

1. Corporate information

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

The Company changed its name from Infotech Enterprises Limited to Cyient Limited w.e.f. May 07, 2014 post approval of the Board of Directors and the Shareholder through postal ballot.

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention.

Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use. Where a change in accounting policy is necessitated due to changed circumstances, detailed disclosures to that effect along with the impact of such change is duly disclosed in the financial statements.

The Accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenditure during the year. Examples include provisions for doubtful debts, provision for employee benefits, provision for taxation, useful lives of depreciable assets, provision for impairment, provision for contingencies, provision for warranties / discounts etc. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ from those estimates. The effect of changes in accounting estimates are reflected in the financial statements in the period in which results are known and, if material, are disclosed in the financial statements.

2.3 Revenue recognition

Income from Services:

Revenue recognition depends on the arrangements with the customer which are either on "Time and material" or on a "Time bound fixed-price" basis.

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

The Company also performs work under "Time bound fixed-price" arrangements, under which customers are billed, based on completion of specified milestones and/or on the basis of man-days/man hours spent as per terms of the contracts. Revenue from such arrangements is recognised over the life of the contract using the percentage completion method. The cumulative impact of any revision in estimates of the percentage of work completed is

reflected in the year in which the change becomes known. Provision for estimated losses on such engagements is made in the year in which such loss becomes probable and can be reasonably estimated.

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

Reimbursement of expenditure is recognised under revenue along with recognition of sale of service to which it relates.

Revenue is net of volume discounts which are estimated and accounted for based on the terms of the contracts and also net of applicable indirect taxes.

Amounts received or billed in advance of services performed are recorded as unearned revenue. Unbilled revenue represents amounts recognised based on services performed in advance of billings in accordance with contract terms and is net of estimated allowances for uncertainties and provision for estimated losses.

2.4 Other income

Income from interest is recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.

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

2.5 Fixed assets, intangible assets and capital work-in-progress

Fixed Assets are stated at actual cost, less accumulated depreciation and impairment. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the assets ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the assets is ready for its intended use. Subsequent expenses on fixed assets after its purchase is capitalised only if such expenses results in an increase in the future benefits from such assets beyond the previously assessed standards of performance.

The cost and the accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are recognised in the Statement of Profit and Loss.

Asset under installation or under construction as at Balance sheet date are shown as Capital Work in Progress (CWIP).

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.

Intangible assets under development:

Expenditure incurred towards development (Refer Note 2.9) eligible for capitalization are carried as intangible assets under development where such assets are not yet ready for their intended use.

2.6 Depreciation & amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advise, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

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Type of asset	Useful life
Leasehold Land	Over the lease period of 6 – 79 years
Building	28 years
Leasehold Improvements	Shorter of lease period or estimated useful lives
Plant and Equipment	10 years
Computers	3 years

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

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

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Depreciation is charged on pro-rata basis from the date of capitalisation. Individual assets costing ₹ 5000 or less are fully depreciated in the year of acquisition.

2.7 Impairment of assets

At each balance sheet date, the Management reviews the carrying amount of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets' net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risk specific to the asset.

When there is indication, that impairment loss recognised for an asset in earlier accounting period no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

2.8 Investments

Investments are either classified as current or long-term, based on Management's intent at the time of making the investment. Current investments are carried individually, at the lower of cost and fair value. Long-term investments are carried individually at cost less provision made to recognise any diminution, other than temporary, in the value of such investment. Cost of investments includes acquisition charges such as brokerage, fees and duties. Provision is made to recognise any reduction in the carrying value of long-term investments and any reversal of such reduction is credited to the Statement of Profit and Loss.

2.9 Research and development

Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has intention and ability to complete and use the asset and the costs are measure reliably, in which case such expenditure

is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

2.10 Foreign currency transactions / translations

The transactions in foreign exchange entered into by the Company are accounted at the exchange rate prevalent on the date of the transaction. Foreign currency monetary items (other than derivative contracts) outstanding as at Balance Sheet date are restated at year end exchange rate. Non-monetary items are carried at historical cost and the exchange gains or losses are recognised in the Statement of Profit and Loss. Exchange differences arising on a monetary item that, in substance, form part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

The operations of foreign branches of the Company are integral in nature and the financial statements of these branches are translated using the same principles and procedures as those of head office.

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange fluctuations. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

In case of forward exchange contract or any other financial instruments that is in substance a forward exchange contract (other than for a firm commitment or a highly probable forecast) to hedge the foreign currency risk, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract. Exchange differences on such forward exchange contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Gain/Loss on settlement of transaction arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

2.11 Derivative instruments and hedge accounting

The Company uses foreign exchange forward contracts (derivative contracts) to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The use of foreign exchange forward contracts is governed by the Company's policies on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

The Company designates such derivative contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard 30 "Financial Instruments – Recognition and Measurement" (AS-30) as issued by ICAI in respect of such derivative contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. These derivative contracts are stated at the fair value at each reporting date. Changes in fair value of these foreign exchange forward contracts that are designated and effective as hedges of future cash flows are recognised directly in the "Hedging reserve account" under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in the "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

Derivative contracts that are not designated in a cash flow hedging relationship are marked to market, where ever required, as at the Balance Sheet date and the unrealised losses, if any, are dealt with in the Statement of Profit and Loss. Unrealised gains, if any, on such derivatives are not recognised in the Statement of Profit and Loss.

2.12 Employee benefits

Employee benefits include provided fund, superannuation fund, employee's state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

Contributions in respect of Employees Provident Fund and Pension Fund which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as an expense based on the amount of contribution required to be made and when service are rendered by the employees.

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

Defined benefit plans

The Company also provides for other retirement benefits in the form of gratuity. The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date based on projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

Compensated absences

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

Other short-term employee benefits

Other short-term employee benefits, including overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders service.

2.13 Taxes on Income

Current income tax expense comprises of taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

A provision is made for income tax annually, based on tax liability computed, after considering tax allowances and exemptions. Tax expense for a year comprises of current tax and deferred tax.

Deferred tax is recognised on timing difference, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

MAT credit

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, in accordance with the provisions contained in the Guidance Note on Accounting for Credit Available under Minimum Alternate Tax, issued by the ICAI, the said asset is created

by way of a credit to the Statement of Profit and Loss and shown as 'MAT Credit Entitlement'. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and the intention is to settle the asset and liability on net basis.

2.14 Leases

(a) Where the Company is the lessee –

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

(b) Where the Company is the lessor –

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of Profit and Loss over the lease period. Costs, including depreciation, are recognised as an expense in the statement of Profit and Loss.

2.15 Warranty Costs

Post-sales client support and warranty costs are estimated by the Management on the basis of technical evaluation and past experience of costs. Provision is made for the estimated liability in respect of warranty costs in the year of recognition of revenue and is included in the Statement of Profit and Loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made as and when required.

2.16 Earnings per share (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of any extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.17 Associates Stock Options

Stock options granted to the associates of the Company under various Stock Option Schemes established after June 19, 1999 are evaluated as per the accounting treatment prescribed under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 / SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, issued by Securities Exchange Board of India and the Guidance note on Accounting for Employee Share-Based payments, issued by ICAI.

The exercise price under the aforesaid schemes is the market price as defined in the SEBI Guidelines from time to time. i.e. market price equals the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/ shares are issued, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered. The Company measures compensation cost relating to employee stock

option using the intrinsic value method and considering that all options are granted as above there is no compensation cost to be charged to the Statement of Profit and Loss.

2.18 Provisions, Contingent liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.19 Cash and cash equivalents (for the purposes of Cash Flow Statement)

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

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

2.20 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service rendered is accounted and when there is no uncertainty in availing/utilising the credits.

2.21 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of assets and liabilities as current and non-current.

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21. Contingent Liabilities and Commitments

21.1 Contingent liabilities

Particulars	(Amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
(i) Claims against the Company not acknowledged as debt (Refer Note (a), (b), (c), (d) & (e) below)	433,959,229	356,391,935
(ii) Guarantees (Refer Note (f) below)	5,796,822,286	1,505,387,236

- a. The Company has disputed various demands (including draft notice of demand) raised by Income Tax authorities for the assessment years 1997-98 to 2010-11 (March 31, 2015 – 1997-98 to 2010-11). The orders are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 155,897,185 (March 31, 2015 - ₹ 138,351,334). The Company is confident that these appeals will be decided in its favour.
- b. The Company has disputed various demands raised by the Sales Tax authorities for the financial years 2004-05 to 2009-10 and 2012 - 13 (March 31, 2015 – 2004-05 to 2009-10). The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 20,098,231 (March 31, 2015 - ₹ 20,096,061). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
- c. The Company has disputed various demands raised by the Service Tax authorities for the financial years 2006-07 to 2013-14 (March 31, 2015 -2006-07 to 2012-13). The Company has filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 140,104,649 (March 31, 2015 - ₹ 172,263,324). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
- d. During the previous year, the Company received an order from Provident Fund (PF) authorities regarding PF payment on certain allowances given by the Company to its employees for the years 2010-11 to 2012-13. The Company appealed against the order and the same is pending before Provident Fund Appellate Tribunal. The Company paid ₹ 5,136,244 (March 31, 2015 - ₹ 5,136,244) under protest, being 20% of the total demand of ₹ 25,681,216 (March 31, 2015 - ₹ 25,681,216).
- e. The Government of India notified an amendment to the Payment of Bonus Act, 1961 whereby the applicable slabs as well as coverage limit was enhanced. The said amendment was made effective April 1, 2014. The Company has contested the retrospective applicability of the amendment for the financial year 2014-15 in the High Court of Judicature at Hyderabad for the states of Telangana and Andhra Pradesh. The aggregate amount of liability pertaining to the financial year 2014-15, not provided for, is ₹ 92,177,948.
- f. Corporate guarantee given to subsidiary's bankers to obtain line of credit ₹ 5,796,822,286 (March 31, 2015 – ₹ 1,505,387,236).

21.2 Commitments

Particulars	(Amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)		
Tangible assets	60,324,945	49,137,538
Intangible assets (Refer Note below)	139,524,000	21,326,862
(ii) Financial support to a subsidiary Company	533,178,050	479,323,840

Note: Commitment towards intangible assets include software and related purchases.

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(iii) During the previous year, the Company acquired 74% of the share capital of Rangsons Electronics Private Limited on February 4, 2015 (Refer Note 29.1(iii)). According to conditions stipulated in the Investment Agreement, the Company has an option to acquire the balance 26% of the share capital, on or before seven years from the date of the acquisition. These balance shares are currently placed in an Escrow account with a registered escrow agent as the custodian.

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

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

(Amount in ₹)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	3,055,599	4,121,880
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

23. Dues from Subsidiaries / Joint Venture

(i) The details of trade receivables and contractually reimbursable expenses due from subsidiaries / joint venture are given below:

(Amount in ₹)

Party name	Relationship	As at	As at
		March 31, 2016	March 31, 2015
Cyient Inc. (formerly Infotech Enterprises America Inc.)	Subsidiary	548,874,844	343,120,321
Cyient Europe Limited (formerly Infotech Enterprises Europe Limited)	Subsidiary	228,766,976	395,602,017
Cyient Benelux BV (formerly Infotech Enterprises Benelux BV)	Step-down Subsidiary	59,823,016	81,965,489
Cyient Schweiz GmbH (formerly Infotech Enterprises GmbH)	Step-down Subsidiary	-	311,306
Cyient GmbH (formerly Infotech Enterprises GmbH)	Subsidiary	49,267,351	199,190,355
Cyient AB (formerly Infotech Enterprises AB)	Step-down Subsidiary	92,610,159	48,250,373
Cyient Canada Inc. (formerly Infotech Software Solutions Canada Inc.)	Step-down Subsidiary	76,960,788	98,919,137
Infotech Geospatial (India) Private Limited (Refer Note 40)	Subsidiary	-	13,151,351
Cyient KK (formerly Infotech Enterprises Japan KK)	Subsidiary	101,592,155	96,377,382
Infotech Enterprises Information Technology	Subsidiary	-	1,795,478

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Party name	Relationship	As at March 31, 2016	As at March 31, 2015
Services Private Limited (Refer Note 29.1(vi))			
Infotech HAL Limited	Joint Venture	21,191,187	14,983,950
Cyient Australia Pty Limited (Refer Note 29.1(ii))	Subsidiary	160,795,725	-
Cyient Insights Private Limited (formerly Invati Insights Private Limited)	Subsidiary	1,387	-
Rangsons Electronics Private Limited	Subsidiary	485,423	-
Cyient Singapore Private Limited (Refer Note 29.1(v))	Subsidiary	18,298,529	-

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

(Amount in ₹)

Particulars	Relationship	Balance as at March 31		Maximum amount outstanding at any time during the year ended March 31	
		2016	2015	2016	2015
Cyient KK (formerly Infotech Enterprises Japan KK)	Subsidiary	113,684,968	82,613,278	113,684,968	82,613,278
Infotech Enterprises Information Technology Services Private Limited (Refer Note 29.1(vi))	Subsidiary	-	3,631,158	10,918,896	34,177,650
Infotech Geospatial (India) Private Limited (Refer Note 40)	Subsidiary	-	31,347,462	-	38,628,850
Infotech HAL Limited	Joint Venture	8,331,287	4,383,665	8,683,588	4,383,664
Cyient Insights Private Limited (formerly Invati Insights Private Limited)	Subsidiary	62,686,522	26,000,000	62,686,521	26,000,000
Rangsons Electronics Private Limited	Subsidiary	150,000,000	-	150,000,000	-
Total		334,702,777	147,975,563	345,973,973	185,803,442

Note:

The above loans and advances are in the nature of advances (interest free) given in the ordinary course of business and are not in the nature of loans. Disclosures as per Regulation 34(3) of Securities and Exchange Board of India (listing obligations and disclosure requirements) Regulations, 2015 are not applicable, except for loan given to Cyient Insights Private Limited (formerly Invati Insights Private Limited) ₹ 62,686,522 (March 31, 2015 - ₹ 26,000,000) and Rangsons Electronics Private Limited ₹150,000,000 (March 31, 2015 - ₹ Nil).

24. Derivative Instruments and Hedging

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

The Company has applied the hedge accounting principles set out in Accounting Standard – 30 “Financial Instruments – Recognition and Measurement” (AS-30) as issued by the ICAI in respect of such derivative contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. Accordingly, in respect of all such outstanding contracts as on March 31, 2016, that were designated and effective as hedges of the future cash flows, gain aggregating ₹ 135,683,272 (net) (March 31, 2015 – ₹ 459,585,048) has been recognised under the Hedging Reserve account (Refer Note 4c).

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The fair values of such derivative contracts designated as Cash Flow hedges outstanding are as follows:
(Amount in ₹)

Particulars	Derivative Asset		Derivative Liability	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Current	171,255,316	462,817,433	35,572,044	3,232,386
Non-current	-	-	-	-

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	5,081,070,000	Sell	Rupees
EURO	17	24,000,000	1,873,880,000	Sell	Rupees
GBP	12	5,800,000	613,763,000	Sell	Rupees
AUD	14	7,200,000	365,106,000	Sell	Rupees

Outstanding forward exchange contracts as on March 31, 2015:

Currency	No of Contracts	Amount in foreign currency	Amount in ₹	Buy / Sell	Cross currency
USD	26	85,000,000	5,590,020,000	Sell	Rupees
EURO	12	24,000,000	2,006,300,000	Sell	Rupees
GBP	12	2,400,000	253,286,000	Sell	Rupees
AUD	12	7,200,000	403,098,000	Sell	Rupees

24.2 Other income for the year includes ₹ 346,447,613 (2014-15 - ₹ 586,511,680) towards gain on settlement of derivative contracts under principles of AS-30.

24.3 The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

As at March 31, 2016:

(Amount in ₹)

Currency	Cash and Cash equivalents	Current and Non-current		Trade and other receivables	Trade Payables	Other current liabilities	Total
		Loans & advances	Other current assets				
AED	1,213,622	235,101	5,250	267,402	-	(3,505)	1,717,870
AUD	1,313,933	1,271,521	2,246,555	6,503,440	(792,247)	(576,890)	9,966,312
BND	-	-	-	27,000	(96,320)	-	(69,320)
CAD	137,517	-	-	31,255	(255,124)	(1,030,710)	(1,117,062)
CHF	-	-	-	79,035	-	(2,585)	76,450
CNY	-	-	-	-	-	(59,701)	(59,701)
DKK	-	-	-	-	(150)	-	(150)
EUR	776,799	2,528,549	3,306,792	3,312,474	(894,685)	(283,671)	8,746,258
GBP	522,654	289,863	2,180,477	2,380,062	(325,658)	(17,686)	5,029,712
HKD	-	-	827,954	-	(5,450)	-	822,504
JPY	-	1,676,406	5,719,351	132,235,921	(67,458,024)	-	72,173,654
KRW	254,824,750	62,251,295	-	237,139	-	-	317,313,184
MYR	1,832,328	3,630,868	811,480	649,222	-	(25,385)	6,898,513
NOK	10,682	685,587	-	-	(64,963)	-	631,306
NZD	537,821	101,264	502,299	1,423,620	-	-	2,565,004
PHP	195,316	4	-	-	-	-	195,320
PLN	-	-	-	298,224	-	-	298,224
SAR	-	-	-	-	(12,957)	-	(12,957)
SEK	-	-	-	2,636,809	(101,879)	(113,845)	2,421,085

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SGD	1,086,281	-	187,311	1,070,556	(39,131)	(298,764)	2,006,253
TWD	784,093	4,409,734	-	928,820	(285,414)	(25,407)	5,811,826
USD	6,755,485	11,506,005	4,187,063	22,195,434	(5,768,214)	(344,380)	38,531,393
ZAR	52,004	3,952	-	-	(744)	(93,159)	(37,947)
₹ Equivalent	778,157,447	1,135,414,582	952,025,922	2,528,251,392	(583,536,122)	(154,384,624)	4,655,928,597

As at March 31, 2015:

(Amount in ₹)

Currency	Cash and Cash equivalents	Current and Non-current		Trade and other receivables	Trade Payables	Other current liabilities	Total
		Loans & advances	Other current assets				
AED	47,276	84,010	-	258,912	(78,509)	-	311,689
AUD	2,027,973	105,411	2,394,777	6,794,857	(3,303,175)	(624,317)	7,395,526
BND	-	-	-	369,534	(74,720)	-	294,814
CAD	7,299	86,699	2,390	232,096	(19,145)	-	309,339
CHF	-	-	77,738	4,694	-	(143,053)	(60,621)
DKK	-	-	-	-	-	(150)	(150)
EUR	1,191,091	373,453	2,642,910	5,138,253	(333,185)	(594,243)	8,418,279
GBP	798,462	253,374	1,229,763	4,299,232	(36,357)	-	6,544,474
JPY	-	-	113,075	103,918,933	(33,424,138)	(2,518,717)	68,089,153
KRW	84,321,862	11,924,475	55,941,875	-	(95,247,931)	(163,717,008)	(106,776,727)
MYR	773,081	148,832	781,351	-	(291,499)	(531,778)	879,987
NOK	10,217	25,902	-	-	(54,313)	-	(18,194)
NZD	78,487	-	661,299	1,074,854	(397,014)	-	1,417,626
PHP	197,916	-	-	-	-	-	197,916
QAR	-	-	-	496,527	(259,065)	-	237,462
SAR	-	-	-	-	(14,100)	-	(14,100)
SEK	-	-	-	2,186,189	(95,727)	(71,978)	2,018,484
SGD	224,377	18,865	8,844	247,080	(191,960)	(90,862)	216,344
TWD	946,811	243,743	1,416,247	15,501,754	(365,666)	(738,210)	17,004,679
USD	3,495,501	5,603,275	8,405,255	22,511,165	(3,017,150)	(618,941)	36,379,105
₹ Equivalent	503,757,347	414,769,779	987,846,690	2,680,728,893	(438,602,471)	(153,559,721)	3,994,940,517

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

(Amount in ₹)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
2,724,000 Compulsorily convertible preference shares (CCPS) of ₹ 360 each issued to GA Global Investments Limited, Cyprus (Refer Note (i) below)	980,640,000	980,640,000
4,417,277 equity shares of ₹ 5 each at premium of ₹ 355 per share issued to GA Global Investments Limited, Cyprus	1,590,219,720	1,590,219,720
1,166,420 equity shares of ₹ 5 each at a premium of ₹ 355 per share issued to Carrier International Mauritius Limited, Mauritius	419,911,200	419,911,200
Total amount received on preferential issue of shares	(A) 2,990,770,920	2,990,770,920
Amounts utilised out of the above:		
Purchase of fixed assets	662,833,608	662,833,608
Payment of fee for increasing authorised capital	5,750,000	5,750,000
Investment in wholly-owned subsidiary in Cyient Inc.	508,553,272	508,553,272
Investment in wholly-owned subsidiary TTM (India) Private		

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Limited		40,742,353	40,742,353
Investment in wholly-owned subsidiary TTM Institute of Information Technology Private Limited		100,000	100,000
Investment in 10% stake in Kalyani Net Ventures Limited		26,065,000	26,065,000
Repayment of outstanding Term Loan with Tamilnad Mercantile Bank Limited		242,522,539	242,522,539
Investment in Rangsons Electronics Pvt Limited		1,331,079,085	1,331,079,085
Utilisation for Working Capital		173,125,063	-
Total amount utilised	(B)	2,990,770,920	2,817,645,857
Balance	(C) = (A) - (B)	-	173,125,063
Income from temporary investment of unutilised funds:			
Sale of Investment in 10% stake in Kalyani Net Ventures Limited		16,882,171	16,882,171
Dividend received on investments		231,145,706	231,145,706
Interest received on investments (Net)		1,055,680,093	1,016,238,936
Interest accrued but not received, included above		-	(86,093,850)
Total	(D)	1,303,707,970	1,178,172,963
Total Net Balance	(E) = (C) +(D)	1,303,707,970	1,351,298,026
Investment / Utilisation of balance funds			
Short-Term Deposits with various banks		-	1,351,298,026
Utilisation for Working Capital		1,303,707,970	-
Net Outstanding unutilised funds		-	1,351,298,026

Notes:

- (i) The Company had issued 2,724,000 Compulsorily Convertible Preference Shares (“CCPS”) with a face value of ₹ 360 on July 6, 2007 to M/s. GA Global Investments Limited (“GA” or “the Allottee”). The terms and conditions of the issue of these CCPS including the right to convert the CCPS into Equity Shares were subject to the provisions of the Agreement entered into between the Allottee and the Company, dated June 28, 2007, the guidelines issued by SEBI, RBI etc., and the Special Resolution passed in the Extraordinary General Meeting of members of the Company held on June 23, 2007. The CCPS were to be converted into equal number of equity shares within a period of 18 months from the date of allotment at the option of the allottee and if no option is exercised, the same shall be automatically converted into equity shares at the end of 18 months.

GA Global investments exercised the option to convert the CCPS and in pursuance of this exercise the Company allotted 2,724,000 equity shares of ₹ 5 each, at a premium of ₹ 355 each on December 9, 2008. As such, there are no preference shares in the Company post the above conversion.

The Company altered the capital clause of the Memorandum of Association by deleting the reference to the clauses pertaining to Compulsorily Convertible Preference Shares (CCPS). The clauses were no longer relevant as the said CCPS were issued in 2007 and have since been converted into equity shares. Form 5 was filed with the Registrar of Companies, Andhra Pradesh, notifying the said alteration (as approved by the members through postal ballot) on June 1, 2010.

- (ii) The Company does not maintain a separate bank account to manage these funds received on a preferential basis. The above allocation is based on Management’s information systems.
- (iii) During the year, the Company has utilised an amount of ₹ 1,476,833,033 from the proceeds of preferential issue for working capital purpose.

26.

a. CIF value of imports

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Capital goods	84,780,517	115,618,885
Others	15,105	91,459

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b. Earnings in Foreign Currency

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Income from services	11,713,009,254	12,179,129,545
Domestic revenue in foreign currency	523,082	645,980
Interest income	1,327,939	1,407,263

c. Expenditure in Foreign Currency (on accrual basis)

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
I. Expenditure:		
a. Travel	297,585,681	336,779,814
b. Legal & professional charges	15,087,594	14,990,050
c. Sub-contracting charges	367,218,543	459,787,590
d. Others	62,111,033	32,940,786
II. Expenditure incurred at overseas branches:		
a. Salaries & bonus	865,628,918	993,175,226
b. Social Security and other benefits in overseas employees	71,512,933	75,057,097
c. Travel	81,885,853	78,995,931
d. Legal & professional charges	92,110,212	29,712,044
e. Sub-contracting charges	38,584,075	27,622,556
f. Others	172,826,269	135,558,294
Total (I + II)	2,064,551,111	2,184,619,388

d. Remittance in foreign currency for dividend

(Amount in ₹)

Particulars	Number of non-resident shareholders	Number of equity shares held	Gross amount of dividend	
			2016	2015
Final dividend for 2013-14	27	19,125,451	-	57,376,353
Interim dividend declared on September 11, 2014	23	19,105,451	-	57,316,353
Final dividend for 2014-15	26	19,134,818	95,674,090	-
Interim dividend declared on October 15, 2015	23	19,119,201	57,357,603	-
Interim dividend declared on March 17, 2016	23	19,163,701	76,654,804	-

27. Employee benefits:

The employee benefit schemes are as under:

27.1 Defined contribution plans

i. 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 ₹ 255,054,518 (2014-15 - ₹ 248,138,132).

ii. (a) 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 in between 5% to 15% of the basic salary of the

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covered employee. These contributions are made to a fund administrated by Life Insurance Corporation of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 22,737,403 (2014-15 - ₹ 26,769,754).

(b) Superannuation Fund – Australia

The employees at the Australia branch of the Company are also covered under a superannuation scheme with various super funds. The Company contributes 9.5% 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 ₹ 71,512,933 (2014-15 - ₹ 75,057,097).

27.2 Defined Benefit Plans

i. 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 following table sets out the Defined Benefit Plan - as per actuarial valuation as at March 31, 2016 and March 31, 2015:

Particulars	(Amount in ₹)	
	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Change in benefit obligation		
Projected benefit obligation at the beginning of the year	444,622,966	316,062,909
Current service cost	67,981,337	54,999,361
Interest cost	32,919,958	30,661,334
Actuarial loss/(gain)	6,073,416	80,090,027
Benefits paid	(45,144,446)	(37,190,665)
Projected benefit obligation at the end of the year	506,453,231	444,622,966
Change in Plan Assets		
Plan assets at the beginning of the year	138,023,974	70,018,219
Expected return on plan assets	11,075,042	9,344,262
Employer contribution	15,208,539	99,192,327
Benefits payment	(45,144,446)	(37,190,665)
Asset (loss)/Gain	(184,584)	(3,340,169)
Plan Assets at the end of the year	118,978,525	138,023,974
Actual return on plan assets	10,890,458	6,004,093
Amount recognised in the balance sheet		
Projected benefit obligation at the end of the year	506,453,231	444,622,966
Fair value of plan assets at the end of the year	(118,978,525)	(138,023,974)
Liability recognised in the Balance Sheet	387,474,706	306,598,992
Cost of employee benefits for the year		
Current service cost	67,981,337	54,999,361
Interest cost	32,919,958	30,661,334
Expected return on plan assets	(11,075,042)	(9,344,262)
Net actuarial (gain) / loss recognised during the year	6,258,000	83,430,196
Net cost recognised in the Statement of Profit and Loss	96,084,253	159,746,629
Actuarial Assumptions used in accounting for the Gratuity Plan		
Discount rate (%)	7.70%	7.80%

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Expected return on plan assets	8.85%	9.00%
Long term rate of compensation increase (%)	6.00% - 8.00%	6.00% - 8.00%
Attrition (%)	17.00%	17.00%
Mortality table	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Expected Company contributions for the next year	86,032,850	72,936,753

Experience adjustments

(Amount in ₹)

Gratuity	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Fair value of plan assets, end of period	118,978,525	138,023,974	70,018,219	48,692,361	23,268,234
Projected benefit obligation, end of period	506,453,231	444,622,966	316,062,909	295,222,595	287,945,446
(Surplus)/deficit in the plan	387,474,706	306,598,992	246,044,690	246,530,234	264,677,212
Experience adjustments on plan assets	(184,584)	(3,340,169)	1,211,347	589,222	(863,656)
(Gains)/losses due to change in assumptions	2,319,904	23,425,302	(14,706,973)	(74,843,507)	(8,319,485)
Experience (gains)/losses on PBO	3,753,512	56,664,725	(15,375,769)	27,956,197	(7,706,260)
Total (gain)/loss	6,073,416	80,090,027	(30,082,742)	(46,887,310)	(16,025,745)

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.

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. Provision for Compensated absences of ₹ 210,330,615 (March 31, 2015 - ₹ 212,984,871) is based on actuarial valuation:

a) Compensated absences – India:

Actuarial assumptions for long-term compensated absences	Year ended March 31, 2016	Year ended March 31, 2015
Discount rate	7.70%	7.80%
Expected return on plan assets	NA	NA
Salary escalation	6.00% to 8.00%	6.00% to 8.00%
Attrition	17.00%	17.00%
Leave availment ratio	5%	5%

b) Compensated absences – Overseas branches:

Actuarial assumptions for long-term compensated absences	For the year ended March 31, 2016	For the year ended March 31, 2015
Discount rate	7.70%	7.80%
Expected return on plan assets	NA	NA
Salary escalation	2.00%	4.00%
Attrition	5.00%	5.00%

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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. An amount of ₹ 14,281,696 has been recognised as liability towards such long service leave.

28. Segment Information

Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS 17) on Segment Reporting specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

29. Related Party Transactions

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

Subsidiaries:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at March 31, 2016	Extent of holding (%) as at March 31, 2015
Cyient Europe Limited (formerly Infotech Enterprises Europe Limited)	UK	100%	100%
Cyient Inc., (formerly Infotech Enterprises America Inc.) (Refer Note (iv) below)	USA	100%	100%
Cyient GmbH (formerly Infotech Enterprises GmbH)	Germany	100%	100%
Infotech Geospatial (India) Private Limited, (IGIL) (Refer Note (vii) below)	India	-	100%
Cyient KK (formerly Infotech Enterprises Japan KK)	Japan	100%	100%
Infotech Enterprises Information Technology Services Private Limited, (IEITS) (Refer Note (vi) below)	India	-	100%
Cyient Insights Private Limited (formerly Invati Insights Private Limited) (Refer Note (i) below)	India	51%	51%
Cyient Australia Pty Limited (Refer Note (ii) below)	Australia	100%	100%
Rangsons Electronics Private Limited (Refer Note (iii) below)	India	74%	74%
Cyient Singapore Private Limited (Refer Note (v) below)	Singapore	100%	-
Cyient Engineering (Beijing) Limited (Refer Note (viii) below)	China	100%	-

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Note:

- (i) During the previous year, the Company acquired 51% stake in Invati Insights Private Limited on October 15, 2014. The acquisition was executed through a share purchase agreement for a consideration of ₹ 87,938,018. Subsequent to the acquisition, Invati Insights Private Limited acquired 100% stake in Invati Insights LLC, USA on October 16, 2014. Consequent to the acquisition, Invati Insights Private Limited was renamed to Cyient Insights Private Limited.
- (ii) During the previous year, on September 05, 2014, the Company incorporated a wholly owned subsidiary, Cyient Australia Pty Limited, in Melbourne, Australia. Cyient Australia Pty Limited commenced commercial operations during the year. The Company invested an amount of ₹ 46,265.
- (iii) During the previous year, the Company acquired 74% stake in Rangsons Electronics Private Limited, India and its wholly owned subsidiary, Techno Tools Precision Engineering Private Limited on February 04, 2015. The acquisition was executed through a share purchase agreement for a consideration of ₹ 2,925,310,754.
- (iv) During the previous year, with effect from April 01, 2014, the Company acquired 100% stake in Softential Inc, through its wholly-owned subsidiary Cyient Inc. (formerly Infotech Enterprises America Inc.). Softential Inc, merged with Cyient Inc. (formerly Infotech Enterprises America Inc.) with effect from April 01, 2015.
- (v) On May 07, 2015, the company incorporated a wholly owned subsidiary, Cyient Singapore Private Limited, in Singapore. Cyient Singapore Private Limited commenced commercial operations during the year. The Company invested an amount of ₹ 238,179,600.
- (vi) The Company disinvested its 100% stake in Infotech Enterprises Information Technology Services Private Limited, India and its wholly-owned subsidiary, Infotech Enterprises Information Technology Services GmbH, Germany, on September 16, 2015. The Company ceased to consolidate these entities from its consolidated financial results w.e.f September 01, 2015 for convenience as the transactions between September 01, 2015 and September 15, 2015 were not material. (Refer Note 39)
- (vii) The Company merged its wholly-owned subsidiary Infotech Geospatial (India) Private Limited, India with effect from April 1, 2015. (Refer Note 40)
- (viii) On March 25, 2016, the company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in Beijing, China, which has not commenced commercial operations during the year.

Joint Venture:

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

Associate:

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

Subsidiary of Cyient Inc. (formerly Infotech Enterprises America Inc.):

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at March 31, 2016	Extent of holding (%) as at March 31, 2015
Cyient Canada Inc., (formerly Infotech Software Solutions Canada Inc.)	Canada	100%	100%

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Subsidiary of Cyient Europe Limited (formerly Infotech Enterprises Europe Limited):

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at March 31, 2016	Extent of holding (%) as at March 31, 2015
Cyient Benelux BV (formerly Infotech Enterprises Benelux BV)	Netherlands	100%	100%
Cyient Schweiz GmbH (formerly Infotech Enterprises GmbH)	Switzerland	100%	100%
Cyient SRO *	Czech Republic	100%	-

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

Subsidiary of Cyient GmbH (formerly Infotech Enterprises GmbH):

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at March 31, 2016	Extent of holding (%) as at March 31, 2015
Cyient AB (formerly Infotech Enterprises AB)	Sweden	100%	100%

Subsidiary of Infotech Enterprises Information Technology Services Private Limited:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at March 31, 2016	Extent of holding (%) as at March 31, 2015
Infotech Enterprises Information Technology Services GmbH * (Refer Note 29.1(vi))	Germany	-	100%

* During the previous year, on March 23, 2015, the Company acquired 100% stake in Infotech Enterprises Information Technology Services GmbH, Germany through its wholly owned subsidiary, Infotech Enterprises Information Technology Services Private Limited.

Subsidiary of Cyient Insights Private Limited (formerly Invati Insights Private Limited):

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

* During the previous year, on October 16, 2014, Cyient Insights Private Limited (formerly Invati Insights Private Limited) acquired 100% stake in Invati Insights LLC, USA.

Invati Insights LLC, USA (a wholly owned subsidiary of Cyient Insights Private Limited, India) was renamed as Cyient Insights LLC w.e.f November 18, 2015.

Subsidiary of Rangsons Electronics Private Limited:

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

* During the previous year, on February 04, 2015, the Company acquired 74% stake in Rangsons Electronics Private Limited and its wholly owned subsidiary, Techno Tools Precision Engineering Private Limited.

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Other related party:

Entity	Country of incorporation	Nature of relationship
Cyient Foundation (formerly Infotech Enterprises Charitable Trust)	India	Controlled trust

Key Managerial Personnel:

Name	Designation
B V R Mohan Reddy	Executive Chairman
B Sucharitha	Whole time director (Up to April, 2014) Ceased to be a director w.e.f 17 th July 2014)
Krishna Bodanapu	Managing Director & CEO
Ajay Aggarwal	Chief Financial Officer

Relative of Executive Chairman & Managing Director & CEO

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

(a) Transactions during the year:

(Amount in ₹)

Nature of the transaction	Party name	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue	Cyient Inc. (formerly Infotech Enterprises America Inc.) (Refer Note 29.1 (iv))	3,090,853,509	3,011,235,005
	Cyient Europe Limited (formerly Infotech Enterprises Europe Limited)	956,628,383	683,794,337
	Cyient Benelux BV (formerly Infotech Enterprises Benelux BV)	277,914,544	257,232,214
	Cyient Schweiz GmbH (formerly Infotech Enterprises GmbH)	65,112,371	55,293,485
	Cyient GmbH (formerly Infotech Enterprises GmbH)	584,640,906	1,081,549,687
	Cyient AB (formerly Infotech Enterprises AB)	174,381,024	149,465,507
	Cyient Canada Inc. (formerly Infotech Software Solutions Canada Inc.)	117,040,455	119,879,611
	Infotech Geospatial (India) Private Limited (Refer Note 40)	-	11,704,655
	Cyient KK (formerly Infotech Enterprises Japan KK)	150,086,015	114,201,113
	Infotech HAL Limited	15,054,070	19,486,078
	Cyient Australia Pty Limited	260,180,558	-
Subcontracting charges	Cyient Inc. (formerly Infotech Enterprises America Inc.)	264,878,667	329,424,657
	Cyient Europe Limited (formerly Infotech Enterprises Europe Limited)	36,275,271	17,784,436
	Cyient Benelux BV (formerly Infotech Enterprises Benelux BV)	11,743,358	15,604,731
	Cyient GmbH (formerly Infotech Enterprises GmbH)	45,049,727	56,777,709
	Cyient AB (formerly Infotech Enterprises AB)	6,431,067	9,602,853
	Cyient Canada Inc. (formerly Infotech Software Solutions Canada Inc.)	7,869,305	11,307,678
	Infotech Geospatial (India) Private Limited (Refer Note 40)	-	7,476,291

Cyient Limited (formerly Infotech Enterprises Limited)
Notes forming part of the financial statements

Nature of the transaction	Party name	For the year ended March 31, 2016	For the year ended March 31, 2015
	Cyient KK (formerly Infotech Enterprises Japan KK)	-	5,837,288
	Cyient Insights Private Limited (formerly Invati Insights Private Limited)	11,981,928	4,366,367
	Infotech Enterprises Information Technology Services Private Limited (Refer Note 29.1(vi))	7,631,301	19,686,196
Reimbursement of Expenses	Cyient Inc. (formerly Infotech Enterprises America Inc.)	52,822,509	26,759,321
	Cyient Europe Limited (formerly Infotech Enterprises Europe Limited)	5,947,258	2,717,003
	Cyient Benelux BV (Formerly Infotech Enterprises Benelux BV)	7,876,166	3,312,163
	Cyient GmbH (formerly Infotech Enterprises GmbH)	5,367,600	8,346,347
	Cyient AB (formerly Infotech Enterprises AB)	260,841	821,959
	Cyient Canada Inc. (formerly Infotech Software Solutions Canada Inc.)	-	1,880,238
	Infotech Geospatial (India) Private Limited (Refer Note 40)	-	10,000
Corporate guarantee given to subsidiary's bankers	Rangsons Electronics Private Limited	3,210,300,000	-
	Cyient Inc. (formerly Infotech Enterprises America Inc.)	401,314,045	688,498,800
	Cyient Singapore Private Limited	636,795,840	-
Commitments	Financial support to a subsidiary	-	479,323,840
Investments in Subsidiaries	Cyient Insights Private Limited (formerly Invati Insights Private Limited)	-	87,938,018
	Rangsons Electronics Private Limited #1	(67,588,534)	2,925,310,754
	Cyient Singapore Private Limited	238,179,600	-
	Cyient Australia Pty Limited	46,265	-
Disposal of Subsidiaries	Infotech Enterprises Information Technology Services Private Limited (Refer Note 29.1 (vi))	(100,000)	-
Advance given / (recovered)	Infotech Geospatial (India) Private Limited (Refer Note 40)	-	(227,888)
	Infotech Enterprises Information Technology Services Private Limited (Refer Note 29.1 (vi))	5,930,883	(10,856,459)
	Cyient KK (formerly Infotech Enterprises Japan KK)	31,071,690	(20,591,059)
	Infotech HAL Limited	3,947,622	2,898,094
Loans given	Cyient Insights Private Limited (formerly Invati Insights Private Limited)	36,686,522	26,000,000
	Rangsons Electronics Private Limited	150,000,000	-
Loans Recovered	Infotech HAL Limited	-	2,812,500
Interest on Loans given	Cyient Insights Private Limited (formerly Invati Insights Private Limited)	4,349,520	417,489
	Rangsons Electronics Private Limited	1,717,808	-
Repayment of Loan by KMP	B. Ashok Reddy	426,693	121,176
Interest recovered from loan to KMP	B. Ashok Reddy	1,203	12,048
Other Income	Infotech HAL Limited	727,644	727,644
	Cyient Insights Private Limited (formerly Invati Insights Private Limited)	3,294,667	-

Cyient Limited (formerly Infotech Enterprises Limited)
Notes forming part of the financial statements

Nature of the transaction	Party name	For the year ended March 31, 2016	For the year ended March 31, 2015
CSR Expenditure	Cyient Foundation (formerly Infotech Charitable Trust)	47,567,491	35,118,562
Remuneration to Key Managerial Personnel #2	B V R Mohan Reddy	51,663,911	56,751,883
	B Sucharitha	-	2,091,747
	Krishna Bodanapu	65,061,685	35,227,616
	Ajay Aggarwal	12,949,163	12,914,163
	B. Ashok Reddy	10,135,515	9,770,693
Dividend to KMP's	B V R Mohan Reddy	175,238,480	87,584,196
	B Sucharitha (Refer Note 29.1)	78,494,400	39,247,200
	Krishna Bodanapu	22,209,120	11,104,560
	Ajay Aggarwal	1,200	25,800
Sale of asset to relative of KMP's	B. Ashok Reddy	4,367	-

#1 Adjusted for an amount of ₹ 67,588,534 received from the promoters of Rangsons Electronics Private Limited, by way of an indemnity claim, defined by the share purchase agreement.

#2 Does not include provision for compensated absences.

(b) Balances at the year-end:

(Amount in ₹)

Nature of the balance	Party name	As at March 31, 2016	As at March 31, 2015
Trade Receivables	Cyient Inc. (formerly Infotech Enterprises America Inc.) (Refer Note 29.1 (iv))	548,874,844	343,120,321
	Cyient Europe Limited (formerly Infotech Enterprises Europe Limited)	228,766,976	395,602,017
	Cyient Benelux BV (formerly Infotech Enterprises Benelux BV)	59,823,016	81,965,489
	Cyient Schweiz GmbH (formerly Infotech Enterprises GmbH)	-	311,306
	Cyient GmbH (formerly Infotech Enterprises GmbH)	49,267,351	199,190,355
	Cyient AB (formerly Infotech Enterprises AB)	92,610,159	48,250,373
	Cyient Canada Inc. (formerly Infotech Software Solutions Canada Inc.)	76,960,788	98,919,137
	Infotech Geospatial (India) Private Limited (Refer Note 40)	-	13,151,351
	Cyient KK (formerly Infotech Enterprises Japan KK)	101,592,155	96,377,382
	Infotech Enterprises Information Technology Services Private Limited (Refer Note 29.1 (vi))	-	1,795,478
	Infotech HAL Limited	21,191,187	14,983,950
	Cyient Australia Pty Limited	160,795,725	-
	Cyient Insights Private Limited (formerly Invati Insights Private Limited)	1,387	-
	Rangsons Electronics Private Limited	485,423	-
	Cyient Singapore Private Limited	18,298,529	-
Unbilled Revenue	Cyient Inc. (formerly Infotech Enterprises America Inc.)	98,811,802	154,975,887

Cyient Limited (formerly Infotech Enterprises Limited)
Notes forming part of the financial statements

Nature of the balance	Party name	As at March 31, 2016	As at March 31, 2015
	Cyient Europe Limited (formerly Infotech Enterprises Europe Limited)	117,576,591	69,311,851
	Cyient Benelux BV (formerly Infotech Enterprises Benelux BV)	32,975,555	17,465,863
	Cyient Schweiz GmbH (formerly Infotech Enterprises GmbH)	792,081	3,602,715
	Cyient AB (formerly Infotech Enterprises AB)	19,914,920	-
	Cyient GmbH (formerly Infotech Enterprises GmbH)	98,109,679	87,400,279
	Cyient KK (formerly Infotech Enterprises Japan KK)	3,377,849	-
	Cyient Australia Pty Limited	33,521,802	-
Trade payables	Cyient Inc. (formerly Infotech Enterprises America Inc.)	319,691,137	90,694,598
	Cyient Europe Limited (formerly Infotech Enterprises Europe Limited)	27,551,532	-
	Cyient Benelux BV (formerly Infotech Enterprises Benelux BV)	24,433,190	251,352
	Cyient GmbH (formerly Infotech Enterprises GmbH)	26,897,557	-
	Cyient KK (formerly Infotech Enterprises Japan KK)	38,379,970	17,427,346
	Cyient Insights Private Limited (formerly Invati Insights Private Limited)	-	2,970,585
	Infotech Enterprises Information Technology Services Private Limited (Refer Note 29.1 (vi))	-	3,677,283
	Cyient Canada Inc. (formerly Infotech Software Solutions Canada Inc.)	10,809,457	-
	Infotech HAL Limited	295,856	-
Corporate guarantee given to subsidiary's bankers	Cyient Inc. (formerly Infotech Enterprises America Inc.)	1,462,640,445	1,001,452,800
	Cyient Europe Limited (formerly Infotech Enterprises Europe Limited)	171,634,201	166,888,676
	Cyient GmbH (formerly Infotech Enterprises GmbH)	330,420,200	297,045,760
	Infotech Geospatial (India) Private Limited (Refer Note 40)	-	40,000,000
	Rangsons Electronic Private Limited	3,210,300,000	-
	Cyient Singapore Private Limited	621,827,440	-
Commitments	Financial support to a subsidiary Company	533,178,050	479,323,840
Advance to subsidiaries	Cyient KK (formerly Infotech Enterprises Japan KK)	113,684,968	82,613,278
	Infotech Geospatial (India) Private Limited (Refer Note 40)	-	31,347,462
	Infotech Enterprises Information Technology Services Private Limited (Refer Note 29.1 (vi))	-	3,631,158
	Infotech HAL Limited	8,331,287	4,383,665
Outstanding loans	Cyient Insights Private Limited (formerly Invati Insights Private Limited)	62,686,522	26,000,000
	B .Ashok Reddy	-	426,693
	Rangsons Electronics Private Limited	150,000,000	-
Interest on outstanding	Cyient Insights Private Limited (formerly Invati Insights Private Limited)	4,767,009	417,489

Cyient Limited (formerly Infotech Enterprises Limited)
Notes forming part of the financial statements

Nature of the balance	Party name	As at March 31, 2016	As at March 31, 2015
loans	Rangsons Electronic Private Limited	1,717,808	-
Outstanding Balance payable to KMP	B V R Mohan Reddy	28,761,178	35,057,014
	Krishna Bodanapu	28,761,178	17,528,507

30. Lease expense incurred under operating leases aggregating ₹ 306,252,725 (2014-15 - ₹ 250,191,390) have been recognised as an expense in the Statement of Profit and Loss. The future minimum lease commitments under non-cancellable operating leases are as follows:

	(Amount in ₹)	
Maximum obligations on long-term non-cancellable operating leases:	As at March 31, 2016	As at March 31, 2015
Not later than one year	266,665,972	255,748,888
Later than one year but not later than five years	211,923,024	351,170,356
Later than five years	-	-
Total	478,588,996	606,919,244

31. Earnings per share (EPS)

	(Amount in ₹)	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit after tax (₹)	2,334,504,308	2,711,589,299
Basic:		
Number of shares outstanding at the year end	112,483,377	112,361,065
Weighted average number of equity shares	112,442,098	112,182,127
Earnings per share (₹)	20.76	24.17
Diluted:		
Effect of potential equity shares on employee stock options outstanding	195,515	396,868
Weighted average number of equity shares outstanding (including dilution)	112,637,613	112,578,995
Earnings per share (₹)	20.73	24.09

32. Provision for taxation:

32.1 Current tax

The Company has made provision towards current tax in respect of its domestic operations for the year ended March 31, 2016. Further, the Management has assessed the Company's tax position in respect of its overseas operations taking into account the relevant rules and regulations as applicable in the respective countries.

32.2 Deferred tax

	(Amount in ₹)	
Particulars	As at March 31, 2016	As at March 31, 2015
(A) Deferred tax (liability)		
(i) Depreciation & Amortisation (Refer Note (i) below)	(166,209,712)	(173,117,617)
Sub-Total (A)	(166,209,712)	(173,117,617)
(B) Deferred tax asset		
(i) Employee benefits	184,381,125	154,332,121
(ii) Others	38,351,946	24,709,472
Sub-Total (B)	222,733,071	179,041,593
Net Deferred tax assets / (liability) [(B) – (A)]	56,523,359	5,923,976

Cyient Limited (formerly Infotech Enterprises Limited)
Notes forming part of the financial statements

Note:

- i. Deferred tax liability as at March 31, 2016 includes amount of ₹ 4,923,484 on account of IGIL Amalgamation (Refer Note 40)
- ii. As of March 31, 2015, Deferred tax on impact of change in useful lives of certain class of fixed assets is ₹ 5,716,126 (Refer Note 41)

32.3 Tax pertaining to earlier years

During the previous year, tax pertaining to earlier years relates to adjustment made to tax provision for earlier year arising from the Income tax assessments for assessment year 2002 - 03 ₹ 1,321,761.

32.4 Minimum Alternate Tax (MAT) credit entitlement

(Amount in ₹)

Particulars	March 31, 2016	March 31, 2015
Opening MAT credit entitlement	2,009,229	-
Add: On Account of IGIL Amalgamation (Refer Note 40)	542,459	-
Add: made during the year	30,312,167	2,009,229
Less: utilised during the year	-	-
Closing MAT credit entitlement	32,863,855	2,009,229

32.5 Transfer pricing

The Company has entered into international transactions with related parties. In this regard, the Management is of the opinion that all necessary documents as prescribed by the Income Tax Act, 1961, to prove that these transactions are at arm's length are maintained by the Company.

33. Research and development expenses

Revenue expenditure pertaining to research and development charged to the Statement of Profit and Loss amounts to ₹ 56,129,089 (2014-15 – ₹ 14,687,303). The Company has made an application to the Department of Scientific and Industrial Research (DSIR) for approval of R&D centres and the same is pending approval.

34. Details of provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

(Amount in ₹)

Particulars	March 31, 2016	March 31, 2015
Opening Balance	5,578,782	4,097,989
Add: Additions during the year	4,705,626	6,326,595
Less: Utilisation / Reversal	6,049,152	4,845,802
Closing Balance	4,235,256	5,578,782

Of the above the following are expected to be utilised / reversed within a year

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for warranty	4,235,256	5,578,782

35.1 Associate Stock Option Plans

Infotech Employee Stock Offer Scheme 1999 (ESOP Plan)

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

As at March 31, 2016 and March 31, 2015, 80,900 equity shares of ₹10 each have been allotted to the Infotech ESOP trust.

Associate Stock Option Plan – 2001 (ASOP 2001)

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

As at March 31, 2016, 1,650,630 (March 31, 2015 – 1,650,630) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2001 plan. Accordingly, options (net of cancellations) for a total number of Nil (March 31, 2015 – Nil) equity shares of ₹ 5 each were outstanding as at March 31, 2016.

Associate Stock Option Plan – 2002 (ASOP 2002)

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

As at March 31, 2016, 2,123,507 (March 31, 2015 – 2,123,507) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2002 plan. Accordingly, options (net of cancellations) for a total number of Nil (March 31, 2015 – Nil) equity shares of ₹ 5 each were outstanding as at March 31, 2016.

Associate Stock Option Plan – 2004 (ASOP 2004)

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

As at March 31, 2016, 3,296,545 (March 31, 2015 – 3,296,545) equity shares of ₹ 5 each has been allotted to the associates under ASOP 2004 plan. Accordingly, options (net of cancellations) for a total number of Nil (March 31, 2015 – Nil) equity shares of ₹ 5 each were outstanding as at March 31, 2016.

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Associate Stock Option Plan – 2008 (ASOP 2008)

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

As the options were granted to the employees at the market price on the date of grant there is no cost relating to grant of options during the year.

Changes in number of options outstanding were as follows:

Particulars	March 31, 2016	March 31, 2015
Options outstanding at the beginning of the year	637,383	956,144
Granted	81,000	105,000
Forfeited	(277,321)	(27,309)
Exercised	(122,312)	(396,452)
Options outstanding at the end of year	318,750	637,383

Out of the total outstanding options, 132,500 (March 31, 2015 – 125,000) options pertain to options granted to the associates of subsidiary companies. During the year Company has granted 81,000 (2014 - 15 – 105,000) options to the associates.

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

Associate Stock Option Plan – 2015 (ASOP 2015)

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

Proforma EPS

In accordance with Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / SEBI (Share Based Employee Benefits) Regulations, 2014, had the compensation cost for Stock Option plans been recognised based on the fair value at the date of grant in accordance with Black Scholes model, the proforma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	(Amount in ₹)	
	Year ended March 31, 2016	Year ended March 31, 2015
A. Profit after tax		
1. As reported (₹)	2,334,504,308	2,711,589,299
2. Proforma (₹)	2,324,766,936	2,704,631,554
B. Earnings Per Share		
Basic		
3. Weighted average number of shares	112,442,098	112,182,127
4. EPS as reported (₹)	20.76	24.17
5. Proforma EPS (₹)	20.68	24.11
Diluted		
6. Weighted average number of shares	112,637,613	112,578,995
7. EPS as reported (₹)	20.73	24.09
8. Proforma EPS (₹)	20.64	24.02

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

Particulars	As at March 31, 2016	As at March 31, 2015
	Black-Scholes Model	Black-Scholes Model
Exercise price (₹) (ASOP 2008)	184 – 559	184 - 324
Grant date share price (₹)	185 – 531.5	185 – 325
Dividend yield (%)	1.53 - 2.64	1.53 – 2.64
Expected volatility (%)	40 - 58.29	40 - 47
Risk-free interest (%)	8.29 - 8.4	8.29 – 8.4
Expected term (in years)	3 – 4	3 – 4

During the year Company has granted 81,000 options to the associates in respect of ASOP 2008.

As no grants were made during the year ended March 31, 2016 and March 31, 2015 in respect of ASOP 2002 and ASOP 2004, the assumptions have not been changed.

35.2 Bonus Issue

The members of the Company during the year 2010-11 approved the Bonus Issue at the rate of one equity share of ₹ 5 each for every one equity share of ₹ 5 each held on the record date for the financial year 2010-11. The effect of bonus issue has been applied to all the outstanding options as at the date of member's approval.

36 Intangible Assets:

Intangible assets under development include amounts incurred by the Company to acquire right to use / right to exclusive supply arrangements. Subsequent to the completion of the projects the amounts would be capitalised as Intangible assets.

The amount capitalised as Intangible assets under development as at March 31, 2016 ₹ 8,999,949 (March 31, 2015 ₹ 8,999,949) pertains to amounts incurred by the Company pursuant to an agreement with a customer to re-engineer and design certain equipment for which the Company would acquire a right to exclusive manufacture and supply of such equipment to the customer over the contracted period.

- 37** Contingency reserve relates to certain tax liabilities. During the previous year, the Company received favourable orders from tax appellate authorities with respect to various assessment years. As a result, during the previous year the Company transferred ₹ 161,000,000 from contingency reserve to general reserve, based on professional advice. Balance in contingency reserve as at March 31, 2016 ₹ Nil (March 31, 2015 - ₹ Nil).
- 38** The Company contributes towards Corporate Social Responsibility (CSR) activities through its trust, Cyient Foundation (formerly Infotech Enterprises Charitable Trust). As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, adoption of schools, medical and other social projects. Expenses incurred on CSR activities are charged to the Statement of Profit and Loss under 'Operating, administration and other expenses' - ₹ 47,567,491 (2014-15 - ₹ 35,118,562)
- 39** The Company disinvested its 100% stake in Infotech Enterprises Information Technology Services Private Limited, India, and its wholly-owned subsidiary, Infotech Enterprises Information Technology Services GmbH, Germany, on September 16, 2015. An amount of ₹ 98,184,877, being excess of sale consideration over the investment, was recognised as Profit on Sale of Long-term investment.

40 Amalgamation:

During the year, Infotech Geospatial (India) Private Limited (IGIL), a wholly owned subsidiary of Cyient Limited (formerly Infotech Enterprises Limited) ("the Company") was amalgamated with the Company w.e.f. April 1, 2015 ("Appointed Date") pursuant to Scheme of Amalgamation approved by the Hon'ble High Court of Judicature, Andhra Pradesh & Telangana vide its order dated March 02, 2016 and filed with Registrar of Companies on

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March 31, 2016. Consequently all the Assets, Liabilities and Reserves stand transferred and vested in the Company retrospectively from April 1, 2015. The amalgamation has been accounted for under the “Pooling of Interests” method as prescribed by Accounting Standard – 14. Accordingly, the assets, liabilities and reserves have been taken over at their book values and in the same form. As Infotech Geospatial (India) Private Limited was a wholly owned subsidiary of the Company, no additional shares were issued to effect the Amalgamation. Increase in Authorised share capital of the Company on amalgamation is pending filing of relevant documents with Registrar of Companies.

		(Amount in ₹)	
		As at March 31, 2016	
Value of assets and liabilities amalgamated:	₹	₹	
Fixed assets			12,200,751
Deferred Tax			4,923,484
Long-term loans and advances			7,122,137
Net current assets:			
Current Assets			
Trade receivables	5,973,589		
Cash and cash equivalents	2,974,798		
Short-term loans and advances	740,368		
Other current assets	65,154		
Current Liabilities			
Trade payables	(44,733,368)		
Other current liabilities	(5,376,720)		
Short-term provisions	(65,138)	(40,421,317)	
Long-term provisions			(374,958)
General reserve			(246,486)
Adjusted against Surplus in Statement of Profit and Loss			56,796,389
Share Capital of Infotech Geospatial (India) Private Limited			40,000,000
Less : Carrying value of Investments in the Company			43,600,000
Difference considered as capital reserve*			(3,600,000)

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

- 41** During the previous year ended March 31, 2015, pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has adjusted an amount of ₹ 11,314,383 (net of deferred tax of ₹ 5,716,126) against the opening surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year ended March 31, 2015 was lower by ₹ 52,919,089 consequent to the change in the useful life of the assets.

42 Share application money pending allotment

The Company has received an amount of ₹ 1,288,000 (March 31, 2015 - ₹ Nil) towards share application money pending allotment. The share application money relates to money received from associates pursuant to Associate Stock Option Plan (ASOP) 2008.

- 43** Exceptional item relates to provision made towards bonus payable for the period of April to December 2015 amounting to ₹ 71,629,096 consequent to the amendment to the Payment of Bonus Act, 1965 (i.e the Payment of Bonus (Amendment) Act, 2015). The liability for the year 2014 - 15 has been disclosed as a contingent liability.

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44 Interest in Joint Ventures

The Company's share, as a venturer, in jointly controlled entities (incorporated joint ventures) is :

Name of the Company	Country of Incorporation	Extent of Holding	
		As at March 31, 2016	As at March 31, 2015
Infotech HAL Limited	India	50%	50%

The Company's interest in the joint venture is reported as Non-current investment (Refer Note 10) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses (each without elimination of the effect of transactions between the Company and the Joint Venture), related to its interest in the joint venture are:

Balance Sheet:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Reserves and surplus	(8,340,112)	(13,315,089)
Short-term provisions	294,863	59,994
Long-term provisions	876,351	668,786
Trade payables	23,050,987	13,754,317
Other current liabilities	246,462	33,750
Fixed assets	109,079	98,503
Deferred tax assets (net)	173,892	-
Long-term loans and advances	3,173,898	2,281,291
Trade receivables	10,478,711	10,740,638
Cash and bank balances	2,671,681	1,442,517
Short-term loans and advances	388,855	245,802
Other current assets	19,132,435	6,393,007

Statement of Profit and loss:

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Income from services	30,282,213	30,018,705
Other Income	463,168	134,946
Employee benefits expense	9,809,671	8,177,220
Other expenses	15,890,650	18,577,488
Finance costs	-	46,875
Depreciation and Amortisation expense	21,522	11,083
Tax	48,562	12,625

Cyient Limited (formerly Infotech Enterprises Limited)
Notes forming part of the financial statements

45 Regrouping/Reclassification

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

For and on behalf of the Board of Directors

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

Krishna Bodanapu
Managing Director & CEO
(DIN – 05301037)

Ajay Aggarwal
Chief Financial officer

Sudheendra Putty
Company Secretary

Place : Hyderabad
Dated: April 21, 2016