

**Cyient Limited**

**Balance Sheet as at March 31, 2017**

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

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	2,313	2,475	2,535
Capital work-in-progress		92	6	24
Intangible assets	4	243	241	438
Intangible assets under development	4	71	-	-
Financial assets				
(a) Investments	5	4,605	4,587	4,460
(b) Loans	6	106	63	26
(c) Other financial assets	7	270	228	171
Deferred tax assets (net)	16	26	44	-
Income tax assets (net)	16	392	457	304
Other non-current assets	8	836	809	710
<b>Total non-current assets</b>		<b>8,954</b>	<b>8,910</b>	<b>8,668</b>
<b>Current assets</b>				
Financial Assets				
(a) Investments	5	925	790	335
(b) Trade receivables	9	2,950	2,802	2,984
(c) Cash and cash equivalents	10A	6,516	4,916	4,396
(d) Other bank balances	10B	23	40	29
(e) Loans	6	153	154	5
(f) Other financial assets	7	1,611	1,155	1,600
Other current assets	8	501	450	376
<b>Total current assets</b>		<b>12,679</b>	<b>10,307</b>	<b>9,725</b>
<b>Total assets</b>		<b>21,633</b>	<b>19,217</b>	<b>18,393</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11A	563	562	562
Other equity	11B	18,259	16,213	15,746
<b>Total equity</b>		<b>18,822</b>	<b>16,775</b>	<b>16,308</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Provisions	12	642	555	484
Deferred tax liabilities (net)	16	-	-	147
<b>Total non-current liabilities</b>		<b>642</b>	<b>555</b>	<b>631</b>
<b>Current liabilities</b>				
Financial Liabilities				
(a) Trade payables	13	1,321	1,190	850
(b) Other financial liabilities	14	67	74	42
Income tax liabilities (net)	16	45	38	38
Provisions	12	74	69	64
Other current liabilities	15	662	516	460
<b>Total current liabilities</b>		<b>2,169</b>	<b>1,887</b>	<b>1,454</b>
<b>Total liabilities</b>		<b>2,811</b>	<b>2,442</b>	<b>2,085</b>
<b>Total equity and liabilities</b>		<b>21,633</b>	<b>19,217</b>	<b>18,393</b>
<b>Corporate information and significant accounting policies</b>	1			

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

Ganesh Balakrishnan  
Partner

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

Krishna Bodanapu  
Managing Director and CEO  
(DIN - 05301037)

Ajay Aggarwal  
Chief Financial Officer

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

Place: Secunderabad  
Date: April 20, 2017

Place: Hyderabad  
Date: April 20, 2017

Cyient Limited

Statement of Profit and Loss for the year ended March 31, 2017

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

Particulars	Note	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Revenue from operations		12,920	12,456
Other income	17	816	1,135
<b>Total income</b>		<b>13,736</b>	<b>13,591</b>
<b>EXPENSES</b>			
Employee benefits expense	18	6,520	6,297
Finance costs		6	3
Depreciation and amortisation expense	19	540	684
Other expenses	20	3,599	3,657
<b>Total expenses</b>		<b>10,665</b>	<b>10,641</b>
<b>Profit before exceptional items and tax</b>		<b>3,071</b>	<b>2,950</b>
Exceptional items	28	201	72
<b>Profit before tax</b>		<b>2,870</b>	<b>2,878</b>
<b>Tax expense</b>			
Current tax	16	601	615
Deferred tax	16	(100)	(72)
<b>Profit for the year</b>		<b>2,369</b>	<b>2,335</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit liability		(26)	(7)
Income tax relating to items that will not be reclassified to profit or loss	16	6	2
Items that will be reclassified subsequently to profit or loss			
Effective portion of gains / (loss) on designated portion of hedging instruments in a cash flow hedge	11B	362	(324)
Income tax on items that may be reclassified to profit or loss	16	(125)	112
<b>Total other comprehensive income</b>		<b>217</b>	<b>(217)</b>
<b>Total comprehensive income for the year</b>		<b>2,586</b>	<b>2,118</b>
<b>Earnings per equity share</b>			
(Equity shares, par value of ₹ 5 each)			
Basic (₹)	24	21.05	20.77
Diluted (₹)		21.03	20.73
<b>Corporate information and significant accounting policies</b>			
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

**Ganesh Balakrishnan**  
Partner

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

**Krishna Bodanapu**  
Managing Director and CEO  
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Place: Secunderabad  
Date: April 20, 2017

Place: Hyderabad  
Date: April 20, 2017

Cyient Limited

Statement of changes in equity for the year ended March 31, 2017

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

a. Equity share capital

Particulars	Note	Amount
<b>Balance as at April 01, 2015</b>		562
Issue of equity shares under Company's associate stock option plan	11A	-
<b>Balance as at March 31, 2016</b>		562
Issue of equity shares under Company's associate stock option plan	11A	1
<b>Balance as at March 31, 2017</b>		<b>563</b>

b. Other equity

Particulars	Note	Share application money pending allotment	Reserves and Surplus				Items of other comprehensive income	Total other equity
			Securities premium reserve	General reserve	Stock option reserve	Retained earnings	Cash flow hedge reserve	
<b>Balance as at April 01, 2015</b>		-	<b>3,810</b>	<b>5,292</b>	<b>8</b>	<b>6,335</b>	<b>301</b>	<b>15,746</b>
Issue of shares under the Company's associate stock option plan	11A	-	21	-	-	-	-	21
Stock option expense for the year	11A	-	-	-	11	-	-	11
Effective portion of loss on designated portion of hedging instruments (net of tax ₹ 112)	27	-	-	-	-	-	(212)	(212)
Share application money received	11B	1	-	-	-	-	-	1
Infotech Geospatial (India) Private Limited amalgamation adjustment	25	-	-	(3)	-	(57)	-	(60)
Remeasurement of net defined benefit liability (net of tax ₹ 2)	11B	-	-	-	-	(5)	-	(5)
Dividend declared (including corporate dividend tax)	33	-	-	-	-	(1,624)	-	(1,624)
Profit for the year		-	-	-	-	2,335	-	2,335
<b>Balance as at March 31, 2016</b>		<b>1</b>	<b>3,831</b>	<b>5,289</b>	<b>19</b>	<b>6,984</b>	<b>89</b>	<b>16,213</b>
Issue of shares under the Company's associate stock option plan	11A	(1)	19	-	-	-	-	18
Stock option expense for the year	11A	-	-	-	187	-	-	187
Effective portion of gain on designated portion of hedging instruments (net of tax ₹ 125)	27	-	-	-	-	-	237	237
Remeasurement of net defined benefit liability (net of tax ₹ 6)	11B	-	-	-	-	(20)	-	(20)
Dividend declared (including corporate dividend tax)	33	-	-	-	-	(745)	-	(745)
Profit for the year		-	-	-	-	2,369	-	2,369
<b>Balance as at March 31, 2017</b>		<b>-</b>	<b>3,850</b>	<b>5,289</b>	<b>206</b>	<b>8,588</b>	<b>326</b>	<b>18,259</b>

Accompanying notes form an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

Ganesh Balakrishnan  
Partner

Place: Secunderabad  
Date: April 20, 2017

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  
Chief Financial Officer

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

Place: Hyderabad  
Date: April 20, 2017

**Cyient Limited**

**Notes forming part of the financial statements**

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

**2 (A). Explanation of transition to Ind AS**

The Company's financial statements for the year ended March 31, 2017 are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101 - First-time adoption of Indian Accounting Standards, using April 01, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the year ended March 31, 2017, be applied consistently and retrospectively for all financials years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under Ind AS and previous GAAP as at the transition date have been recognized directly in equity at the transition date.

In preparing these financial statements, the Company has availed certain exceptions and exemptions in accordance with Ind-AS 101, as explained below.

**a. Exceptions from full retrospective application:**

i. Estimates exception: Upon an assessment of the estimates made under previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS.

**b. Exemptions from retrospective application:**

i. Business combination: As per Ind AS 101, the Company is allowed to elect not to apply Ind AS 103 retrospectively to the past business combinations that occurred before the date of transition to Ind AS (April 01, 2015). The Company has elected to avail this exemption and the amounts reported under Previous GAAP for the past business combinations that occurred before the date of transition to Ind AS had been carried forward as opening balances under Ind AS, subject to recognition and derecognition criteria of Financial assets and Liabilities under Ind AS 109 as at the date of transition.

ii. Share-based payment: The Company has availed exemption available under Ind AS 101 on application of Ind AS 102 "Share Based Payment", to equity instruments that vested before the date of transition to Ind AS. Accordingly, fair valuation has been done only for unvested options as at April 01, 2015.

iii. Investment in subsidiaries, joint ventures and associates: The Company has elected to continue with the carrying value of all its investments in subsidiaries, joint venture and associate recognized as at April 01, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as at the transition date.

Cyient Limited

Notes forming part of the financial statements

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

**2 (B) First-time Ind AS adoption reconciliations:**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

**i. Effect of Ind AS adoption on the balance sheet of Cyient Limited as at March 31, 2016 and April 01, 2015**

Particulars	Note	As at March 31, 2016			As at April 01, 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	e	2,584	(109)	2,475	2,648	(113)	2,535
Capital work-in-progress		6	-	6	24	-	24
Intangible assets		241	-	241	438	-	438
Intangible assets under development		9	(9)	-	9	(9)	-
<b>Financial Assets</b>							
(a) Investments		4,587	-	4,587	4,460	-	4,460
(b) Loans		63	-	63	26	-	26
(c) Other financial assets		229	(1)	228	171	-	171
Deferred tax assets (net)	b,d,f	57	(13)	44	6	(6)	-
Income tax assets (net)	f	489	(32)	457	306	(2)	304
Other non-current assets	e	705	104	809	601	109	710
<b>Total non-current assets</b>		<b>8,970</b>	<b>(60)</b>	<b>8,910</b>	<b>8,689</b>	<b>(21)</b>	<b>8,668</b>
<b>Current Assets</b>							
<b>Financial Assets</b>							
(a) Investments	h	790	-	790	335	-	335
(b) Trade receivables		2,802	-	2,802	2,984	-	2,984
(c) Cash and cash equivalents		4,916	-	4,916	4,396	-	4,396
(d) Other bank balances		40	-	40	29	-	29
(e) Loans		154	-	154	5	-	5
(f) Other financial assets	c	1,148	7	1,155	1,598	2	1,600
Other current assets	e	446	4	450	372	4	376
<b>Total current assets</b>		<b>10,296</b>	<b>11</b>	<b>10,307</b>	<b>9,719</b>	<b>6</b>	<b>9,725</b>
<b>Total assets</b>		<b>19,266</b>	<b>(49)</b>	<b>19,217</b>	<b>18,408</b>	<b>(15)</b>	<b>18,393</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity share capital		562	-	562	562	-	562
Other equity	a,b,c,d	16,269	(56)	16,213	15,244	502	15,746
<b>Total equity</b>		<b>16,831</b>	<b>(56)</b>	<b>16,775</b>	<b>15,806</b>	<b>502</b>	<b>16,308</b>
<b>Non-current liabilities</b>							
Provisions	b	550	5	555	473	11	484
Deferred tax liabilities (net)	b,d	-	-	-	-	147	147
<b>Total non-current liabilities</b>		<b>550</b>	<b>5</b>	<b>555</b>	<b>473</b>	<b>158</b>	<b>631</b>
<b>Current liabilities</b>							
<b>Financial Liabilities</b>							
(a) Trade payables		1,190	-	1,190	850	-	850
(b) Other financial liabilities		74	-	74	42	-	42
Income tax liabilities (net)		38	-	38	38	-	38
Provisions	a,b	67	2	69	739	(675)	64
Other current liabilities		516	-	516	460	-	460
<b>Total current liabilities</b>		<b>1,885</b>	<b>2</b>	<b>1,887</b>	<b>2,129</b>	<b>(675)</b>	<b>1,454</b>
<b>Total liabilities</b>		<b>2,435</b>	<b>7</b>	<b>2,442</b>	<b>2,602</b>	<b>(517)</b>	<b>2,085</b>
<b>Total equity and liabilities</b>		<b>19,266</b>	<b>(49)</b>	<b>19,217</b>	<b>18,408</b>	<b>(15)</b>	<b>18,393</b>

Cyient Limited

Notes forming part of the financial statements

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

ii. Effect of Ind AS adoption on the total comprehensive income for the year ended March 31, 2016

	Note	Year ended March 31, 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations		12,456	-	12,456
Other income		1,135	-	1,135
<b>Total income</b>		<b>13,591</b>	<b>-</b>	<b>13,591</b>
<b>Expenses</b>				
Employee benefit expense	b, c	6,303	(6)	6,297
Finance costs		2	1	3
Depreciation and amortisation expense	e	688	(4)	684
Other expenses	e	3,653	4	3,657
<b>Total expenses</b>		<b>10,646</b>	<b>(5)</b>	<b>10,641</b>
<b>Profit before exceptional items and tax</b>		<b>2,945</b>	<b>5</b>	<b>2,950</b>
<b>Exceptional items</b>		<b>72</b>	<b>-</b>	<b>72</b>
<b>Profit before tax</b>		<b>2,873</b>	<b>5</b>	<b>2,878</b>
Tax expense:				
Current tax		615	-	615
Deferred tax	b	(76)	4	(72)
<b>Profit for the year</b>		<b>2,334</b>	<b>1</b>	<b>2,335</b>
<b>Other comprehensive income:</b>				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the net defined benefit liability	b	-	(7)	(7)
Income tax relating to items that will not be reclassified to profit or loss	b	-	2	2
Items that will be reclassified subsequently to profit or loss				
Effective portion of gains / (loss) on designated portion of hedging instruments in a cash flow hedge	d	-	(324)	(324)
Income tax on items that may be reclassified to profit or loss	d	-	112	112
<b>Total other comprehensive income</b>		<b>-</b>	<b>(217)</b>	<b>(217)</b>
<b>Total comprehensive income for the year</b>		<b>2,334</b>	<b>(216)</b>	<b>2,118</b>

iii. Reconciliation of total equity as at March 31, 2016 and April 01, 2015:

	Note	As at	
		March 31, 2016	April 01, 2015
<b>Equity under previous GAAP</b>		<b>16,831</b>	<b>15,806</b>
Provision for dividend (including tax)	a	-	677
Re-measurement of defined benefit obligations	b	(6)	(10)
Fair valuation of share based payment expense	c	7	3
Fair valuation of loans and advances		(1)	-
Deferred tax on cash flow hedge	d	(47)	(159)
Others		(9)	(9)
<b>Equity under Ind AS</b>		<b>16,775</b>	<b>16,308</b>

iv. There were no material adjustments between the cash flows prepared under Ind AS and those reported under previous GAAP.

v. Notes to the reconciliations

a) Under previous GAAP, a liability is recognized in the period in which the dividend was recommended by the Board of Directors, even though the dividend may be approved by the shareholders subsequent to the reporting date. Under Ind AS, liability for dividend is recognized in the period in which the obligation to pay is established, i.e., when declared by the members in a General Meeting. The effect of this change is an increase in total equity as at March 31, 2016 of ₹ Nil (₹ 677 as at April 01, 2015), but does not affect profit before tax and total profit for the year ended March 31, 2016.

b) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses that form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income. The actuarial gain for the year ended March 31, 2016 were ₹ 7 and the tax effect thereon ₹ 2. This change does not effect total equity as at March 31, 2016 and April 01, 2015, but there is a increase in profit before tax of ₹ 7 and in total profit of ₹ 5 for the year ended March 31, 2016.

Under previous GAAP, compensated absences of the foreign branches of the Company were discounted considering the Company's discount rate, whereas Ind AS requires to consider the discount rate specific to the foreign branches for the valuation of the compensated absences liability. The effect of this change is a increase in total equity as at March 31, 2016 of ₹ 6 (₹ 10 as at April 01, 2015) and increase in profit before tax as well as total profit for the year ended March 31, 2016 of ₹ 6.

c) Under previous GAAP, the cost of equity-settled employee share-based payments was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based payments is recognised based on the fair value of the options as on the grant date and has been recharged to subsidiaries relating to options granted to associates employed by them. The effect of this change is an increase in total equity as at March 31, 2016 of ₹ 7 (₹ 3 as at April 01, 2015) and decrease in profit before tax as well as total profit for the year ended March 31, 2016 of ₹ 7.

d) Under previous GAAP, cash flow hedge reserve was recognised as a part of reserves & surplus. Under Ind AS, the effective portion of a cash flow hedge is recognised in other comprehensive income, net of the relevant tax effects. The consequent impact of income tax is a decrease in total equity as at March 31, 2016 of ₹ 47 (₹ 159 as at April 01, 2015). However, there is no impact on profit before tax and total profit for the year ended March 31, 2016.

**Cyient Limited**

**Notes forming part of the financial statements**

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

e) Under the previous GAAP, the land leases classified as operating leases were presented as a part of property, plant and equipment as leasehold land. Under Ind AS, such leases of land classified as operating leases are presented as a part of other assets (current and non-current) and amortised over the lease term. With this change, there is no impact on total equity as at March 31, 2016 and April 01, 2015, profit before tax and total profit for the year ended March 31, 2016. However, there is reclassification of depreciation expense to other expenses for the year ended March 31, 2016 of ₹ 4. Also, property, plant and equipment (PPE) has reduced by ₹ 109 as at March 31, 2016 (₹ 113 as at April 01, 2015) and corresponding increase in other current assets ₹ 4 as at March 31, 2016 (₹ 4 as at April 01, 2015) and other non-current assets ₹ 105 as at March 31, 2016 (₹ 109 as at April 01, 2015).

f) Under previous GAAP, minimum alternate tax (MAT) credit was disclosed as a part of loans and advances. Under Ind AS, the same was regrouped under deferred tax assets, net. With this change, there is no impact on total equity as at March 31, 2016 and April 01, 2015, profit before tax and total profit for the year ended March 31, 2016. However, there is reclassification from income tax assets, net to deferred tax assets, net of ₹ 32 as at March 31, 2016 (₹ 2 as at April 01, 2015).

g) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

h) Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are measured at fair value and classified as FVTPL. This change does not effect total equity as at March 31, 2016 and April 01, 2015, profit before tax as well as total profit for the year ended March 31, 2016.

i) Under previous GAAP, deferred tax was computed under the profit and loss approach, whereas under Ind AS, deferred tax was computed under the balance sheet approach.

**Cyient Limited**

**Notes forming part of the financial statements**

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

**3. Property, plant and equipment**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Carrying amounts of:</b>			
Freehold land (refer note (a) below)	16	16	16
Buildings (refer note (b) below)	1,403	1,468	1,525
Computers	160	186	155
Plant and Equipment	320	341	366
Office Equipment	83	80	93
Furniture and Fixtures	160	177	174
Electrical Installations	145	177	195
Vehicles	26	30	11
<b>Total</b>	<b>2,313</b>	<b>2,475</b>	<b>2,535</b>

**Notes:**

a. Includes ₹ 4 (March 31, 2016 - ₹ 4; April 01, 2015 - ₹ 4) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

b. Includes ₹ 789 (March 31, 2016 - ₹ 780; April 01, 2015 - ₹ 780) relating to building constructed on leasehold land.

c. Movement in the carrying amount of property, plant and equipment is as below:

Description of Assets	Freehold land	Leasehold land (refer note (d) below)	Buildings	Leasehold improvements	Computers	Plant and Equipment	Office Equipment	Furniture and Fixtures	Electrical Installations	Vehicles	Total
<b>I. Cost</b>											
<b>Balance as at April 01, 2015</b>	16	9	1,944	4	1,557	820	227	403	414	15	5,409
Additions	-	-	15	-	130	41	22	41	22	22	293
Disposals	-	-	(4)	-	(70)	(3)	(1)	(3)	-	(2)	(83)
Acquisitions through business combination (refer note 25)	-	-	-	-	3	2	-	-	-	-	5
<b>Balance as at March 31, 2016</b>	<b>16</b>	<b>9</b>	<b>1,955</b>	<b>4</b>	<b>1,620</b>	<b>860</b>	<b>248</b>	<b>441</b>	<b>436</b>	<b>35</b>	<b>5,624</b>
Additions	-	-	4	-	65	47	35	17	7	4	179
Disposals	-	-	-	-	(283)	(7)	(8)	-	(2)	(4)	(304)
<b>Balance as at March 31, 2017</b>	<b>16</b>	<b>9</b>	<b>1,959</b>	<b>4</b>	<b>1,402</b>	<b>900</b>	<b>275</b>	<b>458</b>	<b>441</b>	<b>35</b>	<b>5,499</b>
<b>II. Accumulated depreciation</b>											
<b>Balance as at April 01, 2015</b>	-	9	419	4	1,402	454	134	229	219	4	2,874
Depreciation for the year	-	-	69	-	98	66	35	38	40	3	349
Disposals	-	-	(1)	-	(69)	(2)	(1)	(3)	-	(2)	(78)
Acquisition through business combinations (refer note 25)	-	-	-	-	3	1	-	-	-	-	4
<b>Balance as at March 31, 2016</b>	<b>-</b>	<b>9</b>	<b>487</b>	<b>4</b>	<b>1,434</b>	<b>519</b>	<b>168</b>	<b>264</b>	<b>259</b>	<b>5</b>	<b>3,149</b>
Depreciation for the year	-	-	69	-	91	68	31	34	39	4	336
Disposals	-	-	-	-	(283)	(7)	(7)	-	(2)	-	(299)
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>9</b>	<b>556</b>	<b>4</b>	<b>1,242</b>	<b>580</b>	<b>192</b>	<b>298</b>	<b>296</b>	<b>9</b>	<b>3,186</b>
<b>III. Carrying Amounts (I - II)</b>											
<b>Balance as at April 01, 2015</b>	16	-	1,525	-	155	366	93	174	195	11	2,535
<b>Balance as at March 31, 2016</b>	16	-	1,468	-	186	341	80	177	177	30	2,475
<b>Balance as at March 31, 2017</b>	16	-	1,403	-	160	320	83	160	145	26	2,313

d. Includes ₹ 9 (March 31, 2016 - ₹ 9; April 01, 2015 - ₹ 9) in respect of which land allocation letters has been received, pending completion of legal formalities relating to conveyance.

**Cyient Limited****Notes forming part of the financial statements**

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

**4. Intangible assets**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Computer software	243	228	417
Other intangible assets	-	13	21
<b>Total Intangible assets</b>	<b>243</b>	<b>241</b>	<b>438</b>
Intangible assets under development (refer note (a) below)	71	-	-
	<b>314</b>	<b>241</b>	<b>438</b>

a. During the year, the Company has entered into an agreement with a third party, wherein it was granted technology license to develop, test and commercially utilise the benefits from such testing and development activity. Accordingly, the initial amount paid of ₹ 71 has been classified under 'intangible asset under development'.

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

Description of Assets	Computer Software	Other Intangible assets	Total
<b>I. Cost</b>			
<b>Balance as at April 01, 2015</b>	2,105	120	2,225
Additions	126	-	126
Acquisitions through business combination (refer note 25)	5	27	32
<b>Balance as at March 31, 2016</b>	<b>2,236</b>	<b>147</b>	<b>2,383</b>
Additions	206	-	206
<b>Balance as at March 31, 2017</b>	<b>2,442</b>	<b>147</b>	<b>2,589</b>
<b>II. Accumulated Amortisation</b>			
<b>Balance as at April 01, 2015</b>	1,688	99	1,787
Amortisation expense	315	20	335
Acquisitions through business combinations (refer note 25)	5	15	20
<b>Balance as at March 31, 2016</b>	<b>2,008</b>	<b>134</b>	<b>2,142</b>
Amortisation expense	191	13	204
<b>Balance as at March 31, 2017</b>	<b>2,199</b>	<b>147</b>	<b>2,346</b>
<b>Carrying Amounts (I - II)</b>			
<b>Balance as at April 01, 2015</b>	<b>417</b>	<b>21</b>	<b>438</b>
<b>Balance as at March 31, 2016</b>	<b>228</b>	<b>13</b>	<b>241</b>
<b>Balance as at March 31, 2017</b>	<b>243</b>	<b>-</b>	<b>243</b>

**Cyient Limited**

**Notes forming part of the financial statements**

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

**5. Investments**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>A. Investments - Non-current (refer note 1 below)</b>			
<b>Investment carried at cost</b>			
(i) Equity instruments of subsidiaries companies (unquoted)	4,556	4,556	4,429
(ii) Equity instruments of associate company (unquoted)	11	11	11
(iii) Equity instruments of joint venture company (unquoted)	20	20	20
<b>Investment carried at fair value through OCI</b>			
(i) Other investments	18	-	-
	<b>4,605</b>	<b>4,587</b>	<b>4,460</b>
<b>B. Investments - Current (refer note 2 below)</b>			
<b>Investment carried at fair value through profit and loss</b>			
(i) Investments in mutual funds (quoted)	925	790	335
<b>Total</b>	<b>925</b>	<b>790</b>	<b>335</b>

**Note 1: Details of investments - non-current**

Particular	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	Amounts	No. of shares	Amount	No. of shares	Amount
<b>Equity instruments of subsidiaries company (unquoted)</b>						
Cyient Inc., USA	500,500	993	500,500	993	500,500	993
Cyient Europe Limited, UK	185,000,000	304	185,000,000	304	185,000,000	304
Cyient GmbH, Germany	12,000	71	12,000	71	12,000	71
Cyient KK, Japan	900	5	900	5	900	5
Cyient Singapore Private Limited, Singapore @2	3,599,977	238	3,599,977	238	-	-
Cyient Australia Pty Limited, Australia @1	1,000	-	1,000	-	-	-
Infotech Geospatial (India) Private Limited, India@5	-	-	-	-	4,000,000	44
Infotech Enterprises Information Technology Services Private Limited, India @4	-	-	-	-	10,000	-
Cyient Insights Private Limited, India	1,019,734	87	1,019,734	87	1,019,734	87
Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited), India @3	1,011,580	2,858	1,011,580	2,858	1,011,580	2,925
<b>Equity instruments of associate company (unquoted)</b>						
Infotech Aerospace Services Inc., USA	490	11	490	11	490	11
<b>Equity instruments of joint venture company (unquoted)</b>						
Infotech HAL Limited, India	2,000,000	20	2,000,000	20	2,000,000	20
<b>Equity instruments of other entities (unquoted)</b>						
Investment In Cardiac Design Labs Private Limited, India	6,036	18	-	-	-	-
<b>Total</b>		<b>4,605</b>		<b>4,587</b>		<b>4,460</b>

@1. On September 05, 2014, the Company incorporated a wholly owned subsidiary, Cyient Australia Pty Limited, in Melbourne, Australia. Cyient Australia Pty Limited commenced commercial operations during the financial year 2015 - 16. The Company invested an amount of ₹ 0.046 in financial year 2015 - 16.

@2. On May 07, 2015, the company incorporated a wholly owned subsidiary, Cyient Singapore Private Limited, in Singapore. Cyient Singapore Private Limited commenced commercial operations during the financial year 2015 - 16. The Company invested an amount of ₹ 238 in financial year 2015 - 16.

@3. Rangsons Electronics Private Limited was renamed as Cyient DLM Private Limited w.e.f January 18, 2017.

@4. The Company disinvested its 100% stake in Infotech Enterprises Information Technology Services Private Limited, India and its wholly-owned subsidiary, Infotech Enterprises Information Technology Services GmbH, Germany, on September 16, 2015. (refer note 17(ii))

@5. The Company merged its wholly-owned subsidiary Infotech Geospatial (India) Private Limited, India with itself with effect from April 1, 2015. (refer note 25)

**Note 2: Details of investments - current**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Units	Amount	No. of Units	Amount	No. of Units	Amount
<b>Investments in Mutual Funds (quoted)*</b>						
IDFC Money Manager Fund - Investment Plan - Daily Dividend- (Regular Plan)	-	-	-	-	40,222	40
JM High Liquidity Fund - Daily Dividend Option (39)	-	-	-	-	3,857,933	40
Reliance Liquid Fund - Cash Plan - Daily Dividend Option Dividend Reinvestment	55,769	85	30,062	46	40,611	45
Taurus Liquid Fund - Existing Plan - Super Institutional Daily Dividend Reinvestment	-	-	-	-	44,999	45
Sundaram Ultra Short-term Fund Regular Daily Dividend Option Reinvestment	-	-	-	-	3,492,720	35
Baroda Pioneer Treasury Advantage Fund - Plan A Daily Dividend- Reinvestment	-	-	-	-	43,885	45
L&T Liquid fund - Daily Dividend Reinvestment Plan	44416	45	47,951	48	39,581	40
Religare Invesco Liquid Fund - Daily Dividend	-	-	50,223	50	45,191	45
Birla Sun Life Cash Plus - Daily dividend - Regular plan	506,373	51	499,961	50	-	-
Axis Liquid Fund - Daily dividend Reinvestment	46,920	47	50,004	50	-	-
UTI-Liquid Cash Plan Institutional Daily Dividend Reinvestment	49,773	51	47,822	49	-	-
IDBI Liquid Fund Regular Plan Daily Dividend Reinvestment	-	-	45,942	46	-	-
ICICI Prudential Liquid Fund Regular Plan Daily Dividend	506,879	51	406,722	41	-	-
Baroda Pioneer Liquid Fund - Plan A Daily Dividend Reinvestment	70,057	70	45,766	46	-	-
IDFC Cash fund - Daily dividend Regular plan	50,503	51	45,919	46	-	-
Sundaram Money Fund Regular Option Reinvestment	7,966,105	80	4,298,654	43	-	-
Kotak Floater Short Term Daily Dividend Regular Plan	37,064	45	40,391	41	-	-
HDFC Liquid Fund Dividend Daily Reinvestment	89,158	91	98,181	100	-	-
JM High Liquidity Fund Daily Dividend Option	-	-	3,917,754	41	-	-
DSP black liquid fund institutional plan daily dividend	80,535	81	45,050	45	-	-
LIC Nomura MF Liquid Fund Dividend Plan	42,302	46	43,629	48	-	-
SBI Premium Liquid Fund - Regular Plan - Daily dividend	50,377	51	-	-	-	-
DHFL Pramerica Insta Cash Plus Fund - Daily Dividend - Reinvestment	504,206	50	-	-	-	-
Tata Liquid Fund Regular Plan - Daily Dividend	30,246	30	-	-	-	-
<b>Total aggregate quoted investment</b>		<b>925</b>		<b>790</b>		<b>335</b>

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

**Note 3: Carrying values:**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Aggregate amount of unquoted investments	4,587	4,587	4,460
Aggregate amount of Investment carried at fair value through OCI	18	-	-
Aggregate market value of quoted investments	925	790	335

**Cyient Limited**

**Notes forming part of the financial statements**

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

**6. Loans**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Non-current:</b>			
Loans to subsidiaries (refer note 23)			
Unsecured, considered good	106	63	26
<b>Total non-current loans</b>	<b>106</b>	<b>63</b>	<b>26</b>
<b>Current:</b>			
Loans to subsidiaries (refer note 23)			
Unsecured, considered good	150	150	-
Loans to employees			
Unsecured, considered good	3	4	5
<b>Total current loans</b>	<b>153</b>	<b>154</b>	<b>5</b>
<b>Total loans</b>	<b>259</b>	<b>217</b>	<b>31</b>

**7. Other financial assets**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Non-current :</b>			
Security deposits			
Unsecured, considered good	160	115	88
Doubtful	16	16	16
Less : Allowance for bad and doubtful deposits	(16)	(16)	(16)
	160	115	88
Advance to subsidiaries (refer note 23)			
Unsecured, considered good	110	113	83
<b>Total other non-current financial assets</b>	<b>270</b>	<b>228</b>	<b>171</b>
<b>Current :</b>			
Derivative financial asset (refer note 27)	498	171	463
Unbilled revenue	863	822	890
Interest accrued on deposits	150	118	135
Advance to employees	12	21	12
Advance to joint venture (refer note 23)	8	8	39
Other receivables (refer note below)	80	15	61
<b>Total other current financial assets</b>	<b>1,611</b>	<b>1,155</b>	<b>1,600</b>
<b>Total other financial assets</b>	<b>1,881</b>	<b>1,383</b>	<b>1,771</b>

**Note:** Other receivables includes receivables from subsidiaries aggregating ₹ 73 (March 31, 2016 - ₹ 7, April 01, 2015 - ₹ 3) (refer note 23)

**8. Other assets**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Non-current (Unsecured) :</b>			
Capital advances	9	5	15
Prepaid expenses	115	141	122
Balance with government authorities	712	663	573
<b>Total other non-current assets</b>	<b>836</b>	<b>809</b>	<b>710</b>
<b>Current (Unsecured) :</b>			
Prepaid expenses	418	357	304
Advances to suppliers (considered good)	32	42	24
Others	51	51	48
<b>Total other current assets</b>	<b>501</b>	<b>450</b>	<b>376</b>
<b>Total other assets</b>	<b>1,337</b>	<b>1,259</b>	<b>1,086</b>

**Cyient Limited****Notes forming part of the financial statements**

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

**9. Trade receivables**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Unsecured, considered good*	2,950	2,802	2,984
Doubtful	95	84	52
Less: Allowance for doubtful debts (expected credit loss allowance) (refer note below)	(95)	(84)	(52)
<b>Total</b>	<b>2,950</b>	<b>2,802</b>	<b>2,984</b>

\* Includes dues from subsidiaries (refer note 23)

**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, 2017	March 31, 2016	April 01, 2015
Within the credit period	1,764	1,530	1,573
1-90 days past due	917	1,007	808
91-180 days past due	42	108	357
181-365 days past due	183	150	178
More than 365 days past due	139	91	120

Movement in the expected credit loss allowance	As at	
	March 31, 2017	March 31, 2016
Balance at beginning of the year	84	52
Provision for doubtful debts	48	67
Reversal of provision for doubtful debts	(37)	(35)
<b>Balance at the end of the year</b>	<b>95</b>	<b>84</b>

**10: Cash and Bank Balances****10A. Cash and cash equivalents**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Balances with Banks			
in current accounts	476	833	611
in deposit accounts	4,535	4,039	3,785
Deposits with financial institutions	1,495	-	-
Remittances in transit	10	44	-
<b>Total</b>	<b>6,516</b>	<b>4,916</b>	<b>4,396</b>

**10B. Other bank balances**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Unpaid dividend account	11	12	7
Deposits held as margin money/security for bank guarantees	12	28	22
<b>Total</b>	<b>23</b>	<b>40</b>	<b>29</b>

**Cvient Limited****Notes forming part of the financial statements**

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

**11A. Equity share capital**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Authorised share capital:</b> 278,000,000 fully paid up equity shares of ₹ 5 each (March 31, 2016 : 270,000,000; April 01, 2015 : 270,000,000) (refer note below)	1,390	1,350	1,350
<b>Issued and subscribed capital:</b> 112,566,340 fully paid up equity shares of ₹ 5 each (March 31, 2016 : 112,483,377; April 01, 2015: 112,361,065)	563	562	562
<b>Total</b>	<b>563</b>	<b>562</b>	<b>562</b>

**Notes:**

The authorised share capital of the Company was increased from 270,000,000 equity shares of ₹ 5 each to 278,000,000 an 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, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Opening Balance	112,483,377	562	112,361,065	562	112,361,065	562
Issue of shares under the Company's employee share option plan	82,963	1	122,312	-	-	-
Balance	<b>112,566,340</b>	<b>563</b>	<b>112,483,377</b>	<b>562</b>	<b>112,361,065</b>	<b>562</b>

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

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>						
Vineyard Point Software Private Limited	11,256,634	10.00%	-	-	-	-
BVR Mohan Reddy (refer note (i) below)	3,358,254	2.98%	14,614,888	12.99%	14,597,366	12.99%
B Sucharitha (refer note (ii) below)	912,883	0.81%	6,541,200	5.82%	6,541,200	5.82%
Carrier International Mauritius Ltd	15,292,960	13.59%	15,292,960	13.60%	15,292,960	13.61%
First Carlyle Ventures Mauritius	11,099,416	9.86%	11,099,416	9.87%	11,099,416	9.88%

**Notes:**

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

**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 (As at March 31, 2016 - 80,900, April 01, 2015 - 80,900) equity shares of ₹ 10 each fully paid-up was allotted to Infotech ESOP trust pursuant to the Infotech Employee Stock Offer Scheme - 1999 (ESOP - 1999)

(ii) 1,650,630 (As at March 31, 2016 - 1,650,630, April 01, 2015 - 1,650,630) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2001 (ASOP - 2001)

(iii) 2,123,507 (As at March 31, 2016 - 2,123,507, April 01, 2015 - 2,123,507) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2002 (ASOP - 2002)

(iv) 3,296,545 (As at March 31, 2016 - 3,296,545, April 01, 2015 - 3,296,545) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2004 (ASOP - 2004)

(v) 890,534 (As at March 31, 2016 - 807,571, April 01, 2015 - 685,259) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2008 (ASOP - 2008)

**5. Details of shares reserved for issue:**

i. Shares aggregating 318,787, 318,750 and 637,383 as at March 31, 2017, March 31, 2016 and April 01, 2015 respectively, reserved for issue under Associate Stock Option Plan scheme 2008.

ii. Shares aggregating 1,200,000 (March 31, 2016 - 1,200,000, April 01, 2015 - Nil), reserved for issue under ASOP scheme 2015. There is no options granted to the associates under this plan.

iii. Shares aggregating 637,476 (March 31, 2016 - Nil, April 01, 2015 - Nil), reserved for issue under RSU scheme 2016.

**Cyient Limited****Notes forming part of the financial statements**

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

**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, 2017, March 31, 2016 & April 01, 2015, 80,900 equity shares of ₹ 10 each have been allotted to the Infotech ESOP trust.

**Associate Stock Option Plan – 2001 (ASOP 2001)**

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

As at March 31, 2017, 1,650,630 (March 31, 2016 – 1,650,630 and April 1, 2015 - 1,650,630) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2001 plan and there are no outstanding options to be exercised/vested 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, 2017, 2,123,507 (March 31, 2016 – 2,123,507 and April 1, 2015 - 2,123,507) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2002 plan and there are no outstanding options to be exercised/vested 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, 2017, 3,296,545 (March 31, 2016 – 3,296,545 and April 1, 2015 - 3,296,545) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2004 plan and there are no outstanding options to be exercised/vested 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. 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 share options during the year****ASOP 2008**

Particulars	March 31, 2017		March 31, 2016	
	No. of Options	Weighted average exercise price	No. of Options	Weighted average exercise price
Options outstanding at the beginning of the year	318,750	316	637,383	196
Granted	83,000	500	81,000	546
Forfeited	-	-	(277,321)	171
Exercised	(82,963)	189	(122,312)	172
Options outstanding at the end of year	<b>318,787</b>	<b>361</b>	<b>318,750</b>	<b>316</b>

Out of the total outstanding options, 121,387 (March 31, 2016 - 132,500 and April 01, 2015 – 125,000) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2017, 890,534 (March 31, 2016 - 807,571 and April 01, 2015 – 685,259) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2008 plan. Accordingly, options (net of cancellations) for a total number of 318,787 (March 31, 2016 - 318,750 and April 01, 2015 – 637,383) equity shares of ₹ 5 each were outstanding as at March 31, 2017.

**Associate Stock Option Plan – 2015 (ASOP 2015)**

The Company instituted Associate Stock Option Plan 2015 for all eligible employees in pursuance of the resolution passed by the members of the Company at their meeting held on July 16, 2015. Company has got the in-principle approval from the stock exchanges. Under the said scheme, 1,200,000 equity shares of ₹ 5 each have been earmarked.

The options are yet to be granted to eligible employees.

**Cyient Limited****Notes forming part of the financial statements**

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

**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 cash settlement. An amount of ₹ 60 has been recharged to subsidiaries relating to options granted to associates employed by them.

**Movement in share options during the year**

Particulars	March 31, 2017		March 31, 2016	
	No. of RSUs	Weighted average exercise price	No. of RSUs	Weighted average exercise price
RSUs outstanding at the beginning of the year	-	-	-	-
Granted	637,476	5	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
RSUs outstanding at the end of year	637,476	5	-	-

**iii. Fair value of share options granted during the year**

The weighted average fair value of the share options and RSUs granted during the financial year is ₹ 233.7 - ₹ 455.4 (2015-16: ₹ 202.07 - ₹ 222.68). Options and RSUs were priced using Black Scholes Option 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 behavioural 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, 2017	March 31, 2016	April 01, 2015
<b>a) ASOP 2008</b>			
Exercise price (₹)	184 - 559	184 - 559	184 - 324
Grant date share price (₹)	185 - 531.5	185 - 531.5	185 - 325
Dividend yield (%)	1.53 - 2.64	1.53 - 2.64	1.53 - 2.64
Expected volatility (%)	40 - 65.53	40 - 58.29	40 - 47
Risk-free interest (%)	6.96 - 8.4	8.29 - 8.4	8.29 - 8.4
Expected term (in years)	3 - 4	3 - 4	3 - 4
<b>b) RSU 2016</b>			
Exercise price (₹)	5	-	-
Grant date share price (₹)	467.5	-	-
Dividend yield (%)	1.6	-	-
Expected volatility (%)	24.4	-	-
Risk-free interest (%)	6.3	-	-
Expected term (in years)	1	-	-

**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)	2016-17	82,963	May to December	478 - 507
Associate Stock Option Plan – 2008 (ASOP 2008)	2015-16	122,312	July to November	553 - 484

\* Allotment happened at various dates during that period

**Cyient Limited****Notes forming part of the financial statements**

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

**11B. Other equity**

Other equity consist of the following:

Particulars	As at	
	March 31, 2017	March 31, 2016
(a) General reserve		
(i) Opening balance	5,289	5,292
(ii) Infotech Geospatial (India) Private Limited Amalgamation Adjustment (Refer Note 25)	-	(3)
	5,289	5,289
(b) Securities premium account		
(i) Opening balance	3,831	3,810
(ii) Options exercised during the year	4	1
(iii) Premium received on allotment of shares	15	20
	3,850	3,831
(c) Stock option reserve		
(i) Opening balance	19	8
(ii) Stock option expense for the year	17	12
(iii) Equity component of RSU (refer note 11A)	174	-
(iv) Options exercised during the year	(4)	(1)
	206	19
(d) Cash flow hedge reserve		
(i) Opening balance	89	301
(ii) Effective portion of gain/ (loss) on designated portion of hedging instruments, net	237	(212)
	326	89
(e) Retained earnings		
(i) Opening balance	6,984	6,335
(ii) Other Comprehensive Income arising out of remeasurement of defined benefit obligation (net of taxes)	(20)	(5)
(iii) Infotech Geospatial (India) Private Limited amalgamation Adjustment (Refer Note 25)	-	(57)
(iv) profit for the year	2,369	2,335
	9,333	8,608
Less: Appropriations		
(a) Dividend on equity shares	619	1,349
(b) Corporate dividend tax	126	275
	8,588	6,984
(f) Share application money pending for allotment (refer note below)	-	1
<b>Total</b>	<b>18,259</b>	<b>16,213</b>

**Note:** The Company has received an amount of ₹ Nil (March 31, 2016 - ₹ 1) (April 1, 2015 - ₹ Nil) towards share application money pending allotment. The share application money relates to money received from associates pursuant to Associate Stock Option Plan (ASOP) 2008.

**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) Share options reserve**

The share option reserve is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees.

**(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.

**(f) Share application money pending for allotment**

Represents application money received pending allotment of shares.

**Cyient Limited**

**Notes forming part of the financial statements**

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

**12. Provisions**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Gratuity (refer note (i) below)	464	387	307
Compensated absences (refer note (ii) below)	247	233	227
Other provisions	5	4	14
<b>Total</b>	<b>716</b>	<b>624</b>	<b>548</b>
<b>Non-current:</b>			
Gratuity	463	386	304
Compensated absences	179	169	172
Other provisions	-	-	8
	<b>642</b>	<b>555</b>	<b>484</b>
<b>Current:</b>			
Gratuity	1	1	3
Compensated absences	68	64	55
Other provisions	5	4	6
	<b>74</b>	<b>69</b>	<b>64</b>
<b>Total</b>	<b>716</b>	<b>624</b>	<b>548</b>

**Note:**

**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.

The principal assumptions used for the purposes of the actuarial valuations were as follows:	Valuation as at March 31, 2017	Valuation as at March 31, 2016	Valuation as at April 01, 2015
Discount Rate (%)	6.90%	7.70%	7.80%
Salary Increase rate (%)	6.00% - 8.00%	6.00% - 8.00%	6.00% - 8.00%
Attrition (%)	17%	17%	17%
Mortality Table	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Retirement age	60 years	60 years	60 years

The following table sets out the defined benefit costs as per actuarial valuation as at March 31, 2017 and March 31, 2016:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows</b>		
Current Service cost	73	68
Interest Expense on Defined Benefit Obligation	35	31
Interest Income on Plan Assets	(9)	(11)
Net interest cost	26	20
<b>Defined benefit cost included in P&amp;L</b>	<b>99</b>	<b>88</b>
<b>Remeasurement effects recognised in Other Comprehensive Income</b>		
Actuarial (Gain) / Loss due to Financial assumptions change in DBO	23	2
Actuarial (Gain) / Loss due to Experience on DBO	3	5
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>26</b>	<b>7</b>

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Present value of funded defined benefit obligation	594	506	445
Fair value of plan assets	(130)	(119)	(138)
<b>Net liability arising from defined benefit obligation</b>	<b>464</b>	<b>387</b>	<b>307</b>

**Cyient Limited**

**Notes forming part of the financial statements**

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

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>Movement in the present value of the defined benefit obligation</b>		
Projected benefit obligation at the beginning of the year	506	445
Current service cost	73	68
Interest cost	35	31
Actuarial gain / (loss) on plan assets	25	7
Payments	(45)	(45)
<b>Defined benefit obligation at the end of the year</b>	<b>594</b>	<b>506</b>
<b>Change in Plan Assets</b>		
Plan assets at the beginning of the year	119	138
Return on plan assets	9	11
Employer contribution	48	15
Payments	(45)	(45)
Actuarial gain / (loss) on plan assets	(1)	-
<b>Plan Assets at the end of the year</b>	<b>130</b>	<b>119</b>

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

**Sensitivity analysis:**

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(22)	22	(22)	25
Future salary growth (1% movement)	25	(22)	5	(4)

**Maturity profile of defined benefit obligation:**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Within 1 year	99	86	73
1-2 year	93	81	71
2-3 year	85	76	66
3-4 year	79	69	62
4-5 year	69	63	55
5-10 year	238	212	190

**Composition of plan assets**

Plan assets comprise of 100% insurer managed funds. Fund is managed by LIC as per IRDA guidelines, category wise composition of the plan assets is not available.

**ii. Compensated Absences**

**a) Compensated absences – India:**

Actuarial assumptions for long-term compensated absences	Valuation as at March 31, 2017	Valuation as at March 31, 2016	Valuation as at April 01, 2015
Discount rate	6.90%	7.70%	7.80%
Salary escalation	6.00% - 8.00%	6.00% - 8.00%	6.00% - 8.00%
Attrition	17.00%	17.00%	17.00%

**b) Compensated absences – Overseas branches:**

Actuarial assumptions for long-term compensated absences	Valuation as at March 31, 2017	Valuation as at March 31, 2016	Valuation as at April 01, 2015
Discount rate	1.45% - 4.30%	1.20% - 4.25%	2.00% - 4.30%
Expected return on plan assets	NA	NA	NA
Salary escalation	2.00%	2.00%	4.00%
Attrition	5.00%	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.

**Cyient Limited****Notes forming part of the financial statements**

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

**13. Trade payables**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Due to Micro, Small and Medium Enterprises (refer note 32)	1	3	4
Due to Others	1,320	1,187	846
<b>Total</b>	<b>1,321</b>	<b>1,190</b>	<b>850</b>

**14. Other financial liabilities**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Current :</b>			
Unpaid dividends	11	12	7
Payables on purchase of fixed assets	55	26	32
Derivative financial liability (refer note 27)	1	36	3
<b>Total</b>	<b>67</b>	<b>74</b>	<b>42</b>

**15. Other current liabilities**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Unearned revenue	17	16	52
Advance from customers	22	14	54
Statutory remittances	623	486	354
<b>Total</b>	<b>662</b>	<b>516</b>	<b>460</b>

**Cyient Limited**

**Notes forming part of the financial statements**

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

**16. Income taxes**

**a. Income tax expense/(benefit) recognized in the statement of profit & loss**

Income tax expense/(benefit) recognized in the statement of profit & loss consists of:

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Current taxes:</b>		
In respect of the current year	601	615
	<b>601</b>	<b>615</b>
<b>Deferred taxes expense/(benefit):</b>		
In respect of the current year	(42)	(42)
MAT Credit	(58)	(30)
	<b>(100)</b>	<b>(72)</b>
	<b>501</b>	<b>543</b>

**b. Income tax expense/(benefit) recognized directly in other comprehensive income**

Income tax expense/(benefit) recognized directly in equity consists of:

	Year ended March 31, 2017	Year ended March 31, 2016
Tax effect on effective portion of change in fair value of cash flow hedges	(125)	112
Tax effect on actuarial gains/losses on defined benefit obligations	6	2
	<b>(119)</b>	<b>114</b>
<b>Bifurcation of the income tax recognized in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	6	2
Items that may be reclassified to profit or loss	(125)	112

**c. Reconciliation of effective tax rate**

The following is the reconciliation of the Company's effective tax rates for the year ended March 31, 2017 and 2016

	Year ended March 31, 2017	Year ended March 31, 2016
Profit before income taxes	2,870	2,878
Enacted rate in India	34.61%	34.61%
<b>Expected tax expense</b>	<b>993</b>	<b>996</b>
Tax effect of adjustments to reconcile expected tax expense		
Exemptions / deductions for tax purposes / tax holidays to reported tax expense	(511)	(491)
Expenses that are not deductible in determining taxable profit	19	69
Unused tax losses and tax offsets not recognised as deferred tax assets	-	(23)
Others	-	(8)
<b>Total income tax expense</b>	<b>501</b>	<b>543</b>
<b>Effective tax rate</b>	<b>17.47%</b>	<b>18.87%</b>

The difference between the tax rate enacted in India and the effective tax rate of the Company is majorly because of the benefit available 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. From April 01, 2011, units setup under SEZ scheme are subject to minimum alternate tax (MAT).

**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, 2017	March 31, 2016	April 01, 2015
Deferred tax assets	351	259	186
Deferred tax liabilities	(325)	(215)	(333)
	<b>26</b>	<b>44</b>	<b>(147)</b>

**Cyient Limited**

**Notes forming part of the financial statements**

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

**e. Movement in deferred tax assets and liabilities:**

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 (including forward element of forward contracts)	(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
<b>Total</b>	<b>44</b>	<b>100</b>	<b>(119)</b>	<b>1</b>	<b>26</b>

2015-16	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 (including forward element of forward contracts)	(159)	-	112	-	(47)
Property, plant and equipment and Intangible assets	(174)	5	-	1	(168)
Provision for employee benefits	166	26	2	-	194
Provision for doubtful debts	18	14	-	-	32
Tax losses	-	(3)	-	3	-
MAT credit entitlement	2	30	-	1	33
<b>Total</b>	<b>(147)</b>	<b>72</b>	<b>114</b>	<b>5</b>	<b>44</b>

**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, 2017	March 31, 2016	April 01, 2015
Current tax assets [net of provisions ₹ 2,783 (March 31, 2016 - ₹ 2,903, April 01, 2015 - ₹ 2,289)]	392	457	304
Current tax liabilities [net of advance tax ₹ 2,105 (March 31, 2016 - ₹ 1,390 , April 01, 2015 ₹ 1,390)]	45	38	38
	<b>347</b>	<b>419</b>	<b>266</b>

**Cyient Limited****Notes forming part of the financial statements**

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

**17. Other income**

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>Interest income</b>		
Interest income earned on financial assets carried at amortised cost:		
Bank deposits	343	294
Other financial assets	34	8
	<b>377</b>	<b>302</b>
<b>Dividend income</b>		
Dividend from mutual funds	31	25
	<b>31</b>	<b>25</b>
<b>Other non-operating income</b>		
Operating lease rental income	16	6
Liabilities no longer required, written back	59	48
Miscellaneous income (net)	30	45
	<b>105</b>	<b>99</b>
<b>Other gains and losses</b>		
Gain on disposal of property, plant and equipment	2	1
Net foreign exchange (losses) / gains	(140)	264
Exchange gains on foreign currency forward contracts (net)	441	346
Gain on disposal of subsidiary (refer note (i) below)	-	98
	<b>303</b>	<b>709</b>
<b>Total</b>	<b>816</b>	<b>1,135</b>

**Note:****i. Disposal of subsidiary**

During the previous year, the Company disinvested its 100% stake in Infotech Enterprises Information Technology Services Private Limited, India, and its wholly-owned subsidiary, Infotech Enterprises Information Technology Services GmbH, Germany. An amount of ₹ 98, being excess of sale consideration over the investment, was recognised as gain on disposal of subsidiary.

**Gain on disposal of a subsidiary**

Particulars	As on the date of Disposal
Purchase consideration received	102
Incidental expenses	(4)
<b>Gain on disposal of subsidiary</b>	<b>98</b>

**Cyient Limited****Notes forming part of the financial statements**

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

**18. Employee benefits expense**

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Salaries and wages, including bonus	5,679	5,546
Contribution to provident and other funds (refer note (i) below)	397	366
Social security and other benefits to overseas employees (refer note (ii) below)	35	72
Stock option expense (refer note 11A)	11	7
Staff welfare expenses	398	306
<b>Total</b>	<b>6,520</b>	<b>6,297</b>

**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 ₹ 276 (2015-16 - ₹ 255)

**- Gratuity (funded):**

Amount recognised in statement of profit and loss in respect of gratuity - ₹ 99 (2015-16 ₹ 88). (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 administered 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 ₹ 22 (2015-16 - ₹ 23).

**ii. Superannuation fund - Australia**

The employees at the Australia branch of the Company are also covered under a superannuation scheme with various super funds. The Company contributes 9.5% 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 ₹ 35 (2015-16 - ₹ 72).

**19. Depreciation and amortisation expense**

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Depreciation of property , plant and equipment	336	349
Amortisation of intangible assets	204	335
<b>Total</b>	<b>540</b>	<b>684</b>



**Cyient Limited**

**Notes forming part of the financial statements**

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

**20. Other expenses**

Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016	
Rent including lease rentals (refer note (i) below)		324		310
Rates and taxes		50		65
Insurance		11		13
Travelling and conveyance		691		685
Sub-contracting charges		423		480
Communication		110		96
Printing and stationery		23		29
Power and fuel		195		207
Marketing expenses		53		76
Advertisement		3		5
Repairs and maintenance				
- Buildings		16		10
- Machinery		708		615
- Others		82		68
Non executive directors commission		10		10
Legal and professional charges		333		388
Expenditure for Corporate Social Responsibility (refer note (ii) below)		62		48
Provision for doubtful debts (net)		48		67
Bad debts written off				
Less: Reversal of provision for doubtful debts	38 (37)	1	37 (35)	2
Auditors' remuneration (refer note (iii) below)		26		19
Recruitment expenses		19		27
Training and development		41		36
Software charges		142		205
Miscellaneous expenses		228		196
<b>Total</b>		<b>3,599</b>		<b>3,657</b>

**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, 2017	March 31, 2016	April 1, 2015
Not later than one year	230	267	256
Later than one year but not later than five years	324	212	351
Later than five years	-	-	-
<b>Total</b>	<b>554</b>	<b>479</b>	<b>607</b>

**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 - ₹ 62 (2015-16 - ₹ 48)

**iii. Auditors' remuneration (net of service tax) comprises of:**

Particulars	For the Year ended	
	March 31, 2017	March 31, 2016
(a) For audit	7	7
(b) For other services	5	4
(c) For services rendered by affiliates of statutory auditors	13	7
(d) For reimbursement of expenses	1	1
<b>Total</b>	<b>26</b>	<b>19</b>

**Cyient Limited****Notes forming part of the financial statements**

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

**21. Contingent liabilities and commitments**

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>(A) Contingent liabilities:</b>			
(i) Claims against the Company not acknowledged as debt (note a, b, c, d and e)	468	434	356
(ii) Guarantees (note f)	6,488	5,797	1,505
	<b>6,956</b>	<b>6,231</b>	<b>1,861</b>
<b>(B) Commitments:</b>			
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	116	200	70
(ii) Financial support to a subsidiary Company	492	533	479
	<b>608</b>	<b>733</b>	<b>549</b>
<b>Total</b>	<b>7,564</b>	<b>6,964</b>	<b>2,410</b>

**Notes:**

(a) The Company has disputed various demands raised by Income Tax authorities for the assessment years 1997-98 to 2014-15, which are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 189 (March 31, 2016 - ₹ 156, April 01, 2015 - ₹ 138). 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. 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, 2016 - ₹ 20, April 01, 2015 - ₹ 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, 2016 -2006-07 to 2013-14) (April 01, 2015 -2006-07 to 2012-13). The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 141 (March 31, 2016 - ₹ 140 April 01, 2015 - ₹ 172). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.

(d) During the 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, 2016 - ₹ 5, April 01, 2015 - ₹ 5) under protest, being 20% of the total demand of ₹ 26 (March 31, 2016 - ₹ 26, April 01, 2015 - ₹ 26).

(e) During the previous year, 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, 2016 - ₹ 92, April 01, 2015 - ₹ Nil).

(f) Corporate guarantee given to subsidiary's bankers to obtain line of credit ₹ 6,488 (March 31, 2016 - ₹ 5,797, April 01, 2015 - ₹ 1,505).

(g) During the financial year 2014 - 15, the Company acquired 74% of the share capital of Cyient DLM Private Limited (formerly Rangsons Electronics 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.

C. The Company has certain outstanding export obligations/commitments as at March 31, 2017, March 31, 2016 and April 1, 2015 and is confident of meeting these obligations/commitments within the stipulated period of time or obtain extensions as required.

**Cyient Limited**

**Notes forming part of the financial statements**

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

**22. Disclosure required in terms of clause 13.5A of Chapter XIII on Guidelines for preferential issue, SEBI (Disclosure and Investor Protection) Guidelines, 2000.**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
2,724,000 Compulsorily convertible preference shares (CCPS) of ₹ 360 each issued to GA Global Investments Limited, Cyprus (Refer Note (i) below)	981	981	981
4,417,277 equity shares of ₹ 5 each at premium of ₹ 355 per share issued to GA Global Investments Limited, Cyprus	1,590	1,590	1,590
1,166,420 equity shares of ₹ 5 each at a premium of ₹ 355 per share issued to Carrier International Mauritius Limited, Mauritius	420	420	420
<b>Total amount received on preferential issue of shares (A)</b>	<b>2,991</b>	<b>2,991</b>	<b>2,991</b>
<b>Amounts utilised out of the above:</b>			
Purchase of fixed assets	663	663	663
Payment of fee for increasing authorised capital	6	6	6
Investment in wholly-owned subsidiary in Cyient Inc.	509	509	509
Investment in wholly-owned subsidiary TTM (India) Private Limited	41	41	41
Investment in 10% stake in Kalyani Net Ventures Limited	26	26	26
Repayment of outstanding Term Loan with Tamilnad Mercantile Bank Limited	242	242	242
Investment in Rangsons Electronics Pvt Limited	1,331	1,331	1,331
Utilisation for Working Capital	173	173	-
<b>Total amount utilised (B)</b>	<b>2,991</b>	<b>2,991</b>	<b>2,818</b>
<b>Balance (C) = (A) - (B)</b>	<b>-</b>	<b>-</b>	<b>173</b>
<b>Income from temporary investment of unutilised funds:</b>			
Sale of Investment in 10% stake in Kalyani Net Ventures Limited	17	17	17
Dividend received on investments	231	231	231
Interest received on investments (Net)	1,056	1,056	1,016
Interest accrued but not received, included above	-	-	(86)
<b>Total (D)</b>	<b>1,304</b>	<b>1,304</b>	<b>1,178</b>
<b>Total Net Balance (E) = (C) +(D)</b>	<b>1,304</b>	<b>1,304</b>	<b>1,351</b>
<b>Investment / Utilisation of balance funds</b>			
Short-Term Deposits with various banks	-	-	1,351
Utilisation for Working Capital	1,304	1,304	-
<b>Net Outstanding unutilised funds</b>	<b>-</b>	<b>-</b>	<b>1,351</b>

Notes:

(i) The Company had issued 2,724,000 Compulsorily Convertible Preference Shares ("CCPS") with a face value of ₹ 360 on July 6, 2007 to M/s. GA Global Investments Limited ("GA" or "the Allottee"). The terms and conditions of the issue of these CCPS including the right to convert the CCPS into Equity Shares were subject to the provisions of the Agreement entered into between the Allottee and the Company, dated June 28, 2007, the guidelines issued by SEBI, RBI etc., and the Special Resolution passed in the Extraordinary General Meeting of members of the Company held on June 23, 2007. The CCPS were to be converted into equal number of equity shares within a period of 18 months from the date of allotment at the option of the allottee and if no option is exercised, the same shall be automatically converted into equity shares at the end of 18 months. GA Global investments exercised the option to convert the CCPS and in pursuance of this exercise the Company allotted 2,724,000 equity shares of ₹ 5 each, at a premium of ₹ 355 each on December 9, 2008. As such, there are no preference shares in the Company post the above conversion. The Company altered the capital clause of the Memorandum of Association by deleting the reference to the clauses pertaining to Compulsorily Convertible Preference Shares (CCPS). The clauses were no longer relevant as the said CCPS were issued in 2007 and have since been converted into equity shares. Form 5 was filed with the Registrar of Companies, Andhra Pradesh, notifying the said alteration (as approved by the members through postal ballot) on June 1, 2010.

(ii) The Company does not maintain a separate bank account to manage these funds received on a preferential basis. The above allocation is based on Management's information systems.

(iii) During the previous year, the Company has utilised an amount of ₹ 1,477 from the proceeds of preferential issue for working capital purpose.

**Cyient Limited**

**Notes forming part of the financial statements**

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

**23. Related Party Transactions**

The list of related parties of the Company is given below:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	Extent of holding (%) as at	Extent of holding (%) as at
		March 31, 2017	March 31, 2016	April 01, 2015
Cyient Europe Limited	UK	100%	100%	100%
Cyient Inc. (refer note (iii) below)	USA	100%	100%	100%
Cyient GmbH	Germany	100%	100%	100%
Infotech Geospatial (India) Private Limited (refer note 25)	India	-	-	100%
Cyient KK	Japan	100%	100%	100%
Infotech Enterprises Information Technology Services Private Limited, (IEITS) (refer note 17.(i))	India	-	-	100%
Cyient Insights Private Limited	India	51%	51%	51%
Cyient Australia Pty Limited	Australia	100%	100%	100%
Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	India	74%	74%	74%
Cyient Singapore Private Limited	Singapore	100%	100%	-
Cyient Engineering (Beijing) Limited (refer note (i) below)	China	-	-	-
Cyient Israel India Limited (refer note (ii) below)	Israel	-	-	-

Notes:

(i) 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, 2017 and the subsidiary is yet to commence commercial operations.

(ii) On July 18, 2016, the Company incorporated a wholly owned subsidiary, Cyient Israel India Limited, in Israel. There is no investment in the subsidiary till March 31, 2017 and the subsidiary is yet to commence commercial operations.

(iii) Cyient Inc. merged Softential Inc. with itself w.e.f. April 01, 2015.

Name of the Joint Venture Company	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 01, 2015
Infotech HAL Limited	India	50%	50%	50%

Name of the Associate	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 01, 2015
Infotech Aerospace Services Inc.,	USA	49%	49%	49%

**Subsidiary of Cyient Inc.:**

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 01, 2015
Cyient Canada Inc.	Canada	100%	100%	100%
Cyient Defense Services Inc. *	USA	100%	-	-
Certon Software Inc. **	USA	100%	-	-
Certon Instruments 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.

**Subsidiary of Cyient Europe Limited:**

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 01, 2015
Cyient Benelux BV	Netherlands	100%	100%	100%
Cyient Schweiz GmbH	Switzerland	100%	100%	100%
Cyient SRO *	Czech Republic	100%	100%	-
Blom Aerofilms Limited **	UK	100%	-	-

\* The Company's wholly-owned subsidiary, Cyient Europe Limited, UK, incorporated a wholly-owned step down subsidiary, Cyient SRO in Prague, Czech Republic on September 30, 2015.

\*\* The Company's wholly-owned subsidiary, Cyient Europe Limited, UK, acquired 100% stake of Blom Aerofilms Limited, UK, on November 30, 2016.

**Subsidiary of Cyient GmbH:**

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 01, 2015
Cyient AB	Sweden	100%	100%	100%

**Subsidiary of Infotech Enterprises Information Technology Services Private Limited:**

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 01, 2015
Infotech Enterprises Information Technology Services GmbH (refer note 17.(i))	Germany	-	-	100%

**Cyient Limited**

**Notes forming part of the financial statements**

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

**Subsidiary of Cyient Insights Private Limited:**

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 01, 2015
Cyient Insights LLC (formerly Invati Insights LLC) #	USA	51%	51%	51%

# Invati Insights LLC, USA was renamed as Cyient Insights LLC w.e.f November 18, 2015.

**Subsidiary of Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited):**

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at		
		March 31, 2017	March 31, 2016	April 01, 2015
Techno Tools Precision Engineering Private Limited	India	74%	74%	74%

**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	Chief Financial Officer
M.M Murugappan	Independent Director
K. Ramachandran	Independent Director
Harsh Manglik	Independent Director
Som Mittal	Independent Director
Andrea Bierce	Independent Director
John Paul Paterson	Independent Director
Alain De Taeye	Non-Executive Director
Thomas W. Prete	Non-Executive Director

**Relative of Executive Chairman & Managing Director & CEO**

B. Ashok Reddy	President – Corporate Affairs
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Summary of the transactions and balances with the above related parties are as follows:

(a) Transactions during the year:

Nature of the transaction	Party name	For the year ended	
		March 31, 2017	March 31, 2016
Revenue from operations	Cyient Inc.	3,144	3,091
	Cyient Europe Limited	859	957
	Cyient Benelux BV	262	278
	Cyient Schweiz GmbH	99	65
	Cyient S.R.O	9	-
	Cyient GmbH	810	585
	Cyient AB	118	174
	Cyient Canada Inc.	81	117
	Cyient KK	201	150
	Infotech HAL Limited	9	15
	Cyient Australia Pty Limited	652	260
	Cyient Singapore Private Limited	35	-
	Sub-contracting charges	Cyient Inc.	238
Cyient Europe Limited		17	36
Cyient Benelux BV		13	12
Cyient GmbH		13	45
Cyient AB		3	6
Cyient Canada Inc.		5	8
Cyient Insights Private Limited		45	12
Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)		22	-
Infotech Enterprises Information Technology Services Private Limited (refer note 17.(i))		-	8
Reimbursement of Expenses (net)	Cyient Inc.	32	52
	Cyient Europe Limited	(19)	6
	Cyient Benelux BV	(1)	8
	Cyient S.R.O	(33)	-
	Cyient GmbH	2	6
	Cyient AB	1	(1)
	Cyient Canada Inc.	4	-
	Cyient KK	(1)	6
	Cyient Singapore Private Limited	(3)	(3)
	Cyient Australia Pty Limited	(55)	(1)

**Cyient Limited**

**Notes forming part of the financial statements**

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

Software purchases	Cyient Inc.	23	-
Corporate guarantee given	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	-	3,210
	Cyient Inc.	570	401
	Cyient GmbH	319	-
	Cyient Europe Limited	476	-
	Cyient Australia Pty Limited	120	-
	Cyient Singapore Private Limited	-	637
Corporate guarantee liquidated	Cyient GmbH	305	-
	Cyient Europe Limited	146	-
	Cyient Singapore Private Limited	259	-
Other income on corporate guarantee given to subsidiary's bankers	Cyient Australia Pty Limited	1	-
	Cyient Europe Limited	2	-
	Cyient GmbH	2	-
	Cyient Inc.	8	-
	Cyient Singapore Private Limited	3	-
Investments in subsidiaries	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited) #1	-	(68)
	Cyient Singapore Private Limited	-	238
	Cyient Australia Pty Limited	-	0.04
Disposal of investment in subsidiaries	Infotech Enterprises Information Technology Services Private Limited (refer note 17.(i))	-	0.10
Advance given / (recovered)	Infotech Enterprises Information Technology Services Private Limited (refer note 17.(i))	-	6
	Cyient KK	(3)	31
	Infotech HAL Limited	-	4
Loans given	Cyient Insights Private Limited	30	37
	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	150	150
Loans Recovered	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	150	-
Interest on Loans given	Cyient Insights Private Limited	8	4
	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	14	2
Rental Income	Infotech HAL Limited	1	1
	Cyient Insights Private Limited	3	3
CSR Expenditure	Cyient Foundation	57	48

#1 Adjusted for an amount of ₹ 68 received from the promoters of Cyient DLM Private Limited (formerly Rangsons Electronics 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, 2017	March 31, 2016
Short-term benefits	Chairman, MD & CEO and Executive officers #1	141	140
Dividend paid during the year	Chairman and MD & CEO	90	197
Commission and other benefits	Non-executive and independent directors	10	10

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

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

Nature of the balance	Party name	As at		
		March 31, 2017	March 31, 2016	April 01, 2015
Trade Receivables	Cyient Inc.	942	549	343
	Cyient Europe Limited	152	229	396
	Cyient Benelux BV	16	60	82
	Cyient Schweiz GmbH	7	-	-
	Cyient S.R.O	35	-	-
	Cyient GmbH	115	49	199
	Cyient AB	44	93	48
	Cyient Canada Inc.	20	77	99
	Infotech Geospatial (India) Private Limited (refer note 25)	-	-	13
	Cyient KK	83	102	96
	Infotech Enterprises Information Technology Services Private Limited (refer note 17.(i))	-	-	2
	Infotech HAL Limited	25	21	15
	Cyient Australia Pty Limited	82	161	-
	Cyient Insights Private Limited	5	-	-
	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	17	-	-
	Cyient Singapore Private Limited	9	18	-

**Cyient Limited**

**Notes forming part of the financial statements**

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

Unbilled Revenue	Cyient Inc.	123	99	155
	Cyient Europe Limited	111	118	69
	Cyient Benelux BV	35	33	17
	Cyient Schweiz GmbH	-	1	4
	Cyient AB	-	20	-
	Cyient GmbH	153	98	87
	Cyient KK	-	3	-
	Cyient Australia Pty Limited	15	34	-
	Cyient Singapore Private Limited	8	-	-
Trade payables	Cyient Inc.	224	320	91
	Cyient Europe Limited	58	28	-
	Cyient Benelux BV	40	24	-
	Cyient S.R.O	1	-	-
	Cyient GmbH	41	27	-
	Cyient KK	26	38	17
	Cyient Insights Private Limited	1	-	3
	Infotech Enterprises Information Technology Services Private Limited (refer note 17.(i))	-	-	4
	Cyient Canada Inc.	26	11	-
	Cyient Australia Pty Limited	11	-	-
Other receivables	Cyient Inc.	44	4	2
	Cyient Canada Inc.	2	-	-
	Cyient Europe Limited	12	3	1
	Cyient Benelux BV	1	-	-
	Cyient GmbH	3	-	-
	Cyient AB	1	-	-
	Cyient KK	1	-	-
	Cyient Australia Pty Limited	7	-	-
	Cyient Singapore Private Limited	2	-	-
Corporate guarantee given to subsidiary's bankers	Cyient Inc.	2,000	1,463	1,001
	Cyient Europe Limited	476	172	167
	Cyient GmbH	319	330	297
	Infotech Geospatial (India) Private Limited (refer note 25)	-	-	40
	Cyient DLM Private Limited (formerly Rangsons Electronic Private Limited)	3,210	3,210	-
	Cyient Australia Pty Limited	120	-	-
	Cyient Singapore Private Limited	363	622	-
Commitments	Cyient Europe Limited	492	533	479
Advance to subsidiaries	Cyient KK	110	113	83
	Infotech Geospatial (India) Private Limited (refer note 25)	-	-	31
	Infotech Enterprises Information Technology Services Private Limited (refer note 17.(i))	-	-	4
	Infotech HAL Limited	8	8	4
Outstanding loans	Cyient Insights Private Limited	106	63	26
	Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	150	150	-
Interest on outstanding loans	Cyient Insights Private Limited	-	5	-
	Cyient DLM Private Limited (formerly Rangsons Electronic Private Limited)	1	2	-
Short-term benefits payable	Chairman and MD & CEO	73	58	53
Commission and other benefits payable	Non-executive and independent directors	10	10	7

**Cyient Limited****Notes forming part of the financial statements**

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

**24. Earnings per share**

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Profit after tax	2,369	2,335
<b>Basic:</b>		
Number of shares outstanding at the year end	112,566,340	112,483,377
Weighted average number of equity shares	112,536,208	112,442,098
<b>Earnings per share (₹)</b>	<b>21.05</b>	<b>20.77</b>
<b>Diluted:</b>		
Effect of potential equity shares on employee stock options and RSUs outstanding	89,451	184,478
Weighted average number of equity shares outstanding	112,625,659	112,626,576
<b>Earnings per share (₹)</b>	<b>21.03</b>	<b>20.73</b>

Note: EPS is calculated based on profits excluding the other comprehensive income

**25. Amalgamation of Infotech Geospatial (India) Private Limited:**

The Company amalgamated with itself Infotech Geospatial (India) Private Limited, a wholly owned subsidiary, w.e.f. April 01, 2015 ("Appointed Date") pursuant to Scheme of Amalgamation approved by the Hon'ble High Court of Judicature, Andhra Pradesh & Telangana vide its order dated March 02, 2016 and filed with Registrar of Companies on March 31, 2016. Consequently, all the Assets, Liabilities and Reserves stand transferred and vested in the Company retrospectively from April 01, 2015.

As Infotech Geospatial (India) Private Limited was a wholly owned subsidiary of the Company, no additional shares were issued to effect the amalgamation.

Value of assets and liabilities amalgamated:	As at March 31, 2016
Non current assets	24
Current Assets	10
Non current liabilities	-
Current liabilities	(50)
General reserve	-
Adjusted against Surplus in Statement of Profit and Loss	57
Share Capital of Infotech Geospatial (India) Private Limited	41
Less : Carrying value of Investments in the Company	44
<b>Difference considered as capital reserve*</b>	<b>(3)</b>

\* Capital Reserve has been adjusted to the general reserve of the Company on amalgamation as at Appointed Date.

**Cyient Limited****Notes forming part of the financial statements**

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

**26. Research & Development:****i. Fixed assets used in Research and Development (refer note 3)**

The following table provides the break-up of the fixed assets used specifically for the research and development as at March 31, 2017:

Carrying amounts of:	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Buildings - Freehold	33	34	35
Plant and Equipment - Freehold	3	4	5
Furniture and Fixtures	4	4	4
Electrical Installations	3	4	5
Computers	1	1	1
<b>Total tangible assets</b>	<b>44</b>	<b>47</b>	<b>50</b>

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Electrical Installations	Computers	Total
<b>Balance as at April 01, 2015</b>	<b>35</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>50</b>
Additions	-	-	-	-	-	-
Depreciation	(1)	(1)	-	(1)	-	(3)
<b>Balance as at March 31, 2016</b>	<b>34</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>47</b>
Additions	-	-	-	-	-	-
Depreciation	(1)	(1)	-	(1)	-	(3)
<b>Balance as at March 31, 2017</b>	<b>33</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>44</b>

**ii. Revenue Expenditure:**

Revenue expenditure pertaining to research and development charged to the Statement of Profit and Loss amounts to ₹ 24 (2015 - 16 ₹ 56) has been classified under other expenses.

**Cyient Limited**

**Notes forming part of the financial statements**

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

**27. Financial Instruments**

**27.1 Capital management**

The Company manages its capital to ensure that it maximises the return to stakeholders through the optimisation of the debt and equity balance. 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.

**27.2 Financial instruments by category:**

Particulars	Carrying value as at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Financial assets:</b>			
<b>Amortised cost</b>			
Loans	259	217	31
Trade receivables	2,950	2,802	2,984
Cash and cash equivalents	6,516	4,916	4,396
Other bank balance	23	40	29
Other financial assets	1,383	1,212	1,308
<b>FVTOCI</b>			
Investment in unquoted equity shares	18	-	-
Derivative financial assets	498	171	463
<b>FVTPL</b>			
Investments in mutual funds	925	790	335
<b>Total financial assets</b>	<b>12,572</b>	<b>10,148</b>	<b>9,546</b>
<b>Financial liabilities:</b>			
<b>Amortised cost</b>			
Trade payables	1,321	1,190	850
Other liabilities	66	38	39
<b>FVTOCI</b>			
Derivative financial liabilities	1	36	3
<b>Total financial liabilities</b>	<b>1,388</b>	<b>1,264</b>	<b>892</b>

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

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

**27.3 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, 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
<b>Assets</b>					
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 financial asset (refer note 7)***	March 31, 2017	498	-	498	-
<b>Liabilities</b>					
Derivative financial liability (refer note 14)***	March 31, 2017	1	-	1	-

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, 2016:**

Particulars	Date of valuation	As at March 31, 2016	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
<b>Assets</b>					
Investment in mutual fund (refer note 5)**	March 31, 2016	790	790	-	-
Derivative financial asset (refer note 7)***	March 31, 2016	171	-	171	-
<b>Liabilities</b>					
Derivative financial liability (refer note 14)***	March 31, 2016	36	-	36	-

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 April 01, 2015:**

Particulars	Date of valuation	As at April 01, 2015	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
<b>Assets</b>					
Investment in mutual fund (refer note 5)**	April 01, 2015	335	335	-	-
Derivative financial asset (refer note 7)***	April 01, 2015	463	-	463	-
<b>Liabilities</b>					
Derivative financial liability (refer note 14)***	April 01, 2015	3	-	3	-

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

**Cyient Limited**

**Notes forming part of the financial statements**

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

The following methods and assumptions were used to estimate the fair values:

\* The fair values of the unquoted equity shares 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, 2017 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 periods ended 31 March 2017 and 31 March 2016:

Particulars	Investment in unquoted equity shares	Total
<b>As at April 01, 2015</b>	-	-
Acquisitions	-	-
Gains/(losses) recognised in profit or loss	-	-
Gains/(losses) recognised in other comprehensive income	-	-
<b>As at March 31, 2016</b>	-	-
Acquisitions	18	18
Gains/(losses) recognised in profit or loss	-	-
Gains/(losses) recognised in other comprehensive income	-	-
<b>As at March 31, 2017</b>	<b>18</b>	<b>18</b>

**Valuation inputs and relationships to fair value:**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value as at March 31, 2017	Significant unobservable inputs	Valuation process	Sensitivity of the inputs to fair value
Investment in unquoted equity shares	18	Earnings growth rate	i) Earnings growth factor for unlisted equity shares 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.

Investment in unquoted equity shares as at March 31, 2016 & April 01, 2015 is Nil.

**27.4 Financial risk management**

**Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity 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.

**Market 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.

**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.

**Foreign exchange risk**

The Company monitors and manages its financial risks by analysing its foreign exchange exposures.

The Company, in accordance with its Board approved risk management policies and procedures, enters into foreign exchange forward contracts to manage its exposure in foreign exchange rates.

The Company has applied the hedge accounting principles set out in Indian Accounting Standard – 109 "Financial Instruments" (Ind AS - 109) in respect of such derivative contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions. Accordingly, in respect of all such outstanding contracts as at March 31, 2017 that were designated as effective hedges of the future cash flows, gain aggregating ₹ 326 (net of tax ₹ 172) (March 31, 2016 - ₹ 89 (net of tax ₹ 47) , April 01, 2015 – ₹ 301 (net of tax ₹ 159)) have been recognised under the cash flow hedge reserve.

**Derivative financial instruments:**

Outstanding forward exchange contracts as on March 31, 2017:

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

Outstanding forward exchange contracts as on March 31, 2016:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
USD	24	72,500,000	5,081	Sell	Rupees
EURO	17	24,000,000	1,874	Sell	Rupees
GBP	12	5,800,000	614	Sell	Rupees
AUD	14	7,200,000	365	Sell	Rupees

Outstanding forward exchange contracts as on April 01, 2015:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
USD	26	85,000,000	5,590	Sell	Rupees
EURO	12	24,000,000	2,006	Sell	Rupees
GBP	12	2,400,000	253	Sell	Rupees
AUD	12	7,200,000	403	Sell	Rupees

**Cyient Limited**

**Notes forming part of the financial statements**

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

All outstanding forward exchange contracts as at March 31, 2017, March 31, 2016 and April 01, 2015 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 ₹ (365)/ 366 (decrease)/increase in the Company's other comprehensive income as at March 31, 2017;

\* an approximately ₹ (375)/ 375 (decrease)/increase in the Company's other comprehensive income as at March 31, 2016;

**Foreign currency exposure**

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

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 assets	1,022	369	169	370	1,930
Trade payables	(278)	(97)	(55)	(128)	(558)
Other liabilities	(57)	(27)	(1)	(112)	(197)
<b>Net assets/(liabilities)</b>	<b>2,335</b>	<b>637</b>	<b>288</b>	<b>865</b>	<b>4,125</b>

\* 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, 2016:

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	448	58	50	222	778
Trade receivables	1,471	250	227	580	2,528
Other assets	1,041	438	235	374	2,088
Trade payables	(382)	(67)	(31)	(104)	(584)
Other liabilities	(23)	(21)	(2)	(108)	(154)
<b>Net assets/(liabilities)</b>	<b>2,555</b>	<b>658</b>	<b>479</b>	<b>964</b>	<b>4,656</b>

\* 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 April 01, 2015:

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	219	80	74	131	504
Trade receivables	1,407	345	398	531	2,681
Other assets	877	204	137	185	1,403
Trade payables	(189)	(22)	(3)	(225)	(439)
Other liabilities	(39)	(40)	-	(75)	(154)
<b>Net assets/(liabilities)</b>	<b>2,275</b>	<b>567</b>	<b>606</b>	<b>547</b>	<b>3,995</b>

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

**Sensitivity analysis:**

For the year ended March 31, 2017 and March 31, 2016, every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by ₹ 206 / (₹ 206) and ₹ 237 / (₹ 237) 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:

Particulars	Year ended (in %)	
	March 31, 2017	March 31, 2016
Revenue from top customer	5.8	5.6
Revenue from top five customers	19.9	21.7

**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, 2017, March 31, 2016 and April 01, 2015, the Company had unutilized credit limits from banks of ₹ 900, respectively.

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

As of March 31, 2016, the Company had working capital of ₹ 8,420, including cash and bank balances of ₹ 4,956

As of April 01, 2015, the Company had working capital of ₹ 8,271, including cash and bank balances of ₹ 4,425.

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	-	-
<b>Total</b>	<b>1,388</b>	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2016:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	1,190	-	-
Other financial liabilities	74	-	-
<b>Total</b>	<b>1,264</b>	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities as at April 01, 2015:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	850	-	-
Other financial liabilities	42	-	-
<b>Total</b>	<b>892</b>	-	-

**Cyient Limited****Notes forming part of the financial statements**

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

**28. Exceptional item:**

a) 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 which shall vest with the employees in March, 2018 (refer note 11.6(ii)).

b) During the previous year, the Company had made a provision towards bonus payable for the period of April to December 2015 of ₹ 72 consequent to the amendment to the Payment of Bonus Act, 1965 (i.e the Payment of Bonus (Amendment) Act, 2015). The liability for the year 2014 - 15 was disclosed as contingent liability. (refer note 21 (e))

**29. 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.

**30. 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	
			March 31, 2017	March 31, 2016	April 01, 2015	2017	2016
Cyient KK	Subsidiary	Advance	110	113	83	116	114
Infotech Enterprises Information Technology Services Private Limited (refer note 23)	Subsidiary	Advance	-	-	4	-	11
Infotech Geospatial (India) Private Limited (refer note 25)	Subsidiary	Advance	-	-	31	-	-
Infotech HAL Limited	Joint Venture	Advance	8	8	4	9	8
Cyient Insights Private Limited	Subsidiary	Loan	106	63	26	106	63
Cyient DLM Private Limited (formerly Rangsons Electronics Private Limited)	Subsidiary	Loan	150	150	-	150	150
<b>Total</b>			<b>374</b>	<b>334</b>	<b>148</b>	<b>381</b>	<b>346</b>

31. In accordance with the MCA notification GSR 308 (E) dated March 30, 2017, details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 08, 2016 to December 30, 2016 is given below:

Particulars	SBNs	ODN	Total
Closing cash in hand as on November 08, 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

Note: The Company did not maintain any cash balance as at November 08, 2016.

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

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1	3	4
(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.

**33. Dividends**

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. Dividends paid during the year ended March 31, 2016 include an amount of ₹ 5 per equity share towards final dividend for the year ended March 31, 2015 and an amount of ₹ 7 per equity share towards interim dividend for the year ended March 31, 2016.

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, 2017, income available for distribution were ₹ 8,588. On April 20, 2017, the Board of Directors of the Company have proposed a final dividend of ₹ 5 per share in respect of the year ended March 31, 2017 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 677 inclusive of dividend distribution tax of ₹ 115.

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**  
Chief Financial Officer

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

Place: Hyderabad  
Date: April 20, 2017