Cyient Limited
Balance Sheet as at March 31, 2018
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,252	2,313
Capital work-in-progress		213	92
Intangible assets	4	292	243
Intangible assets under development	4	251	71
Financial assets			
(a) Investments	5	4,639	4,605
(b) Loans	6	127	106
(c) Other financial assets	7	193	270
Deferred tax assets (net)	16 (d)	167	26
Income tax assets (net)	16 (f)	392	392
Other non-current assets	8	507	836
Total non-current assets		**9,033**	**8,954**
Current assets			
Financial Assets			
(a) Investments	5	1,130	925
(b) Trade receivables	9	4,151	2,950
(c) Cash and cash equivalents	10A	7,200	6,516
(d) Other bank balances	10B	66	23
(e) Loans	6	267	153
(f) Other financial assets	7	1,628	1,611
Other current assets	8	536	501
Total current assets		**14,978**	**12,679**
Total assets		**24,011**	**21,633**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11A	563	563
Other equity	11B	20,051	18,258
Total equity		**20,614**	**18,821**
LIABILITIES			
Non-current liabilities			
Provisions	12	701	642
Total non-current liabilities		**701**	**642**
Current liabilities			
Financial Liabilities			
(a) Trade payables	13	1,933	1,321
(b) Other financial liabilities	14	173	67
Income tax liabilities (net)	16 (f)	44	45
Provisions	12	71	74
Other current liabilities	15	475	662
Total current liabilities		**2,696**	**2,169**
Total liabilities		**3,397**	**2,811**
Total equity and liabilities		**24,011**	**21,632**
Corporate information and significant accounting policies	1 & 2		
Accompanying notes form an integral part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

P.R. Ramesh
Partner

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

Krishna Bodanapu
Managing Director and CEO
(DIN - 05301037)

Ajay Aggarwal
President &
Chief Financial Officer

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

Place: Hyderabad
Date: April 19, 2018

Place: Hyderabad
Date: April 19, 2018

Cyient Limited
Statement of Profit and Loss for the year ended March 31, 2018
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	Note	For the Year ended March 31, 2018	For the Year ended March 31, 2017
INCOME			
Revenue from operations		14,397	12,920
Other income	17	1,923	816
Total income		**16,320**	**13,736**
EXPENSES			
Employee benefits expense	18	6,758	6,520
Finance costs		6	6
Depreciation and amortisation expense	19	508	540
Other expenses	20	3,891	3,599
Total expenses		**11,163**	**10,665**
Profit before exceptional items and tax		**5,157**	**3,071**
Exceptional item	25	(103)	201
Profit before tax		**5,260**	**2,870**
Tax expense	16 (a)		
Current tax		1,285	601
Deferred tax		(43)	(100)
Total tax expense		**1,242**	**501**
Profit for the year		**4,018**	**2,369**
Other comprehensive income (OCI)			
(a) Items that will not be reclassified subsequently to profit or loss:			
(i) Remeasurements of the net defined benefit liability	12	(1)	(26)
(ii) Income tax relating to items that will not be reclassified to profit or loss	16 (b)	-	6
(b) Items that will be reclassified subsequently to profit or loss:			
(i) Effective portion of (loss)/gains on designated portion of hedging instruments in a cash flow hedge	11B	(545)	362
(ii) Income tax on items that may be reclassified to profit or loss	16 (b)	189	(125)
Total other comprehensive income		**(357)**	**217**
Total comprehensive income for the year		**3,661**	**2,586**
Earnings per equity share (par value of ₹ 5 each)	23		
Basic (₹)		35.69	21.05
Diluted (₹)		35.54	21.03
Corporate information and significant accounting policies	1 & 2		
Accompanying notes form an integral part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
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P.R. Ramesh
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Place: Hyderabad
Date: April 19, 2018

Place: Hyderabad
Date: April 19, 2018

Cyient Limited
Statement of changes in equity for the year ended March 31, 2018
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

a. Equity share capital

Particulars	Note	Amount
Balance as at March 31, 2016		562
Issue of equity shares under Company's associate stock option plan	11A	1
Balance as at March 31, 2017		563
Issue of equity shares under Company's associate stock option plan*	11A	-
Balance as at March 31, 2018		**563**

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

b. Other equity

Particulars	Note	Share application money pending allotment	Reserves and Surplus				Items of other comprehensive income	Total other equity
			General reserve	Securities premium account	Stock option reserve	Retained earnings	Cash flow hedge reserve	
Balance as at March 31, 2016		**1**	**5,289**	**3,831**	**19**	**6,984**	**89**	**16,213**
Issue of shares under the Company's associate stock option plan	11B	(1)	-	19	-	-	-	18
Stock option expense for the year	11B	-	-	-	187	-	-	187
Effective portion of gain on designated portion of hedging instruments (net of tax ₹ 125)	11B	-	-	-	-	-	237	237
Remeasurement of net defined benefit liability (net of tax ₹ 6)	11B	-	-	-	-	(20)	-	(20)
Dividends paid (including corporate dividend tax)	30	-	-	-	-	(745)	-	(745)
Profit for the year		-	-	-	-	2,369	-	2,369
Balance as at March 31, 2017		**-**	**5,289**	**3,850**	**206**	**8,588**	**326**	**18,259**
Issue of shares under the Company's associate stock option plan	11B	-	-	13	-	-	-	13
Stock option expense for the year	11B	-	-	-	15	-	-	15
Effective portion of gain on designated portion of hedging instruments (net of tax ₹ 189)	11B	-	-	-	-	-	(356)	(356)
Remeasurement of net defined benefit liability	11B	-	-	-	-	(1)	-	(1)
Dividends paid (including corporate dividend tax)	30	-	-	-	-	(1,897)	-	(1,897)
Profit for the year		-	-	-	-	4,018	-	4,018
Balance as at March 31, 2018		**-**	**5,289**	**3,863**	**221**	**10,708**	**(30)**	**20,051**

Accompanying notes form an integral part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

P.R. Ramesh
Partner

Place: Hyderabad
Date: April 19, 2018

For and on behalf of the Board of Directors

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

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(DIN - 05301037)

Ajay Aggarwal
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Chief Financial Officer

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

Place: Hyderabad
Date: April 19, 2018

Cyient Limited
Cash Flow Statement for the year ended March 31, 2018
(All amounts in ₹ millions, except share and per share data and where otherwise stated)

Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit after tax	**4,018**		**2,369**	
Adjustments for :				
Tax expense	1,242		501	
Depreciation and amortisation expense	508		540	
Gain on sale of property, plant and equipment, (net)	-		(2)	
Gain on disposal of associate, (net)	(103)		-	
Finance costs	6		6	
Stock option expense	27		212	
Interest income	(518)		(377)	
Dividend from associate	(589)		-	
Dividend from mutual funds	(44)		(31)	
Rental income from operating leases	(31)		(16)	
Liabilities no longer required written back	(58)		(59)	
Provision for doubtful debts, (net)	15		48	
Bad debts written off	-		1	
Exchange difference on translation of foreign currency cash and cash equivalents	(298)		(277)	
Unrealised forex (gain) / loss	(63)		3	
Operating profit before working capital changes		**4,112**		**2,918**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(1,156)		(252)	
Other financial assets	(131)		(44)	
Other assets	362		(87)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	629		135	
Other current liabilities	(187)		150	
Provisions	56		66	
Cash generated from operations		**3,685**		**2,886**
Net income tax paid		(1,286)		(529)
Net cash flow from operating activities (A)		**2,399**		**2,357**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment towards purchase of property, plant and equipment and intangible assets (refer note(ii) below)	(864)		(517)	
Proceeds from sale of property, plant and equipment	-		7	
Payments to acquire financial assets				
- Investment in Compulsorily convertible preference shares/ Equity instruments	(10)		(18)	
- Mutual funds	(3,345)		(2,142)	
Proceeds from sale of financial assets - mutual funds	3,140		2,007	
Net cash outflow on infusion of capital in subsidiaries	(35)		-	
Net cash inflow on disposal of associate	114		-	
Loans given to Subsidiaries	(136)		(43)	
Interest income received	393		345	
Dividend income received				
- Associate	589		-	
- Others	44		31	
Rental income from operating leases	31		16	
Movement in bank balances not considered as cash and cash equivalents, (net)	(43)		17	
Net cash used in investing activities (B)		**(122)**		**(297)**

Cyient Limited

Cash Flow Statement for the year ended March 31, 2018

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

Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares	9		15	
Interest paid	(6)		(6)	
Dividends paid	(1,573)		(620)	
Corporate dividend tax	(321)		(126)	
Net cash used in financing activities (C)		**(1,891)**		**(737)**
Net increase in Cash and cash equivalents (A+B+C)		**386**		**1,323**
Cash and cash equivalents at the beginning of the year		**6,516**		**4,916**
Exchange differences on translation of foreign currency cash and cash equivalents		298		277
Cash and cash equivalents at the end of the year (refer note (i) below)		**7,200**		**6,516**
Notes:				
(i) Cash and cash equivalents comprises of (refer note 10A):				
Balances with Banks				
in current accounts		817		476
in deposit accounts		4,264		4,535
Deposits with financial institutions		1,955		1,495
Remittances in transit		164		10
		7,200		**6,516**

(ii) Payments to acquire property, plant & equipment and intangible assets include payments for items in capital work-in-progress, intangible assets under development and capital advances for purchase of the same. Adjustments for increase / decrease in financial liabilities relating to the acquisition of these assets has been made to the extent identified.

Accompanying notes form an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

P.R. Ramesh
Partner

Place: Hyderabad
Date : April 19, 2018

For and on behalf of the Board of Directors

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

Krishna Bodanapu
Managing Director and CEO
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Ajay Aggarwal
President &
Chief Financial Officer

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

Place: Hyderabad
Date : April 19, 2018

1. Corporate information:

Cyient Limited ('Cyient' or 'the Company') is engaged in providing global technology services and solutions specialising in geospatial, engineering design and IT solutions. The Company is a public limited Company incorporated in India and has its headquarters and development facilities in India and serves a global customer base through its subsidiaries in the United States of America (USA), United Kingdom (UK), Germany, Japan, Australia, Singapore and India. Cyient's range of services include digitisation of drawings and maps, photogrammetry, computer aided design/engineering (CAD/CAE), design and modelling, repair development engineering, reverse engineering application software development, software products development, consulting, analytics and implementation. Cyient specialises in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets.

The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited.

2. Significant accounting policies

i. Statement of compliance:

The financial statements comply in all material respects with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").

ii. Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability of market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

iii. Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenditure for the periods presented.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ from these estimates – estimates and underlying assumptions are reviewed on an ongoing basis. The effects of changes in accounting estimates are reflected in the financial statements in the period in which results are known and, if material, are disclosed in the financial statements.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Useful lives of property, plant and equipment and intangible assets
- Intangible assets under development
- Assets and obligations relating to employee benefits
- Share based payments
- Evaluation of recoverability of deferred tax assets
- Financial instruments
- Measurement of recoverable amounts of cash-generating units
- Provisions and contingencies

iv. Foreign currency translation

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to million).

Transactions and translations

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Foreign-currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

v. Income taxes:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity, respectively.

The current income tax and deferred income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where the Company operates and generate taxable income.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

vi. Leases:

As a lessee:

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Operating leases:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor:

Operating lease:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

vii. Earnings per share:

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options and restricted stock units granted to employees.

viii. Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the consideration required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense. Provisions are not recognised for future operating losses.

Provisions for onerous contracts are recognised when the expected benefits to be desired by the company from a contract are lower than unavoidable costs of meeting to future obligations under the contract and are measured at the present value of lower than expected net cost of fulfilling the contract and expected cost of terminating the contract.

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 Statement of Profit and Loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made as and when required.

Contingencies:

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

ix. Share based payments

Stock options are granted to the associates of the Company under various stock option schemes established after June 19, 1999. These stock options are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the stock options is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The fair value of the amount payable to the employees in respect of Restricted Stock Units (RSU) which are settled in equity and cash are recognised as an expense with a corresponding increase in stock option reserve and liabilities, in the period during which the employees become unconditionally entitled to payment.

The equity settlement component is not remeasured at each reporting date. The cash settlement component is remeasured at each reporting date and at settlement date based on the fair value of the RSUs. Any change in the liability is recognised in the statement of profit and loss.

x. Cash and cash equivalents:

Cash comprises cash on hand, in bank and demand deposits with banks and financial institutions. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents. Such cash equivalents are subject to insignificant risk of changes in value.

Cash flows are reported using indirect method, whereby profit / (loss) after tax is adjusted for the effects of transaction of non- cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

xi. Revenue

Revenue is measured at the fair value of the consideration received or receivable.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below:

a) Time and material:
Revenue from software services performed on a "time and material" basis is recognised as and when services are performed.

b) Time bound fixed price:
The Company also performs work under "Time bound fixed-price" arrangements, under which customers are billed, based on completion of specified milestones or on the basis of efforts spent as per terms of the contracts. Revenue from such arrangements is recognised over the life of the contract using the percentage of completion method. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses on such engagements is made in the year in which such loss becomes probable and can be reasonably estimated.

c) Maintenance contracts:
Revenues from fixed-price maintenance contracts are recognised pro-rata over the period of the contract in which the services are rendered.

d) Others:
Revenue from sale of equipment is recognised when the product has been delivered, in accordance with the sales contract.

Revenue is net of volume discounts and price incentives which are estimated and accounted for based on the terms of the contracts by reducing the amount of revenue recognised at the time of sale.

Unbilled revenue represents amounts recognised based on services performed in advance of billings in accordance with contract terms and is net of provision for estimated losses.

Unearned revenue represents the billing in excess of revenue recognised. Advance payments received from the customers for which no services rendered are presented as “Advance from customers”.

xii. Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured realiably.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction using the effective interest method.

Dividend income is recognised when the Company's right to receive dividend is established.

Foreign currency gains and losses are reported on a net basis. This includes the changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

xiii. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to the acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed, based on technical 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. Freehold land is not depreciated.

Type of asset	Useful life
Building	28 years
Plant and equipment	10 years
Computers	3 years
Leasehold improvements	Shorter of lease period or estimated useful lives

Depreciation methods, useful lives and residual values are reviewed periodically including at each financial year-end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other income of the statement of profit and loss.

xiv. Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment.

Intangible assets are amortised over their estimated useful life on a straight line basis as follows:

Type of asset	Useful life
Software	3 years
Software purchased for use in the projects	Over the period of the respective project
Customer rights	3 years

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in ‘other income’ of statement of profit and loss when the asset is de-recognised.

Expenditure incurred towards development eligible for capitalization are carried as intangible assets under development where such assets are not yet ready for their intended use.

Research and development:

Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has intention and ability to complete and use the asset and the costs are reliably measure, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use.

xv. Employee benefit plans

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 services are rendered by the employees.

Contributions under the superannuation plan which is a defined contribution scheme, are made to a fund administered and managed by the Life Insurance Corporation of India and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

Gratuity:

The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date using projected unit credit method. The liability recognised in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company 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.

xvi. Financial instruments

(A) <u>Initial recognition:</u>

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

On initial recognition, the Company can make an irrevocable election (on an investment by an investment basis) to present the subsequent changes in fair value in the other comprehensive income pertaining to investments in equity instruments.

(B) Subsequent measurement:

a. Non-derivative financial instruments:

i) **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company may also make an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

iii) **Financial assets at fair value through profit or loss:** Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) **Financial liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

v) **Investment in subsidiaries:** Investment in subsidiaries is carried at cost in the separate financial statements.

b. Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement of profit and loss and is included in the "other income".

c. Hedge accounting:

The Company designates derivative contracts in a cash flow hedging relationship by applying the hedge accounting principles designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

These derivative contracts are stated at the fair value at each reporting date.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to statement of profit and loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in statement of profit and loss.

(C) <u>De-recognition of financial assets and liabilities:</u>

Financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

Financial liabilities:

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

(D) <u>Foreign exchange gains and losses</u>:

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

- For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.

- The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in statement of profit and loss.

xvii. Determination of fair values

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

xviii. Impairment of assets

a. Financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in statement of profit and loss.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognised in the statement of profit and loss.

b. Non-financial assets:

(i) Property, plant and equipment, Intangible assets and intangible assets under development

Property, plant and equipment, Intangible assets and intangible assets under development are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. Intangible assets under development are tested for impairment annually.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

xix. Government grants

Government grants are recognised when there is a reasonable assurance that:

a) The Company will comply with the conditions attached to them and
b) The grant will be received

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in the reporting the related expense.

xx. Exceptional item:

Significant gains/losses or expenses incurred arising from external events or based on corporate action which are not expected to recur are disclosed as an 'Exceptional item'.

xxi. Recent accounting pronouncements

Standards issued but not yet effective: -

In March 2018, The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 notifying Ind AS 115 Revenue From Contracts with Customers and amendments to Ind AS 21 The Effects of changes in Foreign Exchange Rates, applicable for annual periods beginning on or after April 01, 2018.

Ind AS 115 – Revenue from Contracts with Customers:

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard IND AS 18 – Revenue, Ind AS 11 – Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, based on the five step approach as defined in this standard.

Under this standard, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is evaluating the impact of this amendment on its financial statements.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

The Company is evaluating the impact of this amendment on its financial statements.

3. Property, plant and equipment

Particulars	As at March 31, 2018	As at March 31, 2017
Carrying amounts of:		
Freehold land	16	16
Buildings	1,339	1,403
Computers	137	160
Plant and equipment	333	320
Office equipment	107	83
Furniture and fixtures	152	160
Electrical installations	140	145
Vehicles	28	26
Total	**2,252**	**2,313**

Notes:

a. Movement in the carrying amounts of property, plant and equipment is as below:

Particulars	Freehold land [refer note (b) below]	Leasehold land [refer note (c) below]	Buildings [refer note (d) below]	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
I. Cost											
Balance as at March 31, 2016	16	9	1,955	4	1,620	860	248	441	436	35	**5,624**
Additions	-	-	4	-	65	47	35	17	7	4	**179**
Disposals/adjustments	-	-	-	-	(283)	(7)	(8)	-	(2)	(4)	**(304)**
Balance as at March 31, 2017	**16**	**9**	**1,959**	**4**	**1,402**	**900**	**275**	**458**	**441**	**35**	**5,499**
Additions	-	-	5	-	71	79	57	29	31	6	**278**
Disposals/adjustments	-	-	-	-	(3)	-	-	-	-	-	**(3)**
Balance as at March 31, 2018	**16**	**9**	**1,964**	**4**	**1,470**	**979**	**332**	**487**	**472**	**41**	**5,774**
II. Accumulated depreciation											
Balance as at March 31, 2016	-	9	487	4	1,434	519	168	264	259	5	**3,149**
Depreciation for the year	-	-	69	-	91	68	31	34	39	4	**336**
Disposals/adjustments	-	-	-	-	(283)	(7)	(7)	-	(2)	-	**(299)**
Balance as at March 31, 2017	**-**	**9**	**556**	**4**	**1,242**	**580**	**192**	**298**	**296**	**9**	**3,186**
Depreciation for the year	-	-	69	-	94	66	33	37	36	4	**339**
Disposals/adjustments	-	-	-	-	(3)	-	-	-	-	-	**(3)**
Balance as at March 31, 2018	**-**	**9**	**625**	**4**	**1,333**	**646**	**225**	**335**	**332**	**13**	**3,522**
III. Carrying Amounts (I - II)											
Balance as at March 31, 2017	**16**	**-**	**1,403**	**-**	**160**	**320**	**83**	**160**	**145**	**26**	**2,313**
Balance as at March 31, 2018	**16**	**-**	**1,339**	**-**	**137**	**333**	**107**	**152**	**140**	**28**	**2,252**

b. Includes ₹ 4 (March 31, 2017 - ₹ 4) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

c. Includes ₹ 9 (March 31, 2017 - ₹ 9) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

d. Includes ₹ 794 (March 31, 2017 - ₹ 789) relating to building constructed on leasehold land.

Cyient Limited
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4. Intangible assets

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Computer software	292	243
Other intangible assets	-	-
Total Intangible assets	**292**	**243**
Intangible assets under development [refer note (a) below]	**251**	**71**

Notes:

a. During the previous year, the Company entered into an agreement with a third party, wherein it was granted technology license to develop, test and commercially utilise the benefits from such testing and development activity. Accordingly, the initial amount and subsequent development costs aggregating to ₹ 251 (March 31, 2017 - ₹ 71) have been classified under 'Intangible asset under development'.

b. Movement in the carrying amount of intangible assets is as below:

Particulars	Computer Software	Other Intangible assets	Total
I. Cost:			
Balance as at March 31, 2016	2,236	147	2,383
Additions	206	-	206
Balance as at March 31, 2017	**2,442**	**147**	**2,589**
Additions	218	-	218
Balance as at March 31, 2018	**2,660**	**147**	**2,807**
II. Accumulated amortisation:			
Balance as at March 31, 2016	2,008	134	2,142
Amortisation for the year	191	13	204
Balance as at March 31, 2017	**2,199**	**147**	**2,346**
Amortisation for the year	169	-	169
Balance as at March 31, 2018	**2,368**	**147**	**2,515**

Carrying Amounts (I - II):			
Balance as at March 31, 2017	**243**	**-**	**243**
Balance as at March 31, 2018	**292**	**-**	**292**

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5. Investments

Particulars	As at March 31, 2018	As at March 31, 2017
A. Investments - Non-current (unquoted) (refer note 1 below)		
Investment carried at cost:		
(i) Equity instruments of subsidiary companies	4,591	4,556
(ii) Equity instruments of associate company	-	11
(iii) Equity instruments of joint venture company	20	20
	4,611	**4,587**
Investment carried at fair value through other comprehensive income:		
Equity instruments of other entities (unquoted)	18	18
Investment carried at fair value through profit and loss:		
Compulsorily convertible preference shares of other entities	10	-
Total Non-current investments	**4,639**	**4,605**
B. Investments - Current (quoted) (refer note 2 below)		
Investment carried at fair value through profit and loss		
Investments in mutual funds	1,130	925
Total Current investments	**1,130**	**925**

Note 1: Details of investments - Non-current (unquoted)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Equity instruments of subsidiary companies:				
Cyient Inc., USA	500,500	993	500,500	993
Cyient Europe Limited, UK	185,000,000	304	185,000,000	304
Cyient GmbH, Germany	12,000	71	12,000	71
Cyient KK, Japan	900	5	900	5
Cyient Singapore Private Limited, Singapore	3,599,977	238	3,599,977	238
Cyient Australia Pty Limited, Australia @ 1	1,000	-	1,000	-
Cyient Insights Private Limited, India	1,019,734	87	1,019,734	87
Cyient DLM Private Limited	1,011,580	2,861	1,011,580	2,858
Cyient Israel India Limited, Israel	1,817,100	32	-	-
Cyient Solutions and Systems Private Limited, India @ 2	19,990	-	-	-
Sub total		**4,591**		**4,556**
Equity instruments of associate company:				
Infotech Aerospace Services Inc., USA [refer note 25 (a)]	-	-	490	11
Equity instruments of joint venture company:				
Infotech HAL Limited, India	2,000,000	20	2,000,000	20
Equity instruments of other entities:				
Cardiac Design Labs Private Limited, India	6,036	18	6,036	18
Compulsorily convertible preference shares of other entities:				
Cardiac Design Labs Private Limited, India	3,048	10	-	-
Total		**4,639**		**4,605**

@1. Investment value is ₹ 0.05, rounded off.
@2. Investment value is ₹ 0.2, rounded off.

Note 2: Details of investments - Current (quoted)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of units	Amount	Number of units	Amount
Investments in Mutual Funds *				
Reliance Liquid Fund - Cash Plan - Daily Dividend Option Dividend Reinvestment	-	-	55,769	85
Reliance Liquid Fund - Treasury Plan - Daily Dividend Option Dividend - LFID	46,374	71	-	-
L&T Liquid fund - Regular Daily Dividend Reinvestment Plan	84,647	86	44,416	45
Aditya Birla Sun Life Floating Rate Fund Short Term Plan -Daily Dividend	706,029	71	506,373	51
Axis Liquid Fund - Daily Dividend	88,104	88	46,920	47
UTI-Liquid Cash Plan - Institutional -Daily Dividend Reinvestment	81,580	83	49,773	51
ICICI Prudential Liquid Fund Regular Plan Daily Dividend	-	-	506,879	51
ICICI Prudential Money Market Fund - Daily Dividend	805,283	81	-	-
Baroda Pioneer Liquid Fund - Plan A Daily Dividend Reinvestment	-	-	70,057	70
IDFC Cash fund - Daily dividend - (Regular Plan)	47,476	47	50,503	51
Sundaram Money Fund Regular Option Reinvestment	-	-	7,966,105	80
Kotak Floater Short Term - Daily Dividend (Regular Plan)	79,358	80	37,064	45
Kotak Liquid Regular Plan Daily Dividend	62,187	76	-	-
HDFC Liquid Fund - Regular Plan - Daily Dividend Reinvestment	79,075	81	89,158	91
DSP Black Rock Liquidity Fund - Regular Plan - Daily Dividend	66,016	66	80,535	81
LIC Nomura MF Liquid Fund Dividend Plan	-	-	42,302	46
SBI Premier Liquid Fund - Regular Plan - Daily dividend	75,899	76	50,377	51
DHFL Pramerica Insta Cash Plus Fund - Daily Dividend	500,664	50	504,206	50
Tata Liquid Fund Regular Plan - Daily Dividend	-	-	30,246	30
Invesco India Liquid Fund - Daily Dividend	75,772	76	-	-
Tata Money Market Fund Regular Plan - Daily Dividend	97,624	98	-	-
Total quoted investment		**1,130**		**925**

* The market value of quoted investment is equal to its carrying value.

Note 3: Carrying values:

Particulars	As at March 31, 2018	As at March 31, 2017
Aggregate amount of unquoted investments	4,611	4,587
Aggregate amount of investment carried at fair value through other comprehensive income	18	18
Aggregate amount of investment carried at fair value through profit and loss	10	-
Aggregate market value of quoted investments	1,130	925

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6. Loans

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current:		
Unsecured, considered good		
Loan to subsidiary (refer note 22)	127	106
Total Non-current loans	**127**	**106**
Current:		
Unsecured, considered good		
Loan to subsidiary (refer note 22)	265	150
Loan to employees	2	3
Total Current loans	**267**	**153**
Total Loans	**394**	**259**

7. Other financial assets

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current :		
Security deposits		
Unsecured, considered good	193	160
Doubtful	16	16
Less : Allowance for bad and doubtful deposits	(16)	(16)
	193	160
Unsecured, considered good		
Advance to subsidiary (refer note 22)	-	110
Total Other non-current financial assets	**193**	**270**
Current :		
Derivative instruments designated in a hedging relationship	71	498
Unbilled revenue (refer note below)	1,018	863
Interest accrued on deposit accounts	254	149
Interest accrued on loan given to subsidiaries (refer note 22)	21	1
Advance to employees	14	12
Advance to subsidiary and joint venture (refer note 22)	149	8
Other receivables (refer note below)	101	80
Total Other current financial assets	**1,628**	**1,611**
Total Other financial assets	**1,821**	**1,881**

Note:
Includes outstanding balances with related parties (refer note 22)

8. Other assets

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current (Unsecured, considered good) :		
Capital advances	62	9
Prepaid expenses	113	115
Balance with government authorities [refer note 21(d)]	332	712
Total Other non-current assets	**507**	**836**
Current (Unsecured, considered good) :		
Prepaid expenses	281	418
Advances to suppliers and service providers	252	32
Others	3	51
Total Other current assets	**536**	**501**
Total Other assets	**1,043**	**1,337**

Cyient Limited

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9. Trade receivables

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Unsecured, considered good*	4,151	2,950
Doubtful	54	95
	4,205	**3,045**
Less: Expected credit loss allowance (refer note below)	(54)	(95)
Total	**4,151**	**2,950**

* Includes dues from related parties (refer note 22)

Note:

Expected credit loss (ECL):

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The average credit period is between 60- 90 days. Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits for each customer. Limits and scoring attributed to customers are reviewed once a year.

As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognised in the statement of profit and loss.

Ageing	As at	
	March 31, 2018	**March 31, 2017**
Within the credit period	2,383	1,764
1-90 days past due	1,168	917
91-180 days past due	352	42
181-365 days past due	175	183
More than 365 days past due	127	139
Balance at the end of the year	**4,205**	**3,045**

Movement in the expected credit loss allowance	As at	
	March 31, 2018	**March 31, 2017**
Balance at beginning of the year	95	84
Provision for ECL	15	48
Written off bad debts collected	(13)	-
Reversal of provision for ECL	(43)	(37)
Balance at the end of the year	**54**	**95**

10. Cash and Bank Balances

10A. Cash and cash equivalents

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Balances with banks		
in current accounts	817	476
in deposit accounts	4,264	4,535
Deposits with financial institutions	1,955	1,495
Remittances in transit	164	10
Total	**7,200**	**6,516**

10B. Other bank balances

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

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11A. Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised share capital:		
278,000,000 equity shares of ₹ 5 each (March 31, 2017 : 278,000,000)	1,390	1,390
Issued and subscribed capital:		
112,596,002 fully paid up equity shares of ₹ 5 each (March 31, 2017 : 112,566,340)	563	563
Total	**563**	**563**

Notes:

During the previous year, authorised share capital of the Company was increased from 270,000,000 equity shares of ₹ 5 each to 278,000,000 equity shares of ₹ 5 each vide approval dated June 22, 2016, from the Ministry of Corporate Affairs.

1. Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Opening balance	112,566,340	563	112,483,377	562
Issue of shares under the Company's associate stock option plan*	29,662	-	82,963	1
Balance	112,596,002	563	112,566,340	563

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

2. Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	**% holding of equity shares**	**Number of shares held**	**% holding of equity shares**
Fully paid up equity shares				
B.V.R. Mohan Reddy (refer note (i) below)	3,358,254	2.98%	3,358,254	2.98%
B. Sucharitha (refer note (ii) below)	912,883	0.81%	912,883	0.81%
Carrier International Mauritius Ltd	-	-	15,292,960	13.59%
Vineyard Point Software Private Limited	11,256,634	10.00%	11,256,634	10.00%
First Carlyle Ventures Mauritius	-	-	11,099,416	9.86%
Amansa Holdings Private Limited	7,235,341	6.43%	-	-
Aditya Birla Sun Life Trustee Private Limited	6,096,318	5.41%	-	-
Reliance Capital Trustee Company Limited	5,851,927	5.20%	-	-

Notes:

i. During the previous year, Mr. B.V.R. Mohan Reddy transferred 11,256,634 equity shares carrying voting rights, constituting 10% of the paid up share capital of the Company to Vineyard Point Software Private Limited as a part of the settlement contribution of a trust (viz. Saranam Family Private Trust). There is no cash consideration for this transaction. Subsequent to the transfer, Mr. BVR Mohan Reddy holds 3,358,254 equity shares constituting 2.98% of the paid up share capital of the Company.

ii. During the previous year, Mrs. B. Sucharitha transferred 5,628,317 equity shares carrying voting rights, constituting 5% of the paid up share capital of the Company to Infocad Enterprises Private Limited as a part of the settlement contribution of a trust (viz. Sairam Trust). There is no cash consideration for this transaction. Subsequent to the transfer, Mrs. B. Sucharitha holds 912,883 equity shares constituting 0.81% of the paid up share capital of the Company.

3. 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.

4. Details of shares allotted under Associate Stock Option Plans:
(i) 80,900 (March 31, 2017: 80,900) equity shares of ₹ 10 each fully paid-up was allotted to Infotech ESOP trust pursuant to the Infotech Employee Stock Offer Scheme - 1999 (ESOP - 1999)
(ii) 1,650,630 (March 31, 2017: 1,650,630) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2001 (ASOP - 2001)
(iii) 2,123,507 (March 31, 2017: 2,123,507) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2002 (ASOP - 2002)
(iv) 3,296,545 (March 31, 2017: 3,296,545) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2004 (ASOP - 2004)
(v) 920,196 (March 31, 2017: 890,534) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2008 (ASOP - 2008)

5. Details of shares reserved for issue:

(i) Shares aggregating 383,625 and 318,787 as at March 31, 2018 and March 31, 2017 respectively, reserved for issue under ASOP 2008 scheme.
(ii) Shares aggregating 146,200 as at March 31, 2018, reserved for issue under ASOP 2015 scheme.
(iii) Shares aggregating 556,332 (March 31, 2017: 637,476), reserved for issue under RSU scheme 2016.

6. i. Associate Stock Option Plans

Infotech Employee Stock Offer Scheme 1999 (ESOP Plan):
In 1998-99, the Company set up the Infotech Employee Stock Offer Scheme (ESOP Plan) and allotted 80,900 equity shares of ₹10 each at a premium of ₹100 per share to the "Infotech ESOP Trust" ("Trust"). The Trust, on the recommendation of the Management and upon the receipt of full payment upfront transfers the equity shares in the name of selected employees. The Company modified the ESOP Plan and adjusted the number of options and exercise price on account of bonus issue and stock split cum bonus issue during 2002-03, 2006-07 and 2010-11 respectively. These equity shares are under lock-in period (i.e., the date of transfer of the shares from the Trust to the employee) and it differs from offer to offer. When the employee leaves the Company before the expiry of the lock-in-period the options allocated to such employee stands transferred to the Trust at a predetermined price. Hence, the lock-in-period has been considered as the vesting period. However, the Trust and the Company have a discretionary power to waive the restriction on selling such stock to the Trust.

As at March 31, 2018, 80,900 (March 31, 2017: 80,900) equity shares of ₹ 10 each have been allotted to the Infotech ESOP trust.

Associate Stock Option Plan – 2001 (ASOP 2001):
The Company instituted ASOP 2001 in April 2001 and earmarked 225,000 equity shares of ₹ 10 each for issue to the employees under ASOP. The Company modified ASOP 2001 and adjusted the number of options and exercise price on account of stock split cum bonus issue during 2006-07. Under ASOP 2001, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

As at March 31, 2018, 1,650,630 (March 31, 2017: 1,650,630) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2001 plan and there are no outstanding options to be exercised by the employees.

Associate Stock Option Plan – 2002 (ASOP 2002):
The Company instituted ASOP 2002 in October 2002 and earmarked 575,000 equity shares of ₹ 10 each for issue to the employees under ASOP. The Company modified ASOP 2002 and adjusted the number of options and exercise price on account of stock split cum bonus issue during 2006-07. Under ASOP 2002, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

As at March 31, 2018, 2,123,507 (March 31, 2017: 2,123,507) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2002 plan and there are no outstanding options to be exercised by the employees.

Associate Stock Option Plan – 2004 (ASOP 2004):
The Company instituted ASOP 2004 in October 2004 and earmarked 1,150,000 equity shares of ₹10 each for issue to the employees under ASOP. The Company modified ASOP 2004 and adjusted the number of options and exercise price on account of stock split cum bonus issue during 2006-07. Under ASOP 2004, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

As at March 31, 2018, 3,296,545 (March 31, 2017: 3,296,545) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2004 plan and there are no outstanding options to be exercised by the employees.

Associate Stock Option Plan – 2008 (ASOP 2008):

The Company instituted ASOP 2008 in July 2008 and earmarked 1,000,000 equity shares of ₹ 5 each for issue to the employees under ASOP. The Company modified ASOP 2008 and adjusted the number of options and exercise price on account of bonus issue 1:1 during Financial year 2010-11. Under ASOP 2008, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

Movements in stock options during the year:
ASOP 2008

Particulars	March 31, 2018		March 31, 2017	
	No. of Options	**Weighted average exercise price**	**No. of Options**	**Weighted average exercise price**
Options outstanding at the beginning of the year	318,787	397	318,750	316
Granted	108,000	516	83,000	500
Forfeited	(13,500)	487	-	-
Exercised	(29,662)	303	(82,963)	189
Options outstanding at the end of year	**383,625**	**430**	**318,787**	**397**

Out of the total outstanding options, 181,000 (March 31, 2017: 136,887) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2018, 920,196 (March 31, 2017: 890,534) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2008 plan. Accordingly, options (net of cancellations) for a total number of 383,625 (March 31, 2017: 318,787) are outstanding as at March 31, 2018.

Associate Stock Option Plan – 2015 (ASOP 2015):

The Company instituted ASOP 2015 in July 2015 and earmarked 1,200,000 equity shares of ₹ 5 each for issue to the employees under ASOP. Under ASOP 2015, options will be issued to employees at an exercise price, which shall not be less than the market price on the date of grant. These options vest over a period ranging from one to three years from the date of grant, starting with 10% at the end of first year, 15% at the end of one and half years, 20% after two years, 25% at the end of two and half years and 30% at the end of third year.

Particulars	March 31, 2018		March 31, 2017	
	No. of Options	**Weighted average exercise price**	**No. of Options**	**Weighted average exercise price**
Options outstanding at the beginning of the year	-	-	-	-
Granted	146,200	583	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Options outstanding at the end of year	**146,200**	**583**	**-**	**-**

Out of the total outstanding options, 50,530 (March 31, 2017: Nil) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2018, Nil (March 31, 2017: Nil) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2015 plan. Accordingly, options (net of cancellations) for a total number of 146,200 (March 31, 2017: Nil) are outstanding as at March 31, 2018.

ii. Restricted Stock Unit Scheme 2016 (RSU 2016):

The Company has instituted the RSU 2016 plan earmarking 650,000 equity shares of ₹ 5 each which provided for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended the establishment of the plan on October 13, 2016 and the shareholders approved the recommendation of the Board of Directors on December 12, 2016 through a postal ballot. The RSUs will vest over a period of one year from the date of grant. Under the scheme, eligible employees were given an option to choose the RSUs either in the form of equity shares or in cash.

On March 31, 2017, the Company made a grant of 637,476 restricted stock units to eligible employees out of which 423,892 RSUs will be settled in equity and 213,584 RSUs will be settled in cash. Accordingly, an amount of ₹ 174 has been presented under 'Stock option reserve' representing the equity settlement and ₹ 87 has been presented under 'Trade payables' representing expected cash settlement. Subsequent increase in the liability on account of fair valuation of cash settled RSUs resulted in a closing cash settlement of ₹ 116 as at March 31, 2018 and the same was accounted as employee benefit expense. An amount of ₹ 73 has been recharged to subsidiaries relating to options granted to associates employed by them. These RSU's are fully vested as on March 31, 2018 and pending exercise by the employees.

Movement in Restricted Stock Units during the year:

Particulars	March 31, 2018		March 31, 2017	
	No. of RSUs	Weighted average exercise price	No. of RSUs	Weighted average exercise price
RSUs outstanding at the beginning of the year	637,476	5	-	-
Granted	-	-	637,476	5
Forfeited	(81,144)	5	-	-
Exercised	-	-	-	-
RSUs outstanding at the end of year*	**556,332**	**5**	**637,476**	**5**

* includes 169,260 (March 31, 2017: 213,584) RSUs to be settled in cash.

iii. Fair value of stock options granted during the year:

The weighted average fair value of the share options and RSUs granted during the year is ₹ 144.2 - ₹ 160.8 (2016-17: ₹ 233.7 - ₹ 455.4). Options and RSUs were priced using Black Scholes pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past years.

The following assumptions were used for calculation of fair value of grants:

Particulars	March 31, 2018	March 31, 2017
a) ASOP 2008		
Exercise price (₹)	184 - 559	184 - 559
Grant date share price (₹)	185 - 531.5	185 - 531.5
Dividend yield (%)	1.53 - 2.64	1.53 - 2.64
Expected volatility (%)	28.66 - 65.53	40 - 65.53
Risk-free interest (%)	6.41 - 8.4	6.96 - 8.4
Expected term (in years)	3 - 4	3 - 4
b) RSU 2016		
Exercise price (₹)	5	5
Grant date share price (₹)	467.5	467.5
Dividend yield (%)	1.6	1.6
Expected volatility (%)	24.4	24.4
Risk-free interest (%)	6.3	6.3
Expected term (in years)	1	1
c) ASOP 2015		
Exercise price (₹)	583	-
Grant date share price (₹)	582.6	-
Dividend yield (%)	2.4	-
Expected volatility (%)	28.66 - 31.00	-
Risk-free interest (%)	7.4-7.52	-
Expected term (in years)	3 - 4	-

iv. Details of Share options exercised during the year:

Options series	Year	Number exercised	Exercise date*	Share price (₹) at exercise date
Associate Stock Option Plan – 2008 (ASOP 2008)	2017-18	29,662	June to February	509 - 630
Associate Stock Option Plan – 2008 (ASOP 2008)	2016-17	82,963	May to December	478 - 507

* Allotment happened at various dates during that period

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11B. Other equity
Other equity consist of the following:

Particulars	As at	
	March 31, 2018	**March 31, 2017**
(a) General reserve	5,289	5,289
(b) Securities premium account		
(i) Opening balance	3,850	3,831
(ii) Options exercised	4	4
(iii) Premium received on allotment of shares	9	15
	3,863	3,850
(c) Stock option reserve		
(i) Opening balance	206	19
(ii) Stock option expense	19	17
(iii) Equity component of RSU (refer note 11A)	-	174
(iv) Options exercised	(4)	(4)
	221	206
(d) Cash flow hedge reserve		
(i) Opening balance	326	89
(ii) Effective portion of (loss)/ gain on designated portion of hedging instruments, (net of taxes)	(356)	237
	(30)	326
(e) Retained earnings		
(i) Opening balance	8,588	6,984
(ii) Other Comprehensive Income arising out of remeasurement of defined benefit obligation (net of taxes)	(1)	(20)
(iii) Profit for the year	4,018	2,369
	12,605	9,333
Less: Appropriations		
(a) Dividend on equity shares (refer note 30)	1,576	619
(b) Corporate dividend tax	321	126
	10,708	8,588
(f) Share application money pending for allotment		
(i) Opening balance	-	1
(ii) Issue of shares under the Company's associate stock option plan	-	(1)
	-	-
Total	**20,051**	**18,258**

Nature of reserves:

(a) **General reserve**
This represents appropriation of profit by the Company.

(b) **Securities premium account**
Amounts received on issue of shares in excess of the par value has been classified as securities premium.

(c) **Stock option reserve**
The stock option reserve represents the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees.

(d) **Cash flow hedge reserve**
Represents effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge.

(e) **Retained earnings**
Retained earnings comprises of prior years' undistributed earnings after taxes along with current year profit.

(f) **Share application money pending for allotment**
Represents application money received pending allotment of shares.

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12. Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Gratuity [refer note (i) below]	545	464
Compensated absences [refer note (ii) below]	224	247
Other provisions	3	5
Total	**772**	**716**
Non-current:		
Gratuity	544	463
Compensated absences	157	179
Total Non current provision	**701**	**642**
Current:		
Gratuity	1	1
Compensated absences	67	68
Other provisions	3	5
Total current provision	**71**	**74**
Total	**772**	**716**

Notes:
i. Defined Benefit Plans - Gratuity
In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company 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 Statement of Profit and Loss in the period determined. The gratuity plan is administered by the Company's own trust which has subscribed to the "Group Gratuity Scheme" of Life Insurance Corporation of India.
The present value of the defined benefit obligation (DBO), and the related current service cost and past service cost, were measured using the projected unit credit method.

Principal assumptions used for the purposes of the actuarial valuation	**As at March 31, 2018**	**As at March 31, 2017**
Discount rate (%)	7.40%	6.90%
Salary increase rate (%)	6.00% - 8.00%	6.00% - 8.00%
Attrition (%)	17%	17%
Mortality table	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Retirement age	60 years	60 years

The following table sets out the defined benefit costs as per actuarial valuation:

Amounts recognised in statement of profit and loss in respect of these defined benefit plans	**For the Year ended March 31, 2018**	**For the Year ended March 31, 2017**
Current service cost	83	73
Past service cost	17	-
Total service cost (A)	100	73
Interest expense on Defined Benefit Obligation	38	35
Interest income on plan assets	(9)	(9)
Net interest cost (B)	29	26
Defined benefit cost included in Statement of profit and loss (A) + (B)	**129**	**99**
Remeasurement effects recognised in Other Comprehensive Income		
Actuarial (gain) / loss due to financial assumptions change in Defined Benefit Obligation	(16)	23
Actuarial loss due to experience on Defined Benefit Obligation	17	3
Components of defined benefit costs recognised in Other Comprehensive Income	**1**	**26**
Net Gratuity Cost	**128**	**73**

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	679	594
Fair value of plan assets	(134)	(130)
Net liability arising from defined benefit obligation	**545**	**464**

Movement in the present value of the defined benefit obligation	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Projected benefit obligation at the beginning of the year	594	506
Current service cost	83	73
Past service cost	17	-
Interest cost	38	35
Actuarial loss on change in experience and financial assumptions	1	25
Payments	(54)	(45)
Defined benefit obligation at the end of the year	**679**	**594**
Change in Plan Assets		
Plan assets at the beginning of the year	130	119
Return on plan assets	9	9
Employer contribution	49	48
Payments	(54)	(45)
Actuarial loss on plan assets	-	(1)
Plan Assets at the end of the year	**134**	**130**

The estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligation.

Sensitivity analysis:
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(30)	33	(22)	22
Future salary growth (1% movement)	29	(27)	25	(22)

Maturity profile of defined benefit obligation:

Particulars	As at	
	March 31, 2018	March 31, 2017
Within 1 year	119	99
1-2 year	107	93
2-3 year	100	85
3-4 year	89	79
4-5 year	83	69
5-10 year	276	238

The expected contribution to the plan for the year ended March 31, 2019 is ₹119.

Composition of plan assets:
Plan assets comprise of 100% insurer managed funds. Fund is managed by Life Insurance Corporation as per Insurance Regulatory and Development Authority of India guidelines, category wise composition of the plan assets is not available.

ii. Compensated Absences

a) Compensated absences – India:

Actuarial assumptions for long-term compensated absences	As at March 31, 2018	As at March 31, 2017
Discount rate	7.40%	6.90%
Salary escalation	6.00% - 8.00%	6.00% - 8.00%
Attrition	17.00%	17.00%

b) Compensated absences – Overseas branches:

Actuarial assumptions for long-term compensated absences	As at March 31, 2018	As at March 31, 2017
Discount rate	1.45% - 4.20%	1.45% - 4.30%
Expected return on plan assets	NA	NA
Salary escalation	2.00%	2.00%
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 Statement of Profit and Loss in the period determined.

The estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligation.

c) Long Service Leave – Australia:

The regulations of long service leave are applicable to the associates of the Company employed at its Australia Branch. 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.

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13. Trade payables

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Due to Micro, Small and Medium Enterprises (refer note 29)	1	1
Due to Others*	1,932	1,320
Total	**1,933**	**1,321**

* Includes amount payable to its related parties (refer note 22)

14. Other financial liabilities

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Current:		
Unpaid dividends	14	11
Payables on purchase of property, plant and equipment	41	55
Derivative instruments designated in a hedging relationship	118	1
Total	**173**	**67**

15. Other current liabilities

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Unearned revenue	49	17
Advance from customers*	233	22
Statutory remittances	193	623
Total	**475**	**662**

* Includes amount from related parties (refer note 22)

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

16. Income taxes

a. Income tax expense recognized in the statement of profit and loss	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Current taxes:		
In respect of the current year	1,285	601
	1,285	**601**
Deferred taxes benefit		
In respect of the current year	(43)	(42)
MAT Credit	-	(58)
	(43)	**(100)**
	1,242	**501**

b. Income tax expense/(benefit) recognized directly in other comprehensive income	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Income tax expense/(benefit) recognized directly in OCI consists of:		
Tax effect on effective portion of change in fair value of cash flow hedges	189	(125)
Tax effect on actuarial loss on defined benefit obligations	-	6
	189	**(119)**
Bifurcation of the income tax recognized in other comprehensive income into:		
Items that will not be reclassified to profit or loss	-	6
Items that will be reclassified to profit or loss	189	(125)

c. Reconciliation of effective tax rate The following is the reconciliation of the Company's effective tax rates for the years ended March 31, 2018 and 2017	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Profit before tax	5,260	2,870
Enacted rate in India	34.61%	34.61%
Expected tax expense	**1,820**	**993**
Tax effect of adjustments to reconcile expected tax expense:		
Exemptions / deductions for tax purposes / tax holidays	(478)	(511)
Expenses that are not deductible in determining taxable profit	20	19
Capital gain on sale of investment and dividend from associate taxed at lower rate	(118)	-
Others	(2)	-
Total income tax expense	**1,242**	**501**
Effective tax rate	**23.61%**	**17.46%**

The difference between the tax rate enacted in India and the effective tax rate of the Company is majorly because of the benefit availed on the profits of the undertakings situated in Special Economic Zones (SEZ). The SEZ units of the Company which began to provide the services on or after April 1, 2005 are eligible for 100% deduction of profits and gains derived from export of services for a period of first five years from the year of commencement of provision of services. For the next five years, they are eligible for deduction of 50% of profits and gains derived from export of services. For further five years, they are eligible for deduction upto 50% of profits subject to fulfilment of certain conditions.

d. Deferred tax assets and liabilities

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:	**As at**	
	March 31, 2018	**March 31, 2017**
Deferred tax assets	294	351
Deferred tax liabilities	(127)	(325)
	167	**26**

e. Movement in deferred tax assets and liabilities:

2017-18	**Opening Balance**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Other adjustments**	**Closing balance**
Deferred tax (liabilities)/assets in relation to :					
Cash flow hedges	(172)	-	189	-	17
Property, plant and equipment and Intangible assets	(153)	26	-	-	(127)
Provision for employee benefits	224	32	-	-	256
Provision for doubtful debts	35	(15)	-	-	20
MAT credit entitlement	91	-	-	(91)	-
Others	1	-	-	-	1
Total	**26**	**43**	**189**	**(91)**	**167**

Cyient Limited

Notes forming part of the financial statements

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

2016-17	**Opening Balance**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Other adjustments**	**Closing balance**
Deferred tax (liabilities)/assets in relation to :					
Cash flow hedges	(47)	-	(125)	-	(172)
Property, plant and equipment and Intangible assets	(168)	15	-	-	(153)
Provision for employee benefits	194	24	6	-	224
Provision for doubtful debts	32	3	-	-	35
MAT credit entitlement	33	58	-	-	91
Others	-	-	-	1	1
Total	**44**	**100**	**(119)**	**1**	**26**

f. Current tax assets and liabilities

The following is the analysis of income tax assets/(liabilities) presented in the balance sheet:	**As at**	
	March 31, 2018	**March 31, 2017**
Current tax assets [net of provisions ₹ 3,833 (March 31, 2017 - ₹ 2,783)]	392	392
Current tax liabilities [net of advance tax ₹ 2,341 (March 31, 2017 - ₹ 2,105)]	44	45

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17. Other income

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest income		
Interest income earned on financial assets carried at amortised cost:		
Deposits with Banks & Financial Institutions	402	343
Other financial assets	116	34
	518	**377**
Dividend income		
Dividend from associate [refer note 25(a)]	589	-
Dividend from mutual funds	42	34
	631	**34**
Other non-operating income		
Operating lease rental income	31	16
Liabilities no longer required, written back	58	59
Miscellaneous income	44	30
	133	**105**
Other gains and losses		
Gain on disposal of property, plant and equipment	-	2
Gain/ (loss) on fair valuation of financial assets & liabilities	2	(3)
Net foreign exchange gain/ (loss)	84	(140)
Exchange gain on foreign currency forward contracts (net)	555	441
	641	**300**
Total	**1,923**	**816**

18. Employee benefits expense

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salaries and wages, including bonus	5,862	5,679
Contribution to provident and other funds (refer note (i) below)	452	397
Social security and other benefits to overseas employees (refer note (ii) below)	17	35
Stock option expense (refer note 11A)	27	11
Staff welfare expenses	400	398
Total	**6,758**	**6,520**

Notes:

i. Contribution to provident fund and other funds

Provident fund:

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 300 (2016-17 - ₹ 276).

Gratuity (funded):

Amount recognised in Statement of Profit and Loss in respect of gratuity - ₹ 129 (2016-17 - ₹ 99). [refer note 12 (i)].

Superannuation fund - India

The employees receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the employee has an option to choose the percentage of contribution 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 Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 23 (2016-17 - ₹ 22).

ii. Superannuation fund - Australia

The employees at the Australia branch of the Company are also covered under a superannuation scheme. The Company contributes 9.5% of the basic salary of the employee. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 17 (2016-17 - ₹ 35).

19. Depreciation and amortisation expense

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Depreciation of property, plant and equipment	339	336
Amortisation of intangible assets	169	204
Total	**508**	**540**

20. Other expenses

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

Notes:

i. Leases

Obligations on long term, non-cancellable operating leases:

The future minimum lease commitments under non-cancellable operating leases are as follows:

Particulars	As at	
	March 31, 2018	March 31, 2017
Not later than one year	343	230
Later than one year but not later than five years	450	324
Later than five years	-	-
Total	**793**	**554**

ii. Expenditure for Corporate Social Responsibility

The Company contributes towards Corporate Social Responsibility (CSR) activities through its trust, Cyient Foundation. As per Section 135 of the Companies Act, 2013, CSR committee has been formed by the Company. The areas for CSR activities are promoting education, adoption of schools, medical and other social projects. Expenses incurred on CSR activities through its Cyient Foundation and contributions towards other charitable institutions are charged to the Statement of Profit and Loss under Other expenses - ₹ 73 (2016-17 - ₹ 62) (refer note 22).

iii. Bad debts written off

Bad debts written off during the year ended March 31, 2018 was ₹43 (2016-17- ₹38) and reversal of provision for doubtful debts was ₹ 43 (2016-17- ₹ 37).

iv. Auditors' remuneration (net of applicable taxes) comprises of:

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
(a) For audit	8	8
(b) For other services	3	4
(c) For services rendered by affiliates of statutory auditors	9	13
(d) For reimbursement of expenses	1	1
Total	**21**	**26**

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21. Contingent liabilities and commitments

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

Notes:
(a) The Company has disputed various demands raised by Income Tax authorities for the assessment years 1999-2000 to 2002-03, & 2005-06 (March 31, 2017 - 1997-98 to 2014-15) which are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 138 (March 31, 2017 - ₹ 189). The Company is confident that these appeals will be decided in its favour.

(b) The Company has disputed various demands raised by the Sales Tax authorities for the financial years 2004-05 to 2009-10 and 2012 - 13 and 2015-16. The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 20 (March 31, 2017 - ₹ 20). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.

(c) The Company has disputed various demands raised by the Service Tax authorities for the financial years 2006-07 to 2015-16 (March 31, 2017 - 2006-07 to 2015-16). The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 141 (March 31, 2017 - ₹ 141). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.

(d) The Company is contesting certain pending service tax refunds amounting to ₹ 73 (March 31, 2017 : ₹ 100) at various appellate authorities. The Company is confident that these appeals will be decided in its favour.

(e) During the financial year 2014-15, the Company received an order from Provident Fund (PF) authorities regarding PF payment on certain allowances given by the Company to its employees for the years 2010-11 to 2012-13. The Company appealed against the order and is pending before Provident Fund Appellate Tribunal. The Company paid ₹ 5 (March 31, 2017 - ₹ 5) under protest, being 20% of the total demand of ₹ 26 (March 31, 2017 - ₹ 26).

(f) During the financial year 2015-16, the Government of India notified an amendment to the Payment of Bonus Act, 1961 whereby the applicable slabs as well as coverage limit was enhanced. The said amendment was made effective April 1, 2014. The Company has contested the retrospective applicability of the amendment for the financial year 2014-15 in the High Court of Judicature at Hyderabad for the states of Telangana and Andhra Pradesh. The aggregate amount of liability pertaining to the financial year 2014-15, not provided for, is ₹ 92 (March 31, 2017 - ₹ 92).

(g) During the financial year 2014-15, the Company acquired 74% of the share capital of Cyient DLM Private Limited on February 4, 2015. According to conditions stipulated in the Investment Agreement, the Company has an option to acquire the balance 26% of the share capital, on or before seven years from the date of the acquisition. These balance shares are currently placed in an Escrow account with a registered escrow agent as the custodian.

(h) Corporate guarantee given to subsidiary's bankers to obtain line of credit ₹ 8,964 (March 31, 2017 – ₹ 6,488).

(C) The Company has certain outstanding export obligations/commitments as at March 31, 2018 and March 31, 2017 and is confident of meeting these obligations/commitments within the stipulated period of time or obtain extensions as required.

22. Related Party Transactions

(A) The list of related parties of the Company is given below:

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

Notes:

(i) On July 18, 2016, the Company incorporated a wholly owned subsidiary, Cyient Israel India Limited, in Israel. During the year the subsidiary has commenced its commercial operations and the Company has infused the capital.

(ii) On March 25, 2016, the Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China. There is no investment in the subsidiary till March 31, 2018 and the subsidiary is yet to commence commercial operations.

(iii) During August 2017, the Company subscribed to 49% share capital in Cyient Solutions and Systems Private Limited ("CSSPL"). The Company acquired 51% share capital in March 2018, increasing the shareholding to 100%.

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

Name of the Associate	Country of incorporation	Extent of holding (%) as at	
		March 31, 2018	March 31, 2017
Infotech Aerospace Services Inc. [refer note 25(a)]	Puerto Rico	-	49%

Subsidiaries of Cyient Inc.:

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

* The Company's wholly-owned subsidiary, Cyient Inc., USA, incorporated a wholly-owned step down subsidiary, Cyient Defense Services Inc., in USA, on September 23, 2016.

** The Company, through its wholly-owned subsidiary Cyient Inc., acquired 100% stake of Certon Software Inc., USA (and its wholly owned subsidiary Certon Instruments Inc., USA) on February 8, 2017.

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

Subsidiaries of Cyient Europe Limited:

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

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

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Subsidiary of Cyient GmbH:

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

Subsidiary of Cyient Insights Private Limited:

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

Subsidiary of Cyient DLM Private Limited:

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

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

Other related party:

Entity	Country of incorporation	Nature of relationship
Cyient Foundation	India	Entity with common KMP
Infotech ESOP Trust	India	Entity with common KMP

Key Managerial Personnel (KMP):

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

Relative of Executive Chairman and Managing Director & CEO

B. Ashok Reddy	President – Corporate Affairs

(B) Summary of the transactions and balances with the above related parties are as follows:

(a) Transactions during the year:

Nature of the transaction	Party name	For the year ended	
		March 31, 2018	March 31, 2017
Revenue from operations	Cyient Inc.	3,501	3,144
	Cyient Europe Limited	1,057	859
	Cyient Benelux BV	369	262
	Cyient Schweiz GmbH	93	99
	Cyient S.R.O.	32	9
	Cyient GmbH	900	810
	Cyient AB	138	118
	Certon Software Inc.	35	-
	Cyient Canada Inc.	149	81
	Cyient KK	235	201
	Infotech HAL Limited	1	9
	Cyient Australia Pty Limited	995	652
	Cyient Singapore Private Limited	98	35

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Nature of the transaction	Party name	For the year ended	
		March 31, 2018	March 31, 2017
Sub-contracting charges	Cyient Inc.	215	238
	Cyient Europe Limited	2	17
	Cyient Benelux BV	13	13
	Cyient GmbH	3	13
	Cyient AB	2	3
	Cyient Canada Inc.	4	5
	Cyient Insights Private Limited	83	45
	Cyient DLM Private Limited	9	22
Reimbursement of Expenses (net)	Cyient Inc.	52	32
	Certon Software Inc.	(1)	-
	Cyient Europe Limited	(52)	(19)
	Cyient Benelux BV	1	(1)
	Cyient S.R.O.	(18)	(33)
	Cyient GmbH	(41)	2
	Cyient AB	8	1
	Cyient Canada Inc.	(9)	4
	Cyient KK	-	(1)
	Cyient Singapore Private Limited	(38)	(3)
	Cyient Insights Private Limited	1	-
	Cyient DLM Private Limited	(32)	-
	Cyient Australia Pty Limited	(131)	(55)
Software purchases	Cyient Inc.	55	23
Corporate guarantee given to subsidiary's bankers	Cyient DLM Private Limited	1,760	-
	Cyient Inc.	430	570
	Cyient Defense Services Inc.	215	-
	Cyient GmbH	368	319
	Cyient Europe Limited	358	476
	Cyient Australia Pty Limited	-	120
	Cyient Solutions and Systems Private Limited	50	-
Corporate guarantee given to subsidiary's bankers liquidated	Cyient Inc.	326	-
	Cyient GmbH	368	305
	Cyient Europe Limited	183	146
	Cyient Singapore Private Limited	-	259
Other income on corporate guarantee given to subsidiary's bankers	Cyient Australia Pty Limited	1	1
	Cyient Europe Limited	3	2
	Cyient GmbH	2	2
	Cyient Inc.	11	8
	Cyient S.R.O.	1	-
	Cyient Singapore Private Limited	2	3
Investments in subsidiaries	Cyient Israel limited	32	-
	Cyient DLM Private Limited #	3	-
	Cyient Solutions and Systems Private Limited	0.20	-
Disposal of Associate	Infotech Aerospace Services Inc. [refer note 25 (a)]	(11)	-
Advances given / (recovered)	Cyient KK	(110)	(3)
	Infotech HAL Limited	4	-
	Cyient Solutions and Systems Private Limited	137	-
Loans given	Cyient Insights Private Limited	11	30
	Cyient DLM Private Limited	385	150

Nature of the transaction	Party name	For the year ended	
		March 31, 2018	March 31, 2017
Loans recovered	Cyient DLM Private Limited	270	150
Interest on loans given	Cyient Insights Private Limited	10	8
	Cyient DLM Private Limited	20	14
Rental income	Infotech HAL Limited	1	1
	Cyient Insights Private Limited	3	3
Dividend from associate	Infotech Aerospace Services Inc.	589	-
CSR expenditure	Cyient Foundation	68	57

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

Compensation to Key Managerial Personnel is as follows:

Nature of the transaction	Party name	For the year ended	
		March 31, 2018	March 31, 2017
Short-term benefits	Executive Chairman, Managing Director & CEO and Executive Officers[#1]	207	141
Dividend paid during the year	Executive Chairman and Managing Director & CEO	73	90
Commission and other benefits	Non-Executive and Independent Directors	11	10

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

(b) Balances at the year-end:

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

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Nature of the balance	Party name	As at	
		March 31, 2018	March 31, 2017
Trade payables	Cyient Inc.	434	224
	Cyient Europe Limited	58	58
	Cyient Benelux BV	62	40
	Cyient AB	41	-
	Cyient Singapore Private Limited	20	-
	Cyient S.R.O.	1	1
	Cyient GmbH	80	41
	Cyient KK	193	26
	Cyient Insights Private Limited	6	1
	Cyient Canada Inc.	32	26
	Cyient DLM Private Limited	(71)	-
	Cyient Australia Pty Limited	65	11
Other receivables	Cyient Inc.	55	44
	Cyient Canada Inc.	2	2
	Cyient Europe Limited	7	12
	Cyient Benelux BV	2	1
	Cyient GmbH	-	3
	Cyient AB	-	1
	Cyient Defense Services Inc.	1	-
	Cyient KK	1	1
	Cyient Australia Pty Limited	12	7
	Cyient Singapore Private Limited	2	2
Corporate guarantee given to subsidiary's bankers	Cyient Inc.	2,113	2,000
	Cyient Defense Services Inc.	215	-
	Cyient Europe Limited	586	476
	Cyient S.R.O	139	-
	Cyient GmbH	368	319
	Cyient DLM Private Limited	4,970	3,210
	Cyient Australia Pty Limited	158	120
	Cyient Singapore Private Limited	365	363
	Cyient Solutions and Systems Private Limited	50	-
Commitments	Cyient Europe Limited	569	492
Advances given	Cyient KK	-	110
	Infotech HAL Limited	12	8
	Cyient Solutions and Systems Private Limited	137	-
Loans given	Cyient Insights Private Limited	127	106
	Cyient DLM Private Limited	265	150
Interest on loans given	Cyient DLM Private Limited	21	1
Short-term benefits payable	Executive Chairman and Managing Director & CEO	129	73
Commission and other benefits payable	Non-Executive and Independent Directors	11	10

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23. Earnings per share

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

24. Research & Development:

i. Fixed assets used in Research and Development

The following table provides the break-up of the fixed assets used specifically for the research and development:

Carrying amounts of:	As at	
	March 31, 2018	March 31, 2017
Buildings - Freehold	32	33
Plant and Equipment - Freehold	3	3
Furniture and Fixtures	4	4
Electrical Installations	3	3
Computers	1	1
Total Tangible Assets	**43**	**44**

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Electrical Installations	Computers	Total
Balance as at March 31, 2016	**34**	**4**	**4**	**4**	**1**	**47**
Additions	-	-	-	-	-	-
Depreciation	(1)	(1)	-	(1)	-	(3)
Balance as at March 31, 2017	**33**	**3**	**4**	**3**	**1**	**44**
Additions	-	-	-	-	-	-
Depreciation*	(1)	-	-	-	-	(1)
Balance as at March 31, 2018	**32**	**3**	**4**	**3**	**1**	**43**

* Amounts are below million.

ii. Revenue Expenditure:

Revenue expenditure pertaining to research and development charged to the Statement of Profit and Loss aggregated to ₹ 65 (2016 - 17 ₹ 24).

25. Exceptional item:

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

b) During the previous year, the Company granted Restricted Stock Units (RSU) to eligible employees on March 31, 2017 on the occasion of its Silver Jubilee Anniversary celebrations. Exceptional item for the year ended March 31, 2017 relates to stock option expense aggregating ₹ 201 towards these RSUs with the employees in March, 2018 [refer note 11A.6(ii)].

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26. Financial Instruments

26.1 Capital management

The Company manages its capital to ensure that it maximises the return to stakeholders through the optimisation of the capital structure. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company is predominantly equity financed which is evident from the capital structure. Further the Company has always been a net cash positive Company with cash and bank balances along with current financial assets which are predominantly investments in liquid and short term mutual funds.

26.2 Financial instruments by category:

Particulars	Carrying value as at	
	March 31, 2018	March 31, 2017
Financial assets:		
Amortised cost		
Loans	394	259
Trade receivables	4,151	2,950
Cash and cash equivalents	7,200	6,516
Other bank balance	66	23
Other financial assets	1,750	1,383
Fair value through other comprehensive income		
Investment in unquoted equity shares	18	18
Derivative instruments designated in a hedging relationship	71	498
Fair value through profit and loss		
Investments in mutual funds	1,130	925
Investment in unquoted Compulsorily convertible preference shares (CCPS)	10	-
Total financial assets	**14,790**	**12,572**
Financial liabilities:		
Amortised cost		
Trade payables	1,933	1,321
Other liabilities	55	66
Fair value through other comprehensive income		
Derivative instruments designated in a hedging relationship	118	1
Total financial liabilities	**2,106**	**1,388**

The management assessed that fair value of cash & cash equivalents and other bank balances, trade receivables, other financial assets, trade payables, borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments, and hence these are carried at amortised cost.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Investment in unquoted equity shares are measured at fair value through initial designation in accordance with Ind-AS 109.

Investments in mutual funds and derivative assets/ (liabilities) are mandatorily measured at fair value.

26.3 Fair value hierarchy

Valuation technique and key inputs

Level 1 - Quoted prices (unadjusted) in an active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2018:

Particulars	Date of valuation	As at March 31, 2018	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
Assets					
Investment in unquoted equity shares (refer note 5)*	March 31, 2018	18	-	-	18
Investment in unquoted CCPS (refer note 5)*	March 31, 2018	10	-	-	10
Investment in mutual funds (refer note 5)**	March 31, 2018	1,130	1,130	-	-
Derivative instruments designated in a hedging relationship (refer note 7)***	March 31, 2018	71	-	71	-
Liabilities					
Derivative instruments designated in a hedging relationship (refer note 14)***	March 31, 2018	118	-	118	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2017:

Particulars	Date of valuation	As at March 31, 2017	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
Assets					
Investment in unquoted equity shares (refer note 5)*	March 31, 2017	18	-	-	18
Investment in mutual fund (refer note 5)**	March 31, 2017	925	925	-	-
Derivative instruments designated in a hedging relationship (refer note 7)***	March 31, 2017	498	-	498	-
Liabilities					
Derivative instruments designated in a hedging relationship (refer note 14)***	March 31, 2017	1	-	1	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

The following methods and assumptions were used to estimate the fair values:
* The fair values of the unquoted equity shares and CCPS have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, earnings growth, discount rate, and probabilities of the various estimates within the range used in management's estimate of fair value for these unquoted equity investments.

** The fair value of the mutual funds are based on price quotations at reporting date.

*** The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, etc. As at March 31, 2018 the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had insignificant impact on the hedge effectiveness assessment for derivatives designated in hedge relationships.

Fair value measurements using significant unobservable inputs (level 3)
The following table presents changes in level 3 items for the year ended March 31, 2018 and March 31, 2017:

Particulars	Investment in unquoted equity	Investment in unquoted CCPS	Total
As at March 31, 2016	-	-	-
Acquisitions	18	-	18
Gains/(losses) recognised in profit or loss	-	-	-
Gains/(losses) recognised in other comprehensive income	-	-	-
As at March 31, 2017	**18**	**-**	**18**
Acquisitions	-	10	10
Gains/(losses) recognised in profit or loss	-	-	-
Gains/(losses) recognised in other comprehensive income	-	-	-
As at March 31, 2018	**18**	**10**	**28**

Valuation inputs and relationships to fair value:
The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value as at March 31, 2018	Fair value as at March 31, 2017	Significant unobservable inputs	Valuation process	Sensitivity of the inputs to fair value
Investment in unquoted equity shares and compulsorily convertible preference shares (CCPS)	28	18	Earnings growth rate	i) Earnings growth factor for unquoted equity shares and CCPS are estimated based on the market information of similar type of companies and also considering the economic environment impact.	a) Any increase in the earnings growth rate would result in a increase in fair value.
			Discount rate	ii) Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and risk specific to that asset.	b) Any increase in the discount rate would result in a decrease in the fair value.

26.4 Financial risk management

Financial risk factors
The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and other price risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk.

Foreign exchange risk

The Company operates internationally and a major portion of the business is dominated in foreign currency predominantly US Dollar, Pound Sterling and Euro currencies. Consequently the Company is exposed to foreign exchange risk through its services and purchases / import of services from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company’s operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The Company monitors and manages its financial risks by analysing its foreign exchange exposures.
The Company, in accordance with its Board approved risk management policies and procedures, enters into foreign exchange forward contracts to manage its exposure in foreign exchange rates.

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The Company has applied the hedge accounting principles set out in Indian Accounting Standard – 109 "Financial Instruments" (Ind AS - 109) in respect of such derivative contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions. Accordingly, in respect of all such outstanding contracts as at March 31, 2018 that were designated as effective hedges of highly probable forecast transactions, (loss) / gain aggregating ₹ (30) (net of tax ₹ 17) (March 31, 2017 - ₹ 326 (net of tax ₹ 172)) have been recognised under the cash flow hedge reserve.

Derivative financial instruments:

Outstanding forward exchange contracts as on March 31, 2018:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
AUD	25	20,400,000	1,060	Sell	Rupees
CAD	18	9,070,000	478	Sell	Rupees
EUR	28	25,900,000	2,097	Sell	Rupees
GBP	19	8,740,000	796	Sell	Rupees
USD	39	61,000,000	4,099	Sell	Rupees

Outstanding forward exchange contracts as on March 31, 2017:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
AUD	15	13,300,000	701	Sell	Rupees
EURO	15	20,000,000	1,574	Sell	Rupees
GBP	18	8,400,000	775	Sell	Rupees
USD	24	71,500,000	5,023	Sell	Rupees

All outstanding forward exchange contracts as at March 31, 2018 and March 31, 2017 have maturity period of less than one year.

Sensitivity analysis:

In respect of the Company's forward exchange contracts, a 5% increase/decrease in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

* an approximately ₹ (414)/ 414 (decrease)/increase in the Company's other comprehensive income as at March 31, 2018.
* an approximately ₹ (365)/ 366 (decrease)/increase in the Company's other comprehensive income as at March 31, 2017.

Foreign currency exposure unhedged

The following table analyses foreign currency risk from financial instruments as of March 31, 2018 (in ₹):

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	483	25	15	160	683
Trade receivables	2,328	248	385	661	3,622
Other financial assets	229	273	161	231	894
Trade payables	(527)	(191)	(67)	(370)	(1,155)
Net assets/(liabilities)	**2,513**	**355**	**494**	**682**	**4,044**

* Others include currencies such as Singapore $, Australian $, Canadian $, Japanese Yen, Malaysian Ringgit, etc

The following table analyses foreign currency risk from financial instruments as of March 31, 2017 (in ₹):

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	159	109	6	140	414
Trade receivables	1,489	283	169	595	2,536
Other financial assets	1,022	369	169	370	1,930
Trade payables	(278)	(97)	(55)	(128)	(558)
Other financial liabilities	(57)	(27)	(1)	(112)	(197)
Net assets/(liabilities)	**2,335**	**637**	**288**	**865**	**4,125**

* Others include currencies such as Singapore $, Australian $, Canadian $, Japanese Yen, Malaysian Ringgit, etc

Sensitivity analysis:

For the year ended March 31,2018 and March 31, 2017 , every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by ₹ 191 / (₹ 191) and ₹ 206 / (₹ 206) respectively.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

In addition, the Company is exposed, to credit risk in relation to financial guarantees given to subsidiary's banks. The Company's exposure in this respect is limited to the maximum amount the Company could have to pay if the guarantee is called on (refer note 21 (A)(ii))

The following table gives details in respect of percentage of total receivables and unbilled receivables from top customer and top five customers:

(in %)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Receivables from top customer	7.3	5.8
Receivables from top five customers	21.4	19.9

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Investments:
The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Liquidity risk
The Company's principal sources of liquidity are cash & bank balances, investments in mutual funds and cash generated from operations. The Company believes that working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.
As of March 31, 2018 and March 31, 2017, the Company had unutilized credit limits from banks of ₹ 1,050 & ₹ 900, respectively.

As of March 31, 2018, the Company had working capital of ₹ 12,282, including cash and bank balances of ₹ 7,266
As of March 31, 2017, the Company had working capital of ₹ 10,510, including cash and bank balances of ₹ 6,539

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	1,933	-	-
Other financial liabilities	173	-	-
Total	**2,106**	**-**	**-**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	1,321	-	-
Other financial liabilities	67	-	-
Total	**1,388**	**-**	**-**

Other price risks
The Company is exposed to equity price risks arising from equity investments. Certain of the Company's equity investments are held for strategic rather than trading purposes.

27. Segment information

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

28. Disclosures under 34(3) of SEBI (listing obligation and disclosure requirement) regulations 2015:

The details of loans and advances to subsidiaries / joint venture are given below:-

Particulars	Relationship	Nature	As at		Maximum amount outstanding at any time during the year ended	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cyient KK	Subsidiary	Advance	-	110	110	116
Infotech HAL Limited	Joint Venture	Advance	12	8	13	9
Cyient Insights Private Limited	Subsidiary	Loan	127	106	127	106
Cyient DLM Private Limited	Subsidiary	Loan	265	150	485	150
Cyient Solutions and Systems Private Limited	Subsidiary	Advance	137	-	137	-
Total			**541**	**374**		

29. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at	
	March 31, 2018	March 31, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1	1
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the statutory auditors.

30. Dividends

Dividends paid during the year ended March 31, 2018 include an amount of ₹ 5 per equity share towards first interim dividend and an amount of ₹ 4 per equity share towards second interim dividend pertaining to the financial year ended March 31, 2018 and final dividend of ₹ 5 pertaining to the financial year ended March 31, 2017. This resulted in a cash outflow of ₹ 1,897 inclusive of dividend distribution tax ₹ 321.

Dividends paid during the year ended March 31, 2017 include an amount of ₹ 3 per equity share towards interim dividend for the year ended March 31, 2017 and an amount of ₹ 2.5 per equity share towards special dividend to commemorate the Company's Silver Jubilee Anniversary. This resulted in a cash outflow of ₹ 745 inclusive of dividend distribution tax ₹ 126.

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As at March 31, 2018, income available for distribution were ₹ 10,708 (March 31, 2017 - ₹ 8,588).

On April 19, 2018, the Board of Directors of the Company had recommended a final dividend of ₹ 4 per share in respect of the year ended March 31, 2018 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 543 inclusive of dividend distribution tax of ₹ 93.

31. Regrouping/ Reclassification

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosures.

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

For and on behalf of the Board of Directors

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

Krishna Bodanapu
Managing Director and CEO
(DIN - 05301037)

Ajay Aggarwal
President &
Chief Financial Officer

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

Place: Hyderabad
Date: April 19, 2018