00 | 1.25 | 2.50 | 4.50 | 5.00 | 8.00 | 7.00 |
| Dividend (%) | 22.5% | 24.0% | 30.0% | 40.0% | 25.0% | 50.0% | 90.0% | 100.0% | 160.0% | 140.0% |
| Dividend Pay-out (%) | 8.0% | 10.7% | 11.7% | 17.5% | 11.8% | 17.6% | 27.2% | 21.9% | 33.1% | 33.7% |
| Book Value (₹) | 59 | 120 | 125 | 72 | 82 | 93 | 105 | 124 | 141 | 150 |
| Face Value (₹) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Figures for FY 10-11 have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

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.

(₹ Million and Percentage)

| SOURCES OF FUNDS | | 2015-16 | % | 2014-15 | % | 2013-14 | % | 2012-13 | % | 2011-12 | % |
|-------------------------------|-----------|---------|---|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
| Shareholders' Funds | | | | | | | | | | | |
| Share Capital | 562.42 | 3.24 | | 561.81 | 3.45 | 559.82 | 3.94 | 558.01 | 4.65 | 557.08 | 5.19 |
| Reserves and Surplus | 16,267.71 | 93.59 | | 15,244.29 | 93.65 | 13,298.26 | 93.61 | 11,108.27 | 92.53 | 9,792.34 | 91.21 |
| Net worth | 16,830.13 | 96.83 | | 15,806.09 | 97.10 | 13,858.09 | 97.55 | 11,666.28 | 97.18 | 10,349.42 | 96.40 |
| Share application money | | | | | | | | | | | |
| pending allotment | 1.29 | 0.01 | | - | - | 1.43 | 0.01 | 3.92 | 0.03 | - | - |
| Loan Funds | | | | | | | | | | | |
| Secured | - | - | | - | - | - | - | - | - | - | - |
| Unsecured | - | - | | - | - | - | - | - | - | - | - |
| Total debt | - | - | | - | - | - | - | - | - | - | - |
| Long Term Liabilities | | | | | | | | | | | |
| Long Term Provisions | 550.17 | 3.17 | | 472.59 | 2.90 | 346.58 | 2.44 | 334.94 | 2.79 | 386.41 | 3.60 |
| TOTAL | 17,381.58 | 100.00 | | 16,278.69 | 100.00 | 14,206.09 | 100.00 | 12,005.14 | 100.00 | 10,735.83 | 100.00 |
| APPLICATION OF FUNDS | | | | | | | | | | | |
| Fixed Assets Gross | 8,162.00 | 46.96 | | 7,806.43 | 47.95 | 7,226.05 | 50.87 | 6,810.10 | 56.73 | 5,976.23 | 55.67 |
| Depreciation & Amortization | 5,321.40 | 30.62 | | 4,687.57 | 28.80 | 4,061.80 | 28.59 | 3,464.11 | 28.86 | 2,924.36 | 27.24 |
| Net block | 2,840.60 | 16.34 | | 3,118.86 | 19.16 | 3,164.25 | 22.27 | 3,345.99 | 27.87 | 3,051.87 | 28.43 |
| Non Current Investments | 4,587.23 | 26.39 | | 4,460.29 | 27.40 | 1,447.04 | 10.19 | 1,447.04 | 12.05 | 1,447.04 | 13.48 |
| Deferred Tax Assets | 56.52 | 0.33 | | 5.92 | 0.04 | 12.16 | 0.09 | 14.93 | 0.12 | 86.38 | 0.80 |
| Long Term loans & Advances | 1,485.80 | 8.55 | | 1,104.39 | 6.78 | 1,058.88 | 7.45 | 966.91 | 8.05 | 712.37 | 6.64 |
| Other Non Current Assets | - | - | | - | - | - | - | - | - | - | - |
| Current Assets | | | | | | | | | | | |
| Current Investment | 790.48 | 4.55 | | 336.08 | 2.06 | 400.36 | 2.82 | 609.77 | 5.08 | 222.49 | 2.07 |
| Trade Receivables | 2,802.35 | 16.12 | | 2,983.92 | 18.33 | 2,664.47 | 18.76 | 1,802.63 | 15.02 | 1,813.01 | 16.89 |
| Cash & Cash Equivalents | 4,956.26 | 28.51 | | 4,424.55 | 27.18 | 5,807.91 | 40.88 | 4,248.05 | 35.39 | 3,908.31 | 36.40 |
| Short Term Loans and Advances | 749.28 | 4.31 | | 842.53 | 5.18 | 703.35 | 4.95 | 590.89 | 4.92 | 251.88 | 2.35 |
| Other Current Assets | 998.63 | 5.75 | | 1,131.97 | 6.95 | 961.56 | 6.77 | 814.06 | 6.78 | 477.50 | 4.45 |
| Total Current assets | 10,296.99 | 59.24 | | 9,719.05 | 59.70 | 10,537.65 | 74.18 | 8,065.40 | 67.18 | 6,673.19 | 62.16 |
| Less: Current Liabilities | 1,885.56 | 10.85 | | 2,129.82 | 13.08 | 2,013.89 | 14.18 | 1,835.14 | 15.29 | 1,235.03 | 11.50 |
| Net current Assets | 8,411.43 | 48.39 | | 7,589.22 | 46.62 | 8,523.76 | 60.00 | 6,230.26 | 51.90 | 5,438.16 | 50.65 |
| TOTAL | 17,381.58 | 100.00 | | 16,278.69 | 100.00 | 14,206.09 | 100.00 | 12,005.14 | 100.00 | 10,735.83 | 100.00 |

Financial Analysis – Standalone

Profit and Loss Summary

| | (₹ Million and Percentage) | | | | | |
|--|----------------------------|---------------|------------------|---------------|------------------|---------------|
| | 2015-16 | % | 2014-15 | % | 2013-14 | % |
| INCOME | | | | | | |
| Revenue from Operations | 12,455.62 | 91.65 | 12,940.14 | 92.63 | 12,244.89 | 95.89 |
| Other Income | 1,134.94 | 8.35 | 1,029.32 | 7.37 | 524.30 | 4.11 |
| Total Income | 13,590.56 | 100.00 | 13,969.46 | 100.00 | 12,769.19 | 100.00 |
| EXPENDITURE | | | | | | |
| Employee Benefits Expense | 6,303.13 | 46.38 | 6,439.41 | 46.10 | 5,716.49 | 44.77 |
| Operating, Administration And Other Expenses | 3,652.44 | 26.87 | 3,476.41 | 24.89 | 3,085.39 | 24.16 |
| Finance Costs | 2.28 | 0.02 | 5.12 | 0.04 | 3.61 | 0.03 |
| Depreciation And Amortisation Expenses | 688.05 | 5.06 | 618.05 | 4.42 | 648.66 | 5.08 |
| Total Expenditure | 10,645.90 | 78.33 | 10,539.00 | 75.44 | 9,454.14 | 74.04 |
| Profit before exceptional items and tax | 2,944.66 | | 3,430.46 | | 3,315.04 | |
| Exceptional items | 71.63 | 0.53 | - | - | - | - |
| Profit after exceptional items and before tax | 2,873.03 | 21.14 | 3,430.46 | 24.56 | 3,315.04 | 25.96 |
| Provision for Income Tax | 584.20 | 4.30 | 706.92 | 5.06 | 763.12 | 5.98 |
| Deferred Tax | (45.68) | (0.34) | 11.96 | 0.09 | 2.77 | 0.02 |
| Fringe Benefit Tax | - | - | - | - | - | - |
| PROFIT AFTER TAX | 2,334.50 | 17.18 | 2,711.59 | 19.41 | 2,549.15 | 19.96 |
| | | | | | 1,843.45 | 16.93 |
| | | | | | 1,585.96 | 17.29 |

Financial Analysis – Consolidated

Balance Sheet

(₹ Million and Percentage)

| | 2015-16 | % | 2014-15 | % | 2013-14 | % | 2012-13 | % | 2011-12 | % |
|---|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| SOURCES OF FUNDS | | | | | | | | | | |
| Shareholders' Funds | | | | | | | | | | |
| Share Capital | 562.42 | 2.72 | 561.81 | 2.86 | 559.82 | 3.43 | 558.01 | 4.09 | 557.08 | 4.60 |
| Reserves and Surplus | 18,535.66 | 89.57 | 17,878.79 | 90.91 | 15,323.44 | 93.90 | 12,663.51 | 92.76 | 11,017.74 | 91.05 |
| Net worth | 19,098.08 | 92.29 | 18,440.59 | 93.77 | 15,883.27 | 97.33 | 13,221.53 | 96.85 | 11,574.81 | 95.65 |
| Share application money pending allotment | 1.29 | 0.01 | - | - | 1.43 | 0.01 | 3.92 | 0.03 | - | - |
| Loan Funds | | | | | | | | | | |
| Secured | 681.03 | - | 466.77 | - | - | - | - | - | - | - |
| Total debt | 681.03 | 3.29 | 466.77 | 2.37 | - | - | - | - | - | - |
| Long term Liabilities | 90.38 | 0.44 | 3.14 | 0.02 | | | | | | |
| Long term Provisions | 653.46 | 3.16 | 582.35 | 2.96 | 381.71 | 2.34 | 380.84 | 2.79 | 493.14 | 4.08 |
| Minority Interest | 128.05 | 0.62 | 122.33 | 0.62 | - | - | - | - | - | - |
| Deferred Tax Liability | 41.76 | 0.20 | 50.52 | 0.26 | 51.76 | 0.32 | 45.07 | 0.33 | 33.06 | 0.27 |
| TOTAL | 20,694.06 | 100.00 | 19,665.71 | 100.00 | 16,318.17 | 100.00 | 13,651.37 | 100.00 | 12,101.02 | 100.00 |
| APPLICATION OF FUNDS | | | | | | | | | | |
| Fixed Assets Gross (Including Goodwill) | 13,326.96 | 64.40 | 13,386.58 | 68.07 | 7,998.49 | 49.02 | 7,555.77 | 55.35 | 6,810.63 | 56.28 |
| Depreciation & Amortization | 6,535.07 | 31.58 | 5,405.45 | 27.49 | 4,561.90 | 27.96 | 3,973.39 | 29.11 | 3,345.16 | 27.64 |
| Net block | 6,791.88 | 32.82 | 7,981.13 | 40.58 | 3,436.59 | 21.06 | 3,582.38 | 26.24 | 3,465.47 | 28.64 |
| Non Current Investments | 795.74 | 3.85 | 675.42 | 3.43 | 525.04 | 3.22 | 372.99 | 2.73 | 243.94 | 2.02 |
| Deferred Tax Assets | 187.49 | 0.91 | 65.24 | 0.33 | 73.54 | 0.45 | 38.40 | 0.28 | 63.22 | 0.52 |
| Long term loans and advances | 1,645.44 | 7.95 | 1,358.96 | 6.91 | 1,068.43 | 6.55 | 912.45 | 6.68 | 734.70 | 6.07 |
| Other non-current assets | 2.12 | 0.01 | 1.84 | 0.01 | 2.08 | 0.01 | 0.19 | 0.00 | - | 0.00 |
| Current Assets | | | | | | | | | | |
| Current Investment | 790.48 | 3.82 | 336.08 | 1.71 | 400.36 | 2.45 | 609.77 | 4.47 | 222.49 | 1.84 |
| Inventories | 978.58 | 4.73 | 606.06 | 3.08 | - | - | | | | |
| Trade Receivables | 6,145.01 | 29.69 | 5,335.86 | 27.13 | 4,799.79 | 29.41 | 4,007.48 | 29.36 | 3,674.97 | 30.37 |
| Cash and cash equivalents | 6,950.84 | 33.59 | 6,228.51 | 31.67 | 6,912.70 | 42.36 | 4,983.51 | 36.51 | 4,559.85 | 37.68 |
| Short-term loans and advances | 1,088.66 | 5.26 | 1,362.76 | 6.93 | 710.06 | 4.35 | 589.25 | 4.32 | 352.57 | 2.91 |
| Other current assets | 1,993.35 | 9.63 | 1,833.80 | 9.32 | 1,624.84 | 9.96 | 1,003.57 | 7.35 | 719.24 | 5.94 |
| Total Current Assets | 17,946.92 | 86.72 | 15,703.07 | 79.85 | 14,447.76 | 88.54 | 11,193.58 | 82.00 | 9,529.12 | 78.75 |
| Current Liabilities | 6,675.54 | 32.26 | 6,119.94 | 31.12 | 3,235.25 | 19.83 | 2,448.63 | 17.94 | 1,935.44 | 15.99 |
| Net current Assets | 11,271.38 | 54.47 | 9,583.13 | 48.73 | 11,212.50 | 68.71 | 8,744.95 | 64.06 | 7,593.68 | 62.75 |
| TOTAL | 20,694.06 | 100.00 | 19,665.71 | 100.00 | 16,318.17 | 100.00 | 13,651.37 | 100.00 | 12,101.02 | 100.00 |

(₹ Million and Percentage)

| | | 2015-16 | % | 2014-15 | % | 2013-14 | % | 2012-13 | % | 2011-12 | % |
|---|--|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| INCOME | | | | | | | | | | | |
| Revenues from Operations | | 30,955.70 | 96.61 | 27,359.33 | 95.74 | 22,064.33 | 99.24 | 18,730.63 | 98.01 | 15,531.33 | 98.88 |
| Other Income | | 1,085.39 | 3.39 | 1,217.66 | 4.26 | 169.40 | 0.76 | 381.10 | 1.99 | 175.30 | 1.12 |
| Total Income | | 32,041.09 | 100.00 | 28,576.99 | 100.00 | 22,233.73 | 100.00 | 19,111.73 | 100.00 | 15,706.63 | 100.00 |
| EXPENDITURE | | | | | | | | | | | |
| Employee Benefits Expenses | | 18,080.84 | 56.43 | 16,756.05 | 58.63 | 13,677.78 | 61.52 | 11,405.99 | 59.68 | 9,525.70 | 60.65 |
| Cost of materials consumed | | 1,881.18 | 5.87 | 291.10 | 1.02 | | | | | | |
| Changes in inventories of finished goods and work in progress | | 5.99 | 0.02 | 167.54 | 0.59 | | | | | | |
| Operating, Administration And Other Expenses | | 6,780.16 | 21.16 | 6,136.43 | 21.47 | 4,284.27 | 19.27 | 3,901.05 | 20.41 | 3,314.56 | 21.10 |
| Finance Costs | | 178.83 | 0.56 | 57.56 | 0.20 | 13.67 | 0.06 | 2.87 | 0.02 | 7.34 | 0.05 |
| Depreciation And Amortisation Expenses | | 892.95 | 2.79 | 712.78 | 2.49 | 719.98 | 3.24 | 635.50 | 3.33 | 494.13 | 3.15 |
| Total Expenditure | | 27,819.96 | 86.83 | 24,121.45 | 84.41 | 18,695.71 | 84.09 | 15,945.41 | 83.43 | 13,341.74 | 84.94 |
| Profit before exceptional items and tax | | 4,221.13 | 13.17 | 4,455.54 | 15.59 | 3,538.02 | 15.91 | 3,166.33 | 16.57 | 2,364.90 | 15.06 |
| Exceptional Items | | 87.16 | 0.27 | - | 0.00 | - | 0.00 | 18.12 | 0.09 | 15.92 | 0.10 |
| Profit after exceptional items and before tax | | 4,133.97 | 12.90 | 4,455.54 | 15.59 | 3,538.02 | 15.91 | 3,148.21 | 16.47 | 2,348.98 | 14.96 |
| Provision for Income Tax | | 1,119.39 | 3.49 | 1,046.12 | 3.66 | 1,037.77 | 4.67 | 930.83 | 4.87 | 866.00 | 5.51 |
| Deferred Tax | | (133.32) | -0.42 | 50.15 | 0.18 | (7.72) | -0.03 | 35.84 | 0.19 | -30.67 | -0.20 |
| Profit Before Extraordinary Item | | 3,147.90 | 9.82 | 3,359.27 | 11.76 | 2,507.97 | 11.28 | 2,181.54 | 11.41 | 1,513.66 | 9.64 |
| Share of Profit in Associate Company | | 120.32 | 0.38 | 150.37 | 0.53 | 152.05 | 0.68 | 129.05 | 0.68 | 100.09 | 0.64 |
| Minority Interest | | (5.73) | - | 22.39 | - | - | - | - | - | - | - |
| POST TAX PROFIT | | 3,262.49 | 10.18 | 3,532.04 | 12.36 | 2,660.02 | 11.96 | 2,310.59 | 12.09 | 1,613.75 | 10.27 |

Ratio Analysis - Standalone

| Ratio analysis for the year ended March 31 | | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|--|---------|--------|--------|--------|--------|
| cyient.com | Ratio - Financial Performance | | | | | |
| | Revenue from Operations/Total revenue (%) | 91.65 | 92.63 | 95.89 | 96.57 | 94.16 |
| | Other Income/Total revenue (%) | 8.35 | 7.37 | 4.11 | 3.43 | 5.84 |
| | Employee cost/Total revenue (%) | 46.38 | 46.10 | 44.77 | 45.87 | 46.30 |
| | Administration expenses/Total revenue (%) | 26.87 | 24.89 | 24.16 | 24.78 | 24.86 |
| | Operating expenses/Total revenue (%) | 73.25 | 70.98 | 68.93 | 70.65 | 71.16 |
| | Depreciation/Total revenue (%) | 5.06 | 4.42 | 5.08 | 5.17 | 4.49 |
| | Financial Charges/Total revenue (%) | 0.02 | 0.04 | 0.03 | 0.01 | 0.06 |
| | Tax/Total revenue (%) | 4.30 | 5.06 | 5.98 | 6.42 | 7.79 |
| | TAX/PBT (%) | 20.33 | 20.61 | 23.02 | 26.75 | 32.07 |
| | EBIDTA/Total revenue (%) | 26.22 | 29.02 | 31.07 | 29.19 | 28.84 |
| | Net Profit (PAT)/Total revenues (%) | 17.18 | 19.41 | 19.96 | 16.93 | 17.29 |
| | Net Profit (PAT)/Average net worth (%) | 14.31 | 18.28 | 19.97 | 16.75 | 16.33 |
| | ROCE (PBIT/Average capital employed) (%) | 18.06 | 23.16 | 26.00 | 23.92 | 23.00 |
| | Ratios- Balance sheet | | | | | |
| | Debt-equity ratio | - | - | - | - | - |
| | Debtors turnover (Days) | 82 | 84 | 79 | 63 | 77 |
| | Current ratio | 5.46 | 4.56 | 5.23 | 4.39 | 5.40 |
| | Cash & cash equivalents/Total assets (%) | 25.72 | 24.04 | 35.81 | 30.69 | 34.51 |
| 2015-16 | Cash & cash equivalents/Total revenue (%) | 36.47 | 31.67 | 45.48 | 39.01 | 45.03 |
| | Depreciation/Average gross block (%) | 8.62 | 8.22 | 9.24 | 8.81 | 7.27 |
| | Total Revenue/Average Net Fixed Assets | 4.56 | 4.45 | 3.92 | 3.40 | 3.16 |
| | Total Revenue/Average Total Assets | 0.72 | 0.81 | 0.85 | 0.84 | 0.83 |
| | Ratios - Growth* | | | | | |
| | Revenue from Operations revenue (%) | (3.74) | 5.68 | 16.45 | 21.74 | 33.37 |
| | Total revenue (%) | (2.71) | 9.40 | 17.27 | 18.69 | 35.42 |
| | Operating expenses (%) | 0.40 | 12.66 | 14.42 | 17.83 | 27.84 |
| | EBIDTA (%) | (10.33) | 2.18 | 24.83 | 20.81 | 58.64 |
| | Net Profit (%) | (13.91) | 6.37 | 38.28 | 16.24 | 34.54 |
| | Per Share Data | | | | | |
| | Basic earnings per share (₹) | 20.76 | 24.17 | 22.81 | 16.53 | 14.24 |
| | Cash Earnings per share (₹) | 26.87 | 29.63 | 28.56 | 21.56 | 17.93 |
| | Book value (₹) ** | 149.62 | 140.67 | 123.77 | 104.53 | 92.89 |
| | Price/Earning, end of year | 20.55 | 20.86 | 14.28 | 10.29 | 10.49 |
| | Price/Cash Earning, end of year | 15.88 | 17.02 | 11.41 | 7.89 | 8.33 |
| | Price/Book value, end of year | 2.85 | 3.58 | 2.63 | 1.63 | 1.61 |
| | Share price as on March 31 (National Stock Exchange) | 426.70 | 504.27 | 325.80 | 170.15 | 149.30 |
| | No. of Share Outstanding as on March 31, (in Millions) | 112.48 | 112.36 | 111.96 | 111.60 | 111.42 |
| | Dividend Per Share (₹) | 7.00 | 8.00 | 5.00 | 4.50 | 2.50 |
| | Dividend (%) | 140% | 160% | 100% | 90% | 50% |

Ratio Analysis - Consolidated

| Ratio analysis for the year ended March 31 | | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|--|--------|---------|---------|--------|--------|
| cyient.com | Ratio - Financial Performance | | | | | |
| | Other Income/Total Revenue (%) | 3.39 | 4.26 | 0.76 | 1.99 | 1.12 |
| | Employee cost/Total Revenue (%) | 56.43 | 58.63 | 61.52 | 59.68 | 60.65 |
| | Operating & Administration expenses/Total Revenue (%) | 21.16 | 21.47 | 19.27 | 20.41 | 21.10 |
| | Depreciation & Amortization/Total Revenue (%) | 2.79 | 2.49 | 3.24 | 3.33 | 3.15 |
| | Financial Charges/Total Revenue (%) | 0.56 | 0.20 | 0.06 | 0.02 | 0.05 |
| | TAX/PBT (%) | 23.85 | 24.60 | 29.11 | 30.71 | 35.56 |
| | EBIDTA/Total Revenue (%) | 16.52 | 18.29 | 19.21 | 19.91 | 18.25 |
| | Net Profit/Total Revenue (%) | 10.18 | 12.36 | 11.96 | 12.09 | 10.27 |
| | Net Profit/Average Net Worth (%) | 17.38 | 20.58 | 18.28 | 18.64 | 14.76 |
| 2015-16 | ROCE (PBIT/Average capital employed) | 23.44 | 26.30 | 24.41 | 25.56 | 21.70 |
| | Ratios- Balance sheet | | | | | |
| | Debt-equity ratio | 0.04 | 0.03 | - | - | - |
| | Debtors turnover (Days) | 79 | 83 | 87 | 95 | 99 |
| | Current ratio | 2.69 | 2.57 | 4.47 | 4.57 | 4.92 |
| | Cash & Cash Equivalents/Total Assets (%) | 25.40 | 24.15 | 35.35 | 30.95 | 34.07 |
| | Cash & Cash Equivalents/Total Revenue (%) | 21.69 | 21.80 | 31.09 | 26.08 | 30.45 |
| | Depreciation & Amortization/Average gross block (%) | 6.69 | 6.67 | 9.26 | 8.77 | 8.11 |
| | Revenue/Average Net Fixed Assets | 9.06 | 6.84 | 6.29 | 5.32 | 4.53 |
| | Revenue/Average Total Assets | 1.16 | 1.21 | 1.24 | 1.24 | 1.20 |
| Annual Report | Ratios - Growth* | | | | | |
| | Operating Revenue (%) | 13.14 | 24.00 | 17.80 | 20.60 | 30.70 |
| | Operating Expenses (%) | 16.07 | 28.11 | 17.16 | 19.80 | 27.33 |
| | EBIDTA (%) | 1.28 | 22.34 | 12.27 | 32.74 | 38.45 |
| | Net Profit (%) | (7.63) | 32.78 | 15.12 | 43.18 | 15.52 |
| | Per Share Data | | | | | |
| | Basic earnings per share (₹) | 29.01 | 31.48 | 23.80 | 20.72 | 14.49 |
| | Cash Earnings per share (₹) | 36.94 | 37.78 | 30.19 | 26.40 | 18.92 |
| | Book value (₹) | 169.79 | 164.12 | 141.86 | 118.47 | 103.89 |
| | Price/Earning, end of year | 14.71 | 16.02 | 13.69 | 8.21 | 10.30 |
| 192 | Price/Cash Earning, end of year | 11.55 | 13.35 | 10.79 | 6.45 | 7.89 |
| | Price /Book value , end of year | 2.51 | 3.07 | 2.30 | 1.44 | 1.44 |
| | Share price as on March 31 (National Stock Exchange) | 426.7 | 504.27 | 325.80 | 170.15 | 149.30 |
| | No. of Share Outstanding as on March 31, (in Millions) | 112.48 | 112.36 | 111.96 | 111.60 | 111.42 |
| | Bonus Issue | | | | | |
| | Dividend Per Share (₹) | 7.00 | 8.00 | 5.00 | 4.50 | 2.50 |
| | Dividend (%) | 140% | 160.00% | 100.00% | 90.00% | 50.00% |

Significant Milestones in the history of the Company

| | | |
|-------------|------------------|---|
| 1991 | August | Infotech Enterprises was incorporated as a private limited company |
| 1995 | August | The company received its first ISO 9002 certification from BVQi London for its conversion services |
| 1997 | March | Re-organized as a public limited company; IPO of Equity shares at ₹ 20 per share and listed in all major stock exchanges in India |
| | April | Acquisition of SRG Infotech, a 16-year-old local software company providing software services in Oracle and Visual basic client server environments. The acquisition brought into the company the assets, customers, technologies, employees and over 500 person years of expertise |
| | October | Partner in Development with IBM for developing Enterprise wide Information System. Infotech Enterprises diversifies into Business software development by adding 50 developers, creating an independent profit centre |
| 1998 | December | Infotech Enterprises signs a break-through contract to provide GIS conversion, Consulting and Mapping services worth US\$ 5.5 million to Analytical Surveys, Inc. (ASI) |
| 1999 | January | Infotech Enterprises enters into an agreement with Navionics Italy the world leader in seamless marine electronic charts for digitization and Conversion services |
| | June | Infotech and ASI sign a long term contract for ASI to source US\$ 33 million in conversion and software services from Infotech Enterprises |
| | July | Infotech Enterprises establishes a wholly owned subsidiary Infotech Software Solutions Inc. in the United states of America in the state of California. The Corporation is primarily engaged in the business of supplying computer software and related services |
| | August | Infotech Enterprises announces acquisition of Europe based GIS software solution company- Dataview Solutions Limited. The company acquired Dataview with an upfront cash payment of US \$ 1.80 million and issue of stock of Infotech for US \$1.80 million over the next two years |
| | September | Infotech Enterprises acquires Cartographic Sciences Pvt. Mumbai- India from Analytical Surveys Inc. - US |
| | September | Infotech Enterprises receives an ISO 9001 for its software development services |
| | September | Infotech Enterprises earned the coveted Fast Track Award from Smallworld Pte. Ltd. U.K. for completion of a prestigious GIS project at Bharti Telenet Limited in a record time of five months |
| | November | Infotech Enterprises signed a shareholder agreement with Walden Nikko and GE Capital for issue of equity/optionally convertible debentures aggregating to 11,50,000 equity shares of ₹ 10 each at a price of ₹ 350 each |
| 2000 | January | Inauguration of the state-of-the-art software development centre spread across 130,000 sq.ft. area in Infocity - Hyderabad. The state-of-the-art development centre built at an approximate cost of ₹ 12 crore and can accommodate 4,000 software engineers |
| | April | Merger of Cartographic Sciences with the Company |
| | May | Infotech Enterprises enters into a Master Services Agreement with Pratt & Whitney, a division of United Technologies Corporation, a Fortune 100 company |
| | October | Infotech Enterprises announces the acquisition of a German company, Advanced Graphics Software GmbH (AGS). AGS is nine-year-old mechanical engineering software and services company specializing in 3D CAD/CAM |
| | November | Infotech Enterprises wins a multimillion dollar GIS project from the Dutch multi-national group, FUGRO |
| 2001 | April | Infotech Europe acquires European GIS distributor Map Centric - a leading independent GIS distributor in Europe |

| | | |
|-------------|------------------|--|
| | May | Infotech Enterprises bags a contract worth US \$ 7 million to provide Photogrammetry service to Triathlon, a leading full fledged geomatics company in Canada |
| | May | Infotech Enterprises ranks 5th among Top Ten Exporters from Andhra Pradesh for the Year 2000-2001 |
| | June | Infotech Enterprises acquires 10-acres of land to set up a software development campus at Manikonda, Hyderabad. |
| | July | Infotech Enterprises achieves the ISO 9001:2000 from BVQi and joins the list of top few companies in India and the first company in the GIS sector |
| | August | Infotech Enterprises attains the coveted SEI CMM LEVEL 4 certification for its software development centre at Infocity, Hyderabad |
| | November | Infotech Enterprises receives ISO 9001:2000 for Software and Engineering Services lines of business by BVQi London |
| | December | Infotech Enterprises announces the opening of the state-of-the-art Engineering services facility in Bangalore, India |
| 2002 | February | Infotech Enterprises Announces strategic business relationship with Pratt & Whitney Division of UTC. Pratt & Whitney to participate with up to ~18% equity stake in Infotech, demonstrating long term partnering intent and endorsing Infotech Business competence |
| | April | Infotech Enterprises achieves SEI CMM Level 5 for its Software Development & Services Division |
| | April | Infotech Enterprises' Board recommends issue of Bonus Shares at 1:1 ratio |
| | August | Infotech Enterprises bags a major GIS contract from KPN Telecom, the largest telecommunications company in the Netherlands, to provide spatial data management services. |
| | September | Company bags the Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI) Award for Best Information Technology (IT) Company in the state of Andhra Pradesh (2001-2002) |
| 2003 | April | Infotech Enterprises attains the best process improvement model-"The Level 5 of the CMMi Version 1.1 for the SW/SE/SS disciplines" |
| | September | Infotech Enterprises announces the inauguration of a new development center in Puerto Rico to provide engineering design services |
| | September | Infotech Enterprises signs long term outsourcing contact with Bombardier Transportation to provide Engineering Services in India |
| 2004 | January | Infotech Enterprises acquires VARGIS - a GIS Company in the US |
| | July | Change in Business Model. Verticalization brought into place |
| | September | Infotech Enterprises divests 51% of its stake in Infotech Aerospace Services Inc. in favour of United Technologies Corporation |
| | September | Infotech Enterprises conferred with BS 7799 standards |
| 2005 | March | Infotech Enterprises acquires Tele Atlas India Pvt. Ltd. Tele Atlas (Netherlands) joins as a strategic partner with preferential allotment of shares |
| | March | Infotech Enterprises opens branch office in Singapore |
| | April | Infotech Enterprises opens branch office in Melbourne, Australia |
| | May | Inaugurated Geospatial production facility at Frostburg, Maryland, USA |
| | July | Infotech Enterprises opens branch office in Dubai |
| | September | Wins a landmark GIS contract from KPN Telecom and also signs a 5-year major Engineering Design Agreement with Alstom Transport |
| | October | Completed 5 years of relationship with Pratt & Whitney |
| 2006 | March | Signs a major GIS contract with GE for Swisscom |
| | December | Infotech Enterprises opens branch office at Canada |

| | | |
|-------------|------------------|--|
| 2007 | June | Acquires 74% stake in Geospatial Integra and renamed the company as Infotech Geospatial (India) Limited |
| | July | Preferential allotment of shares to GA Global Investments Limited & Carrier International Mauritius Limited |
| | August | Set up Infotech HAL Limited, a Joint Venture Company with HAL, a Navaratna PSU under the Ministry of Defence, at Bangalore |
| 2008 | October | Acquired TTM (India) Private Limited and TTM Inc; made foray into Hitech Vertical |
| | December | Established wholly owned subsidiary in Japan |
| 2009 | December | Infotech Enterprises opens branch office in Malaysia |
| 2010 | January | Infotech Enterprises signs a long term engineering services contract with Hamilton Sundstrand |
| | January | Acquired Daxcon Engineering Inc., USA (Step down subsidiary) |
| | August | Acquired Wellsco Inc., USA (Step down subsidiary) |
| 2011 | May | Awarded 'Supplier of the year' by Boeing |
| | November | IGIL becomes a wholly owned subsidiary |
| 2012 | October | Set up branch in South Korea |
| | October | Won Golden Peacock Award for excellence in Corporate Governance |
| 2013 | January | Inaugurated New Development Centre in SEZ at Kakinada |
| | April | Opened office in Silicon Valley |
| | September | Set up branch in Taiwan |
| | November | Set up branch in South Africa |
| 2014 | March | Acquired Softential Inc., |
| | March | Commenced process for name change and re-branding |
| | April | Mr. Krishna Bodanapu appointed Managing Director & CEO |
| | May | Re-branding completed, new logo launched and Company's name changed to Cyient |
| | August | Acquired 51% stake in Invati Insights Pvt. Ltd., Hyderabad |
| | October | Set up subsidiary in Australia. |
| | December | Won the 14th ICSI National Award for Excellence in Corporate Governance |
| 2015 | January | Acquired 74% stake in Rangsons Electronics Pvt. Ltd., Mysore |
| | April | Mr. B.V.R. Mohan Reddy elected Chairman of National Association of Software Services Companies (NASSCOM) |
| | July | Acquired Pratt & Whitney Global Services Engineering Asia, Singapore |
| | August | Divested entire stake in Infotech Enterprises Information Technology Services Private Limited, a wholly owned subsidiary Launched Digital Library Initiative Launched National Digital Literacy Mission Centre |
| | September | R&D Unit recognised by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India |
| | October | Set up step down subsidiary in Czech republic |
| | October | Set up step down subsidiary in Czech republic |
| 2016 | February | Established state of the art development centre in Warangal, Telangana |
| | March | 'Lifetime Achievement Award' conferred on Mr. B.V.R. Mohan Reddy by Hyderabad Management Association Set up a subsidiary in China |

Shareholder Handbook

When was the company founded?

The company was incorporated as Infotech Enterprises 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 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, geospatial, semiconductor and medical technology. 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 13,500 people across 38 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 customers, stakeholders, and associates, we are guided by our Values FIRST - Fairness, Integrity, Respect, Sincerity and Transparency.

What is the Quality Policy of the company?

To deliver innovative solutions that delight customers through deployment of robust processes.

What are the Quality Objectives of the company?

- Delight customers through delivery excellence.
- Attract, train and retain talented professionals through active employee engagement.
- Deliver solutions/services based on cutting edge tools, technologies and methodologies.
- Continuous process improvement and achieve operational excellence.

Where is the company located?

The company is headquartered in Hyderabad, India and has a global presence across 38 locations. Full details of the locations are published elsewhere in this Annual Report.

What is the address of the company's registered office?

The Registered Office of the company is located at

4th Floor, 'A' Wing
Plot No. 11, Software Units Layout,
Infocity, Madhapur, Hyderabad - 500 081, Telangana

What is the company's financial year?

The Company follows a financial year that begins on April 1 and ends on March 31.

Who are the company's auditors?

Internal Auditors: Ernst & Young LLP

Statutory Auditors: Deloitte Haskins & Sells

What is the history of Bonus issue of Shares at the Company?

| Year | 1994-95 | 1995-96 | 1996-97 | 2002-03 | 2006-07 | 2010-11 |
|-------------------|---------|---------|---------|---------|---------|---------|
| Bonus issue ratio | 7 : 5 | 1 : 1 | 1 : 1 | 1:1 | 1:2 | 1:1 |

What is the Dividend History of the Company for last five years?

| Year | 2011 | 2012 | 2012 | 2013 | 2013 | 2014 | 2014 | 2015 | 2015 | 2016* | 2016^ |
|---------------------|------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|---------------------------|---------------------------|
| | | (Interim) | (Final) | (Interim) | (Final) | (Interim) | (Final) | (Interim) | (Final) | (1 st Interim) | (2 nd Interim) |
| Dividend (%) | 25% | 25% | 25% | 40% | 50% | 40% | 60% | 60% | 100% | 60% | 80% |

*On 15 October 2015 the Board of Directors of the Company declared and paid 1st interim dividend of 60% for the financial year 2015-16

^ On 17 March 2016 the Board of Directors of the Company declared and paid 2nd interim dividend of 80% for the financial year 2015-16.

What is the number of shareholders in the company in the last five years?

| Year ended 31March | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------------|--------|--------|-------|-------|--------|--------|
| No. ofShareholders | 17,756 | 15,028 | 9,520 | 9,977 | 11,723 | 11,038 |

Is nomination facility available to the shareholders?

Yes. Nomination facility is available to the Shareholders. Shareholders are advised to make use of the nomination facility. For further details, investors may contact the R&T Agents of the Company.

How does a Shareholder go about transferring his shares/having related correspondence?

To transfer shares in physical form and general correspondence regarding shares, shareholders may write to the Company's Registrars/the Company -

Karvy Computershare Private Limited

Unit: Cyient Limited

Plot No. Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.

Tel : +91-40-6716 1562

Email : mohsin.mohd@karvy.com; einward.ris@karvy.com

Website : www.karvycomputershare.com

Transfer of shares in electronic form are effected through your depository participant. Please note that the Securities and Exchange Board of India has issued directives that trading in the scrip of the Company would be in compulsory demat form by all investors w.e.f. August 28, 2000.

In which stock exchanges are the company's shares listed and what are the codes?

The company's equity shares are listed in India on the National Stock Exchange (NSE: CYIENT) and the Bombay Stock Exchange (BSE: 532175).

What is the company's ISIN code?

Infotech Enterprises' ISIN code is INE136B01020

How many shares are outstanding?

As of March 31, 2016, the company had 112,483,377 shares outstanding.

What is the record date and payment date of the interim/final dividend?

You can find the record date/payment date for the last announced dividend in the Announcements section of the Investor page on our website. These details are also notified to the stock exchanges on the same day of the announcement of the dividend and available on the BSE and NSE websites.

Does the company have a quiet period? When is that?

The quiet period at the company begins 14 days before the date of the board meeting and lasts until the day after the quarter's earnings release. During this period, the company's management refrains from communicating with market participants.

When is the AGM held?

The Annual General Meeting (AGM) is typically held in mid-July. The formal announcement will be published on the Investors page of our website, closer to the event. If you are a shareholder, you will receive a formal notice of the meeting, containing details of the date, time and venue, alongside the Annual Report.

How does a person buy the company's shares?

The company's shares can be purchased in the open market in India through either a stock broker or any financial institution that provides brokerage services at the BSE or NSE.

How can a shareholder access information about the company?

Information about the company is available on its website. Further, all information that is material in nature is notified to stock exchanges and appropriate advertisements are also issued in the news papers.

Does the company accept fixed deposits from the public?

The Company does not accept fixed deposits.

How does a shareholder record a change in 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 updation of the change in our records.

In the case of dematerialized holdings, please write to your Depository Participant (DP) intimating them of the change and ask for a confirmation that their records reflect the new address.

If dividend cheque is lost/was never received/has expired, how to get a fresh cheque re-issued?

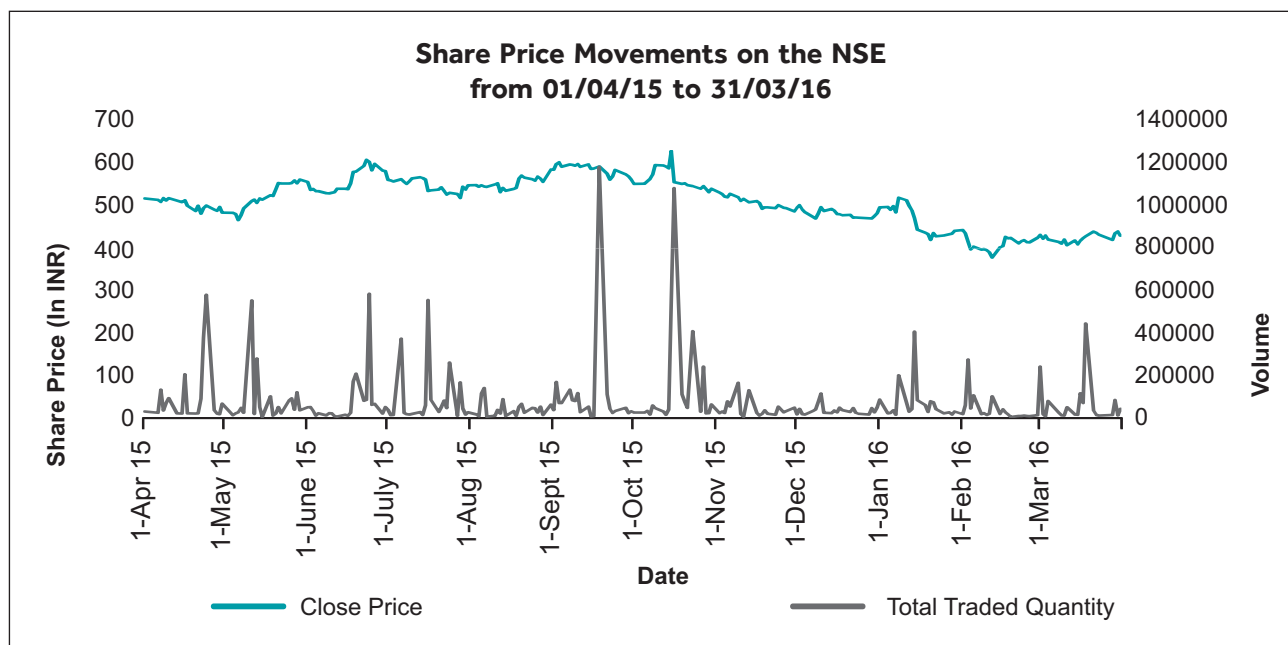
Please write to our R&T Agent, with details of folio numbers (in the case of physical holdings) or the DP ID and Client ID in the case of dematerialized holdings. After verification, they will issue a fresh instrument.

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.

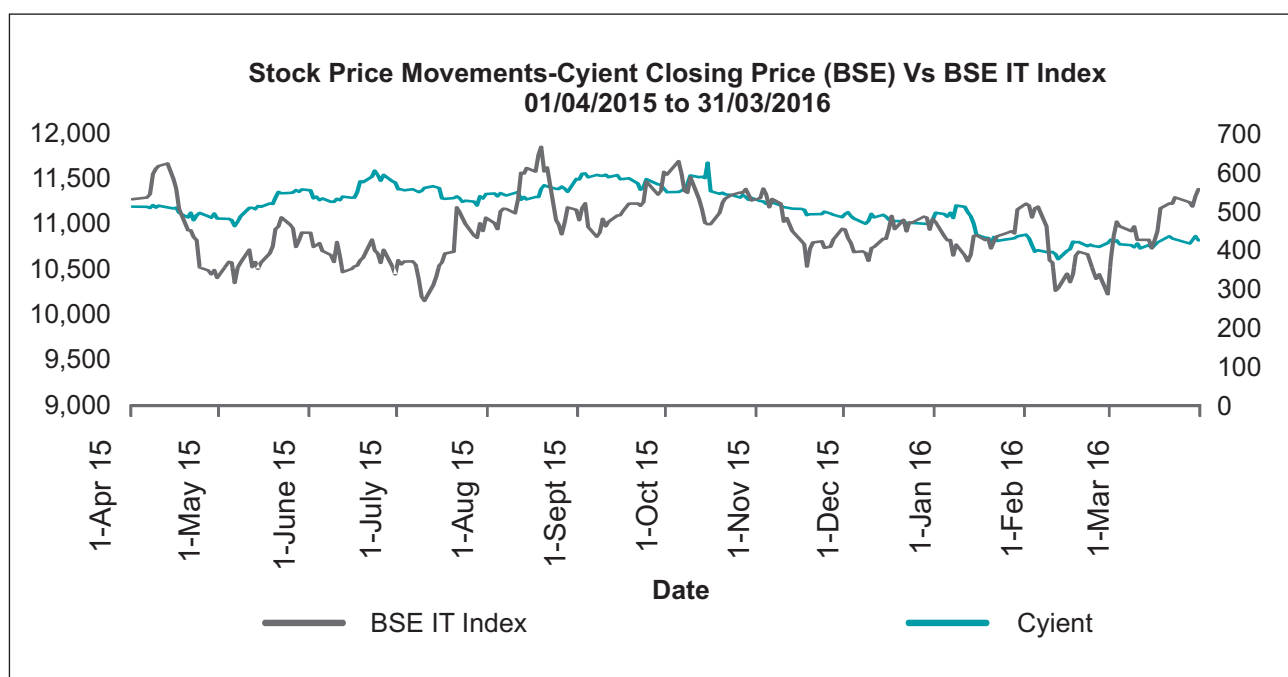
Also, you might consider dematerializing your holdings through a Depository Participant. This would not only eliminate the issues of storage and risk of loss of paper certificates but also ensure automatic crediting of dividends to your bank account.

Share Price Movements

cyient.com



2015-16



Company cautions that the stock price performance shown in the graphs above should not be taken to be indicative of the potential future stock price performance.

Shareholders Queries may be addressed to :

Mr. Sudheendhra Putty

Company Secretary

Cyient Limited

4th Floor, 'A' Wing, Plot No: 11, Software Units Layout,
Infocity, Madhapur

Hyderabad - 500 081, India

Tel: +91-40 6764 1322

Fax: +91-40 6662 4368

E-mail: Sudheendhra.Putty@cyient.com

Queries relating to financial statements of the Company may be sent to :

Mr. Ajay Aggarwal

Chief Financial Officer

Cyient Limited

4th Floor, 'A' Wing, Plot No: 11, Software Units Layout,
Infocity, Madhapur

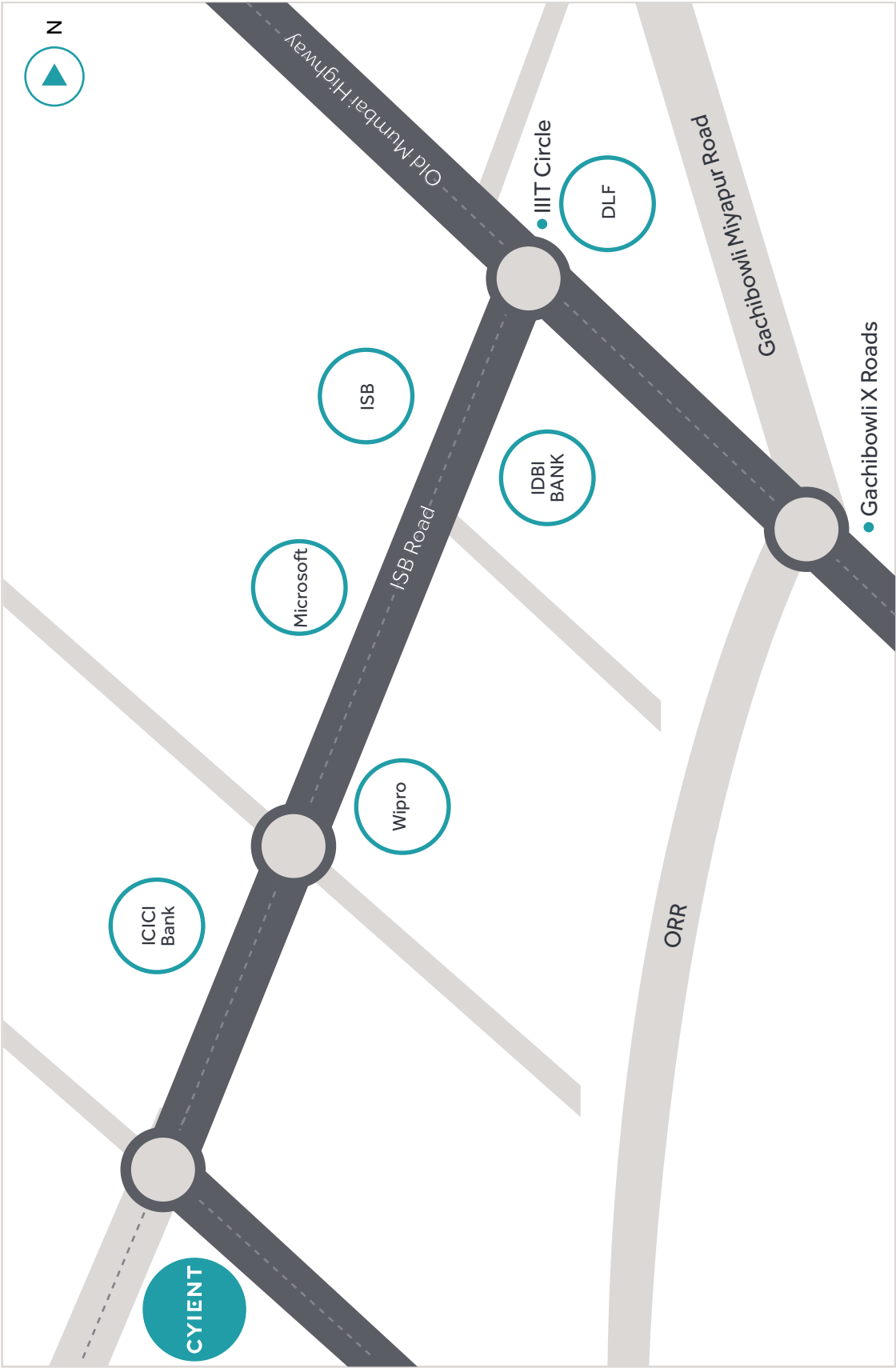
Hyderabad - 500 081, India

Tel: +91-40 2312 4004

Fax: +91-40 6662 4368

E-mail: Ajay.Aggarwal@cyient.com

Route Map to AGM Venue



GLOBAL PRESENCE

Global Headquarters

Cyient Ltd.
Plot No. 11,
Software Units Layout
Infocity, Madhapur
Hyderabad - 500 081
Telangana, India
Tel: +91 40 6764 1000

APAC

Australia

Cyient Ltd.
Level 7, 320 Adelaide Street
Brisbane, Queensland 4000

Cyient Ltd.
Level 1, 350 Collins Street
Melbourne, Victoria 3000
Tel: +61 3 8605 4815

Cyient Ltd.
Level 5 / Nexus Norwest
4 Columbia Ct
Baulkham Hills, Sydney
NSW - 2153
Tel: +61 2 8896 4338

Cyient Ltd.
45 Ventnor Avenue
West Perth, WA 6005
Tel: +61 8 9429 8812

New Zealand (Virtual Office)

Cyient Ltd.
Level 27, PWC Towers
188 Quay Street, Auckland

South Korea

Cyient Ltd.
21 F Seoul Finance Centre
136 Sejong-daero, Jung-gu
Seoul 100-768
Tel: + 82 2 3782 4936

Taiwan

Cyient Ltd.
No. 262, Zhuangjing 6th
St.
Zhubei City Hsinchu
County 30264
Tel: +886 3 668 5522

Japan

Cyient K.K.
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
59200 Kuala Lumpur
Tel: +60 3 2298 7321

Philippines

Cyient Ltd.
Ground Floor
Le Metropole Building
326 De La Costa Street
Corner
Tordesillas Street
Salcedo Village
Makati City, 1227
Tel: +63-2 817-9704

Singapore

Cyient Ltd.
1 North Bridge Road
#19-04/05
High Street Centre
Singapore 179 094
Tel: +65 6337 2472

China

Cyient Engineering
(Beijing) Limited
Room 90S, 5/F,
China Life Tower,
No.16 Chaowai Street,
Chaoyang district, Beijing
Tel: +86 10 5379 6130

EMEA

Switzerland

Cyient Schweiz GmbH
C/o AAA Services Meier +
Franzelli
Güterstrasse 22
3008 Bern
Tel: +41 31 3825082

Netherlands

Cyient BV
Minervum 7491
4817 ZP Breda Oost,
Breda
Tel: +31 76 572 2966

UK

Cyient Europe Ltd.
43/44 Martingale Way
Marine View Office Park
Portishead, Bristol
BS20 7AW
Tel: +44 1454 809700

Cyient Europe Ltd.
High Holborn House
52-54 High Holborn
London WC1V 6RL
Tel: +44 20 7404 0640

Sweden

Cyient AB
Lindholmospiren 3B
417 56 Göteborg

Germany

Cyient GmbH
Mollenbachstr. 37
71229 Leonberg
Tel: +49 7152 94520

France

Cyient GmbH France
18, Rue Saint Vincent
78100
Saint-Germain-en-Laye
Tel: +33 130 611673

Czech Republic

Cyient SRO
Jankovcova 1603/47A
Prague 7
Holesovice - 170 00
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

North America**United States of America**

Cyient, Inc.
8001 North University
Street
Peoria IL 61615
Tel: +1 309 697 5975

Cyient, Inc.
330 Roberts Street
Suite 102
East Hartford CT 06108
Tel: +1 860 528 5430

Cyient, Inc.
1707 Linwood Drive
Paragould AR 72450
Tel: +1 870 236 1080

Cyient, Inc.
510 E. Foothill #201
San Dimas CA 91773
Tel: +1 909 321 3760

Cyient, Inc.
1401 Nolan Ryan
Expressway
Arlington TX 76011
Tel: +1 817 268 9501

Cyient, Inc.
1001 State St., Suite 602
Erie PA 16501

Cyient, Inc.
607 Herndon Pkwy
Reston, VA 20170
Tel: +1 866 476 3836

Canada

Cyient Canada Inc.
7575 Trans-Canada Hwy.
Suite 500
St. Laurent, Québec
H4T 1V6
Tel: +514 489-0370

India

Cyient Ltd.
Infotech IT Park
Plot No- 110A & 110 B
Phase 1, Electronics City
Hosur Road
Bangalore - 560 100
Tel: +91 80 2852 2341

Cyient Ltd.
Pritech Park SEZ,
1st Floor, Wing B, Block 9,
Sarjapur Marthahalli Ring
Road, Bellandur
Bangalore - 560 103
Tel: +91 80 6772 7200
Cyient Ltd.
Plot No. 2, IT Park
Nanakramguda,
Gachibowli
Hyderabad - 500 032
Telangana
Tel: +91 40 6748 9100

Cyient Ltd.
NSL SEZ Arena Town
Center
Block No. 1
Plot No. 6, Survey No. 1
IDA Uppal,
Hyderabad – 500039
Telangana
Tel: +91 40 6704 3434

Cyient Ltd.
Plot No: 1, 2, 3, 4 & 5A
IT SEZ, Sarpavaram
Kakinada Rural Mandal
Kakinada - 533 005
Andhra Pradesh

Cyient Ltd.
B-11, Sector 63
Noida - 201 307
Tel: +91 120 416 1000

Cyient Ltd.
Survey No: 410
Plot No: 14, SEZ Unit
Hill No: 3,
Madhurawada(V)
Rushikonda, Vizag
Andhra Pradesh



Electronic Clearing Services (ECS) Mandate Format

To
Karvy Computershare Limited
Unit : Cyient Limited (Infotech Enterprises Limited)
Plot No. Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.

Dear Sir,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND please fill-in the information in CAPITAL LETTERS and in ENGLISH ONLY.

Please TICK ☒ a wherever applicable.

For shares held in physical form

Regd.
Folio No.

For shares held in electronic form

DP. ID
Client Id

-----For Office Use Only-----

ECS
Ref.No.

Note: On de-materialization of existing physical shares, for which you have availed ECS facility, this form needs to be re-submitted to your Depository Participant.

Name of
First Holder: _____
Bank Name _____
Branch Name _____
Branch Code

(9 Digit Code Number appearing on the MICR band of the cheque supplied by the Bank) Please attach a photo copy of a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.

Account type

Savings

Current

Cash Credit

A/c No. (as appearing
in the chequebook)

Effective date of this
Mandate

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Karvy Computershare Limited, will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI/Company.

I further undertake to inform the Company any change in my Bank/branch and account number.

Date: _____

(Signature of First holder)



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Cyient Limited

CIN : L72200TG1991PLC013134

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

Tel: 91 40 67641322 Fax: 91 40 66624368

Website : www.cyient.com, Email: company.secretary@cyient.com

ATTENDANCE SLIP

(To be presented at the entrance)

25th ANNUAL GENERAL MEETING

I hereby state that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on Monday, the 29th day of August, 2016 at 3:00 p.m. at L&D Centre, Plot No. 2, IT Park, Manikonda, Hyderabad - 500 032, India, or/any adjournment thereof.

Name of the attending shareholder: _____
(in block letters)

Name of the proxy: _____
(to be filled in if proxy attends)

Signature of shareholder: _____

Signature of proxy: _____

Regd. Folio Number:
Or DP/Client ID No. _____

Number of shares held: _____

- Note:
1. Shareholders/proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the gate, affixing their signature on them.
 2. Shareholders are informed that no duplicate attendance slips will be issued at the venue of the meeting.

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Cyient Limited

CIN : L72200TG1991PLC013134

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

Tel: 91 40 67641322 Fax: 91 40 66624368

Website : www.cyient.com, Email: company.secretary@cyient.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name and Address of the Shareholder(s)

E-mail id :

Folio No./ Dpid & Client id :

I/We being the member(s) ofShares 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 25th Annual General Meeting of the company at Monday, 29 August 2016 at 3.00 p.m. at L&D Centre (company's Campus), Plot No. 2, IT Park, Manikonda, Hyderabad - 500 032, any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. To receive, consider and adopt, the audited statements of profit and loss for the financial year ended on 31 March 2016 and the balance sheet as at that date (standalone and consolidated) and the reports of the board of directors and auditors thereon.
2. To confirm the first and second interim dividends paid on equity shares for and during the financial year 2015-16.
3. To appoint a Director in place of Mr. B.V.R. Mohan Reddy, (DIN 00058215), who retires by rotation and offers himself for re-appointment.
4. To appoint a Director in place of Mr. Krishna Bodanapu (DIN 05301037), who retires by rotation and offers himself for re-appointment.
5. To ratify the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors.

Affix
Revenue
Stamp

Signed this day of 2016

Signature of Shareholder Signature of Proxyholder(s)

NOTE: The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

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cyient.com

Global Headquarters
Cyient Limited, Plot No. 11, Software Units Layout,
Infocity, Madhapur, Hyderabad - 500081, India | T: +91 40 6764 1000