

An aerial photograph of a white speedboat with a red outboard motor, moving across a body of water with a teal-green tint. The boat is leaving a white wake behind it. The image is framed by a dark grey border with a diagonal cutout effect.

CYIENT

Driven

Leading with Resilience.
Reimagining with Digital.

Annual Report 2019-20

LEADING WITH RESILIENCE

Pandemics are unique events posing complex challenges. In navigating these choppy waters, time is of the essence. At Cyient, we are striving to combat, sustain, and emerge stronger from the impact of COVID-19. As we recover, new sobriety is setting in. While our customers re-calibrate their priorities, we are reimagining the way we do business and redesigning our offerings across the value chain, so that we can continue to move forward, successfully build enterprise resilience, and become the epitome of the new normal.



Empowering Authorities to Implement Effective Lockdowns Using Drone-Based Surveillance

Cyient is enabling the Telangana State Police to manage the COVID-19 lockdown better while protecting their teams using our drone-based surveillance technology. This technology helps the police make lockdown-related announcements and organize their ground forces to monitor the situation in congested areas of Hyderabad city.



Leveraging Immersive Healthcare Technology Services to Combat the Pandemic

Cyient helps medical and healthcare professionals, as well as agencies, better adapt in their fight against COVID-19 by opening avenues for research, training, and communications through technologies such as IoT, AR, VR, and 3D printing.



Safeguarding Assets and Reducing Downtime with Next-Gen Vegetation and Asset Monitoring Solutions

Cyient helps maintain assets, improve network reliability, and reduce maintenance costs through industry-specific vegetation and asset monitoring solutions. These solutions leverage geospatial, AI, and ML technologies to provide useful insights while enhancing the safety of the field force by minimizing field inspections, prioritizing operations, and improving efficiency even amidst a pandemic.



Minimizing Risks and Mobilizing Critical Supply Chains with Analytics-Based Solutions

Cyient enhances customers' supply chain reliability and responsiveness and ensures maximum resources are available to healthcare workers, first responders, and the general public through analytics-based solutions such as asset tracking and management, predictive maintenance, connected equipment, AR, and VR.



Enabling the Telecom Sector to be the Backbone of Economic Growth with 5G Deployment Solutions and Services

Cyient's 5G deployment solutions and services define the migration roadmap toward the 5G NSA standard. They efficiently identify rollout areas and optimize site planning, as well as expedite smarter and faster rollouts—including site verification and benchmarking in post-deployment operations. Ensuring seamless services even during the pandemic has been critical to aid consumers and help businesses around the world effortlessly embrace work-from-home.



ANNUAL REPORT

2019-20



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KEY PERFORMANCE HIGHLIGHTS FY20

Respond. Resolve. Rise.

Our performance in FY20 was sub-optimal in terms of both revenue and margin. The year started with weakness in the key verticals of Aerospace and Defense (A&D) and Communications. While witnessing a mild recovery mid-year, we encountered an unfortunate setback in the wake of the COVID-19 pandemic toward the end of FY20. Post declaration of COVID-19 as a pandemic by the WHO, we have been continuously monitoring all information sources, including WHO alerts and complying with all government advisories globally. Associate health and safety is of paramount importance and our priority at Cyient. We remain focused on maximizing "remote working/work from home" across all geographies to aid social distancing, and to ensure a safe working environment for business-critical associates for whom it is unavoidable to remain onsite.

We are also preparing to secure our future in these challenging times with aggressive cost control and an optimization plan focused primarily on liquidity and cash. This includes rigorous initiatives on collections, working capital cycles, receivables, payables, and discretionary cost control. We continue to tap opportunities for automation, pyramid rationalization, subcontracting cost optimization, and other cost levers. While the COVID-19 pandemic has slowed down the positive momentum that we had seen building in the overall performance, we stay confident in our ability to embrace and adapt to the new normal and to get back on the growth path in the medium to long term.

Revenue

\$625.2 Mn

(De-growth of 5.3% YoY)

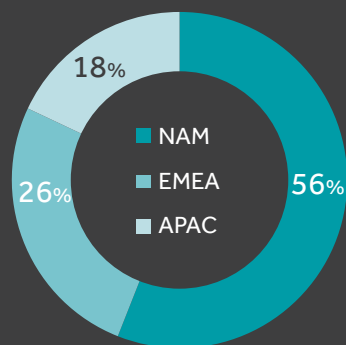
₹44,274 Mn (De-growth of 4.1% YoY)

Dividend Payout

58%

(Maintained the dividend payout at ₹15 per share despite a de-growth in net profit in FY20)

Consolidated Revenue
Segmentation by
Geography



Normalized PAT

\$52.2 Mn

₹3,727 Mn
(De-growth of 23.9%)

Normalized EBIT

\$57 Mn

₹4,084 Mn (Normalized EBIT margins
at 9.2%; de-growth of 23.4%)

Services Revenue

\$550.7 Mn

(De-growth of 5.1%)

Free Cash Flow

₹4,102 Mn

(Highest ever; conversion at 56.9%)

GLOBAL PRESENCE

At Cyient, we are committed to staying agile, thinking differently, as well as unlocking resilience that will mitigate business risks, address customer concerns in their hour of need, and lay the foundation for a robust future. We strive to diversify across geographies to help our customers succeed across their value chain in a complex, digital, and disruptive world.



14
COUNTRIES

300+
CUSTOMERS



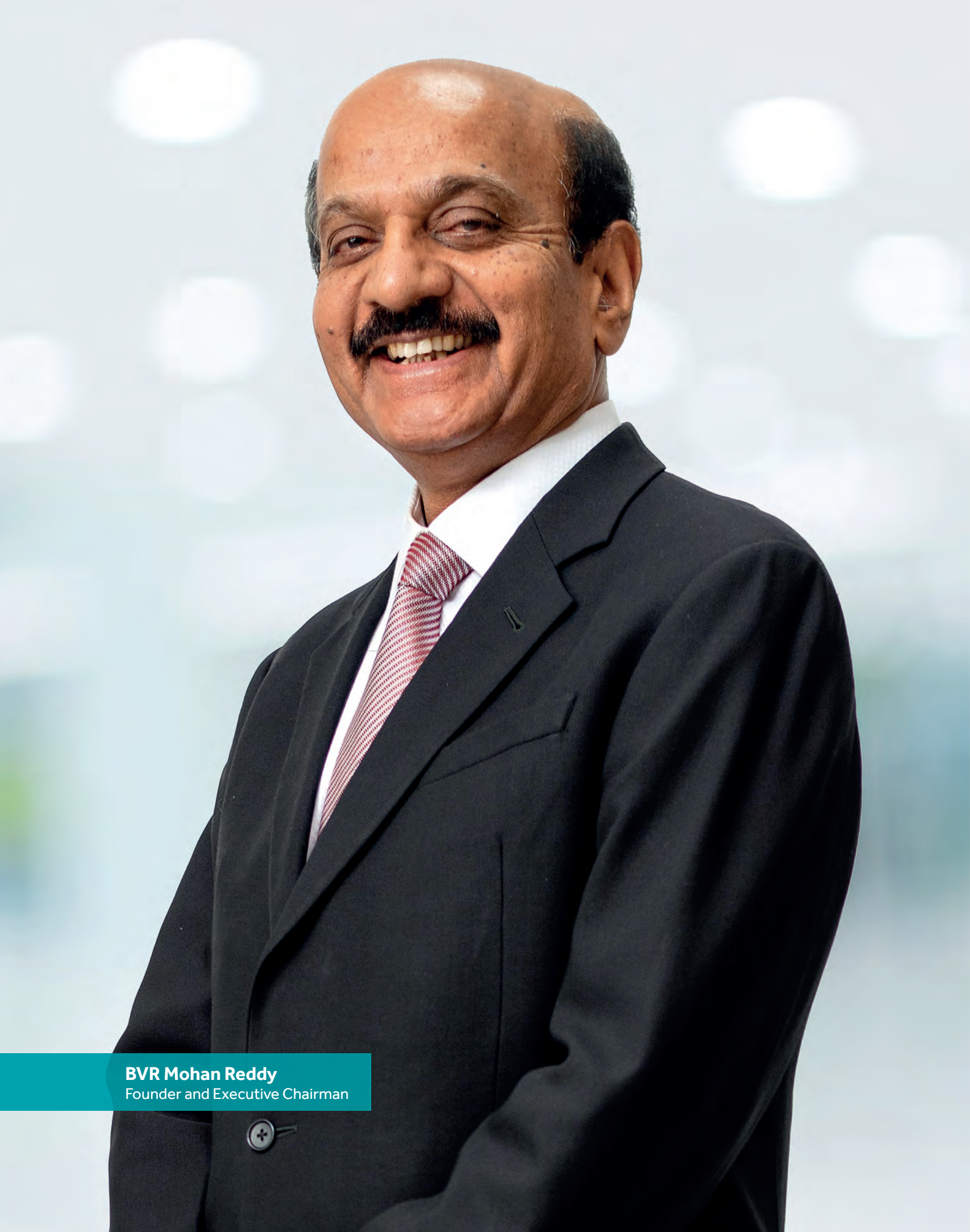
GAINING NEW GROUND THROUGH CUSTOMER SATISFACTION

At Cyient, we place customer experience and their feedback at the center of our strategy and processes. Revisiting our relationships with customers each year and learning from it is critical for continuous improvement. Here is what customers had to say about Cyient in our Customer Satisfaction Survey 2019.

Fulfilled Customer Expectations

Through the year, we have ensured customer satisfaction through efficient and timely delivery of high-quality, best-in-class solutions and services.





BVR Mohan Reddy
Founder and Executive Chairman

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

In the last annual report (FY2019), I dealt at length on the topic of "Differentiating with Digital Transformation." This remains our core focus and is progressing well. At the same time, the whole world has been caught unaware by the outbreak of the COVID-19 pandemic. In the absence of a cure and a vaccine, country after country went into lockdown mode to contain the spread of the virus and save lives. As I pen this message, however, nations are slowly coming out of the lockdown to revive economic activity, while taking ample measures to safeguard the wellbeing of people. COVID-19 had an impact on our business in Q4 of FY2020 and continues to impact our performance in FY2021. With no definite timeframes for the discovery of a vaccine, we continue to live in extremely uncertain times.

Switching to a Work-From-Home (WFH) Paradigm

The Government of India ordered a nationwide lockdown on March 24, 2020, for 21 days, limiting the movement of 1.35 billion people as a preventive measure against the spread of COVID-19. Our Business Continuity Plan (BCP) never envisaged 100% non-availability of the workforce at the workplace. In the electronic age, associates can work from home (WFH) and deliver services. However, WFH was riddled with several operational teething challenges. We had to obtain permission from customers who were understandably paranoid about the security of their data. We needed to provide associates with hardware, software, and communication technology to enable them to work seamlessly from home. The associates required the physical infrastructure of continuous power supply, uninterrupted and high-speed bandwidth, and space for installing equipment. They also needed social support in terms of secured space, privacy from distractions, etc. Despite the lockdown

conditions, we procured about 5,000 laptops in a single week to ensure appropriate hardware was available to our associates. Though we had initial challenges with efficiency in the last week of March, efficiency improved considerably in April and May, and we are now confident of delivering close to 100% efficiency with most of our associates working from home. I am happy to say that we are now prepared and looking forward to the "new normal." The leadership team rose admirably to this unprecedented situation and put in tremendous efforts to keep operations on track.

Business Outlook

Almost every country we do business in, went into a lockdown of varying duration and strictness, resulting in demand contraction in the near term, especially in the aerospace and transportation sectors. At the same time, we see a significant recovery in demand in several other sectors, such as communications, utilities, and semiconductor. Further, our decision to invest significantly in emerging digital technologies is enabling us to address the opportunities that are emerging due to the same. The new normal will see decreased physical interactions and increased use of technology to perform a number of tasks. Your company is well-positioned to deliver significant value to our customers in the adoption of these digital technologies. There are numerous examples across various industries on how we leveraged digital capabilities to solve complex technology problems.

In my message last year, I had alluded to the AGILE (Ambition, Growth Mindset, Inclusive, Lead by Example, and Empowerment) culture that would help the company expand from services to systems and solutions. I wish to reiterate the firm commitment of your company to remain AGILE and optimize every opportunity that the current circumstances may bring forth.

Leadership

The leadership team is optimistic about the future, as they bring pragmatic enthusiasm to the business. The leadership team continues to focus on strategies that can yield the highest results for the company while balancing the short- and long-term goals. They mustered all the courage and character to be decisive, however difficult the decisions were. The team is confident about achieving satisfactory results during FY21. To successfully meet our commitments and grow, we strengthened our leadership team by inducting Karthik Natarajan, President and Chief Operating Officer, Felice Gray-Kemp, Senior Vice President and Global General Counsel, and Meenu Bagla, VP and Chief Marketing Officer, to name a few.

Cyientists

Our associates performed their best in these difficult times. I am pleased to report my delight with their performance in this changing environment. Our associates' abilities to take complete ownership of responsibility and deliver to our customers' expectations are commendable. Post-COVID era will bring a new set of issues. Partial WFH will become the new normal. While supervision will be less, discipline and self-motivation will become primary. Hours worked as a measure of performance will give way to outcomes as a measure of excellence. We are providing all the necessary infrastructure, processes, and training to ensure that accountability and ownership of our associates will improve even more.

Board of Directors

During FY20, Mr. K. Ramachandran retired from the Cyient Board after serving from 2009-2019. Mrs. Andrea Bierce and Mr. John Paterson also retired from the Board after completing their respective terms from 2014-2019. I thank these directors for their valuable contributions and sage counsel over the years. We inducted two new directors—Mrs. Matangi Gowrishankar and Mr. Vivek Gour, both with an outstanding track record of providing leadership to large successful global companies. We constituted a Risk Committee to oversee risks and the associated mitigation strategies.

With its rich experience, the Board played a key role in managing the COVID-19 situation. I wish to express my gratitude to each of the directors.

Corporate Social Responsibility

Your company continues its relentless focus on CSR activities. Our flagship initiative during FY2020 was the development of the Urban Micro Skill Center (UMSC) in PPP mode (Cyient Foundation, along with Greater Hyderabad Municipal Corporation (GHMC), and the Government of Telangana). The Cyient Foundation has built a state-of-art skill center in conformance with the National Skill Development Corporation's (NSDC) guidelines. The center is fully functional, with 300 community members graduating every three months, in five skill areas. Along with skill development, the center provides community services such as day-care for children and digital literacy for adults. During the COVID-19 pandemic, this center rose to the challenge by stitching 10,000 masks a week and donated them to the local community. The rest of our CSR initiatives focused on school education, digital literacy, community development, and social innovation, and continued to make a considerable impact.

Conclusion

Over the last 29 years, we have built a great company creating shareholders' value consistently. FY2020 was an aberration. We saw small degrowth in revenues and earnings and a significant fall in stock price. On behalf of the Board, I assure all our shareholders that we are taking every necessary step to bring the company back to its past industry-leading growth rates. The COVID-19 pandemic has certainly thrown new challenges, but I believe in the next 12-18 months, we will see normalcy returning. I would like to conclude by reassuring our shareholders that your company is steadfastly optimistic with unwavering faith in ourselves that we, along with all our stakeholders, will emerge stronger out of this unprecedented situation.



BVR Mohan Reddy

Founder and Executive Chairman



KARTHIKEYAN NATARAJAN JOINS CYIENT AS PRESIDENT AND CHIEF OPERATING OFFICER (COO)

Earlier this year, Cyient appointed Karthikeyan Natarajan as President and COO to bring valuable leadership to the Cyient executive team. Karthik has a wealth of experience in engineering services and has been a tremendous value add to Cyient's executive team in accelerating the company's transformation from services to solutions, underpinned by strong design-led manufacturing expertise and digital capabilities.

Karthik leads global business operations management for the company, including sales, delivery, and business development in several industry verticals, including aerospace and defense, communications, transportation, semiconductor, energy, utilities, geospatial, and industrial. He is the co-chair of the engineering services forum at NASSCOM, and is widely recognized as a thought leader across the industry.

EMPOWERING THE COMMUNITY

The Cyient Foundation has been working tirelessly in several areas to contribute to the upliftment of the underprivileged. Our focus areas include education, IT literacy, community development, skill development, and social innovation.

28

Schools
Supported

18k

Children
Enrolled

70

Cyient
Digital Centers

30k

People Have Access
to IT Education



Cyient's Corporate Social Responsibility (CSR) philosophy endeavors to use the transformative power of education and technology to drive holistic community development—empowering the societies that we live and work in. With the purpose of creating sustainable value, the Cyient Foundation has year-on-year steadfastly supported social initiatives that facilitate quality education, skill development, business-aligned social innovation, and environmental development projects. We are committed to the philosophy of "Empowering Tomorrow Together."

Key Highlights for FY19-20



Cyient became the first tech company in Hyderabad to hold a blood donation drive to commemorate 100 years of the Indian Red Cross Society. The event, held in February 20, 2020, was graced by **Dr. (Smt) TAMILISAI Soundararajan, Hon'ble Governor of Telangana.**



Cyient gifted **50,000 face masks** stitched by our CUMSC women tailors to the community and the **Telangana State Medical Services and Infrastructure Development Corp** for free distribution across hospitals.



According to the Cyient Foundation Social Investment and Returns Impact Assessment conducted by the Girls Advocacy and Digital Empowerment Foundation, **girl child literacy is 86% and girl child enrollment is 55%**, around the communities of Cyient-adopted schools.



As per the Cyient Foundation Social Investment and Returns Impact Assessment conducted by the State Government of Andhra Pradesh (Smart AP/Connect Andhra), the Cyient-adopted grampanchayat witnessed **0% malnutrition, 0% open defecation, and 100% literacy.**

Education Initiatives



Objective: To enhance the quality of education imparted to underprivileged children through the adoption of various government schools.

The Cyient Foundation adopts various government schools in and around our facilities across several locations in India. We believe this is the best approach to quality education for underprivileged children. This way, we ensure that the children acquire equitable education right from the pre-primary level till high school. In all our adopted schools, the School Management Committee and our CSR volunteers are involved in the day-to-day operations of the school. We also ensure that the ideal teacher-child ratio is maintained, and the schools are equipped with appropriate learning tools, content, and materials. Additionally, through the computer labs and digital literacy centers set up on the school premises, we provide best-in-class digital literacy to the students.

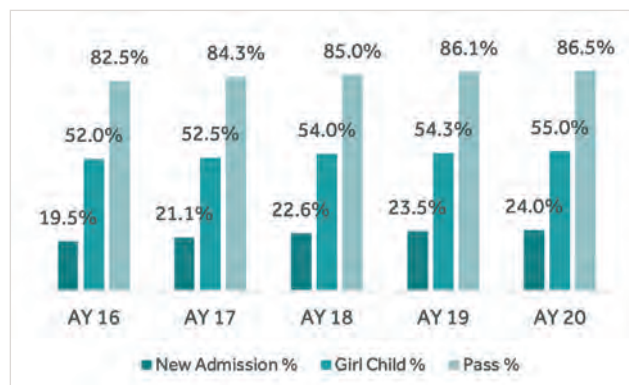
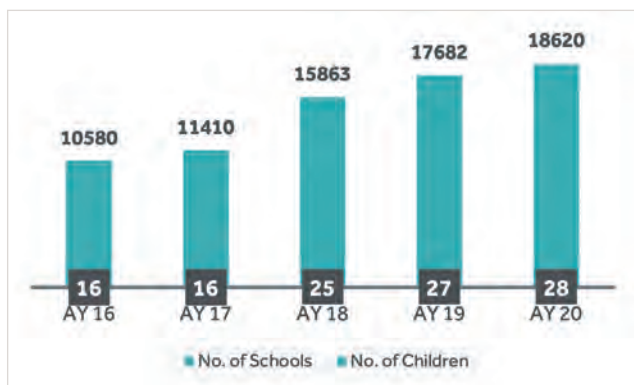
Highlights

28 Government Schools
18,000 School Children
4% Overall Dropout Rate Reduced
3% Girl Child Dropout Rate Decreased
0% Open Defecation and Malnutrition in the Schools

Impact Assessment¹

86% Girl child literacy around the school communities
85% Women empowerment and involvement in learning
100% Utilization of Cyient Digital Centers and the courseware
76% Parental communication with respect to children's performance

Social Impact and Returns



Success Indicators

Last Five Years

SSC pass percentage increased from **82% to 86.5%**

Rate of new admissions increased from **19.5% to 24%**

Girl child enrolment increased from **52% to 55.9%**

IT and Digital Literacy Initiatives



Objective: To provide digital literacy to non-IT literates in the community through Cyient Digital Centers.

As a technology company, we believe in the transformative power of technology to improve the quality of our lives. With this belief, we endeavor to digitally empower our neighborhoods and communities and hence, developed and set up Cyient Digital Centers (CDC) in our adopted schools. Through our CDCs, we provide digital literacy access to more than 30,000 citizens living around the centers. We appointed an implementation agency (a qualified computer faculty) to conduct IT Literacy Training using the National Digital Literacy Mission (NDLM) L1 and L2 courses. Further, we also set up a Management Information System (MIS) to effectively manage attendance, exams, and certifications.

Highlights

70 Digital Centers; and around **17,000** adults (men and women, age 16 to 60 years) are successfully certified L1 and L2 IT literates

9,500+ Adult women participated in our CDC L1 certification program

Both school children and their parents have access to unique learning methodologies at our CDCs

Impact Assessment¹

83%

of adults/students believe that the IT education helped them successfully access e-governance

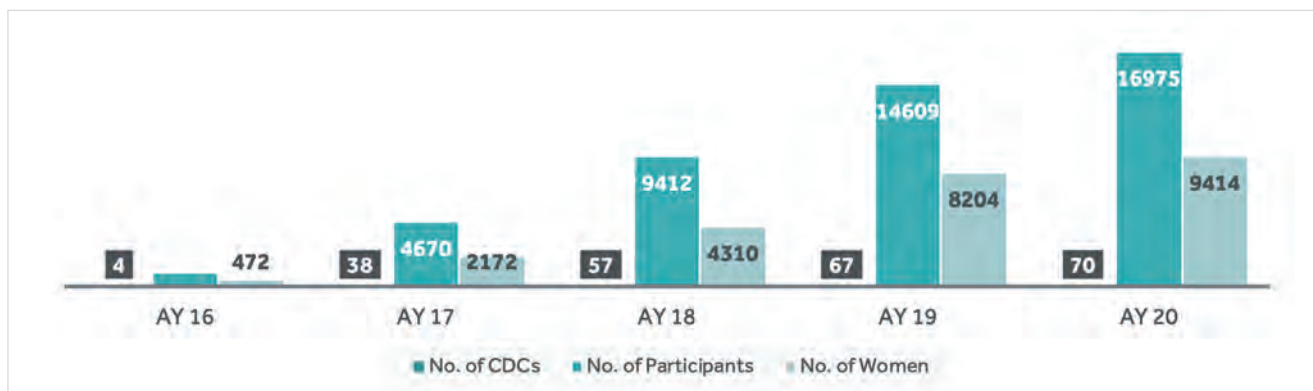
79%

of community utilization recorded by the CDCs

55%

of non-IT literate adult women participated in IT literacy training

Social Impact and Returns



Success Indicators

Last Five Years

Overall women's participation increased from **45% to 55%**

L1 certification increased from **51% to 78%**

Overall L2 certification increased from **47% to 75.5%**

Community Development and Health Initiatives



Objective: To develop rural and urban communities through the adoption of villages—providing healthcare and sanitation facilities.

As part of our community development initiatives, the Cyient Foundation aims to develop smart villages by providing underserved communities with high-quality, innovative healthcare and sanitation interventions. Cyient plays a catalyst role between the Government and the schemes, and uses this public-private partnership to ensure maximum utilization of available resources for welfare activities and the seamless execution of schemes. The Foundation adopted Mookshagundam Grampanchayath and built toilets in all the schools within the entire Mandal. We used an MIS for handling all the schemes, beneficiaries, and reporting, and appointed an implementation agency as well as formed village-monitoring committees to make sure that the projects are implemented efficiently and on time.

Highlights

Provided **3,000+** homes with access to toilet, safe drinking water, and usage water in the grampanchayath

Built toilets in all the government schools located within Serilingampally Mandal—over **10,000+** girls gained access to clean sanitation facilities in 2020

Through the existing PHC, Homeo Hospital, and periodic medical camps, over **7,500** villagers have access to affordable primary health care

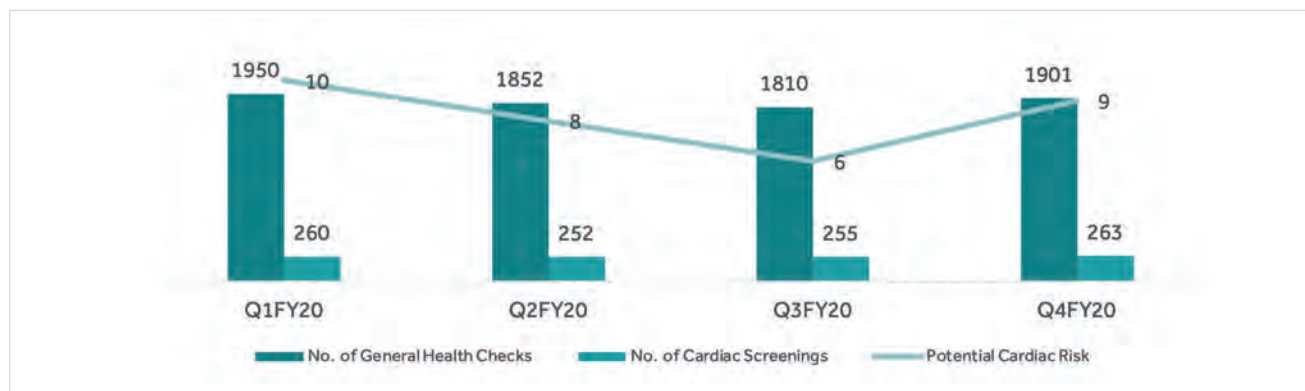
Impact Assessment²

Built toilets in every house (100% availability of toilets), resulting in 0% open defecation in the adopted villages

0% dropout rates for both boys and girls up to grade 8 (all children aged 6-14 years are attending school)

0% malnutrition for children below 5 years of age and 0% rates of preventable infant deaths in the grampanchayath

Social Impact and Returns



Success Indicators

Screened over **1,000 patients** using cardiac equipment and saved **30 lives** from potential heart attack risks

Helped PHC doctors with ECG screening for **10 to 20 patients every day** and generated cost-free reports

Raised awareness on the required diet and lifestyle for preventing heart attacks

Skill Development Initiatives



Objective: To teach and impart employability skills to unemployed urban and rural communities.

Cyient developed the Cyient Urban Micro Skill Center (CUMSC) with the aim of imparting essential skills that will enhance the employability of people in urban and rural communities. Developed using a public-private partnership model, CUMSC is an innovative and direct response to poverty alleviation. We have appointed an implementation agency to conduct training. Further, the center runs periodic placement drives and has signed contracts for employment with retail outlets, bakeries, textile showrooms, and shopping malls. We also offer various government schemes or funding opportunities for self-employment. The center is equipped with a biometric system to capture attendance, and an MIS for report generation.

Highlights

Offered training in bakery and confectionery, beauty and wellness, tailoring, retailing, food processing, and bedside care assistance.

Imparted skills and empowered participants to be self-reliant.

Provided crèche services and access to the Digital Literacy Center to support underprivileged women during their work hours.

Impact Assessment¹

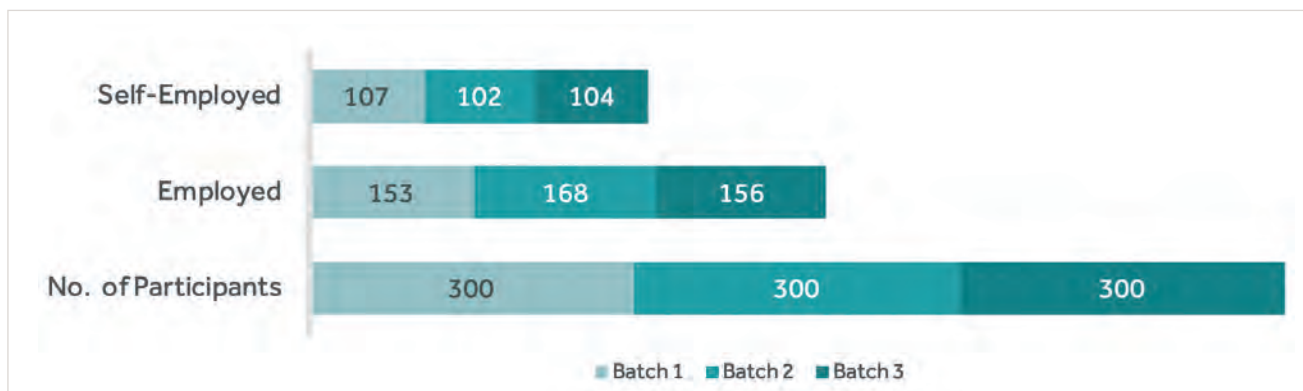
Increased monthly earnings of BPL communities by at least ₹5,000.

Improved the participation of young girls and women in community-driven activities.

Helped women gain an independent income through employment and entrepreneurship.

Increased awareness on better hygiene and sanitation practices.

Social Impact and Returns



Success Indicators

Trained 900 community members in different courses

Placed 321 candidates in several outlets

Helped 313 women become entrepreneurs

Worked with GHMC to promote go-green activities

Involved in stitching three-layered cotton face masks

Awards and Accolades



The Cyient Foundation was awarded the **“Platinum Award”** under Apex India CSR Excellence Award, 2019, in the Engineering and IT Services sector. This award is in recognition of the best CSR projects in the field of **“Social Innovations for Organizations.”**

Cyient received the **“Harithaharam 2019 Award”** for planting more than 10,000 saplings (with 85% survival rate) as part of the Telangana Harithaharam, a mega plantation drive.

The Cyient Foundation received the **“11th Edition of World Innovation Congress and Awards for Social Innovation Projects”** in recognition of our innovative healthcare initiatives for community development.

Growing Participation of Our Associates



The number of Cyient associates participating in various CSR events grew from 4,283 in FY 2018-19 to 4,532 in FY 2019-20. Our associates have contributed more than 32,000 volunteering hours (in the last six months) up from 28,127 hours in the previous financial year—helping us reach the third rank among 186 other organizations in the country. We also received appreciation from MeitY regarding our volunteering initiatives on Self4Society.

CSR FY19-20 Budget

in ₹ Crore

| INITIATIVE | SPEND |
|----------------------------------------------------|-------------|
| Education | 3.93 |
| Community and Healthcare (Xynteo) | 1.42 |
| IT Literacy | 0.78 |
| Skill Development | 1.81 |
| Administrative Expenses (including GST, TDS, etc.) | 0.32 |
| Total | 8.26 |

- The computation for the CSR budget FY19-20 is based on actuals from three previous financial years and amounts to ₹82 million.
- Cyient received appreciation from the Commissioner of Income Tax (Exemptions), Hyderabad, on our CSR activities and reporting, and we have been advised to share best practices and help guide fellow IT services companies operating from Hyderabad, Telangana.

References

Impact Assessment on the Cyient Foundation’s social investment and returns conducted by:

¹ The Digital Empowerment Foundation and Girls Advocacy

² The State Government of Andhra Pradesh (Smart AP/Connect Andhra)

OUR INSPIRING COMMUNITY OUTREACH STORIES

Honoring the Indian Red Cross Society

Cyient became the first tech company in Hyderabad to hold a blood donation drive to commemorate 100 years of the Indian Red Cross Society. The event, held on February 20, 2020, was graced by Dr. (Smt) Tamilsai Soundararajan, Hon'ble Governor of Telangana, Mr. BVR Mohan Reddy, our Executive Chairman, and other key members of the leadership team. The efforts of our CSR Champions, both donors and volunteers, ensured the event was a grand success.



Cyient-Adopted School Children Meet Telangana Governor

On the occasion of Children's Day, meritorious students from Cyient-adopted schools across Ranga Reddy and Hyderabad districts met with Her Excellency Dr. (Smt) Tamilsai Soundararajan, Hon'ble Governor of Telangana, at the Raj Bhavan. The Governor appreciated the students' excellent academic performance and shared motivating stories and words of encouragement to push them further to overcome their challenges and reach their highest potential.



Mega Efforts for a Mega Plantation Drive

The Confederation of Indian Industry (CII) recognized our continuous efforts in improving tree cover in the state by presenting us with the 2019 Harithaharam Award at the CII Telangana Annual Meeting 2019-20. Cyient Foundation enthusiastically participated in the Telangana Harithaharam—a mammoth plantation drive organized throughout the state to rejuvenate denuded forests and increase tree cover. We planted more than 7,000 trees around various Cyient-adopted schools and in the community and distributed over 3,000 saplings to our Hyderabad associates as a part of the "Adopt a Plant" initiative.



Rebuilding Lives and Livelihoods

Cyient, together with 391 associates, made a contribution of ₹500,000 to the Odisha Relief Fund to help rebuild the state and the lives of those affected after Cyclone Fani killed 100 people and destroyed the infrastructure in the state. We appreciate the efforts of Jajati Jena, our associate, who was instrumental in driving this exercise with support from CSR, internal communications, and various engagement teams.



An Ordinary Run that Turns into an Exciting Treasure Hunt

Our associates enthusiastically joined the national #Plog4Society Campaign held on November 16-18, 2019, organized by Self4Society. Participants ran for a kilometer, on a route of their choice, while also picking plastic and other waste along the way. This plogging initiative was an effort to help clean up the environment and our surroundings. Our associates also had to nominate or challenge five other people to do the same.



Celebrating the Spirit of Sportsmanship during Republic Day

Associates from various business units participated in the Republic Day celebrations in a Cyient-adopted school in Miyapur. Several sports events were organized, and the occasion helped in building a spirit of camaraderie between our associates and the school students.



A Visit by Siemens' Senior Management

A team from Siemens, our Rail Transportation BU customer, visited the Cyient-adopted ZPH School in Gachibowli, Hyderabad, on July 15, 2019. The visit highlighted how Cyient is using technology to improve education in a Government school in India. The team visited the Cyient Digital Center and science labs set up on the school premises. They interacted with the students, and distributed kits and geometry boxes to them. While the school management and children were delighted with the visit, the Siemens team walked away with a better appreciation of our community-focused efforts.



Telstra Team Visits Cyient's Urban Micro Skill Center

The Telstra team visited Cyient's Urban Micro Skill Center (CUMSC) to understand how the Cyient Foundation is helping unemployed community members. Nearly 300 unwaged community members are routinely trained at CUMSC pro bono in several skills every quarter. The Center also provides placement assistance. The Telstra team from Hyderabad and Australia contributed ₹50,000 for the purchase of training material. The visitors also interacted with the crèche children and distributed snacks and gifts.





Krishna Bodanapu
Managing Director & CEO

MESSAGE FROM THE CEO

Dear Shareholders,

We are in the midst of the biggest uncertainty we have experienced in our lifetime. As the COVID-19 pandemic unfolds, the impact of the crisis continues to become clearer. The pandemic has created an unprecedented level of socio-economic impact, and governments across the world are busy managing the fallout of the crisis. At the same time, business leaders across industries are responding urgently to safeguard employee safety and wellbeing and build business resilience. While this crisis will pass and we will be back to strong economic growth in the future, the current situation is dynamic, and we are taking pragmatic steps to safeguard our business and successfully operate in the ultra-dynamic business environment.

I am proud to report that as the situation unfolded, we responded with agility to ensure the safety of our associates and business continuity. Our paramount focus was and will continue to be the safety of our associates. We rapidly enabled work-from-home options for our associates as a number of countries entered a lockdown and restricted the movement of people. We moved from 60% work-from-home readiness to 95% work-from-home readiness in less than three weeks' time, thereby ensuring minimal business impact. Our customers are extremely appreciative of the business continuity we provided in these challenging times. This was a result of our teams working around the clock and the strong and robust operations structure we have built through the years.

We continue to respond to the situation as it evolves and are consciously working both internally and externally to safeguard our business and meet the changing needs of our customers. Our ability to respond, our desire to partner, and our focus on safety

has enabled us to greatly enhance our relationships with our stakeholders—customers, associates, and suppliers. This will go a long way in establishing our prominence as a supplier, employer, and customer, as we focus on the future.

FY 21 Outlook

As we navigate through the uncertainty that this pandemic has presented, we are focused on business recovery with emphasis on stabilizing the business in the short term and accelerating growth in the recovery phase. We have taken a number of steps to optimize our costs and are focused on cash conservation. Along with this, we are also closely monitoring the impact the pandemic has in the industries we operate in and repositioning ourselves to meet the changing needs of our customers.

While the pandemic has presented challenges, it has also created a number of opportunities.

Over the course of the last few years, we laid out a carefully thought-through strategy. The "S3 Strategy" articulates our aspiration to expand from providing services to solutions. We have worked through the years to progress on the S3 transformation first with a focus on strengthening our capabilities across the Design-Build-Maintain lifecycle and second, through a focus on strengthening our technology offerings with an emphasis on digital solutions. We are seeing a significant acceleration of digital solutions due to the increased focus on remote working, automation, and digitization. We will continue to work on our long-term strategy and build a strong set of technology-led offerings, which include digital product development, digital customer experience, and data-based decisions, to name a few. We are also focused on creating large deals with a proactive understanding of

our customers' strategic requirements and needs of the changing times through better customer connect and relationships. We are also focused on new business models through more strategic and bold investments, including risk share partnerships, co-development, capacity realignment, and geographic footprint redistribution. I am confident that we will be able to execute an accelerated recovery and growth in the coming quarters, which we call the "J-Curve."

Another interesting shift that we see taking shape is the need for a distributed working model. We are building a distributed work environment that focuses on the agility to meet customer requirements and associate needs. We will completely revamp the way we source, hire, train, engage, and retain talent, as we will never go back to a 100% work-from-office scenario. I strongly believe this presents an opportunity for us to redefine our associate value proposition and emerge as an employer of choice.

FY 20 Performance

FY20 has been a challenging year wherein we faced significant issues in some of our key customer engagements, which impacted performance. Revenue stood at \$625.5 Mn, which is 5.3% lower compared to FY19 (YoY). Services revenue at \$550.7 Mn and was lower by 5.1% YoY while DLM stood at \$74.6 Mn, which was lower by 6.6%. The decline in the services business was predominantly in the aerospace and defense, communications, and portfolio BUs. EBIT at \$57 Mn and was lower by 23.4% YoY due to lower volume and increase in investments, and higher SG&A. However, our Free Cash Flow (FCF) from operations was \$54.4 Mn, which was higher by 8.8% YoY. We continue to focus on our top 20 customers, and their contribution continues to be significant at 65% of revenue.

We recognize the importance of stakeholder engagement in building a sustainable organization and hence focus on continuously improving the same. Customer satisfaction (CSAT) score dropped marginally from 62.8 to 59.7 and remains at the industry average. Associate satisfaction (ASAT) score improved over the last year from 63% to 65%, and I

am proud to say that we are now considered to be in the top quartile of employee engagement. Investor Satisfaction (ISAT) score was lower than last time due to the challenges we have faced in performance. However, we continue to be rated highly on leadership commitment and communication. We will work on the areas of improvement identified through the stakeholder satisfaction surveys, and we are committed to bringing about marked improvement over the years.

Our investment strategy helps to complement Cyient's growth by bringing new domain expertise and strengthening our presence in emerging technology areas. Further, we strengthened our capabilities through many partnerships through the year. We made a strategic investment in Rail cybersecurity company Cylus, a global leader in cybersecurity solutions. This investment will allow us to strengthen our offering for the rail industry. We signed a statement of intent with Emergent Alliance, to use their combined data knowledge to provide new insights and practical applications to the global COVID-19 response. As part of this alliance, Cyient is working with some of the world's largest organizations, data specialists, and governments to support future decision-making on regional and global economic challenges. These are two of many examples of Cyient investing and strengthening our capabilities in emerging areas. We will continue to leverage our partnerships and alliances to strengthen our offering portfolio.

I would like to thank you, our shareholders, for showing confidence and commitment in us. We will continue to strengthen our position to accelerate growth and execute the J-curve. I am confident that we will emerge from this crisis stronger than we have ever been, and become strategic to our customers, engage with our associates, partner with our suppliers, and create value for our investors.



Krishna Bodanapu
Managing Director & CEO



CYIENT ESTABLISHES A STATE-OF-THE-ART DEVELOPMENT CENTER IN WARANGAL

We achieved a new milestone with the setting up of a state-of-the-art 60,000 sq. ft. development center at Warangal. Mr. KT Rama Rao, Honorable Minister for IT, Municipal Administration and Urban Development and Commerce, Government of Telangana, inaugurated this facility, which can accommodate around 600 engineers. Commenting on the occasion, Mr. BVR Mohan Reddy, our Executive Chairman, said, "As a prime mover in Warangal, it was a proud moment for Cyient to inaugurate Warangal's largest development center and partner in the growth story of this culturally rich city. The talent pool of Warangal will now have access to work opportunities with large, global customers. The addition of this center to Cyient's global operations will help spur the growth of its communications business."

Cyient's Warangal Development Center supports telecom customers globally with plan and design, and engineering services for their mobile and fixed-line networks. It will play a crucial role in helping customers in different geographies accelerate the deployment of 5G networks, expand fiber-to-the-home coverage, and implement digital solutions to enhance the customer experience.



CORPORATE INFORMATION

Registered Office

Cyient Limited

4th Floor, 'A' Wing
11, Software Units Layout
Infocity, Madhapur
Hyderabad – 500081
Tel: +91 40 6764 1000

Auditors

S.R.Batliboi & Associates LLP

Chartered Accountants, The Skyview 10,
18th Floor, Zone B, Survey No.83/1,
Raidurgam, Hyderabad,
Telangana 500032

Internal Auditors

KPMG

Salarpuria Knowledge city, Orwell,
6th floor, Unit-3, Sy. No. 83/1, Plot No 2,
Raidurg, Hyderabad-500034

Secretarial Auditor

S Chidambaram

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

Tax Advisors

GP Associates

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HUDA Layout, Road No. 2, Banjara Hills
Hyderabad – 500033
Tel: +91 40 2354 0822

Bankers

The Hongkong and Shanghai Banking Corporation Limited

6-3-1107 & 1108,
Raj Bhavan Road, Somajiguda
Hyderabad – 500082
Tel: +91 40 6616 2077

Citibank NA

'Queens Plaza', 1st Floor
Sardar Patel Road
Secunderabad – 500003
Tel: +91 40 4000 5720

Punjab National Bank

(Formerly Oriental Bank of Commerce),
9-1-128/1,
Oxford Plaza Complex, S.D.Road,
Secunderabad – 500 003
Tel: +91 40 2770 4935

Company Secretary & Compliance Officer

Sudheendhra Putty

4th Floor, 'A' Wing, 11,
Software Units Layout
Infocity, Madhapur
Hyderabad – 500081
Tel: +91 40 6764 1322

Registrar & Share Transfer Agents

KFin Technologies Private Limited

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



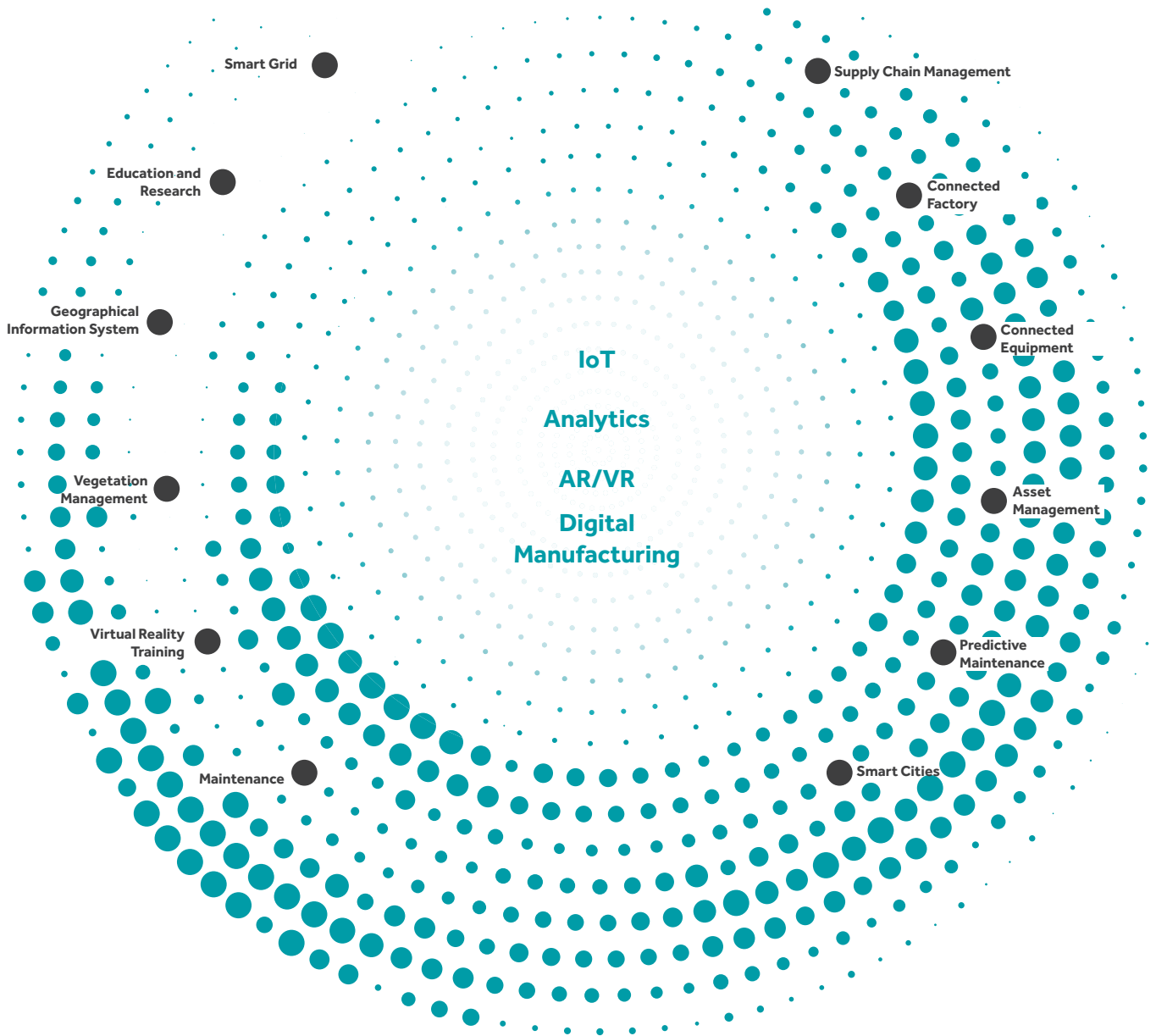
CYIENT CONTRIBUTES TO TELANGANA CHIEF MINISTER'S RELIEF FUND TO FIGHT COVID-19

Cyient has always been committed to contributing to the communities that sustain us, especially in times of distress. In keeping with this belief and as a responsible corporate organization, Cyient contributed ₹2 crore to the Telangana Chief Minister's Relief Fund to support the government's efforts and actions to mitigate the spread of COVID-19. It is of immense satisfaction to us that this contribution includes generous donations from our India-based workforce.



REIMAGINING WITH **DIGITAL**

We, at Cyient, continuously connect the dots to explore sustainable engineering and creative applications of emerging technologies. Our domain expertise and strategic capabilities across a range of industry verticals allow us to look at the larger picture and find technological solutions that align with business needs. Our application-focused approach to innovation enables us to develop outcome-based solutions that deliver business impact while offering flexibility and scalability. Collaborating with our customers and industry partners is a crucial aspect of our problem-solving process. This gives us the courage and inspiration to keep striving for greater heights.



EMBRACING INDUSTRY 4.0 TO DRIVE DIGITAL TRANSFORMATION FOR DLM MANUFACTURING FACILITY



Cyient's Design-Led Manufacturing (DLM) facility in Mysore, India, exemplifies how Industry 4.0 concepts enable businesses to monitor operations and stay connected with customers, suppliers, and remote teams. By adopting Industry 4.0, Cyient's DLM facility is navigating through current challenges, while building a much stronger and robust resilience for the future.

OVERVIEW

Customer Location
Mysore, India

Customer Since
2018

Objective

To enable digital transformation
for the DLM manufacturing facility

Cyient Solutions

IoT Edge Gateways | Predictive Maintenance and
Asset Monitoring | Analytics Solutions |
Virtual Reality Training



The Challenge

To ensure continued robust standards in manufacturing reliability, safety, and performance, it was essential for our DLM facility in Mysore, India, to accelerate the transition to digital transformation. Simply digitizing legacy systems and processes is no longer enough. The focus has to shift to using technology to do things in a new, improved way. With the agenda of building long-term resilience, our DLM facility wanted to integrate information technology and operational technology, remotely monitor machine and line performance in real time, as well as derive a single source of truth on manufacturing performance from disparate legacy systems. Further, the facility looked at improving productivity, precision, efficiency, and quality of assets based on real-time information, including staying connected with remote factories and supply chains when travel is costly or limited.

The Cyient Solution

Cyient connected the facility's machines to the IoT network using Cyient Edge Gateways and a business intelligence visualization dashboard. The digital information captured from machine data across the factory enables real-time customized views of job details, overall equipment, line efficiency, machine availability, machine downtime, machine utilization, cycle times, and production output. We captured 10,000 sq. ft. of factory space in a 3D point cloud data that was set to simulate the manufacturing facility within the virtual environment. We used our virtual reality application to train associates in the virtual environment on critical safety and quality procedures, and it also facilitated virtual tours of the smart factory from anywhere across the globe.

Results

- Enabled customized views of job details, machine utilization, cycle times, and production output
- Enhanced the management of daily manufacturing tasks and priorities while successfully integrating them into weekly and monthly operations
- Provided BI dashboard access to leaders, teammates, and customers for reviews of products and processes

Benefits

- Enhanced quality and improved communication with customers
- Increased accuracy of production line status and measurements
- Attained real-time access to performance insights
- Facilitated remote KPI tracking from anywhere on the globe



TRANSFORMING THE LANDSCAPE OF SMART CITIES



Sejong City, South Korea's new master-planned administrative capital, kicked off an initiative to improve air quality and reduce stress on the city's resources, thus saving cost and energy. Cyient's Environment and Air Quality Monitoring Solution was developed to help Sejong City become South Korea's most desirable city to work and live.

OVERVIEW

Customer Location
Sejong City, South Korea

Project Timeline
2019

Objective
To improve air quality, optimize resources,
and enhance city planning

Cyient Solutions
Environment and Air Quality
Monitoring Solution



The Challenge

As urban areas become increasingly denser, the difficulties faced by city planners grow exponentially. Challenges range from traffic gridlock, overpopulation, and inefficient energy consumption to environmental risks, poor air quality, and high operational costs. City planners and managers in Sejong City were eager to leverage advances in technology to address these growing concerns, and subsequently, improve lives, save costs, and protect the environment.

The Cyient Solution

To improve and enhance the air quality in Sejong, reduce wasteful energy consumption, and efficiently utilize city resources, we developed an Environment and Air Quality Monitoring Solution. Our solution collects information from IoT sensors to provide an overall air quality index rating and data from occupancy sensors to understand how different traffic patterns and movement and gathering of people impact energy use and air quality.

Through this Open Geospatial Consortium Initiative sponsored by South Korea's Land and Housing Corporation, 3D data of the city and buildings were integrated with the IoT data to arrive at a robust system for assisting city managers in identifying trends and effectively responding to environmental events and risks.

Results

- Provided a tool to enable Sejong City to further their goal of becoming an overall smart, resilient, and sustainable city
- Facilitated and standardized access to the Internet of Things, as well as environmental and building data
- Introduced a decision support system to manage critical environmental factors effectively
- Enhanced the mapping of indoor and outdoor air quality through a cloud-based Web application

Benefits

- Achieve a healthier and cleaner environment
- Reduce energy consumption
- Optimize the use of city resources
- Improve planning for significant events and large crowds



MINIMIZING FUTURE RISK FOR FLOOD-PRONE CITIES



The city of St. Louis has long been a victim of urban flooding, dating as far back as 1915. To mitigate the impact of such disasters and to minimize future risk, the city needed a flood modeling solution, which captures, analyzes, and shares information over real-time networks, enabling effective risk assessment, impact visualization, and a timely response plan.

OVERVIEW

Customer Location

St. Louis, USA

Project Timeline

2019

Objective

To reduce flooding impact, solve pressing challenges, and improve city services

Cyient Solutions

Flood Modeling Solution



The Challenge

The city of St. Louis has been known to take the worst hits from storms that cause flash flooding. This has increasingly worsened over the last decade, destroying homes and disrupting the city, making it imperative to find a solution that will mitigate the impact of flooding on residents and businesses. St. Louis wanted a system that would capture data in real-time to understand better the river-level rise in the region, the likelihood and impact of flooding resulting from rainfall, and an event response mechanism that would aid in communication with residents in case of disasters.

The Cyient Solution

Cyient's Flood Modeling Solution was included in an Open Geospatial Consortium (OGC) pilot project sponsored by the United States Department of Homeland Security, Science, and Technology. The initiative aimed to develop open, interoperable standards for integrating IoT and sensor data along with geospatial data, into city services. This project was called the Smart City Interoperability Reference Architecture or "SCIRA."

Cyient designed a cloud-based Flood Management Solution that leveraged geospatial, IoT, and weather data to improve flood inundation modeling, so the city of St. Louis could be proactive in minimizing property damage, preventing injuries, and improving communication in the event of flash floods caused by extreme weather. Our solution efficiently met interoperability goals, having seamlessly combined with third-party systems for rain gauge data, weather information, location of field crews, video streams, and a visual dashboard to monitor floods and gain insights for improving city planning and response efforts. The solution was further integrated with Incident Management Systems, which enabled various city stakeholders to connect and communicate in an emergency.

Results

- Derived a reference architecture for smart cities which can be reused for situations like floods and emergency management
- Developed industry-standard approaches to improve the interoperability and scalability of digital solutions for smart city applications
- Provided a framework to collect, analyze, and share real-time information to effectively tackle challenges of modern cities and become the connected, smart cities of the future

Benefits

- Ensure seamless exchange of information through connected systems and provide near-real-time flood situation information
- Reduce risks, vulnerabilities, and response times
- Optimize field crew deployments and avoid loss of revenue



POWERING AHEAD WITH SEAMLESS CONNECTED EXPERIENCES



To gain competitive edge, a communications service provider (CSP) required agile, scalable, flexible, and programmable networks that supported business objectives in today's digital age. Any disruptions to the data center resulted in costly downtime and lost output. By leveraging our AR-led solutions, the CSP was able to optimize workforce, reduce downtime, and address challenges, helping them scale and achieve various benefits.

OVERVIEW

Customer Location
Australia

Customer Since
2007

Objective
To reduce downtime of telecom data centers

Cyient Solutions
AR Location Navigation Solution



The Challenge

Data centers are at the heart of communications service companies. For many, a data center can look like a sea of server stacks, routers, power supplies, and cables. Ensuring these assets are running smoothly is critical to minimize service disruptions. For efficient asset inspection, tracking, and on-going maintenance, having precise reference locations to find the assets quickly and accurately at their targeted locations is critical. The CSP wanted a solution that would help find the right assets at the right time, thus avoiding delays and productivity loss. Further, the CSP was facing challenges of low productivity of maintenance teams and field technicians, sub-optimal OPEX costs, and inconsistent transition between outside tracking to indoor navigation due to dependency on the network.

The Cyient Solution

To quickly and effortlessly navigate to an asset location without depending on an Internet connection, we leveraged our AR-Based Indoor Location Navigation Solution that uses dynamic wayfinding. This device-agnostic solution creates indoor maps for tracking the environment, reading the feature points, and efficiently dropping points on the path to the destination. Bluetooth beacons are strategically placed in indoor areas to help communicate and identify the asset's approximate location. The beacon information is then transmitted over Wi-Fi. This solution works both online and offline. Furthermore, an AR-enabled ticketing tool is used to assign and close any issues, significantly reducing downtime.

Results

- Assisted in locating the asset with the help of beacons and augmented reality indoor positions
- Created an inventory of assets for reporting and just-in-time fulfillment
- Provided assistance on reaching the respective destinations

Benefits

- Located assets quickly and accurately
- Ensured indoor navigation maps with the shortest and safest paths for emergency evacuation
- Achieved a significant reduction in downtime related to issue tracking and resolution



FACILITATING TRULY IMMERSIVE AND ENGAGING TRAINING EXPERIENCES



Reality technologies have led to a paradigm shift for many industries. They provide opportunities to significantly improve the design, training, operations, and maintenance processes while maintaining safety and improving productivity. By leveraging our VR Training Applications Solutions, Westinghouse was transported to an interactive, immersive, virtual work environment that helped enhance their learners' skill set, ensured seamless knowledge transfer, and prepared them to address various challenges. Learners could engage with virtual resources in the virtual space and train in maintenance procedures without exposure to safety risks and without impacting ongoing operations.

OVERVIEW

Customer Location
Pittsburgh, USA

Customer Since
2010

Objective

To ensure effective training of personnel
for maintenance activities

Cyient Solutions

VR Training Applications Solution



The Challenge

Maintenance of nuclear reactors can be a time-consuming and challenging task. For safety and security purposes, the complete complex system has to be put on hold before any maintenance activity is initiated. Maintenance training is extremely vital to ensure compliance with nuclear industry safety standards. A poorly maintained nuclear facility becomes a security and health hazard for both people and the environment. Westinghouse was looking for a more cost-effective approach to train workers, while the reactor was operating, and therefore, could not be accessed for hands-on training. The training was to provide a high quality, safe, and realistic experience so workers would learn more effectively and efficiently retain information on proper maintenance procedures prior to initiation of the actual work.

The Cyient Solution

To enhance the experience of the learners, Cyient developed VR applications that simulated the maintenance procedures, including requiring the use of PPE tools, signage, and audiovisual alerts that are used in the nuclear industry. The VR applications also provided advanced training options that were impossible to create in the actual physical environment. These include simulating cracks and wear and tear in the components, surface corrosion, and readings of pumps and valve operations during emergencies. This enabled the trainees to detect and identify anomalies successfully. Training for dangerous scenarios in the virtual environment can be simulated as many times as needed until the learners accomplish their learning goals, all without risk of exposure to radiation. This helps build a more effective learning experience, provides a seamless transition from virtual practice to real activities, improves quality and safety, and helps save costs.

Results

- Programmed and updated the applications for an increasingly detailed and realistic experience with many variables and outcomes to test knowledge
- Removed restrictions for learners on the duration of training sessions and the number of times they could experience the applications
- Ensured the VR training solution for nuclear reactor maintenance was available for Westinghouse's clients across the globe

Benefits

- Enhanced employee productivity
- Helped hone the trainees' skills and reflexes which will prompt immediate responses in real-time decision-making scenarios
- Minimized risk for workers, ensured public safety, and helped avoid costs associated with physical mock-ups for training, along with downtime that could occur due to worker uncertainty during work execution



LEVERAGING ARTIFICIAL INTELLIGENCE FOR TELECOM TOWER INSPECTIONS



A global Original Equipment Manufacturer (OEM) for wireless telecom infrastructure was facing challenges of increased time and costs concerning asset inspection and maintenance. By leveraging our Virtual Asset Management Solution, the OEM could obtain accurate asset information quickly, reduce operational costs, enhance workforce safety, manage assets smartly, and drive tangible business results.

OVERVIEW

Customer Location
India

Customer Since
2019

Objective
To reduce asset inspection costs and time

Cyient Solutions
Virtual Asset Management Solution

The Challenge

To meet the evolving communications demands of new-age consumers, telecom networks need to be agile, scalable, and programmable. Effective telecom tower monitoring is essential for proper maintenance and ensuring high-speed connectivity. However, increasing complexity of expanding networks, rising operational and asset inspection costs, security issues due to surveying hard-to-reach/hostile sites, lack of factual asset information for analysis and decision-making, and longer inspection hours as a result of inefficient manual processes add to the challenges of monitoring telecom towers efficiently. There was a need for a solution that would address these challenges while ensuring seamless next-generation network connectivity and enhanced customer experience.

The Cyient Solution

To provide useful insights on asset conditions and to optimize asset maintenance, we leveraged our Virtual Asset Management Solution. The solution uses drones to capture high-resolution images of the assets. These images containing vital asset information are then processed using geospatial, artificial intelligence, and machine learning technologies, further generating advanced high-resolution 3D models for visualization and effective decision-making.

Results

- Demonstrated the seamless functionality of the solution
- Addressed the asset inspection requirements of the customer
- Introduced a decision support system to monitor asset conditions on the cell tower
- Established a maintenance plan through a cloud-based Web application

Benefits

- Provided higher-resolution visual inspections for better decision-making
- Reduced operational costs by automating processes
- Facilitated accurate assessment of conditions and orientation of all the components of the cell tower
- Increased safety by enabling access to hard-to-reach or hostile sites

BOARD OF DIRECTORS

Cyient is guided by our strong, diverse, active, and experienced Board of Directors who are at the core of our corporate governance practices. The Board is responsible for ensuring that Cyient meets its objectives and achieves sustainable growth in market value while staying committed to making a difference to the industries we serve, and the long-term interests of our stakeholders. Our Board members continuously strive to lead us into the next phase of growth and business excellence.



BVR MOHAN REDDY
Executive Chairman



ALAIN DE TAEVE
Non-Executive Director



VIKAS SEHGAL
Independent Director





KRISHNA BODANAPU
Managing Director & CEO



MM MURUGAPPAN
Non-Executive Director



SOM MITTAL
Independent Director



VINAI THUMMALAPALLY
Independent Director



MATANGI GOWRISHANKAR
Independent Director



VIVEK GOUR
Independent Director

SENIOR LEADERSHIP

Our senior leadership team helps nurture emerging opportunities in a dynamic business landscape and is at the forefront of providing strategic direction for Cyient's growth. The team also plays a crucial role in building and sustaining relationships while designing and delivering high-value solutions for our customers.



KRISHNA BODANAPU
Managing Director & CEO



B ASHOK REDDY
President - Corporate Affairs
and Infrastructure



KARTHIKEYAN NATARAJAN
President & Chief Operating Officer



AJAY AGGARWAL
President and
Chief Financial Officer



FELICE GRAY-KEMP
Sr. VP and
Global General Counsel



PRABHAKAR ATLA
Sr. VP - Communications
and Rail Transportation



KATIE COOK
Sr. VP - Energy
and Utilities



TOM EDWARDS
Sr. VP - UTC Account
and President - North America



NJ JOSEPH

Sr. VP - Corporate Strategy
and MD & CEO, CSS



PETER F LONGO

Chairman, Cyient Inc.



SUNIL KUMAR MAKKENA

Sr. VP - Operations



DR. PNSV NARASIMHAM

Sr. VP and Global
Head - Human Resources



SUMAN NARAYAN

Sr. VP - Semiconductor and
Medical Technology & Healthcare



ANAND PARAMESWARAN

Sr. VP - Aerospace
and Defence



JOHN RENARD

President - Portfolio Business
Unit and President EMEA



RAJENDRA VELAGAPUDI

Sr. VP - MD & CEO,
Cyient DLM



MEENU BAGLA

VP and
Chief Marketing Officer

AWARDS AND ACCOLADES

EUROPEAN DIVERSITY AWARDS 2019

Second place in "Company of the Year" category



WORKING MOTHER MEDIA AND AVTAR GROUP AWARDS 2019

Winner in "Best Companies for Women in India" category



WORKING MOTHER MEDIA AND AVTAR GROUP—MOST INCLUSIVE COMPANIES INDEX 2019

Winner in "Exemplar of Inclusion" category



RAIL BUSINESS AWARDS 2019

Winner in "Diversity in Rail" category



EVEREST GROUP'S PEAK MATRIX™ ASSESSMENT 2019

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



PRATT & WHITNEY'S SUPPLIER AWARDS 2019

Winner in two categories:
"Supplier Innovation Award" and
"Supplier Highest Productivity Award"



ONWARD AND UPWARD TOGETHER



Cyient has shown exceptional speed and agility in re-configuring their supply chains to ensure zero production disruption for our product amidst the India lockdown.

Senior Director, Sourcing, Medical
Customer of Cyient



Against the backdrop of the unprecedented lockdown in India, we truly appreciate the speed at which Cyient moved to minimize disruption to our business, ensuring 100% performance within a couple of days.

Wido van de Mast, CEO,
VolkerWessels Telecom



Given our long-standing relationship with Cyient, we are very excited to partner with them to ensure that our game-changing Truenat technology reaches the frontline healthcare professionals for rapid and accurate screening which is the need of the hour.

Sriram Natarajan, Founder Director and CEO,
Molbio Diagnostics



The critical assistance and timely services rendered by Cyient to the Telangana State Police to ensure effective implementation of the lockdown is highly appreciated. We commend Cyient for being a responsible corporate citizen.

VC Sajjanar, IPS Commissioner,
Cyberabad Police



When the lockdown in India started, we were concerned about reaching our goals set with Cyient. But, Cyient reassured us that everything would be back on target within three weeks. To our surprise, this was achieved in less than two weeks. Cyient made an impossible task look easy.

Joris Stuurman, Asset Registration
Team Leader, Alliander N.V.

BUSINESS BEYOND USUAL

The Emerging Leader Program



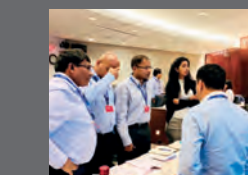
A weeklong Leadership Immersion Workshop held in May 2019 kick-started this year's Emerging Leader Program (ELP), which witnessed the participation of 60 emerging leaders across our business units. Sessions on business skills, collaboration, and change management were conducted to enhance the business acumen of chosen associates. The participants undertook key projects and were informed about AGILE goals, Cyient's strategic initiatives, and varied regulatory frameworks. Several health and wellness activities were also part of ELP to ensure all-round development of the participants. The program concluded with a build-on workshop that helped participants understand and imbibe the positive and inspiring culture, ethos, and values of Cyient while enabling them to gain leadership skills and excel in their chosen field.

The Business Leader Program



The Business Leader Program (BLP) 2019 witnessed the participation of 30 associates across several business units. It started in May, and over eight to 10 months, the middle managers received in-depth training in entrepreneurship and intrapreneurship, stakeholder management, design thinking, and crucial accountability. Several senior leaders met with the participants and shared vital insights on efficaciously managing leadership challenges. The program also included a wellness module, a visit to Cyient's DLM unit, and a sightseeing trip to Mysore's historical monuments. A build-on workshop on systems thinking, leading across borders, creating high-performance teams, and change management, along with an informal get together, marked the close of BLP 2019.

The Global Leader Program



Cyient launched the Global Leader Program (GLP) 2019 to align leadership skills with our AGILE 2030 strategy and vision, and to unlock value from customer relationships. Krishna Bodanapu, our Managing Director and CEO, emphasized the importance of continuous learning for professional development. Senior leaders shared their insights to help participants maximize their potential in an ever-changing industry. The workshops focused on the Systematic Inventive Thinking (SIT) methodology, strategy audit, sources of competitive advantage, trends in digital disruption, connected strategy, and the connected customer experience model. This helped participants identify specific business priorities to apply their learnings and view them from a fresh perspective.

The Business Transformation Network's Excellence in Leadership Summit



Keith Pritchard, Head of HR, EMEA, had the opportunity to speak on "Building Our Agile Culture" at the Excellence in Leadership Summit held on November 18 and 19, 2019, by the Business Transformation Network. Keith's address focused on how we, at Cyient, developed the AGILE framework to equip ourselves during the Fourth Industrial Revolution. He spoke at length on our partnership with NASSCOM Future Skills Program, and how we are using the latest technologies including 5G, Internet of Things (IoT), Smart Cities, Robotic Process Automation (RPA), and Augmented and Virtual Reality (AR/VR) to prepare ourselves for the future. He also mentioned that if Cyient is to grow as a connected organization, we must stay true to our values and culture, which will enable us to meet our vision of applying technology imaginatively for solving problems that matter. To enable this, Keith concluded that we needed to continually challenge ourselves to ensure the right leadership and talent flows into Cyient—people with an "AGILE" mindset, and the capabilities to take us toward our vision and through the Industry 4.0 challenge.

MORE THAN AN EXPRESSION: SMALL STEPS TO CREATING A TRULY INCLUSIVE WORKPLACE

We believe that Diversity and Inclusion (D&I) in the workplace is not just a trend. At Cyient, it is a standard—a priority that is driven top-down. Here's a look at some of our key D&I highlights in 2019-20.



Inclusion Ambassador Program

The Inclusion Ambassador Program now has 100 inclusion ambassadors globally. The group has been instrumental in completing more than 30 inclusion nudges in a variety of areas, including recruitment, leadership, unconscious bias, mental health and well-being, associate experience, connecting people, and transparency.

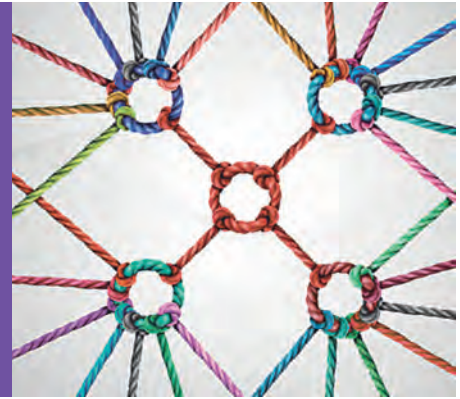


DIEL

Our global mentoring program, DIEL (Diversity, Inclusivity, and Equity-Driven Leadership), was governed in partnership with Korn Ferry. The inaugural series focused on enabling women by removing barriers, taking down business and geographical silos, and partnering them with a diverse set of leaders. The mission is to build an environment that seeks to bridge the gender diversity gap while empowering our associates to create real change.

D&I Metrics

We at Cyient developed a D&I dashboard that brings our organization's data to the hands of our leaders in the hopes of driving change through a D&I lens. Our aim is to understand aspects that are leading indicators of inclusion, such as voluntary attrition, promotions, succession planning, recruitment funnels, pay parity, and managers of diverse teams, so that we can develop the necessary interventions and prove that we solve more than just engineering problems.



Unbiased Recruitment

We partnered with TapRecruit, a language analysis software tool that seeks to eliminate gendered or otherwise detrimental language from our job adverts. Through the use of this tool, we have been able to optimize and establish a standardized and professionally written job advert that is compelling and attractive to the full spectrum of diverse individuals that seek to help us in designing tomorrow together.



Bringing Awareness

With the help of Diversity Resources, we created a D&I calendar that highlights all cultural, spiritual, ethnic, and historical events as well as provides inclusive tips and cultural recipes to help unite us all. In the same spirit, we have brought attention to many monthly campaigns and a few daily celebrations that we commemorated globally. We also held a culminating event called "D&I Heroes" in October, where we asked associates to vote for peers that illustrate in words and action the spirit of diversity and inclusion, to be recognized by the organization.



COVID-19 Response

D&I was at the forefront of our response to the pandemic. Besides laying the groundwork to enable WFH as an option, we adopted a "hearts and minds" mantra and supported our associates through written, verbal, and virtual connections and communication on a multitude of topics. The team also encouraged our leaders to hold more video meetings, purposefully reach out to two people per day, express gratitude, and to bring empathy to every interaction.



Notice of the Annual General Meeting

NOTICE is hereby given that the 29th Annual General Meeting of the members of the company will be held on Friday, 31 July 2020 at 04:00 p.m. (IST) through Video Conference (VC) or Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To adopt financial statements for the Financial Year ended 31 March 2020
To receive, consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the company for the Financial Year (FY) ended 31 March 2020 and the Reports of the Board of Directors and the Statutory Auditors.
2. To appoint a director in place of Mr. Krishna Bodanapu (DIN: 00605187), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**
"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Schedule V (as amended from time to time) to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, consent of the members be and is hereby accorded for the appointment of Mr. B.V.R. Mohan Reddy (DIN 00058215) as Executive Chairman with effect from 1 April 2020 till 30 June 2021 at remuneration as detailed below:

a) Salary

NIL

b) Commission

The Percentage of net profits of the company as commission payable shall be determined by the Leadership, Nomination & Remuneration Committee (LNR Committee) or Board of Directors of the company, subject to the total remuneration (i.e., salary, perquisites, commission and allowances) in any one financial year shall not exceed the limits prescribed from time to time under section 196, 197 and other applicable provisions of the Act, read with schedule V to the said Act, as may for the time being, be in force and any amendments thereto.

c) Perquisites

Perquisites shall be valued in terms of actual expenditure incurred by the company. However,

in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy the perquisites shall be valued as per Income Tax Rules:

i. Medical Reimbursement

Reimbursement of medical expenses for self and family as per the rules of the company.

ii. Leave Travel Concession/ Allowance

For self and family, once in a year in accordance with the rules of the company

iii. Car

Use of fully maintained company's car.

iv. Telephone

Reimbursement of residential telephone bills at actuals. Use of telephone for official purpose will not be considered as perquisite. Use of one mobile phone for official purpose.

d) Overall Remuneration

The total remuneration (i.e., perquisites, commission and allowances, if any) shall not exceed the limits prescribed from time to time under Section 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may for the time being, be in force and any amendments thereto. In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Board of Directors on the recommendation of LNR Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. B.V.R. Mohan Reddy and accepted by the LNR Committee.

e) Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed by Schedule V to the Act, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force.

f) Termination

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

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, the recommendation and approval of Leadership, Nomination and Remuneration Committee, Audit Committee and the Board of Directors, subject to such other approvals as may be necessary, the approval of the members be and is hereby accorded to the appointment of Mr. B. Ashok Reddy (relative of Mr. B.V.R. Mohan Reddy, Executive Chairman of the Company), to hold office or place of profit as Advisor to the company for a period from 1 July 2020 till 31 March 2021 at a consolidated remuneration of up to Rs. 6,00,000/- (Rupees Six lakhs) per month, subject to deduction of tax at source, as applicable."

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

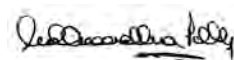
"RESOLVED THAT in supersession of all previous resolutions passed in this regard and subject to receipt of such other approvals as may be required, consent of the company be and is hereby accorded to the increase in aggregate Investment limits of non-residents from the existing 49% to 74% of the total paid up share capital of the company."

"RESOLVED FURTHER THAT in supersession of all previous resolutions passed in this regard and subject to receipt of such other approvals as may be required, consent of the company be and is hereby accorded to the increase in Investment limits through purchase of Capital Instruments of the company on a recognized

Stock Exchange in India by registered Foreign Portfolio Investors (RFPI), including Foreign Institutional Investors (FII), from the existing 47% to 74% of the Equity Share Capital of the company."

"RESOLVED FURTHER THAT Mr. Krishna Bodanapu, Managing Director & CEO, Dr. Sudheendhra Putty, Company Secretary and Mr. N. Ravi Kumar, Dy. Company Secretary, be and are hereby severally authorised to take such steps and do all such acts, deeds and things as is considered necessary, expedient, usual, proper or incidental in relation to the said matter and take such actions and give such directions as they may consider as necessary or desirable to give effect to this Resolution."

By Order of the Board



Dr. Sudheendhra Putty
Company Secretary
M.No. F5689

Place: Hyderabad
Date: 6 July 2020

Registered Office

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

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
 2. The Board of Directors of the company had declared 1st interim dividend of ₹ 6/- per share i.e., at the rate of 120% on the face value of the ₹5/- on 17 October 2019. The same was paid on 6 November 2019.
 3. The Board of Directors of the company had declared 2nd interim dividend of ₹ 9/- per share i.e., at the rate of 180% on the face value of the ₹ 5/- on 12 March 2020. The same was paid on 30 March 2020.
 4. The relevant details as required by Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI(LODR) Regulations, 2015) and Secretarial Standard on General Meetings (SS 2) issued by The Institute of Company Secretaries of India, of directors seeking re-appointment under Item Nos.2 and 3 above is annexed hereto
 5. Members holding shares in physical form may write to the company/company's R&T agents for any change in their address and bank mandates; members holding shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to dispatch dividend warrants at their correct addresses, where applicable
 6. In terms of Schedule I of the SEBI (LODR) Regulations, 2015, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT) and Real Time Gross Settlement (RTGS) for making payments like dividend to the members. Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. Members holding securities in physical form may send a request updating their bank details to the company's Registrar and Transfer Agent.
 7. Members who wish to claim unclaimed dividends of the past years, are requested to correspond with Mr. N. Ravi Kumar, Deputy Company Secretary, at the company's registered office. Pursuant to provisions of sections 124 and 125, and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividends for a period of seven years from the date they become due for payment are required to be transferred to the Investor Education Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, shareholders are requested to claim the dividend from the company within the stipulated timeline.
 8. In case of joint holders attending the AGM, the shareholder whose name appears as the first holder in the order of names as per the Register of Members of the company will be entitled to vote.
 9. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5 May 2020 read with General Circular No. 14/2020 dated 8 April 2020 and General Circular No. 17/2020 dated 13 April 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (LODR) Regulations, 2015 (Listing Regulations), the 29th AGM of the Company is being conducted through VC / OAVM. Kfin Technologies Private Limited will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 16/19 below and is also available on the website of the Company at www.cyient.com.
 10. As the AGM will be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice
 11. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at company.secretary@cyient.com
 12. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 28 July 2020 to Friday, 31 July 2020 (both days inclusive).
- ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING ANNUAL REPORT.**
13. In accordance with, the General Circular No. 20/2020 dated 5 May 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12 May 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are

being sent in electronic mode to Members whose e-mail address is registered with the company or the Depository Participant(s).

14. Members holding shares in physical mode and who have not updated their email addresses with the company are requested to update their email addresses by writing to the company at mohsin.mohd@kfintech.com or company.secretary@cyient.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register or update their email addresses with the relevant Depository Participants.
15. The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the company at www.cyient.com on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of KFin Technologies Pvt Ltd at www.kfintech.com

16. **PROCEDURE FOR REMOTE E-VOTING AND E VOTING DURING THE AGM**

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

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

17. The remote e-voting period commences on 28 July 2020 (09:00 am IST) and ends on 30 July 2020 (05:00 pm IST). During this period, shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24 July 2020, may cast their votes electronically. The remote e-voting module will be disabled by KFin Technologies Private Limited for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder will not be allowed to change it subsequently or cast the vote again.
18. In addition, the facility for e-voting through electronic voting system will be available during the AGM. Members attending the AGM who have not cast their vote by

remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through KFin Technologies Private Limited

19. Instructions for e-voting and joining the e-AGM are as follows:

A. Voting through electronic means:

- i. In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 24 July 2020 (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- ii. The details of the process and manner for remote e-voting are given below:
 - a. Initial password is provided in the body of the email.
 - b. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
 - c. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- iii. After entering the details appropriately, click on LOGIN.
- iv. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e. Cyient Ltd.
- vii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through e-mail at schid285@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'CYIENT EVENT No.'
- xi. Members can cast their vote online from 28 July 2020 (9.00 a.m.) till 30 July 2020 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual available at the 'download' section of <https://evoting.karvy.com> or call KFin on 1800 345 4001 (toll free).

B. Voting at e-AGM:

- i. Only those members/shareholders, who will be present in the e-AGM through video conferencing facility and have not cast their vote through remote e-voting & are otherwise not barred from doing so are eligible to vote through e-voting in the e-AGM.

- ii. However, members who have voted through remote e-voting will be eligible to attend the e-AGM.
- iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv. Upon declaration by the Chairman about the commencement of e-voting at e-AGM, members shall click on the thumb sign on the left hand bottom corner of the video screen for voting at the e-AGM, which will take them to the 'Instapoll' page.
- v. Members to click on the 'Instapoll' icon to reach the resolution page and follow the instructions to vote on the resolutions.

C. Instructions for members for Attending the e-AGM:

- i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of AGM provided by KFin at <https://emeetings.kfintech.com> by clicking on the tab "video conference" and using their remote e-voting login credentials. The link for e-AGM will be available in members login where the EVENT and the name of the Company can be selected. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned under heading A above.
- ii. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- iii. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
- iv. While all efforts would be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- v. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab "Speaker Registration" during the period starting from 26 July 2020 (9.00 a.m.) upto 28 July 2020 (5.00 p.m.). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to

restrict the number of speakers depending on the availability of time for the e-AGM. Please note that only questions of the members holding the shares as on cut-off date will be considered.

- vi. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com>
- vii. Members who need technical assistance before or during the thirteenth e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 345 4001.

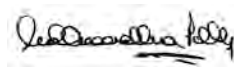
D. General Instructions:

- i. The Board of Directors has appointed Mr. S. Chidambaram, Practising Company Secretary (FCS No. 3935 CP No. 2286) as the Scrutinizer to the e-voting process and voting at the e-AGM in a fair and transparent manner.
- ii. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the thirteenth e-AGM and announce the start of the casting of vote through the e-voting system of KFin.
- iii. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

- iv. The Scrutinizer shall submit his report to the Chairman or in his absence Managing Director & CEO of the Company, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website www.cyient.com and on the website of KFin <https://evoting.karvy.com> and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the AGM of the Company.

- 20. The voting results declared along with the Scrutineer's Report will be placed on the company's website www.cyient.com and on the website of Kfin Technologies Private Limited immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results will also be immediately forwarded to the BSE Ltd. and National Stock Exchange of India Ltd.

By Order of the Board



Dr. Sudheendra Putty
Company Secretary
M.No. F5689

Place: Hyderabad
Date: 6 July 2020

Registered Office

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

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 3: Re-appointment of Mr. B.V.R. Mohan Reddy as Executive Chairman

Mr. B.V.R. Mohan Reddy was appointed as Executive Chairman and Whole-time Director of the Company from 1 April 2019 to 31 March 2020.

However, the recent unprecedented change in economic and business environment being caused by COVID 19, has increased business risks dramatically. The leadership led by Mr. Krishna Bodanapu, Managing Director & CEO, felt that the company will get immensely benefitted by Mr. Mohan Reddy continuing as Executive Chairman. It is felt that Mr. Reddy's counsel, experience and expertise would be extremely valuable in these volatile times. SEBI also recently extended the deadline on Chairman and Managing Director not being related to each other to 1 April 2022. Mr. Mohan Reddy, as such is now eligible to be re-appointed as Executive Chairman. Mr. Mohan Reddy agreed to continue in this role in the larger interests of the company. He however requested that he would not like to receive any salary and the board may decide payment of commission at the end of the financial year 2021.

The Board has, in its meeting held on 6 April 2020, based on the recommendation of the Leadership, Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. B.V.R. Mohan Reddy as Executive Chairman up to 30 June 2021 on such terms and conditions including remuneration as recommended by the Leadership, Nomination and Remuneration Committee of the Board and approved by the Board. Mr. B.V.R. Mohan Reddy is not disqualified from being reappointed as a Director in terms of Section 164 of the Act and has given his consent to act as Executive Chairman of the Company. Mr. B.V.R. Mohan Reddy satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment. It is proposed to seek the members' approval for the reappointment of and remuneration payable to Mr. B.V.R. Mohan Reddy as Executive Chairman of the Company, in terms of the applicable provisions of the Act and the relevant Rules made thereunder. This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Mr. B.V.R. Mohan Reddy as the Executive Chairman of the Company. Mr. B.V.R. Mohan Reddy will not receive any salary but be eligible for commission as recommended by the Leadership, Nomination and Remuneration Committee and approved by the board.

Except Mr. B.V.R. Mohan Reddy and Mr. Krishna Bodanapu, Managing Director and CEO, none of the other Directors or Key Managerial Personnel (KMP) or relatives of other directors and KMP is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Your Directors recommend the Special resolution for your approval.

Item No.4: Appointment of Mr. B. Ashok Reddy as Advisor to the Company

Mr. B. Ashok Reddy was President – Corporate Affairs & Infrastructure of the company. He is the brother of Mr. Mohan Reddy. He was appointed post approval by the members in

2015 and he continued his office until 30 June 2020 after his re-appointment in 2019. Until recently, he headed the global legal and secretarial functions. He is also a director on the board of the company's Bangalore based Joint Venture, Infotech HAL Limited. Mr. Ashok Reddy has been with the company since June 1999 and until 2014 he also headed the global HR functions of the company. Mr. Reddy's re-appointment to this position in 2019 was approved on the same terms.

Mr. Ashok Reddy has co-ordinated well with Government bodies and during the recent lockdown crisis, he was very supportive and resourceful in transitioning a substantial part of work to WFH (Work-From-Home). In the continued lockdown crisis, the company would require his services for some more time. Mr. Ashok Reddy has also been driving the CSR initiatives of the company.

The appointment was recommended by the LNR committee and approved by the audit committee. The appointment entails a consolidated monthly remuneration of up to Rs. 6 lakhs, subject to applicable taxes.

Except Mr. B.V.R. Mohan Reddy, Executive Chairman, none of the other Directors or Key Managerial Personnel (KMP) or relatives of other directors and KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

Your directors recommend the ordinary resolution for your approval.

Item No. 5: Increase in aggregate investment limits of non-residents.

The company had, in March 2018, restricted the investment limits of non-residents in the equity shares of the company to 49% of the share capital. This was with a view to participate in the defence business focussing on non-lethal technology for military application always excluding arms and ammunition, explosives and similar forms of lethal weapons. However, since then Indian foreign investment regulations have been amended to specify that the cap for FPI investments in the company shall be the applicable sectoral cap. Further, recently, the Government of India has announced a slew of measures including raising the FDI limit in defence manufacturing under automatic route from 49% to 74%. This will make it possible for the company to participate in the non-lethal technology defence business going forward and simultaneously, leverage upon the non-resident investments. The said policy change has, however, not yet been officially notified by the Government, and as such, the present resolutions are subject to such regulatory approvals as may be required. The increase of the investment limits on non-residents from the existing 49% to 74% of the equity share capital of the company will enable greater liquidity for the company's shares and contribute to enhancing shareholder value including by means of capital appreciation.

None of the other Directors or Key Managerial Personnel (KMP) or relatives of other directors and KMP is concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

Your Directors recommend the Special resolution for your approval.

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

| Name of the Director | B.V.R. Mohan Reddy | Krishna Bodanapu |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------|
| Directors Identification Number (DIN) | 00058215 | 00605187 |
| Nationality | Indian | Indian |
| Date of birth | 12 October 1950 | 28 August 1976 |
| Qualification | M.Tech. | B.E., MBA |
| Experience and expertise | Cutting edge engineering, research and development, innovation and strategy | Engineering, business management and strategy |
| Date of first Appointment on the Board of the Company | 28/08/1991 | 24/04/2014 |
| Shareholding in the Company | 1,453,254 | 1,913,260 |
| List of Directorship held in other companies | Please refer Report on Corporate Governance | |
| Membership / Chairmanship in Committees of other companies as on date | | |
| Relationships between Directors inter-se | Relative of Mr. Krishna Bodanapu | Relative of Mr. B.V.R. Mohan Reddy |

BRIEF PROFILES OF DIRECTORS BEING APPOINTED/RE-APPOINTED

Item No. 2

Mr. Krishna Bodanapu - Managing Director & CEO

As Managing Director and Chief Executive Officer, Krishna is responsible for the strategic direction of the company and ensuring long-term value for stakeholders. He promotes Cyient's Values FIRST culture and focuses on enabling sustainable growth.

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

Advancing into the role of Chief Operating Officer, Krishna contributed significantly to Cyient's consistent growth in terms of revenue, margin, and customer and associate satisfaction. Before Cyient, Krishna was with Altera Corporation, a leading semiconductor manufacturer in San Jose, California. He was responsible for the company's flagship product line, APEX.

Krishna is also the Chairman of the Confederation of Indian Industry (CII), Telangana, for 2020-21. In this capacity, he works closely with the state government and industry members to promote industry competitiveness, investments, and international relations as well as constructive steps for the betterment of the society.

Krishna holds a Bachelor's degree in electrical engineering from Purdue University and a Master's degree in business administration from the Kellogg School of Management, Northwestern University.

Item No. 3

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

As Executive Chairman, BVR Mohan Reddy focuses on the long-term growth of the company. He chairs the board of directors, is involved in leadership development, innovation, and corporate social responsibility. He contributes actively to the industry ecosystem in India and globally.

Mohan founded Cyient in 1991, with the vision of providing engineering services to global markets. He went on to establish the "Engineered in India" brand and led Cyient to contribute more than \$3 billion in cumulative exports from India. He also pioneered the Computer-Aided Design/Computer-Aided Manufacturing (CAD/CAM) culture in India as far back as 1982. In 2017, he received the prestigious Padma Shri, the fourth highest civilian honour in India for his contribution to trade and industry.

Mohan served as the Chairman of NASSCOM (National Association of Software & Service Companies) during 2015-16 and was a member of its Executive Council since 2003. He served as the Chairman of CII, Southern Region (2008-2009), and is currently the Co-Chair of its National Education Council. Mohan is also the Founding Director of T-Hub, the largest start-up incubation centre in the country. Mohan acts as the Honorary Consul of the Federal Republic of Germany for the states of Telangana and Andhra Pradesh.

Mohan took up several leadership positions to promote higher education in the country. He is currently the Chairman of the Board of Governors of IIT-Hyderabad, is a member of the Leadership Advisory Board (LAB) at the University of Michigan College of Engineering, USA, and a member of the Board of Administrative Staff College of India (ASCI).

Mohan is the recipient of the Distinguished Leadership Award of the American Society of Mechanical Engineers (CIE Division). He was conferred Lifetime Achievement Awards by Hyderabad Management Association (HMA), Hyderabad Software Enterprises Association (HySEA), and the Centre for Organization Development (COD) in recognition of his industry leadership, corporate excellence, and institution building. He is the recipient of Distinguished Alumnus Award from IIT, Kanpur, and is a fellow of the Institution of Engineers (India).

Mohan holds postgraduate degrees from IIT-Kanpur, and the University of Michigan, USA. He is the recipient of honorary doctorates from JNTU-Hyderabad, JNTU-Kakinada, Andhra University, and KL University.

Report of Board of Directors

Dear Members,

Your directors have pleasure in presenting the 29th Directors' Report on the business and operations of your company, for the financial year ended 31 March 2020.

1. FINANCIAL HIGHLIGHTS

(₹ in Million)

| Particulars | Consolidated | | Standalone | |
|------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Revenue | 44,274 | 46,175 | 15,231 | 16,149 |
| Other Income | 1,583 | 1,340 | 1,267 | 1,621 |
| Total Income | 45,857 | 47,515 | 16,498 | 17,770 |
| Expenses | | | | |
| Operating Expenditure | 38,381 | 39,847 | 11,706 | 11,838 |
| Depreciation and amortization expense | 1,878 | 1,114 | 990 | 509 |
| Impairment of non-current assets | 404 | - | 311 | - |
| Total Expenses | 40,663 | 40,961 | 13,007 | 12,347 |
| Profit before finance cost, tax and share of profit from Joint Venture | 5,194 | 6,554 | 3,491 | 5,423 |
| Finance cost | 486 | 326 | 148 | 11 |
| Profit before tax and share of profit from Joint Venture | 4,708 | 6,228 | 3,343 | 5,412 |
| Share of (loss) / profit from joint venture | (26) | 5 | - | - |
| Exceptional item | - | 35 | - | - |
| Profit before tax (PBT) | 4,682 | 6,198 | 3,343 | 5,412 |
| Current tax | 1,181 | 1,512 | 743 | 1,179 |
| Deferred tax | 89 | (85) | 120 | (174) |
| Profit after Tax (PAT) | 3,412 | 4,771 | 2,480 | 4,407 |
| Non- controlling Interest | (13) | (14) | - | - |
| Profit attributable to Shareholders of the Company | 3,425 | 4,785 | 2,480 | 4,407 |
| Other Comprehensive Income attributable to owners of the Company | 133 | 329 | (328) | 257 |
| Non-Controlling Interest | - | (1) | - | - |
| Basic EPS | 31.14 | 42.43 | 22.56 | 39.07 |
| Diluted EPS | 31.14 | 42.36 | 22.56 | 39.01 |
| Paid up share capital | 550 | 552 | 550 | 552 |
| Retained Earnings | 25,027 | 25,070 | 20,433 | 21,813 |

2. STATE OF AFFAIRS / COMPANY'S PERFORMANCE

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

On a consolidated basis, the revenue from operations for FY 2020 stood at ₹ 44,274 million against ₹ 46,175 million over the last year. The profit for the year attributable to shareholders and non-controlling interests was ₹ 3,412 million, recording a decrease of ₹ 1,359 million over FY 2019.

On a standalone basis, the revenue from operations for FY 2020 stood at ₹ 15,231 million which was lower by 5.68% over the last year ₹ 16,149 million in FY 2019. The profit for the year was ₹ 2,480 million, registering a decline of 43.73% over the PAT of ₹ 4,407 million in FY 2019.

3. DIVIDEND

In terms of regulation 43A of SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015, the Company has formulated and uploaded dividend policy on the corporate website (www.cyient.com/investors/corporate-governance). Details of dividend declared and paid by the company during FY 2020 are as follows:

| | Fiscal 2020 | | Fiscal 2019 | |
|----------------------|---------------------------|------------|---------------------------|------------|
| | Dividend per share (in ₹) | Dividend % | Dividend per share (in ₹) | Dividend % |
| Interim dividend - I | 6 | 120 | 6 | 120 |
| Interim dividend- II | 9 | 180 | NA | NA |
| Final dividend | NA | NA | 9 | 180 |
| Total dividend | 15 | 300 | 15 | 300 |

4. EARNINGS PER SHARE (EPS)

The Basic EPS of our company stood at ₹22.56 at standalone level and the EPS at consolidated level stood at ₹31.14.

5. TRANSFER TO RESERVES

The company has not transferred any amount to reserves during the year under review.

6. LIQUIDITY

The company continues to be debt-free and maintains sufficient cash reserves to meet its operations and strategic objectives. As at 31 March 2020, your company had liquid assets of ₹ 5,837 million as against ₹ 7,405 million at the previous year end. These funds have been invested in short-term fixed deposits and mutual funds with scheduled banks, financial institutions and debt based mutual funds.

7. COVID-19

The Company has considered internal and external sources of information up to date of approval of these financial statements in evaluating possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of trade and unbilled receivables, goodwill and intangible assets. The Company is confident about the recoverability of these assets.

8. PUBLIC DEPOSITS

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

9. SHARE CAPITAL

The company has allotted 50,493 equity shares of ₹ 5.00 each on to the associates of the company and its subsidiaries upon exercise of an equal number of stock options vested in them pursuant to the extant and Stock Option Schemes of the company.

Post April 1, 2019 further, 11,93,861 shares which were bought back by the company from the open market through the stock exchange mechanism were duly extinguished in accordance and consonance with the Companies Act, 2013 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018. Pursuant to the allotments and extinguishment of shares as above, as on 31 March 2020, the paid up capital of the Company was ₹ 549,856,105/- consisting of 109,971,221 equity shares of ₹ 5.00 each.

10. BUYBACK OF SHARES

The Board of Directors of the company had, at its meeting held on 1 February 2019, approved the Buyback of its fully paid-up Equity Shares of the face value of ₹ 5/- each, from its members/beneficial owners, other than those who are promoters or the persons in control of the company and the promoter group, from the open market through the stock exchange mechanism, in accordance with the Companies Act, 2013 (Act) and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018. The maximum size of the buyback was ₹ 200 crores, and at a maximum price not exceeding ₹ 700/- per equity Share, payable in cash. The Company commenced the buy-back of equity Shares from 12 February 2019 and closed on 11 April 2019. During the year, the Company bought back and extinguished 1,193,861 equity Shares. Accordingly, and in aggregate, company has deployed ₹ 1,999,994,028.90 (Rupees One Hundred Ninety Nine Crores Ninety Nine Lacs Ninety Four Thousand Twenty Eight and Ninety paise only) and bought back 31,23,963 equity shares.

11. SUBSIDIARIES

Cyient Inc. (CI)

Headquartered in East Hartford, Connecticut, Cyient Inc. provides engineering, manufacturing, geospatial, network, and operations management and digital services to customers in North America. Cyient Inc. has 28 offices across the US and Canada, and 1,794 associates sourced primarily from within the geography. CI has over 135 active clients ranging from Fortune 500 companies to mid-size organizations and local, state, and federal government agencies.

CI operates in 45 states and 6 Canadian provinces. The subsidiary generates \$289M in annual revenues by leveraging both the local and global delivery capability of Cyient when executing projects across North America. CI is also principal unit for executing the acquisition strategy in North America.

Cyient Europe Limited (CEL)

Incorporated in London as Dataview Solutions Limited in 1992, it became a part of the Infotech Group in 1999. Alongside its core competency of Geospatial Services, covering data acquisition, processing and analytics, the company's services are designed to

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

CEL has 4 wholly owned subsidiaries. The oldest, Cyient Benelux BV, based in Breda, Netherlands, provides support to its customers and business in the Benelux region while Cyient Schweiz GmbH, based in Bern, provides support and local presence for our long standing engagement with Swisscom. Cyient SRO, based on Prague in the Czech Republic was established in September 2015. Its primary focus is to provide engineering services to our rail, energy and aerospace customers across Europe and has a team size of around 100 associates. The most recent subsidiary is Ansem NV, a Belgium company that CEL acquired in April 2018. Ansem is a specialist solutions company, focused on the design and prototyping of analogue semi-conductor chips for a wide range of industrial clients. Ansem has offices in Leuven, Belgium as well as in Enschede in the Netherlands.

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

Cyient GmbH (CG)

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

After becoming a part of the Cyient Group in 2000, it extended its foray into other service areas like Geospatial and IT solutions. Owing to the large pool of engineering, GIS and IT resources, CG provides high-quality services and solutions to a wide range of clients with offshore cost advantage and onsite project management. Growth in the recent past has come from some of our key accounts, as well through expanding its Utility and Telecom activities, as well as semiconductor design and verification services. Cyient GmbH has branch office in France.

Cyient Australia Pty Limited (CAPL)

Established in 2014, Cyient Australia provides engineering design and network operations services to diverse industries to its Asia Pacific customers. CAPL

supports its customers especially Telecommunication, Utilities and Rail transportation from global delivery centres in Sydney and Melbourne with operations Australia wide and across the APAC region. Now with logistic capabilities, Cyient Australia has branched its service offering into a full End-to-End Delivery model introducing local civil engineering into its already enhanced process. CAPL has over 300 associates operating from our global delivery centres and customers across Australia. Melbourne is the APAC headquarter

Cyient KK (CKK)

Established in 2008 in Central Tokyo, CKK is a leading engineering service provider in Japan. CKK provides end-to-end engineering services and solutions to different industry verticals such as Aerospace & Defense, Energy, Rail, Industrial, and Semiconductor. CKK leverages the global delivery capability of the parent organization, while maintaining client relationships and managing projects locally.

During the previous year, started engagement with new customer, Mitsubishi Electric Corporation (MELCO) on Design Optimization for cost reduction, Proto build and carryout functional and integration testing for Cubicle Type Gas Insulated Switchgears (C-GIS) and expanded business to Maintenance, Repair & Overhaul (MRO) operations of existing customer, IHI Corporation.

Cyient Singapore Pte Limited (CSPL)

Established in 2015, Cyient Singapore is the South East Asia headquartered subsidiary of the company. CSPL provides services and solutions to diverse industries such as aerospace, medical, telecommunications, utilities and rail transportation. CSPL has close to 50 engineers supporting its customers from the engineering centre in Singapore. CSPL specializes in development of aero engine repair engineering solutions to global airlines, engine centers and repair business units. The focus is on Total Maintenance cost reductions through distress mapping, shop floor troubleshooting, scrap reviews etc around Fleet Management Programs. CSPL has a strong customer base in the region and this entity becomes very important for the future growth in the region.

Cyient Engineering (Beijing) Limited (CEBL)

The company established a subsidiary in Beijing in 2017. During the year, the process of winding up this entity was commenced.

Cyient Israel India Limited (CIIL)

Over the past two years, Cyient has continued to grow its design-led manufacturing business with a number of leading defense OEMs in Israel. CIIL provides the company with local business development and consulting capabilities that have helped Cyient win new customers as well as expand into new business segments and services.

Cyient DLM Private Limited (CDLMPL)

CDLMPL is a leading player in the design, development and manufacturing of electronic assemblies at Mysore and Hyderabad and mechanical assemblies at Bangalore, India. Our unwavering focus on quality, cost and value engineering are critical success factors to accelerate growth. We started our new electronic manufacturing facility at GMR Aerospace and Industrial SEZ in Hyderabad.

The Secretarial Audit Report of CDLMPL as required under Regulation 24A of SEBI (LODR) Regulations, 2015 is provided as a separate annexure forming part of this report. Further, the annual report is being sent to the members excluding the aforesaid annexure. The same is available for inspection and any member interested in obtaining a copy of the same may write to the company secretary.

Cyient Insights Private Limited (CIPL)

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

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

Cyient Solutions and Systems Private Limited (CSSPL)

CSS is a partnership between the company and BlueBird Aero Systems Israel has focused on opportunities in the Indian Defence Sector over the past two years. CSS offers a range of world-class Unmanned Aerial Systems and has developed new technology to address the unique needs of the country's defence and paramilitary forces. The company has delivered systems for high-altitude aerial surveillance operations and has continued to invest in indigenous manufacturing capabilities and after market support services.

Cyient Urban Micro Skill Centre Foundation (CUMSCF)

CUMSCF is a flagship project of the company's CSR activity. CUMSCF is a company registered under section 8 of the Companies Act, 2013.

CUMSCF is an innovative and direct response to poverty alleviation. It focuses on building livelihood opportunities that are aligned with community needs and built upon community strengths. CUMSCF facilitates skill development opportunities and provides support to empower participants to be self-employable, build entrepreneurship capacity or access to sustainable skilled employment

Infotech HAL Limited (IHL)

Infotech HAL Ltd (IHL) is a joint venture (50:50) between the company and Hindustan Aeronautics Limited (HAL). It is based in Bangalore.

12. QUALITY

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

True to our image as a global player, we have developed a reputation for providing our clients with world-class quality. Our clients trust the strength of quality processes that have always assured them of timely defect-free deliverables. The quality management system (QMS) is a testimony derived and optimized with experiences and best practices that are aligned with the internationally renowned quality standards and models like ISO 9001:2015, ISO 27001:2013, AS 9100 D, ISO 13485:2016, ISO 22163: 2017 (IRIS), TL 9000 R 6.0/R 5.5V, ISO 14001:2015, ISO 45001-2015 and CMMI-DEV Version 2.0 Level 5. Cyient is the 8th company in India and 12th company in the world to have been appraised at Level 5 on CMMI DEV 2.0 Version.

13. BUSINESS RESPONSIBILITY REPORT

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

14. CORPORATE SOCIAL RESPONSIBILITY

Your company believes in giving back to society in some measure that is proportionate to its success in business. Corporate Social Responsibility (CSR) aims at balancing the needs of all stakeholders. The company's CSR initiative goes beyond charity and believes that as a responsible company it should take into account its impact on society as much as creating business impact. The CSR initiatives are conducted through Cyient Foundation. An elaborate report on CSR is published elsewhere in this annual report. The CSR Annual Report is enclosed as Annexure 'B'.

15. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Appointments/Re-appointments

In accordance with the provisions of the Act and Articles of Association of the company, Mr. Krishna Bodanapu retires by rotation and being eligible, offers himself for re-appointment.

Inductions

On the recommendations of the Leadership, Nomination and Remuneration Committee, the Board appointed Ms. Matangi Gowrishankar and Mr. Vivek Gour, as Independent Directors of the Company with effect from 25 April 2019.

Re-appointments

Mr. B.V.R. Mohan Reddy and Mr. Krishna Bodanapu were re-appointed as Executive Chairman and Managing Director & CEO of the Company respectively w.e.f 25 April 2019 on the terms and conditions as recommended by the Leadership, Nomination and Remuneration Committee and by the Board of Directors of the Company. The appointments were approved by the shareholders in the 28th Annual General Meeting. Upon expiry of the term of Mr. B.V.R. Mohan Reddy was re-appointed as Executive Chairman with effect from 1 April 2020 without any remuneration. more details of the same are published in the Notice of the 29th AGM.

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

Mr. K. Ramachandran, Mr. John Paterson and Ms. Andrea Bierce completed their respective terms as independent directors and vacated office at the conclusion of the 28th AGM. The board thanks the directors for their contribution during their tenure.

Key Managerial Personnel

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

Key Managerial Personnel during the financial year.

16. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

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

17. NUMBER OF BOARD MEETINGS DURING THE YEAR

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

18. BOARD EVALUATION AND ASSESSMENT

The company believes that formal evaluation of the board and of the individual directors, on an annual basis, is a potentially effective way to respond to the demand for greater board accountability and effectiveness. For the company, evaluations provide an ongoing means for directors to assess their individual and collective performance and effectiveness. In addition to greater board accountability, evaluation of board members helps in:

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

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

In order to facilitate the same, the board undertook a formal board assessment and evaluation process during 2019-20. The board evaluation was performed after seeking inputs from all the directors and included criteria such as the board composition and structure, effectiveness of board processes, information and functioning as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January 2017 and the amendments brought in SEBI (LODR) Regulations in 2018. The Leadership, Nomination & Remuneration Committee has overall stewardship for the process. The evaluation process covers the following aspects:

- Peer and self-evaluation of performance of directors
- Evaluation of the performance and effectiveness of the board
- Evaluation of the performance and effectiveness of Board Committees

- Evaluation of the performance of the Executive Chairman and the Managing Director & CEO
- Feedback on management support to the Board

The evaluation process elicits responses from the directors in a judicious manner - ranging from composition and induction of the board to effectiveness and governance. It also sought feedback on board and committee charters, strategy, risk management and quality of discussion and deliberations at the board. The evaluation process also ensures the fulfilment of independence criteria as specified in the applicable regulations and that the latter are independent of the management. The independent directors concerned do not participate in the evaluation process.

19. AUDIT COMMITTEE

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details relating to the same are given in the Report on Corporate Governance forming part of this Board Report.

20. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal Financial Controls are part of risk management process addressing financial and financial reporting risks. They ensure the orderly and efficient conduct of business, including adherence to Company policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records. They aid in the timely preparation of financial statements. The Internal Financial Controls have been documented, digitised and embedded in the business process.

21. AUDITORS

A) Statutory Auditors

At the 28th AGM held on 6 June 2019, the members approved the appointment of S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E-300004) as Statutory Auditors of the company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 33rd AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

B) Secretarial Auditors

The Board has appointed Mr. S. Chidambaram as Secretarial Auditors for the financial year ended 31 March 2020. The Secretarial Audit Report for the financial year ended 31 March 2020 is annexed as Annexure C to this report.

22. AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

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

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

23. VIGIL MECHANISM

The Company has put in place a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), 2015 for employees and others to report concerns about unethical behaviour. It also provides for adequate safeguards against the victimisation of employees who avail of mechanism. No person has been denied access to the Chairman of the audit committee. The Whistle blower Policy is available on the website of the company i.e. (<http://www.cyient.com/investors/corporate-governance>). The company implemented a web based/online mechanism under the whistle blower policy. This mechanism encompasses the entire trail from the login of a complaint to its eventual redressal. The system also affords a dial-in facility to associates in various languages across the countries where the company has its operations.

24. EMPLOYEE STOCK OPTION PLANS

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

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

The particulars relating to conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure 'E' to the report.

26. MANAGEMENT DISCUSSION & ANALYSIS

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

27. DIRECTORS RESPONSIBILITY STATEMENT

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

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

28. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan, guarantee, or security is proposed to be utilised by the recipient are provided in the Standalone Financial Statement. (Refer Note No. 5,6 and 21 to the Standalone Financial Statement).

29. RELATED PARTY TRANSACTIONS

The company has complied with the provisions of section 188(1) of the Act dealing with related party transactions. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and is enclosed as Annexure 'G'.

30. EXTRACT OF ANNUAL RETURN (MGT 9)

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

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

31. PARTICULARS OF EMPLOYEES

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

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

| Executive Directors | Ratio to median remuneration |
|----------------------------------------------------------|------------------------------|
| B.V.R. Mohan Reddy | 88.62 |
| Krishna Bodanapu | 122.59 |
| | |
| Independent Directors | |
| M.M. Murugappan (Non-Executive and Non - Independent) | 2.22 |
| Som Mittal | 2.22 |
| Vivek Gour | 2.22 |
| Matangi Gowrishankar | 2.22 |
| Vinai Thummalapally | 5.20 |
| Vikas Sehgal | 5.20 |

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

| Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary | % increase in remuneration in the financial year |
|-----------------------------------------------------------------------------------|--------------------------------------------------|
| B.V.R. Mohan Reddy | -26.0% |
| Krishna Bodanapu | -20.0% |
| Ajay Aggarwal | -1.0% |
| Sudheendhra Putty | 12.0% |

- The percentage increase in the median remuneration of employees in the financial year: 6.9%.
- The number of permanent employees on the rolls of Company: 10,439.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 7.7% and the average annual increase managerial personnel 6.0%

- f) Affirmation that the remuneration is as per the remuneration policy of the Company:

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

- g) The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any member interested in obtaining a copy of the same may write to the Company Secretary.

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

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

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of the POSH Act. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All associates of the company are covered under this policy.

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

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

- f) Devised plan of action for financial year 2020.

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

33. RISK MANAGEMENT

The company pursues a comprehensive risk management programme as an essential element of sound corporate governance and is committed to continuously embedding risk management in its daily culture. This process is followed in five steps:

- Identify risks and opportunities
- assess risk and performance for key processes
- evaluate the risk impact across business operations
- develop mitigation plan for the risks identified and
- monitor the risks at regular intervals and report to the Risk Management Committee

The company has classified the risks into five categories: 1) Strategic 2) Reputational 3) Operational 4) Financial 5) Compliance/Litigation. Each identified risk is assessed according to its probability and impact on the company.

The Board of Directors has formed an internal risk management committee to identify, evaluate, mitigate and monitor the risk management in the company. The committee comprises cross-functional membership from the senior management of the company. The primary objectives of the Committee are to assist the Board in the following:

- To provide an oversight for all categories of risk and promulgate risk culture in the organization
- To adopt leading risk management practices in the industry and manage risk proactively at organizational level
- Help to develop a culture of the enterprise that all levels of people understand risks.
- Provide input to management of risk appetite and tolerance and monitor the organization's risk on an ongoing basis.
- Approve and review risk management plan which includes company's risk management structure, framework, methodologies adopted, guidelines and details of assurance and review of the risk management process.
- Monitor risks and risk management capabilities and mitigation plans.

More details on the risk management committee of the board can be found in the Report on Corporate Governance. Members may also refer to the Management Discussion & Analysis Report.

34. CORPORATE GOVERNANCE

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

35. DISCLOSURE REQUIREMENTS

Familiarization programme of the independent directors <http://www.cyient.com/investors/corporate-governance>

Policy for determining material subsidiaries of the Company <http://www.cyient.com/investors/corporate-governance>

Policy on dealing with related party transactions <http://www.cyient.com/investors/corporate-governance>

Prevention of sexual harassment policy <http://www.cyient.com/investors/corporate-governance>

Environment, health and safety policy <http://www.cyient.com/investors/corporate-governance>

Dividend Payment policy <http://www.cyient.com/investors/corporate-governance>

Criteria of Payment of Remuneration to Non-Executive Directors of the Company <http://www.cyient.com/investors/corporate-governance>

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

36. CEO's DECLARATION

Pursuant to the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a declaration by the Managing Director & CEO of the company declaring that all the

members of the board and the senior management personnel of the company have affirmed compliance with the Code of Conduct of the company is enclosed as Annexure 'K'.

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

37. GREEN INITIATIVES

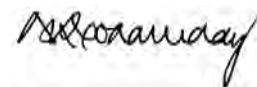
As a part of conservation of natural resources and green initiatives, Electronic copies of the Annual Report 2019-20 and the Notice of 29th AGM are sent to all eligible members whose mail addresses are registered with the Company / depository participant(s). Physical copies of the Annual Reports will sent to the members who have not registered their email addresses. We encourage our members to register their email address and take part in green initiative.

38. ACKNOWLEDGMENTS

The board of directors' expresses their thanks to the company's customers, shareholders, vendors and bankers for their support to the company during the year. We also express our sincere appreciation to the contribution made by employees at all levels. Our consistent growth was made possible by their hardwork, cooperation and support.

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

For and on behalf of the Board



B.V.R. Mohan Reddy

Executive Chairman

(DIN-00058215)

Place: Hyderabad

Date: 7 May 2020

BUSINESS RESPONSIBILITY REPORT

Annexure-A

The Cyient Business Responsibility Report [BRR] for the fiscal year 2019-20 follows the National Guidelines on Responsible Business Conduct (NGRBC) as notified by the Ministry of Corporate Affairs (MCA), Government of India in, 2019. The BRR includes our response in compliance with the requirements as defined by the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. This report showcases our business practices and performance related to governance, stakeholder relationship, society and environment.

We are in the process of developing our first annual Sustainability Report, in accordance with the Global Reporting Initiative [GRI] Standards. The detailed information on all our material topics will be available in our annual Sustainability Report 2019-20.

Section A: General disclosures

| S.No. | Company Details | |
|--------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Name of the Company | Cyient Limited |
| 2 | Year of Registration | Cyient was incorporated as a 'Private Limited' company in August 1991. Further, the company became public in 1995. The company is listed on BSE and National Stock Exchange. |
| 3 | Corporate Identity Number (CIN) of the Company | L72200TG1991PLC013134 |
| 4 | Corporate address, telephone, email and website | 4th Floor, 'A' Wing, Plot No. 11, Software, Units Layout, Infocity, Madhapur Hyderabad, Telangana - 500 081 T: +91-40-6764 1000 company.secretary@cyient.com www.cyient.com |
| Products/Services | | |
| 5 | Sector(s) that the Company is engaged in (industrial activity code-wise) | 62099 - Other information technology & computer service activities |
| 6 | Goods manufactured/services provided (top three by revenue) | <ul style="list-style-type: none"> Engineering services addressing engineering solutions manufacturing and infrastructure verticals in mechanical, plant, manufacturing, electrical engineering etc. Design led manufacturing in mechanical and electronic domain along with semi-conductor design services, engineering application software development & IP, and allied services Geospatial services like photogrammetry, remote sensing navigational data mapping, location-based services to the utilities and telecom sectors Data transformation and analytics services like advanced analytics, big data consulting, IoT and M2M to the utility and transportation segments for public and private realm & product realization |
| 7 | Brands (top five by respective share of market) owned and percentage of revenue contributed: | Not applicable. Cyient Limited does not own any brands. |
| Operations | | |
| 8 | Location of plants (in case of manufacturing businesses) | Not applicable |
| a | National (Districts and states – top five by employee strength): | |
| b | International (Country – top three by employee strength): | |

| | | | |
|---|-------------------------------------------------------------------|----------------------|----------------------------------|
| 9 | Location of major offices (in case of service businesses) | | |
| a | National (Districts and states – top three by employee strength): | Location | Employee strength in Nos. |
| | | Hyderabad, Manikonda | 2,536 |
| | | Hyderabad, Uppal | 1,835 |
| | | Hyderabad, Madhapur | 1,607 |
| b | International (Country – top three by employee strength) | Location | Employee strength in Nos. |
| | | East Hartford,USA | 342 |
| | | Arlington,USA | 153 |
| | | Sydney,Australia | 145 |

Employees

| | | |
|----|------------------------------------------------------|-----------------------------------------------------------------------------|
| 10 | Number of Permanent employees | 13,589 of which 281 are on fixed terms |
| 11 | Contractual employees (seasonal, non-seasonal): | Number of contingent employees – 614 Number of trainee apprentices – 213 |
| 12 | Temporary employees: | |
| 13 | Percentage of women: | 21.29% |
| a | On the governance structure: | 11.11% |
| b | In top management, i.e. business and function heads; | 8.43% |

Associate Entities

| | | |
|----|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 14 | Names of subsidiary / associate companies | Cyient, Inc.[CI], Cyient Europe Limited [CEL], Cyient GmbH (CG), Cyient Australia Pty Limited (CAPL), Cyient KK [CKK], Cyient Singapore Pte Limited (CSPL), Cyient Engineering (Beijing) Limited (CEBL), Cyient Israel India Limited (CIIL), Cyient DLM Private Limited (CDLMPL), Cyient Insights Private Limited (CIPL), Cyient Urban Micro Skill Centre Foundation (CUMSCF) Cyient Solutions and Systems Private Limited (CSSPL), & Infotech HAL Limited (IHL) |
| 15 | Details of Trust/Society/Section 8 company to further its CSR agenda: | |
| a | Names | Cyient Urban Micro Skill Centre Foundation (CUMSCF) |
| b | Organization form (Trust, Society, Company) and year of establishment | Non-profit organization [NGO], established in October 2018 |
| c | Main objects/purpose | Impart skills to unemployed urban and rural communities for their employability |
| d | Amounts and sources of funds received in the reporting year | ₹ 8.25 Crores |
| 16 | Contact details of Nodal Officer for this report (name, designation, email id, phone number). | Name: B. Ashok Reddy Designation: President- Corporate Affairs & Infrastructure Email ID: ashok.reddy@cyient.com Contact: +91-40-67641000 |

Section B: Management and process disclosures

Policy and management process

1. Names of the policy / policies that covers each Principle and the associated core elements¹

| Principles | Description | Company's Policy | Core Elements |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Principle 1 | Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable | Codes of Conduct, Whistle Blower policy | Honesty & Ethical conduct, Conflict of Interest, Legal Compliance, Corporate disclosure policy, Competition and Fair dealing, Compliance with Code of conduct, Accountability |
| Principle 2 | Businesses should provide goods and services in a manner that is sustainable and safe. | EOHS & Information Security policy | Environment protection, Resource optimization, pollution prevention, Data protection |
| Principle 3 | Businesses should respect and promote the well-being of all employees, including those in their value chains. | POSH, EOHS, Maternity, Medical and Leave policy | POSH committee, Communication, Accountability, Maternity benefits, Human Rights, Accident prevention, Safe workplace, Training on Health and safety |
| Principle 4 | Businesses should respect the interests of and be responsive to all its stakeholders. | CSR Policy | CSR vision and objective, CSR governance structure, CSR committee, Monitoring and Reporting framework, Planning, Major CSR initiatives, Volunteering |
| Principle 5 | Businesses should respect and promote human rights. | POSH & CSR Policy | Human Rights, CSR vision and objective, CSR governance structure, CSR committee, Monitoring and Reporting framework, Planning, Major CSR initiatives, Volunteering |
| Principle 6 | Businesses should respect and make efforts to protect and restore the environment. | EOHS Policy | Environment protection, pollution prevention, resource optimization |
| Principle 7 | Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent. | Codes of conduct, Anti-bribery/ Anti-fraud | Honesty & Ethical conduct, Conflict of Interest, Legal Compliance, Corporate disclosure policy, Competition and Fair dealing, Compliance with Code of conduct, Anti-corruption due diligence, risk assessments, gifts, investments, applicability to all associates and business partners |
| Principle 8 | Businesses should promote inclusive growth and equitable development. | Modern Slavery Statement, Diversity and Inclusion policy | Awareness, Recruitment, Leadership, Mentorship, Compliance, Human rights |
| Principle 9 | Businesses should engage with and provide value to their consumers in a responsible manner. | Procurement Guidelines | Integrity, Compliance with applicable laws, Ethical conduct, anti-corruption, Intellectual property, International Trade, Conflict of interest, Honest and accurate transactions, Data protection, Non-disclosure and documentation, Audit compliance |

¹Addresses the question 1 and 2 of the policy and management process

| S.No. | Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | | |
| 3 | Policy/ policies relating to each principle that has been translated into guidelines and procedures. | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4 | Extent to which manpower, planning and financial resources have been allocated for the implementation of the policy/ policies relating to each Principle. | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5 | National and International codes and standards adopted mapped to various Principles. | The policies are based on the NVG, and additionally conforms to the guidelines of international standards like ISO 9001, ISO 27001, ISO 14001, OHSAS 18001, and ILO principles. | | | | | | | | |
| Governance, leadership and oversight | | | | | | | | | | |
| 6 | Names of the above policies that have been approved by the Board/top management. | All the policies developed are approved by the board. We have also set up specific committees to formulate and approve the policies and oversee its implementation and monitoring of the action plans. | | | | | | | | |
| 7 | Name of the specified committee(s) of the Board/ Director/Officer and processes to oversee the implementation of the policy/ policies. | CSR Committee Diversity and Inclusion Committee Anti-Corruption Committee POSH Committee Audit and Risk Management Committees LNR Committee Stakeholders' Relationship Committee | | | | | | | | |
| 8 | The process for board/ top management to review performance against the above policies and incorporating inputs. | The policies are reviewed periodically by the Board. Any changes/ amendments to the policies, are reviewed on need basis. The specific committees oversee the formulation, approval and implementation of the specific policies. They are also responsible for reviewing the annual performance against the policies and recommending specific actions. The Board level Audit and Risk management committee actively reviews all the corporate governance practices and procedures. | | | | | | | | |
| 9 | Process for board/ top management to review compliance with statutory requirements of relevance to the principles and rectify any non-compliances. | The Company Secretary who is also the designated Compliance Officer, along with in-house compliance team ensures that the Company conducts its businesses with high standards of legal, statutory and regulatory compliances. The Board level committees also oversee the integrity of the company's governance framework of operational controls with respect to regulatory compliances. The company has adopted a global compliance framework to accentuate its governance process and articulate how the values, purpose and structure contribute towards its stakeholders and society. | | | | | | | | |
| 10 | Frequency of the reviews of the business's alignment with the Principles and Core Elements conducted by the board/ top management. | The Board meets at least four times a year with a maximum gap of not more than one hundred and twenty days between the two meetings. The Board reviews the business alignment with the principles and core elements annually. | | | | | | | | |

Stakeholder engagement

| | | |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11 | Description of the process to identify your business's key stakeholders. | We have identified stakeholders based on those who are directly or indirectly associated with the company; those with interests in the company's strategy and operations and can be impacted or influence our business. |
| 12 | Description of the process to engage with your stakeholders on the Principles. | We have identified four key stakeholder groups including associates, investors, customers and the society. Various surveys like customer satisfaction survey, associate engagement survey and investor satisfaction survey are conducted at regular intervals every year to engage and gauge the feedback of the respective stakeholders. We also host an annual Investor Day at our premises, and annual general meeting to engage with our investors. We also conduct need assessments and impact assessment studies with help of independent external agencies in communities where we operate, to engage with the local community and help address their needs through our CSR activities. |
| 13 | Description of the processes to identify groups that are vulnerable and marginalized stakeholders. | The company is strongly committed to giving back to the society within which it operates. Our Corporate Social Responsibility arm Cyient Foundation which adopts a three-pronged approach that focuses on health, digital literacy and community development with education and innovation at the core. Community need assessments and focus group discussion helps us identify the vulnerable and marginalized stakeholders within the identified focus areas. |
| 14 | Description of the processes to identify issues related to inclusion and impact of adopting the Principles on vulnerable and marginalized stakeholders. | Cyient's CSR policy outlines the commitment towards the society and supports inclusive growth and equitable development of all its stakeholders. Through our CSR initiatives we have identified and assessed the impact of our programs on the marginal and vulnerable sections. |

Communications

| | | |
|----|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15 | Description of process to communicate to stakeholders, the impact of your policies, procedures, decisions and performance that impact them. | Cyient aims to build strong relationships with its stakeholders and periodically communicate the impacts of the Company's policies, procedures, decisions and performance through various mediums like customer meets, community meetings, Annual General Meetings, company-wide mailers, intranet and through website. |
| 16 | Description of how the business communicates the results of stakeholder engagement in the public domain. | The results are communicated through stakeholder interactions, Business responsibility report and Annual report. Going ahead we will also publish annual Sustainability Report for transparent communication on stakeholder expectations, our response to these expectations and our performance. |
| 17 | Description of the process of communicating performance against these Guidelines to relevant stakeholders. | The performance against the guidelines are communicated through Annual report, Business Responsibility Report. From FY 2019-20, we will publish annual Sustainability Report for transparent communication of performance. |
| 18 | Note on how disclosures and reporting helped in improving business performance / strategy. | The reporting has helped revisit our business goals, which aids in creating positive impact on the society and manage change constructively. The performance disclosures and reporting has helped us nurture a strong and transparent relationship with our stakeholders. |

If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

| S.No. | Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|-------|-----------------------------------------------------------------------------------------------------------------------------------|----------------|-----|-----|-----|-----|-----|-----|-----|-----|
| 1 | The Company has not understood the Principles | Not applicable | | | | | | | | |
| 2 | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The Company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

Section C: Principle wise performance disclosure

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable

Cyient Limited creates long term value for stakeholders through unwavering adherence to the FIRST values, our Code of Conduct, our vigil mechanism, data privacy policies and tools, as well as our grievance mechanism. These are the tools that guide and enable the senior management and every employee of the company to conduct business with utmost integrity, commitment and high ethical and moral standards. Our Code of Conduct and all company-wide policies can be accessed at <http://www.cyient.com/investors/corporate-governance/>.

| S.No. | Essential indicators | Value / Description |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Month/year of last review by Governance Structure/ top management of performance of the business across the Principles and Core Elements of the Guidelines? | Cyient's top management periodically reviews the performance across the core elements of responsible business' guidelines |
| 2 | Percentage coverage of leadership team by awareness programs on the Guidelines: | 100% |
| a | In reporting year | |
| b | Total to date | |
| 3 | Percentage of suppliers and distributors (by value), in the year: Covered by awareness programs for the Guidelines? Had responsible/sustainable business policies in place? | All our suppliers are apprised of Cyient's responsible business policies during the annual suppliers/ vendors meet, and are encouraged to adopt responsible business practices |
| 4 | Number of meetings/ dialogues with minority shareholders that were organized in the year? | <ul style="list-style-type: none"> We conduct annual general meeting (AGM), a mandatory yearly gathering, and an annual investor meet for our interested shareholders to inform about the company's performance and strategy. We conduct Earning calls, on a quarterly basis with our registered shareholders to inform them about our company's financial performance. The transcripts of the calls are updated on our website for our other stakeholders' information. We also have need-based discussions/ meetings with our local shareholders. In FY 2019-20 about 20 such shareholders have had meetings and discussions with us on company's performance. |
| 5 | Number of complaints received on any aspect of the NGRBC in the year from: | |
| a | Shareholders/investors | 94 |
| b | Lenders | Nil |
| 6 | Number of the above complaints pending resolution at close of year? | Nil |
| 7 | Value of non-disputed fines / penalties imposed on your business by regulatory and judicial institutions in the year? | No fines or penalties were imposed on Cyient Limited from the regulatory and judicial institutions. |
| 8 | Number of complaints / cases of corruption and conflicts of interest that were registered in the year? | We have not received any complaints/cases of corruption or conflict of interest in the FY 2019-20. |
| 9 | Details of unmet obligations (fiscal, social, etc.) arising out of any benefits or concessions provided by the central, state, or local governments. | Not applicable. We have not received any grants, benefits or concessions from the local, state or central governments. |

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

We strive to provide comprehensive solutions that help our clients achieve their operational and business goals. Our technical expertise, domain knowledge, and service offerings differentiate us as a Design, Build, Operate & Maintain Partner, committed to meeting our Client's needs and solving more problems. We leverage the power of digital technology to other complete solutions across our clients' value chains.

| S.No. | Essential indicators | Value / Description |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | List top three goods /services (revenue in the year) which incorporate environmental and social concerns, risks, and/or opportunities in their design. | <p>1. <i>Design</i></p> <ul style="list-style-type: none"> Product engineering Networks & operations <p>Designing products networks and systems that are more efficient, faster and more cost-effective, often leads to lowering energy and material footprint of these systems.</p> <p>2. <i>Build</i></p> <ul style="list-style-type: none"> Electronics and mechanical manufacturing Systems & applications Geospatial data <p>Our electronics and mechanical manufacturing facilities are continuously working on increasing efficiency and environment management. Further we leverage digital technologies including smart sensors to monitor the performance of our machinery and product lines, and predictive analytics to decrease reactive maintenance life cycles.</p> <p>3. <i>Operate & Maintain</i></p> <ul style="list-style-type: none"> Aftermarket services Operations support Asset management Data maintenance <p>Through improved operation and maintenance of technology solutions, we enable our Clients to reduce inefficiencies and downtime, thereby maximizing the output achieved with a given level of resources.</p> <p>4. <i>Digital</i></p> <ul style="list-style-type: none"> Internet of Things Analytics Additive Manufacturing Mobility Augmented Reality Digital Reality <p>We assist our clients with access to more insights, to help them make better decisions – which may lead to increasing productivity, reducing inefficiencies and solving more problems.</p> |
| 2 | Details of investments in specific technologies to improve the environmental and social impacts (top three by value). | We are yet to identify the investments made in specific technologies towards improving environmental and social impacts. We will disclose this in our next BRR. |
| 3 | Percentage of input material and services (by value), in the year sourced from suppliers adhering to internal or external sustainability standards / codes / policies/ labels. | Not applicable. Cyient is a Software Enabled Engineering and GIS service provider. As there is no physical product development, the procurement is largely around infrastructure related requirements. |
| 4 | Percentage of total raw material consumed in the year (by value) that consisted of material that was recycled or reused | Not applicable. Cyient is a Software Enabled Engineering and GIS service provider, and there is no physical product that requires raw material. |
| a | <5% | |
| b | between 5% and 25% | |
| c | > 25% | |
| 5 | Describe the process in place to safely collect, reuse, recycle and dispose of your products at end-of life | Not applicable. Cyient is a Software Enabled Engineering and GIS service provider, there is no physical product involved which will require any collection, reuse, recycling and disposal. |

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Being an employee-centric organization, our focus is on creating a work environment that provides new learning and growth opportunities for our employees along with ensuring their health and safety at workplace. Our facilities teams across all locations drive EHS programs in collaboration with the Human resources function. We conduct six-monthly mock drills and have designated two safety champions on every floor of our office who are specifically trained on safety. We conduct quarterly safety training programs for all our employees. We regularly organize health check-up camps and train our employees via fire and mock drills to tackle situations of emergency. Our well-defined security system and automation in transportation also strengthens our internal security for ensuring employee-safety at workplace.

Cyient is committed towards fair business practices in its operations and value chain. To reiterate, the protection of employee's right we have developed a Modern Slavery Statement, outlining the steps undertaken to ensure that there is no modern slavery in our business and supply chain. The suppliers/vendors are required to strictly abide by the 'no-child labor' and 'no forced or compulsory labor' policy in their business operations. They are mandated to comply with all the applicable laws and regulations relevant to their geographies and operations related to employee management.

| S.No. | Essential indicators | Value / Description | | |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------|
| 1 | Total number of employees | 10439 | | |
| 2 | Total number of employees hired on temporary/ contractual/casual basis | Contingent employees – 614 Nos. Trainee Apprentices – 213 Nos. | | |
| 3 | Number of permanent women employees | 2951 | | |
| 4 | Number of permanent employees with disabilities | We currently do not track this; however, we will establish systems to monitor the number of employees in Cyient with disabilities and disclose in future BRR. | | |
| 5 | Do you have an employee association that is recognized by management | We do not have any employee association. | | |
| 6 | Percentage of your permanent employees' part of recognized employee association. | Not applicable. We do not have any employee association. | | |
| 7 | Percentage of your establishments / value chain that has been audited in the year for: Child labor Forced/involuntary labor | Not applicable. Cyient being a Software service provider, none of our facilities are at risk of incidents of child labor and forced labor. Also, in our contracts with suppliers, there are appropriate clauses to prevent child and forced labor in any form. | | |
| 8 | Percentage of your employees that were paid above the legal minimum wage in the last year? | 100% | | |
| 9 | Ratio of the highest salary paid to the lowest salary paid amongst your permanent employees? | In compliance with regulatory requirements, we ensure fair pay practices. However, due to confidentiality reasons we cannot disclose this information. Should anyone require details of salary they can reach out to the Nodal Officer. | | |
| 10 | Number of complaints received related to child labor, forced/involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year. | Category | No. of complaints filed during the financial year | No. of complaints pending as on end of the financial year |
| | | Child labor | Nil | Nil |
| | | Forced/ compulsory labor | Nil | Nil |
| | | Harassment | Nil | Nil |
| | | Discriminatory employment | Nil | Nil |
| | | Delay in payment of wages | Nil | Nil |
| 11 | Percentage of employees provided training and skill up- gradation training (in the year and total to date): Permanent Employees Permanent Women Employees Casual/Temporary/Contractual Employees | We currently do not segregate the training hours by permanent and temporary employees, while we ensure that all our employees are adequately trained. We will disclose the percentage wise break-up of training among different categories of employees in our future BRR. | | |
| | Employees with Disabilities | Not tracked | | |
| 12 | Number of the following occurred during the year: | | | |
| | a Accidents at the workplace | Nil | | |
| | b Fatalities caused | Nil | | |
| | c Disability caused | Nil | | |
| 13 | Percentage of employees (all categories) trained on health and safety issues & measures: In the year Total to date | 100% employees have been trained on health and safety measures through online training modules and 33% employees were covered in mock drill. | | |

Principle 4: Businesses should respect the interests of and be responsive to all their stakeholders.

Cyient Limited has mapped its internal stakeholders as the associates volunteering their manhours for the organizational activities and external stakeholders as the community members, NGO's, individuals and family members of our associates. The company ensures rigorous stakeholder engagement to assess their requirements. We also ensure timely response to their needs in an effective manner.

| S.No. | Essential indicator | Value / Description |
|-------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | List stakeholder groups that have been identified as key to your business? | The company has identified four key stakeholder groups - associates, investors, customers and the society. |
| 2. | Positions / departments / functions responsible for engagement with each stakeholder category identified above? | We have the following departments who engage with relevant stakeholders round the year- a. Employees – HR and Administration department b. Investors – Investor relations and company secretary c. Customers – Delivery head d. Community – CSR team under the guidance of CSR committee |
| 3 | Number of stakeholder groups that were formally engaged on environment and social issues in the last year? | We engaged our employees to seek their feedback and suggestions on environment, health and safety related activities and trainings. Customers, community members, and our employees were also engaged through our CSR activities. |
| 4 | Percentage of input material and services (by value), in the year, that were procured from local and small vendors / producers? | Not applicable. Being a Software Enabled Engineering and GIS service provider, there is no physical product development, the procurement is largely around infrastructure related requirements. |

Principle 5: Businesses should respect and promote human rights

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

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

| S.No. | Essential indicators | Value / Description |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Percentage of employees that have been provided training on human rights issues: | 100% |
| a | In the year | |
| b | Total to date | |
| 2 | Employee categories that are covered by the human rights policies of the business – Permanent/Contract/Casual. | The Human Rights policy covers all the employee categories of Cyient. |
| 3 | Number of business agreements and contracts with third party partners that were reviewed in the year, to avoid complicity with adverse human rights impact in the previous year. | Yet to receive the information |
| 4 | Stakeholders groups governed by the grievance committee for human rights issues. | The Human rights policy is applicable across Cyient Limited, its subsidiaries and affiliate companies. It is also applicable to our suppliers and contractors. |
| 5 | Number of stakeholders that reported human rights related grievances and/or complaints: Received in the year Pending resolution | Nil |

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

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

Various initiatives have been launched in the direction of effective environment management which includes energy conservation measures, reducing GHG emissions by optimizing business travel via SAP Concur and effective waste disposal methods.

| S.No. | Essential indicators | Value / Description |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Material risks of potential or actual adverse impacts upon the environment and communities by the business: | |
| a | Identified in the year | We have identified material risks that may have significant impact on our environment and communities due to our business operations. These include, water and energy consumption, emissions, effluents and waste. |
| b | Mitigation and adaptation measures put in place for the above environmental risks? | Cyient is certified to ISO 14001 environmental management system. The system implementation has helped the company determine the risks and opportunities with respect to the environmental aspects, compliance obligations and considering the expectations of the associated stakeholders; and develop specific risk management programs for mitigation of identified risks. |
| 2 | Good practices (up to three) in reduction, recycling, and reuse initiatives that contributed to lowering the adverse environmental footprint of your business activities. | <ol style="list-style-type: none"> Water Water consumption reduction and water conservation techniques Energy <ol style="list-style-type: none"> Procurement of energy efficient equipment Energy conservation measures such as adoption of LED lights and light sensors Usage of renewable energy Regular monitoring and maintenance of equipment Emissions <ol style="list-style-type: none"> GHG emission reduction through improvements in logistics Usage of renewable energy Motivating employees for car-pooling and less-carbon intensive transportation Effluents <ol style="list-style-type: none"> Wastewater treatment systems Adoption of dual plumbing systems Waste <ol style="list-style-type: none"> Resource conservation and optimization E-waste management and disposal to authorized recyclers |
| 3 | Examples of any collective action by your business with other businesses / NGOs / government agencies / international partners / development institutions undertaken to address any of the environmental risk opportunities identified above. | We have not identified the need for undertaking a collective action for addressing our environmental risks. |
| 4 | Details of any adverse orders in respect of any show cause/ legal notices from CPCB/NGT/SPCB received during the year. | We have not received any adverse orders related to environmental compliances in the reporting year. |

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

| S.No. | Essential indicators | Value / Description |
|-------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Review public policy advocacy positions by the governance structure for consistency with Principles of these Guidelines: | As a responsible business that is cognizant of importance of stakeholder interactions in addressing the extra-financial impacts of business, Cyient is a member of several industrial and business associations. Some of these associations are long-term as a strategic partnership. Our memberships and associations get reviewed annually and on need-basis. |
| a | Frequency | |
| b | Month/year of last review | |
| 2 | Names of trade and industry chambers and associations that you are a member/affiliate of. | <ul style="list-style-type: none"> • Confederation of Indian Industry • National Association of Software and Service Companies • Global Compact Network • India Indo-American Chamber of Commerce • National HRD Network • The Federation of Telangana and AP Chambers of Commerce and Industry and • Hyderabad Management Association |
| 3 | Details of any adverse orders received from regulatory authorities for anti-competitive conduct by your business. | We have not received any adverse orders received from regulatory authorities for anti-competitive conduct. |
| 4 | Monetary contributions (if any) that have been made to political parties. | We have made monetary contributions to political party in the reporting period. |

Principle 8: Businesses should promote inclusive growth and equitable development.

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

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

The total CSR expenditure of the company in these areas for the financial year FY 2019-20 amounted to INR 82 Million. The impact created by our CSR program is evaluated using beneficiary surveys carried out by CSR volunteers. We regularly monitor and publish the results of impact assessment studies.

| S.No. | Essential indicators | Value / Description |
|-------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Social impact assessments of your business operations conducted: | |
| a | Number completed in the year? | We have conducted social impact assessments for all our key four initiatives in the FY 2019-20, through independent external agencies. The initiatives include, quality education in adopted schools, community development programs in adopted villages, IT literacy training through Cyient Digital Centers and skill development initiative at Cyient Skill centers. |
| b | Number conducted by an independent external agency. | We conducted four impact assessments in the FY 2019-20, with help of external subject matter experts. |

| S.No. | Essential indicators | Value / Description | | | | | | | | |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------|-------------------|-------|-------------|------|-------------------|------|
| 2 | Examples of products, technologies, processes or programs (up to three) that contribute to the benefit of the vulnerable and marginalized sections of society. | <div>1. Improve quality of education: Adopting schools primarily for the benefit of children belonging to the economically weaker sections of society. We support children from pre-primary to high school with quality education. The Cyient Foundation is supporting 28 government schools located in and around Cyient India locations, by providing quality education to 18,600+ children. More than 2100 enthusiastic Cyient associates across pan India are volunteering and spending their personal time on enlightening our students and bringing about a positive change in their lives.</div> <div>2. Community development and Healthcare: Eradicating hunger, poverty and malnutrition, and promotion of preventive health care and sanitation by making available safe drinking water and quality health care services through adoption of villages and rural development projects. As part of our social innovation program, we have developed 'Smart' villages by providing safe drinking water, and sanitation facilities to ensure healthy living conditions and make our adopted villages open defecation free.</div> <div>3. IT Literacy to community Promoting IT Literacy, including special IT trainings and enhanced computer skills among semi-urban youth. We are helping the women and the elderly in accessing e-Governance and understand the various government schemes. To digitally empower our neighborhoods, we have developed 70 Cyient Digital Centers (CDC) in our adopted government schools and community Centers in Telangana and Andhra Pradesh. Through CDC's we are providing access to digital literacy to more than 30000+ citizens living around the centers. About 900 Cyient associates have volunteered to empower people with IT literacy.</div> | | | | | | | | |
| 3 | With respect to projects during the year for which R&R is applicable: | Not applicable. | | | | | | | | |
| a | Number of persons that were affected/displaced by these projects? | | | | | | | | | |
| b | Gross amount paid out to project-affected and displaced persons? | | | | | | | | | |
| 4 | Grievances / complaints received from local community: | Nil. | | | | | | | | |
| a | Number received during the year | | | | | | | | | |
| b | Number pending resolution | | | | | | | | | |
| 5 | Details of investments (top three by value) in regions which are underdeveloped (100 words). | <table><tr><th>Activity</th><th>Investment in Million</th></tr><tr><td>Quality Education</td><td>55.89</td></tr><tr><td>IT Literacy</td><td>8.61</td></tr><tr><td>Skill Development</td><td>8.09</td></tr></table> | Activity | Investment in Million | Quality Education | 55.89 | IT Literacy | 8.61 | Skill Development | 8.09 |
| Activity | Investment in Million | | | | | | | | | |
| Quality Education | 55.89 | | | | | | | | | |
| IT Literacy | 8.61 | | | | | | | | | |
| Skill Development | 8.09 | | | | | | | | | |
| 6 | Examples of goods and services up to 3, that incorporate local traditional knowledge. | Not applicable. Being a Software Enabled Engineering and GIS service provider, we constantly innovate our service domains. | | | | | | | | |
| 7 | Details of adverse orders or judgments in intellectual property rights disputes related to traditional knowledge during the year. | We have not received any adverse orders or judgements related to intellectual property rights disputes on traditional knowledge. | | | | | | | | |
| 8 | Summary of the key themes covered by CSR initiatives (as per Section 135 of Companies Act 2013) or linked to the CSR Policy of the business. | <div>a. Improve quality education</div> <div>b. Community development and healthcare</div> <div>c. IT literacy to community</div> <div>d. Skill development</div> | | | | | | | | |

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

The company is committed to creating and delivering engineering services and solutions that exceed customer expectations and enhance the level of business profitability. We consistently strive forth to ensure higher customer satisfaction through our efforts in product innovation, R&D activities and ensuring enhanced lifecycle of the product.

We stand firm to our reputation for providing our clients with world class quality through an effective Quality Management system in place and best practices that are aligned with the internationally renowned quality standards and models like ISO 9001:2015 Quality Management Systems, ISO 27001:2013 Information Security Management Systems, AS 9100 DQMS requirements for Aviation, Space and Defence Organizations, ISO 13485:2016 Medical devices QMS, ISO 22163: 2017 International Railway Industry Standards, TL 9000 R 6.0/R 5.5V the Telcom QMS , ISO 14001:2015 Environmental Management System, ISO 45001-2018 Occupational Health and Safety Management System and CMMI-DEV Version 2.0 Level 5, Capability Maturity Model Integration.

| S.No. | Essential indicators | Value / Description |
|-------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Examples (up to three) where adverse impacts of goods and services of your business have been raised in public domain. | Nil. |
| 2 | Percentage by value of goods and services of the business that carry information about: | Not applicable. Being a Software Enabled Engineering and GIS service provider, our services are not required to carry information on environment, social parameters, safe and responsible usage. |
| a | Environmental and social parameters relevant to the product. | |
| b | Safe and responsible usage. | |
| 3 | Number of consumer complaints in respect of data privacy: | Nil. |
| a | Received during the year. | |
| b | Pending resolution. | |
| 4 | Number of consumer complaints in respect of advertising: | Nil. |
| a | Received during the year. | |
| b | Pending resolution. | |
| 5 | Number of consumer complaints in respect of delivery of essential services: | Nil. |
| a | Received during the year. | |
| b | Pending resolution. | |

Signature of the designated official responsible for this report.

Name: B. Ashok Reddy

Designation: President-CA & Infrastructure

Address: 4th Floor, A Wing, Plot No.11,
Software Units Layout, Infocity,
Madhapur, Hyderabad 500 081
Telangana

Annual Report on CSR Activities

Annexure-B

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

CSR vision:

- To help underprivileged children to access the quality education and enhance the skills of unemployed women and youth to gain sustainable livelihood.
- To participate in projects with social innovation aligned with business innovation.

CSR mission:

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

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

2. The CSR committee of the company is comprised of Mr. Vinai Thummalapally, Mr. B.V.R. Mohan Reddy and Mr. Krishna Bodanapu. Mr. B. Ashok Reddy, President – Corporate Affairs & Infrastructure is a permanent invitee to the committee.
3. Average net profit of the company for the last three financial years: ₹ 4,099 Million
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): ₹ 82 Million
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year: ₹ 82.56 Million
 - (b) Amount unspent, if any: NIL
 - (c) Manner in which the amount spent during the financial year is detailed below:

| CSR Amount spent during the year 2019-20 | | | | | | | |
|------------------------------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------|
| Sl. No. | CSR Project or Activity identified | Sector in which the project is covered | Projects or programs (1) Local Area or Other (2) Specify the state and district where projects or programs undertaken | Amount outlay (budget) project or program wise (₹) Million | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs. (2) Over-heads: (₹) Million | Cumulative expenditure upto the reporting period (₹) Million | Amount Spent: Direct or through implementing agency |
| 1 | Improve Quality of Education | (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects: | Adopted 28 Government Schools with in 20 Kilometers radius from the CYIENT Offices located in Hyderabad - Telangana, Kakinada - Andhra Pradesh, Mysore - Karnataka and Noida - Uttar Pradesh | 55.000 | 55.886 | 55.886 | Direct and Implementation Partners |

(Contd.)

CSR Amount spent during the year 2019-20

| Sl. No. | CSR Project or Activity identified | Sector in which the project is covered | Projects or programs (1) Local Area or Other (2) Specify the state and district where projects or programs undertaken | Amount outlay (budget) project or program wise (₹) Million | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs. (2) Over-heads: (₹) Million | Cumulative expenditure upto the reporting period (₹) Million | Amount Spent: Direct or through implementing agency |
|---------|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------|
| 2 | Community Development & Healthcare | (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water: (x) rural development projects. | Adopted Mokshagundam Village located 350 Kilometers from CYIENT Hyderabad Office, Prakasam District - Andhra Pradesh. Swachh Pathashala activities are with in 20 Kilometers radius from the CYIENT Offices located in Hyderabad - Telangana, Kakinada - Andhra Pradesh Providing Quality Healthcare to underserved communities | 7.500 | 7.918 | 7.918 | Direct and Implementation Partners |
| 3 | IT literacy to community | (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; | National Digital Literacy Mission Centers converted to 70 Cyient Digital Centers are in the CYIENT Adopted Schools located with in 20 Kilometers radius from the CYIENT Offices located in Hyderabad - Telangana, Kakinada - Andhra Pradesh, Mysore - Karnataka and Noida - Uttar Pradesh | 8.000 | 8.606 | 8.606 | Direct and Implementation Partners |

(Contd.)

CSR Amount spent during the year 2019-20

| Sl. No. | CSR Project or Activity identified | Sector in which the project is covered | Projects or programs (1) Local Area or Other (2) Specify the state and district where projects or programs undertaken | Amount outlay (budget) project or program wise (₹) Million | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs. (2) Over-heads: (₹) Million | Cumulative expenditure upto the reporting period (₹) Million | Amount Spent: Direct or through implementing agency |
|---------|------------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------|
| 4 | Skill development initiative | (vii) employment enhancing vocational skills; | <p>Skill Development Initiatives for the unemployed youth in the communities around our facilities.</p> <p>CYIENT IT/ITES SKILL DEVELOPMENT CENTER is established by CYIENT FOUNDATION(CF) in association with Swarna Bharat Trust-Hyderabad Chapter (SBT-HYD) is helping to bridge the gap between Academia and Industry to enhance employability quotient of youth in the TELANGANA state.</p> <p>CYIENT URBAN MICRO SKILL CENTER (CUMSC):</p> <p>CUMSC is an innovative and direct response to poverty alleviation, it has been developed with PPP (Public Private Partnership) Model.</p> <p>Impart skills and provide support to empower participants to be Self/Employable</p> | 8.000 | 8.087 | 8.087 | Direct and Implementation Partners |
| 5 | Administrative expenditure | Cyient Foundation | Cyient Foundation - Administrative Expenditure | 2.05 | 2.059 | 2.059 | |
| | | | | 80.55 | 82.556 | 82.556 | |

SECRETARIAL AUDIT REPORT

Annexure-C

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,
The Members,
Cyient Limited
Hyderabad.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided and declarations made by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March, 2020 according to the provisions of:

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

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

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

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

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

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

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



S. Chidambaram

Practising Company Secretary

FCS No. 3935

C P No: 2286

UDIN: F003935B000201847

Place: Hyderabad

Date : 05.05.2020

To
The Members,
Cyient Limited,
Hyderabad.

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

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



S. Chidambaram

Practising Company Secretary

FCS No. 3935

C P No: 2286

UDIN: F003935B000201847

Place : Hyderabad
Date : 05.05.2020

Details of Stock Options Pursuant to SEBI Regulations

Annexure-D

| Sl. No. | Description | Associate Stock Option Plan 2008 | Associate Stock Option Plan 2015 |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------|
| 1. | Number of options outstanding at the beginning of the period | 297,746 | 396,320 |
| 2. | Options granted during the year | Nil | 375,270 |
| 3. | Pricing formula | Market price as defined in SEBI (Share Based Employee Benefits) Regulations, 2014 | |
| 4. | Options vested | 179,884 | 13,609 |
| 5. | Options exercised | 50,493 | Nil |
| 6. | Total no. of shares arising as a result of exercise of options | 50,493 | Nil |
| 7. | Options lapsed | 42,503 | 70,156 |
| 8. | Variation of terms of options | Nil | Nil |
| 9. | Money realized by exercise of Options (₹) | 16,909,732 | Nil |
| 10. | Total no. of options outstanding at the end of the period | 204,750 | 701,434 |
| 11. | Total no. of options exercisable at the end of the period | 152,225 | 83,114 |
| 12. | Employee wise details of options granted to | | |
| | i) Senior Managerial Personnel and KMP: | | |
| | Ajay Aggarwal | Nil | 20,000 |
| | Anand Parmeswaran | Nil | 10,000 |
| | John Renard | Nil | 5,000 |
| | Katie Cook | Nil | 15,000 |
| | N J Joseph | Nil | 5,000 |
| | PNSV Narasimham | Nil | 10,000 |
| | Prabhakar Atla | Nil | 15,000 |
| | Rajendra Velagapudi | Nil | 10,000 |
| | Sudheendhra Putty | Nil | 2,490 |
| | Suman Narayan | Nil | 20,000 |
| | Sunil Kumar Makenna | Nil | 5,000 |
| | Tom Edwards | Nil | 10,000 |
| | ii) Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year: | Nil | Nil |
| | iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: | Nil | Nil |
| 13. | Diluted EPS | ₹ 22.56 | |
| 14. | i) Method of calculation of employee compensation cost | The Company has calculated the employee compensation cost using the fair value of the stock options | |
| | ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options | Nil | |
| | iii) The Impact of this difference on profits and on EPS of the Company | Not Applicable | |

(Contd.)

Note: The Company has instituted the ARSU's 2020 plan earmarking 1,050,000 shares of ₹ 5 each which provided for grant of RSUs to eligible associates of the Company and its subsidiaries. The Board of Directors recommended the establishment of the plan on January 16, 2020 and the shareholders approved the recommendation of Board of Directors on March 5, 2020 through a postal ballot. During the year no RSUs granted under this Scheme. The RSUs will vest over a period of three years from the date of grant.

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

| Stock Options granted on | Weighted average exercise price (in ₹) | Weighted average fair value (in ₹) | Closing market price at NSE on the date of grant (in ₹) |
|--------------------------|----------------------------------------|------------------------------------|---------------------------------------------------------|
| 12/06/14 | 324.00 | 325.00 | 325.00 |
| 16/07/15 | 559.00 | 531.50 | 531.95 |
| 14/01/16 | 487.00 | 466.50 | 468.35 |
| 13/07/16 | 500.00 | 499.90 | 502.55 |
| 11/10/17 | 518.00 | 654.45 | 518.90 |
| 17/01/18 | 583.00 | 629.00 | 590.20 |
| 11/07/18 | 741.00 | 744.00 | 740.50 |
| 24/08/18 | 730.00 | 727.00 | 730.00 |
| 16/10/18 | 678.00 | 688.80 | 677.40 |
| 16/01/19 | 615.00 | 616.05 | 614.60 |
| 26/09/19 | 448.00 | 453.45 | 458.00 |
| 16/10/19 | 456.00 | 454.65 | 453.00 |
| 15/01/20 | 450.00 | 453.50 | 454.55 |

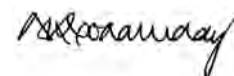
v) Description of the method and significant assumptions used the year to estimate the fair value of the options, including the following weighted average information:

The Black Scholes option pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.

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

| Particulars | Stock Options |
|----------------------------------------------------|---------------|
| Risk free interest rate (%) | 5.95 - 8.40 |
| Expected life of options from the date(s) of grant | 3-4 years |
| Expected volatility (%) | 28.66 - 65.53 |
| Dividend yield (%) | 1.53 - 2.64 |

On behalf of the Board of Directors



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

Place : Hyderabad
Date : 7 May 2020

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

Annexure-E

1. Conservation of Energy

Energy conservation is an ongoing process and our Company has been making continuous endeavors to implement the best practices in areas of energy conservation. At all our locations as part of energy conservation, we have initiated the process of implementing energy savings practices at organization level and this has resulted in considerable savings to the organization. This includes, replacing the existing conventional lighting with LED lighting, creating awareness to associates on energy conservation by sending mailers, continuous monitoring after office hours and during weekends. Motion sensors in all the common areas and restrooms have also been installed. Aerators are fixed to most water taps in the restrooms to reduce the water consumption. This would result in considerable savings.

We are also initiating additional solar power generation for Bangalore E city. Manikonda location solar power utilization is 60% of the total consumption.

As part of the initiative taken by the company, the E-Waste [old systems, hard disks, printers] related assets are sold to a firm approved by Pollution Control Board. The IT systems are designed to go to the auto sleep mode when not in use and this reduces the power consumption.

In addition, the conservation of our natural resources, the paper waste from our locations is given to ITC for recycling of paper for making of recycled products and the recycled water used in restrooms.

Additional water conservation was also achieved by installing another STP plant at Kakinada - SEZ location there by resulting in usage of the STP water for landscaping and flushing purpose.

Overall we have saved around 4.5 lakh units in the financial year 2019-20 compared to the previous financial year.

2. Research & Development and Benefits thereon

The company made significant investments in NBA over the past 3 years that have resulted in the design and development of a number of digital solutions and platforms. The focus in FY21 is to go to market and monetize the IP we have created. We are seeing growing market traction and opportunity pipeline with customers in aero & defense, communications, utilities, industrial, and healthcare. We will continue to invest in new NBA projects this year as well

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

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|------------------------------------------------|---------------------------|---------------------------|
| Capital Expenditure | 32 | 23 |
| Revenue Expenditure | 481 | 276 |
| Total R&D Expenditure | 513 | 299 |
| R&D Expenditure as percentage of Total Revenue | 3.37% | 1.86% |

3. Technology Absorption, Adaptation and Innovation

Information technology continues to remain a key lever in driving productivity across the company. FY2020 saw successful deployment of several transformative initiatives.

Cyient successfully completed deployment of Ariba commerce automation for its India entities with over 250 vendors on-boarded on the Ariba tool. Ariba will help in faster procurement process, reduced transaction costs, touchless invoice processing, improved compliance and increased productivity of procurement and accounts payable staff.

We completed implementation & deployment of SAP's next generation business suite SAP S/4HANA in place of existing legacy SAP ECC ERP system across Cyient. SAP S/4HANA is a new generation Business Suite that is characterized by system & process simplifications, increased efficiency, improved data model, faster analytics & reporting and features such as planning and simulation options in many conventional transactions. Fiori based workflow management solution for critical business process areas has also been enabled which provides web & mobile based interfaces for the users. 34 entities are covered as part of implementation scope across the globe which covers APAC, EMEA, NAM regions.

Another important transformation project successfully executed in FY20 was the migration to Windows 10 platform which brings in advanced security features and improved threat protection from vulnerabilities.

We have completed deployment of in-house developed Asset Management System (AMS) tool for all geographies. Cyient had deployed AMS in FY19 for India entities and this year deployment was completed for the

remaining entities/geographies. AMS is a fully integrated, real-time Asset Management System which allows us to streamline life cycle management operations of IT assets and workspace management across departments and locations while providing comprehensive, improved support and enhanced decision-making experience.

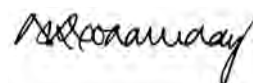
4. Foreign Exchange Earnings and Outgo

Most of your company's earnings are from the export of Engineering and Software Services. During the year, export earnings accounted for 82% of the total income. In order to promote product sales and services, your company participated in various exhibitions and carried product promotion activities. Details of Foreign Exchange

Earnings and Outgo areas follows:

| (₹ in million) | | |
|--------------------------|------------------------------|------------------------------|
| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Foreign Exchange Earning | 13,280 | 14,577 |
| Foreign Exchange Outgo | 950 | 1,816 |

On behalf of the Board of Directors



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

Place : Hyderabad

Date : 7 May 2020

MANAGEMENT DISCUSSION & ANALYSIS

Annexure-F

Global Economic Outlook

Due to the Covid-19 pandemic the world is going through its toughest phase, in terms of people's safety and economic challenges which is not expected to end soon. The world is under unpredictable crisis and looking at the ways to recover. Most of the nations are going through recession and collapse of their economic structure. The crisis is likely to have a major impact on globalization and global value chains.

The Covid-19 pandemic has delivered an economic shock of a magnitude to be seen since the end of Second World War. The World Bank report forecast predicts a 5.2% contraction in the global GDP. This will be the deepest global recession in eight decades, despite the unprecedented policy support. The recession would be deeper if brining the pandemic under control took longer than predicted, or the financial stress triggered cascading defaults. Global trade could also fall by 13% to 32%, depending on the depth and extent of the global economic downturn. The advanced economies are expected to contract by 7% in 2020 as wide spread social distancing measures, a sharp tightening of financial conditions and a collapse in external demand depress activity. The emerging market and developing economies will be impacted by shrinking per capita incomes tipping many millions back into poverty.

The Engineering Services industry is also expected to be impacted by the Covid-19 pandemic, which will experience downward pressures in the short term with ₹2%-8% decline across the industry. However, the growth is expected to rebound faster than GDP recovery with 80% spend expected to come back in two years. The impact across the various industries will vary with some industries impacted severely in the short term to some which will see minimal impact.

The outlook across the industry and our outlook for the business is as follows:

Aerospace & Defense (A&D)

In the wake of the Covid-19 pandemic, Aerospace industry is facing an unprecedented international crisis. This scenario is directly impacting the demand for new aircrafts, MRO services and replacement of scheduled aircrafts. New orders which are due for replacement are kept on hold for an indefinite period and cash crunch is impacting airlines globally.

The industry will see heightened M&A activity at the Tier 3 & 4 level due to weakening financial positions and bleak outlook. OEM's are expected to reduce outsourcing spend 10%-20% in view of cost pressures. However, the outlook is promising for the defense industry majorly contributed by U.S, China, Russia, and India, as they seek to strengthen and modernize their military capabilities in the face of growing security threats.

For FY 20, the A&D BU witnessed a decline driven predominantly by a decline in the services business across a few key clients in the North America (NAM) region. However, our Design Led Manufacturing (DLM) business for the industry witnessed growth through the year, driven by strong growth with one of our key clients. This year we focused on many new initiatives, we signed an MOU with QinetiQ a leading science and engineering company operating primarily in the defense, security products in India. This agreement allows Cyient to provide advanced manufacturing and electronics engineering solutions.

Through the year we also focused on a new client solution, "War on Cost". Through this solution we were able to achieve large savings for one of our key client. This also led us to be recognized with a "Supplier Innovation Award" for the seventh consecutive year and the "Supplier Highest Productivity Award" for the fourth year in a row by our client. These awards are a testament to a long standing relationship with our client and our commitment to drive innovation and productivity.

For FY 21, we expect Covid-19 pandemic to continue to impact the industry through the year. To drive business our focus will be to look at creating new business models, drive changes in supply chain and rigor on cost optimization. We will continue to work with clients to drive cost optimization through focus on digitization and data analytics. We will also continue to focus on the defense segment.

Communications

The outlook for Communications industry stands positive through the year. The crisis elevated the need for remote working, online learning, and streaming in-home entertainment. This is expected to open up huge investments for 5G rollouts and the advancement of the internet of things (IoT) based services. Increasing investments in smart cities and AI based predictive analytics solutions are in high demand. Also, the pandemic has accelerated cloud deployment & need for cyber security for the telecom network functions.

For FY 20, the BU witnessed a decline driven predominantly by a drop in revenue from a key client. However, we also witnessed a significant growth through new client additions and new revenue from 5G rollouts. Through the year we rolled out services and solutions focused on CSP's to expedite 5G network rollouts globally. The services will not only help in defining the migration roadmap towards the 5G NSA standard, but also helps in planning smarter and faster rollouts, including site verification and benchmarking in post-deployment operations. We continue to be preferred partners for CSPs in their journey towards a connected world. We take pride in connecting 40% of telecom end-customers and businesses worldwide.

Our outlook for the year stands positive, we expect the momentum to return from the second half of the year with investments in 5G technology rollout and Robotic Process Automation (RPA) and network automation tools.

Transportation:

The Transportation industry is expected to be impacted in the short term with lesser people accessing public transport and delay in project execution. The mass transit, commuter and high speed segments are expected to be more impacted as compared to freight and signalling segments. As countries invest in infrastructure, in the long run industry is expected to grow considerably.

The transportation BU witnessed a decline through the year, driven by weak performance in the signalling segment and a decline in revenue from a key client. However, this year we also extended our Multi- Service Agreement (MSA) with a key client in signalling segment, won new clients and initiated a strategic DLM project for a signalling client thereby strengthening our outlook for the next fiscal year. Aside from this, we also ventured into a strategic investment in rail cybersecurity company Cylus, a global leader in cyber security solutions for the rail industry. Our value proposition continues to resonate well with the key industry trends of multimodality, standardization, digitization, and internationalization.

Our outlook for FY 21 remains optimistic with more focus on the mobility business. We expect the business to gain momentum post first half of the year. We will continue to invest in building our capabilities to focus on building a strong digital portfolio.

Energy and Utilities (E&U)

The Energy and Utilities (E&U) BU provides end to end capabilities across the energy value chain for oil and gas, mining and utilities industries.

The energy industry is expected to be impacted with low oil prices leading to decline in production and margin pressures across the oil and gas value chain. The industry is dependent on government across countries for operations and survival. Normalcy will be dependent on the control of the pandemic and resolution of supply chain challenges. New age digital technologies like intelligent remote maintenance in oil fields, advanced statistical models of drilling operations and real time monitoring of logistics will drive the industry operations.

The mining industry is impacted in the short term as projects have either slowed down or put on hold across multiple geographies. The industry esp. the Australia mining segment is expected to recover slowly as China comes back to normal. Post recovery the penetration of advanced technologies like IIOT and advanced data analytics, automation, block chain, artificial intelligence, 3D viewing and smart sensors in the

industry are expected to gain momentum. Unlike Energy and Mining industry, Utilities industry is impacted the least by the pandemic and industry outlook continues to be positive. The growth in the Utilities is expected from investments in grid modernization, IT based services, cyber security & renewable energy.

The BU performance for the year remained flat with marginal growth in the services segment and decline across the DLM segment. The ENR business witnessed strong growth through the year, while Utilities business showed growth across EMEA and NAM region. This year we also partnered with UK based Clear Horizon, a company specialized in solutions for quality asset data management through its mobile product, CHIME. This Collaboration will allow utility customers to benefit from advanced asset management and decision support products, solutions, and services.

Our outlook for FY 21 for E&U stands positive, in Utilities Business, increasing demand in operational processes to manage huge volumes of data, grid modernization, field mobility and smart metering solutions, predictive analytics are expected to create more opportunities. For ENR Business, the Covid-19 related challenges are expected to extend and impact opportunities. We will focus on key strategic offerings around connected equipment, asset management, and plant engineering and digital solutions to drive growth.

Geospatial

The Geospatial industry is expected to have minimal impact in the medium term due to shutdowns, lower demand and delayed investments. The Covid-19 pandemic has increased the need for GIS enabled decision making to map changing supply chain structures and understand the spread. However, the long term outlook continues to remain strong as growing use of GIS solutions in the transportation sector and smart cities investments are likely to boost in the near future. Along with this, geospatial analytics and earth observation are expected to hold a larger market share in the future.

The business witnessed a decline driven by a decline in revenue from the Europe region. However, our margins remained strong and we have seen growth in LiDAR process and mobile mapping data services through the year.

We expect FY 21 to be a positive year with strong focus on digital engineering services. Increasing integration of geospatial technologies into mainline technologies is likely to be a key component driving the market in North America & Asia pacific region in the near future.

Industrial and heavy Equipment segment

The Industrial and Heavy Equipment industry are expected to face strong headwinds due to decreased demand from end-industries and consumers. Uncertainties in global supply

chain will lead to challenges in production planning. Expected to double down on investments across Industry 4.0 and automation initiatives will insulate against future concerns.

For FY 20, the BU witnessed a flat growth driven by a decline in key client engagement. To strengthen our offerings, we have opened a wire harness facility in Peoria Heights, Illinois to support customers in harness prototyping by increasing design process speed and iterative development for electrical systems. The 1,100 sq ft, restricted-access lab is equipped with pneumatic crimping tools, including an ultrasonic splicer and broader, to facilitate quality production and prototypes for electrical wire harnesses. The Industrial and Heavy Equipment industry are expected to witness flat growth through the year as the market will continue to face major contraction due to down cycle, while global production shutdowns will continue.

Semiconductor, IoT and Analytics

Cyient Semiconductor, IoT, and Analytics (SIA) BU focuses on building capabilities in semiconductor services and digital solutions for our clients across industries.

From the industry outlook, perspective, Semiconductor business has been impacted significantly by Covid-19, this reflected across the electronics value chain. Reduced consumer spends in industries such as consumer electronics, automotive and industrial are expected to contribute to the business decline. However, increased demand for enhanced compute, automation, and connectivity will translate to a higher semiconductor consumption across areas such as data centers, 5G, and cloud. IT based services across multiple Industries is on the rise. Digital and analytical services also expected to drive growth as there is increased demand for the services across industries.

At BU level, Semiconductor IoT & Analytics witnessed a decline driven by a drop in services business from key clients and Integrate chip (IC) delivery issues due to disruptions in the supply chain due to Covid-19. The Ansem acquisition contributed to a significant business from the Europe region and is expected to grow in the future. We also received the ISO 13485:2016 certification for design and supply of integrated circuits to the Medtech market. Besides this, we have signed a statement of intent with Emergent Alliance, to use their combined data knowledge to provide new insights and practical applications to the global Covid-19 response. As part of this alliance, the client is working with some of the world's largest organizations, data specialists and governments to support future decision-making on regional and global economic challenges.

Our outlook for FY 21 and beyond continues to be positive. This is driven by our focus on design services for large

compute digital chips, embedded systems and software for automotive and new turnkey silicon solutions.

Medical Technology and Healthcare (MTH)

The Medical Technology and Healthcare (MTH) industry will be impacted by decrease in demand, as OEMs are diverting their spend on products and areas focused on Covid-19 response. There is increased focus on building intelligent devices with capabilities around predictive diagnostics and early detection to enable remote monitoring.

The future of MTH will be primarily driven by digital technologies such as artificial intelligence, robotics, 3D printing, augmented and virtual reality. Digitization is expected to bring increased efficiency and accessibility to the health care services.

The MTH BU witnessed a growth through the year, driven by growth in key client engagement. This year we partnered with Molbio Diagnostics to manufacture Covid-19

testing devices and chips that will help diagnose the disease and enable faster prognosis. Molbio developed the world's first portable real-time qPCR platform to detect infectious diseases.

For FY 21, our outlook stands positive with multiple business opportunities from new and existing customers across the business lines (Product Design, Lifecycle Management and DLM) expected to drive the growth in the second half of the fiscal year.

Business Outlook

While the industry continues to struggle through the Covid-19 pandemic, we expect to witness a short term decline in revenues across the industries. We will focus on streamlining our operations that are impacted by the lockdown and continue to focus on meeting our clients changing needs in the short term. From a long term perspective, our focus will be on strengthening our digital capabilities across the industries and strengthening our business model to serve our clients better.

Enterprise Risk Management (ERM)

Cyient has an organization-wide ERM framework. The framework is based on best-in-class standards and covers various operations of the organization as well as key criteria like financial risks, reputation risks, regulatory risks, employee risks and Customer risks. The audit of ERM is periodically carried out by KPMG, the organization's internal auditors and a report are presented to the Audit Committee.

Cyient also has an internal risk committee, which reviews the risk management process on a periodic basis.

| Risk description | Risk impact | Risk mitigation |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business disruption due to Covid-19 pandemic | Company's operations may be adversely affected due to incapacitation of workforce due to pandemic, stress due to lockdown and transition to 'work from home' mode. Demand for services may also be impacted in select industries. | Monitoring and review at management council levels. Rigorous implementation of Business Continuity Plans. Regular communication with customers and vendors. Setting up of 'work from home' infrastructure. Mandating appropriate health and safety norms and advisories. |
| Travel Restrictions | Restrictions in key markets and legislations that restrict movement of professionals may lead to delays in projects and increase in costs. Covid-19 situation may further restrict such movement. | Monitoring of global environment. Need focus on strengthening onsite readiness – local hiring, customer interface |
| Customers under severe financial strain/ bankruptcy | Customer constraints could led to bad debts | Focus on revenue realization and cash management |
| Insourcing - Focus to move business closer to home country/ HQ | Loss of engagement. Reduced outsourcing | Strengthen onsite presence And focus on rebadging and variablising costs for clients |
| Vendor consolidation Demand for discounts and volume reductions across clients | Pressure on margins due to volume discounts | Improve efficiency/larger pie for better economies of scale |
| Competition risks | In this highly competitive environment, there may be severe impact on margins due to pricing pressures | There is a focus on providing higher value and differentiated services We are also getting into new business models. |
| Compliance risks | Being a global company, we are exposed to laws and regulations of multiple countries | The Company has an in-house compliance team which monitors global compliances. The team receives updates on changes in regulations from specialist consultants and circulates the same internally. |
| Data privacy and cyber security | In a connected world, businesses are extremely vulnerable to cyber-attacks, leading to loss of data and damage to reputation. | The Company has a stringent Cyber Security policy which ensures timely resolution of incidents. |

Internal Controls and adequacy

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

Cyient has appointed M/s KPMG as internal auditors for the financial year 2019-20. KPMG carried out the internal audit based on an internal audit plan, which is reviewed each year in consultation with the Audit Committee. The internal audit process is designed to review the adequacy of internal control checks and covers all significant areas of the company's global operations.

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

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

The statutory auditors also independently audited the internal financial controls over financial reporting as on March 31, 2020 and have opined that adequate internal controls over financial reporting are existing and that such controls were operating effectively.

Investor Engagement

Cyient communicates the business outlook, strategies and new initiatives to its investors in a regular and structured manner. We believe that communication with the investor community is as important to provide timely and reliable financial performance. We engage multiple communication channels for this purpose. Cyient's dedicated investor relations

department, along with the senior management team, participates in various road shows and investor conferences. We also host an annual Investor Day at its premises and also engage an external agency to carry out an independent Investor Satisfaction Survey. The results of the survey are analyzed internally and improvements are implemented.

Whistle-blower policy

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

Shareholder Value Creation

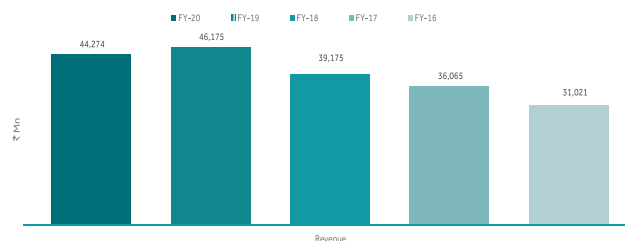
As a result of our significant growth in revenue and profit over the last 5 years, dividend payout has substantially improved over last 7 years from 25% in FY 14 to 58% in FY 20. We have achieved improvement in free cash flow (FCF) generation capabilities of the business with an increased focus on receivables management and tax optimization. The market capitalization witnessed a significant decline and stood at ₹ 25,216 Mn at the end of FY20 mainly due to the de-growth in the services segment. Given our focus on cost optimization initiatives and improving profitability, we remain confident of recovery in our business fundamentals.

Revenue Growth

Cyient witnessed de-growth in revenue of 5.3% Y-o-Y in \$ terms and de-growth of 4% in constant currency basis. A&D and Communication business units witnessed a de-growth of 4.7% and 8.1% respectively.

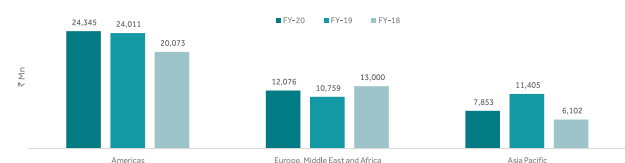
Over the last 5 years, the Company has sustained robust revenue growth momentum with an impressive compounded

annual growth rate (CAGR) of 9% in rupee terms. The revenue for the organization by the focus on a well-diversified business and geography portfolio.



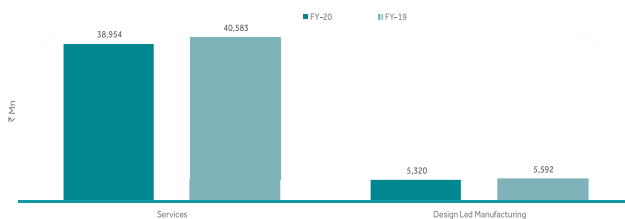
Revenue by Geography

During the year FY 20, we delivered 5% YoY growth in EMEA region with a de-growth of 0.5% in NAM region and de-growth of 27% in APAC including India in \$ terms. Over the last 3 years, NAM has witnessed significant growth.



Revenue by Operating Segments

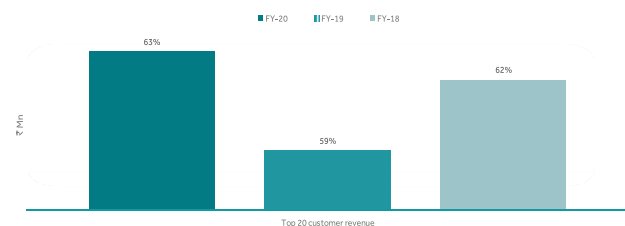
Cyient's Chief Executive Officer (CEO) reviews the business as two operating segments - 'Services' and 'Design led Manufacturing' (DLM).



Better Client Mining

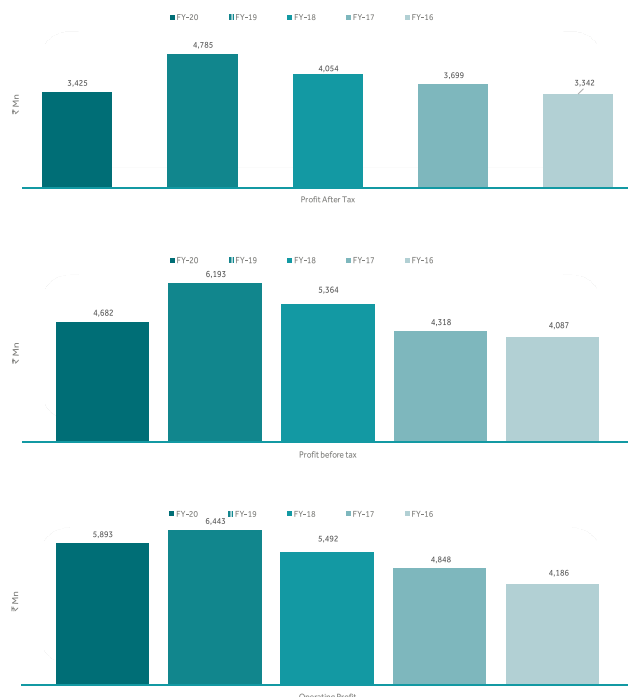
Cyient continues to focus on improving revenue per client by focusing on strategic clients and generating more up-sell and cross-sell opportunities.

Chart below depicts the contribution of revenue from top 20 customers over the last three financial years:



Profits Trend

During the year, profits have declined due to de-growth in services segment and recognition of one-time impairment charge of non-current assets.



Free Cash Flow (FCF) Generation

Cyient has achieved significant improvement in free cash flow (FCF) generation capabilities in last 3 years. In FY'20, we generated highest ever Free Cash Flow (FCF) at ₹ 4,102 Mn against FCF generated in FY'19 at ₹ 3,770 Mn. Cyient's FCF to EBITDA conversion increased from 48% in FY'19 to 57% in FY'20, due to improved working capital management, optimizing the capital expenditure and efficient tax management.

Days Sales Outstanding (DSO)

Cyient has delivered a consistent improvement in Days Sales Outstanding (DSO) in recent past owing to focus on better collection cycle management. Total DSO stands at 95 days in FY 20 as compared to 88 days in FY 19. The Increase is primarily attributable to the increase in unbilled revenue. We are confident of continued improvement in DSO and is taking steps to reduce the DSO further.

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

Tax Rate

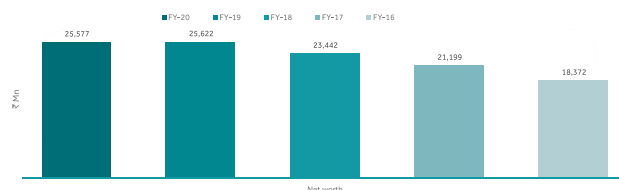
The effective tax rate since the organization has increased by 400 bps from 23% in FY'19 to 27% in FY'20, due to recognition of one-time charge arising out of the estimated impact of the Taxation Laws (Amendment) Ordinance 2019 and other one-time adjustments.

Capex

Cyient ended FY'20 with capital expenditure of ₹ 961 Mn, which is 2.2% of total revenue.

Net worth

The net worth of the company grew by 9% CAGR in last 5 years from ₹ 18,372 Mn to ₹ 25,577 Mn. It is mainly attributed to the profitable growth over the years, driven by both organic and inorganic initiatives.

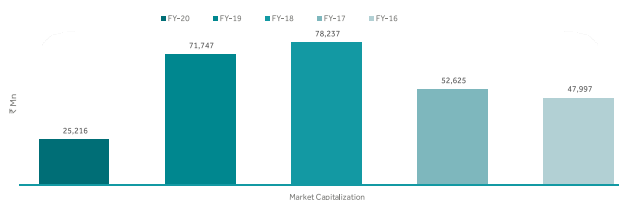


Return to investors

The dividend payment trend for Cyient has improved substantially in last 5 years. The dividend payout for the company stands at 58% in FY20. The dividend for the full year stood at 15/-share, which is the same as last year despite a drop in profitability. Cyient has also bought back equity shares at an average price of ₹ 640.21 per share between 1st February 2019 to 11th April 2019.

Market Capitalization

The market capitalization of Cyient has grown from ₹ 56,660 Mn in FY 2015 to ₹ 71,747 Mn in FY 2019. However, the market capitalization in FY 2020 has declined to ₹ 25,216 Mn due to a de-growth in the services segment.



Adoption of IND AS 116 – Leases

Effective April 1, 2019, Cyient has adopted Ind AS 116 'Leases' which sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Cyient has applied modified retrospective approach for all leases existing at the date of initial application and the cumulative effect of applying Ind AS 116 has been recognized as an adjustment to the opening balance of retained earnings. As at April 1, 2019,

- 'Right-of-use assets' were recognized and presented separately in the balance sheet;
- Lease liabilities were recognized and included under 'financial liabilities';
- Retained earnings' decreased due to the net impact of these adjustments.

On transition, the adoption of this standard resulted in the recognition of Right of Use (ROU) asset of ₹ 3,206 Mn (Standalone-₹ 1,517 Mn) and a lease liability of ₹ 3,408 Mn (Standalone-₹ 1,591 Mn) and a net adjustment to opening balance of retained earnings of ₹ 137 Mn (Standalone-₹ 81 Mn) (net of deferred tax). The effect of adopting this standard is not material on the profit for the year.

For the year ended March 31, 2020:

- Depreciation expense increased because of the depreciation of additional assets by ₹ 786 Mn. (Standalone: ₹ 446 Mn)
- Rent expense included in 'Other expenses' decreased by ₹ 947 Mn. (Standalone: 528 Mn)
- Finance costs' increased by ₹ 182 Mn. (Standalone: ₹ 135 Mn)
- Cash outflows from operating activities decreased by ₹ 947 Mn (Standalone: ₹ 509 Mn) and cash outflows from financing activities increased by the same amount, relating to decreasing in operating lease payments and increase in principal and interest payments of lease liabilities.

FINANCIAL PERFORMANCE FOR THE YEAR 2019-20 (CONSOLIDATED)

The financial results of Cyient Limited under Indian AS discussed below are for the consolidated results of Cyient Limited and its subsidiaries, which includes the performance of its subsidiaries and joint venture. Preparation and presentation of such consolidated financial statements depict comprehensively the performance of the Cyient group of companies and is more relevant for understanding the overall performance of Cyient. Standalone results of Cyient exclude the performance of its subsidiaries and joint venture. This part of the Management Discussion and Analysis refer to the consolidated financial statements of Cyient ("the Company") and its subsidiaries and joint venture referred to as "the Group". The discussion should be read in conjunction with the consolidated financial statements and related notes to the consolidated accounts of Cyient for the year ended March 31, 2020.

CONSOLIDATED FINANCIAL RESULTS

| Particulars | 31-Mar-20 | | 31-Mar-19 | |
|-------------------------|---------------|--------------|---------------|--------------|
| | ₹ Mn | % of Revenue | ₹ Mn | % of Revenue |
| Income | | | | |
| Revenue from operations | 44,274 | 100% | 46,175 | 100% |
| Other income | 1,583 | 3.6% | 1,340 | 2.9% |
| Total income | 45,857 | | 47,515 | |
| Expenses | | | | |

| Particulars | 31-Mar-20 | | 31-Mar-19 | |
|---------------------------------------------------------------------------------------------------|---------------|--------------|---------------|--------------|
| | ₹ Mn | % of Revenue | ₹ Mn | % of Revenue |
| Employee benefits expense | 24,776 | 56% | 25,469 | 55.2% |
| Cost of materials consumed | 4,066 | 9.2% | 3,936 | 8.5% |
| Purchases of stock-in-trade | - | - | 108 | 0.2% |
| Changes in inventories of finished goods, stock-in-trade and work in progress | (144) | (0.3)% | 141 | 0.3% |
| Operating, administration and other expenses | 9,683 | 21.9% | 10,193 | 22.1% |
| Impairment of non-current assets | 404 | 0.9% | - | - |
| Finance costs | 486 | 1.1% | 326 | 0.7% |
| Depreciation and amortisation expense | 1,878 | 4.2% | 1,114 | 2.4% |
| Total expenses | 41,149 | 92.9% | 41,287 | 89.4% |
| Profit before exceptional item, tax and share of profit from joint venture | 4,708 | 10.6% | 6,228 | 13.5% |
| Exceptional Item | - | - | 35 | 0.1% |
| Profit before tax and share of profit from joint venture | 4,708 | 10.6% | 6,193 | 13.4% |
| Tax expense | 1,270 | 2.9% | 1,427 | 3.1% |
| Profit before share of profit from associate company & JV and non-controlling interest | 3,438 | 7.7% | 4,766 | 10.3% |
| Share of (loss)/profit from Joint Venture | (26) | (0.06)% | 5 | 0% |
| Share of non-controlling interest | 13 | 0.03% | 14 | 0.03% |
| Net Profit attributable to the shareholders | 3,425 | 7.7% | 4,785 | 10.4% |

ANALYSIS

Revenue

Revenue declined by 4.1% in rupee terms and by 5.3% in US \$ terms. Services segment has witnessed de-growth of 5.1% in US \$ terms and 3.7% in rupee terms. DLM segment has witnessed de-growth of 6.6% in US \$ terms and 5.4% in rupee terms.

Other income

Other income for FY 20 was ₹ 1,583 Mn as compared to ₹ 1,340 Mn in FY 19. Increase in other income is primarily on account of forward contract gain on USD and EUR contracts and ₹ 333 Mn reversal of contingent consideration payable on past acquisitions which are not contractually payable, compensated with a decrease in export incentives recognized during the year by ₹ 452 Mn.

The movement of Rupee against major currencies was as follows:

| | YE March 2020 | | YE March 2019 | |
|-----|---------------|---------|---------------|---------|
| | Closing | Average | Closing | Average |
| USD | 75.39 | 70.97 | 69.22 | 69.93 |
| EUR | 83.18 | 78.89 | 77.77 | 80.97 |
| GBP | 93.35 | 90.23 | 90.42 | 91.81 |
| AUD | 46.59 | 48.37 | 49.06 | 50.98 |

Employee benefits expense

Employee benefits expense includes salaries, which have fixed and variable components, contributing to retirement and other funds and staff welfare expenses. Employee benefits expense as a percentage of revenue from operations stands at 56% for FY20 as compared to 55% in FY19. In value terms, employee benefit expense has decreased in FY 20 as compared to FY 19, due to operational efficiencies and decrease in headcount on a global basis.

Operating, administration and other expenses

| | YE March 2020 | | YE March 2019 | |
|-------------------------|---------------|--------------|---------------|--------------|
| | ₹ Million | % of Revenue | ₹ Million | % of Revenue |
| Rent | 233 | 0.5% | 1,051 | 2.3% |
| Travel | 1,195 | 2.7% | 1,501 | 3.3% |
| Subcontracting charges | 3,348 | 7.6% | 3,539 | 7.7% |
| Repairs and maintenance | 1,271 | 2.9% | 1,184 | 2.6% |
| Others | 3,636 | 8.2% | 2,918 | 6.1% |
| Total | 9,683 | 21.9% | 10,193 | 22.1% |

Decrease in rent expense is on account of adoption of In AS 116 Leases, wherein certain leases were capitalizing on the balance sheet as 'right-of-use assets' and corresponding lease liability was recognized. Accordingly, there is an increase in depreciation of the right-of-use and finance costs representing the leased assets cost amortization and interest cost on the lease liability over the term of the lease.

Subcontracting charges have remained flat as a percentage of revenue, as directly related.

Travel expense reduced as a percentage of revenue due to cost operational measures.

Repairs and maintenance expense has marginally increased in line with business requirements.

Finance costs

Finance costs are at 1.1% as a percentage of revenue as compared to 0.7% in FY 19, giving an increase of 0.4% on account of adoption of Ind AS 116, leases resulting in an increased interest cost on the lease liability over the term of the lease.

Depreciation and amortization expense

Depreciation and amortization expense for FY 20 was ₹ 1,878 Mn (4.2% of revenue) as compared to ₹ 1,114 Mn in FY 19 (2.4% of revenue). Increase in depreciation and amortization expense is on account of adoption of Ind AS 116 Leases, wherein certain leases were capitalizing on the balance sheet as 'right-of-use assets' and corresponding lease liability was recognized.

Exceptional item

There are no exceptional items in FY 20.

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

Tax expense

The effective tax rate has increased from 23% in FY 19 to 27% in FY 20 due to recognition of one-time charges arising out of the estimated impact of the Taxation Laws (Amendment) Ordinance 2019 of ₹ 56 Mn and other adjustments of ₹ 92 Mn, including expected impact of settlement of past litigations under the Vivad Se Vishwas Scheme 2020.

Share of profit from Joint Venture

FY 20, the Company has recognised loss from joint venture of ₹ (26) Mn, as compared to profit of ₹ 5 Mn in FY 19.

Net Profit attributable to the shareholders

The net profit stands at ₹ 3,425 Mn for FY 20 as compared to ₹ 4,785 Mn for FY 19. Reason for the decrease in the net profit during the year are:

- Revenue declined by 4.1% in rupee terms and by 5.3% in US \$ terms.
- Impairment of non-current assets includes a one-time charge of ₹ 222 Mn relating to costs incurred on development of customized UAV systems in a subsidiary in view of the potential delays in materialization of orders and ₹ 182 Mn towards certain other intangibles and intangible assets under development in subsidiaries based on forecasts of the underlying contracts.
- One-time charge arising out of the estimated impact of the Taxation Laws (Amendment) Ordinance 2019 of ₹ 56 Mn and other adjustments of ₹ 92 Mn, including the expected impact of settlement of past litigations under the Vivad Se Vishwas Scheme 2020.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

| | ₹ Million | |
|----------------------------------------|---------------|---------------|
| | 31-Mar-20 | 31-Mar-19 |
| EQUITY AND LIABILITIES | | |
| Shareholders' funds | | |
| - Share capital | 550 | 552 |
| - Reserves and surplus | 25,027 | 25,070 |
| Total - Shareholders' funds | 25,577 | 25,622 |
| Non-current liabilities | | |
| - Long-term borrowings and liabilities | 3,556 | 1,813 |
| - Long-term provisions | 1,151 | 1,157 |
| - Deferred tax liabilities (net) | 378 | 405 |
| Total - Non-current liabilities | 5,085 | 3,375 |
| Current liabilities | | |
| - Short-term borrowings | 2,879 | 2,137 |
| - Trade payables | 3,729 | 3,700 |
| - Other current liabilities | 3,822 | 3,345 |
| - Short-term provisions | 705 | 713 |
| Total - Current liabilities | 11,135 | 9,895 |
| TOTAL - EQUITY AND LIABILITIES | 41,797 | 38,892 |
| ASSETS | | |
| Non-current assets | | |
| - Property, plant and equipment | 9,135 | 5,563 |
| - Goodwill | 5,374 | 5,257 |
| - Non-current investments | 414 | 270 |
| - Deferred tax assets (net) | 396 | 294 |
| - Other non-current assets | 1,828 | 1,658 |
| Total - Non-current assets | 17,147 | 13,042 |
| Current assets | | |
| - Inventories | 2,267 | 1,833 |
| - Current investments | - | 278 |
| - Trade receivables | 7,262 | 8,137 |
| - Cash and cash equivalents | 9,518 | 9,705 |
| - Other current assets | 5,603 | 5,897 |
| Total - Current assets | 24,650 | 25,850 |
| TOTAL ASSETS | 41,797 | 38,892 |

Share capital

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

Buyback of equity shares:

The Board of Directors, at its meeting held on February 1, 2019, approved the Buyback of the Cyient's fully paid-up equity shares of face value of ₹ 5 each, at a price not exceeding ₹ 700 per equity share, for an aggregate amount not exceeding ₹ 2,000 Mn. The Buyback was closed on April 11, 2019 and the company bought back an aggregate of 3,123,963 equity shares resulting in a total cash consideration of ₹ 1,999 Mn (excluding the transaction costs) and has completely extinguished such equity shares.

Reserves and Surplus

Reserves and surplus as at March 31, 2020 stood at ₹ 25,027 Mn as compared to ₹ 25,070 Mn as at March 31, 2019.

- Securities premium account decreased by ₹ 328 Mn majorly on account of utilization for buyback of equity shares.
- Balance in profit and loss, after appropriation of dividend of ₹ 3,181, stood at ₹ 16,652 Mn (₹16,515 Mn as at March 31, 2019).
- Foreign currency translation reserve increased from ₹ 640 Mn as at March 31, 2019 to ₹ 1,111 Mn as at March 31, 2020, due to movement in foreign exchange rates during the year.

Borrowings

The long term borrowings decreased from ₹ 1,547 Mn as at March 31, 2019 to ₹ 1,270 Mn as at March 31, 2020, due to repayment of the borrowings. The short-term borrowings increased from ₹ 2,137 Mn as at March 31, 2019 to ₹ 2,879 Mn as at March 31, 2020 due to working capital requirements in subsidiary companies.

Trade payables

Trade payables consist of payables towards purchase of goods and services and stood at ₹ 3,729 Mn as at March 31, 2020 (₹ 3,700 Mn as at March 31, 2019).

Lease liabilities

Effective April 1, 2019, Cyient has adopted Ind AS 116 'Leases' which sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. We have applied modified retrospective approach for all leases existing at the date of initial application and the cumulative effect of applying Ind AS 116 has been recognized as an adjustment to the opening balance of retained earnings. On transition, the adoption of this standard resulted in the recognition of Right of Use (ROU) asset of ₹ 3,206 Mn and a lease liability of ₹ 3,408 Mn and a net adjustment to opening

balance of retained earnings of ₹ 137 Mn (net of deferred tax). As at March 31, 2020, closing balance of the lease liability was ₹ 2,965 Mn and right-of-use assets were ₹ 2,704 Mn.

Property, plant and equipment

Increase of ₹ 3,572 Mn in property, plant and equipment in FY 20 is primarily attributable to the following:

- Right-of-use assets of ₹ 2,704 Mn on adoption of Ind-AS 116, Leases.
- Cyient has entered into an agreement with a third party, wherein it was granted technology license to develop, test and commercially utilize the benefits from such testing and development activity. Development costs incurred during the year FY 20 was ₹ 145 Mn.
- Balance increase is attributable towards the additions of computer software and long term infrastructure facilities.

Goodwill

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

Movement in Goodwill of ₹ 117 Mn during FY 20 is attributable to translation of goodwill denominated in foreign currency at closing exchange rates.

Non-current investments

Non-current investments have increased from ₹ 270 Mn as at March 31, 2019 to ₹ 414 Mn as at March 31, 2020 due to an investment of ₹ 106 Mn in Class A units of a Partnership Fund, Vasuki 2019 and investment in preferred instruments of Cylus Cyber Security Limited of ₹ 75 Mn.

Cash and bank balances

Total cash and bank balances consists of:

| | (₹ Million) | |
|----------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Cash and bank balances | 9,518 | 9,705 |
| Investment in Mutual funds | - | 278 |
| Total | 9,518 | 9,983 |

Cash generated from operations during FY 20 was ₹ 4,102 Mn which were compensated by the dividend pay-out of ₹ 3,181 Mn, investment in capital long-term infrastructure facilities ₹ 1,045 Mn and non-current investments of ₹ 176 Mn.

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

Trade receivables

The trade receivables has decreased to ₹ 7,262 Mn as at March 31, 2020 from ₹ 8,137 Mn as at March 31, 2019 mainly due to improved collections. Cyient regularly monitors unbilled revenue, separately as well as collectively, along with trade receivables.

Other current assets

Other current assets have decreased to ₹ 5,603 Mn as at March 31, 2020 from ₹ 5,897 Mn as at March 31, 2019, primarily due to monetization of export incentives of ₹ 370 Mn during the year.

Financial Ratios

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

| Sl. No | Ratio description | March 31, 2020 | March 31, 2019 | Variance | Explanation |
|--------|------------------------------|----------------|----------------|----------|-------------|
| 1 | Debtors turnover (in days) | 95 | 88 | 8% | |
| 2 | Inventory turnover (in days) | 159 | 121 | 31% | Note (i) |
| 3 | Interest coverage ratio | 10.7 | 20.1 | (47)% | Note (ii) |
| 4 | Current ratio | 2.21 | 2.61 | (15)% | |
| 5 | Debt equity ratio | 0.16 | 0.15 | 8% | |
| 6 | Operating margin (%) | 13.5% | 14% | (3.5)% | |
| 7 | Net profit margin (%) | 8% | 10% | (25)% | Note (iii) |
| 8 | Return on net worth (%) | 13% | 20% | (31)% | Note (iii) |

1. Increase in inventory turnover days is primarily attributable to de-growth in the DLM segment by 6.6% (\$ terms)
2. Decrease in 'interest coverage ratio' is due to increase in interest expense due to finance component of leased assets and decrease in EBIT in comparison with the previous financial year.
3. The decrease in 'net profit margin' and 'return on net worth' is mainly attributable to decrease in net profit during the year due to de-growth in the Services segment by 5.1% (\$ terms).

People Function:

As an organization, we constantly strive to be the employer of choice for our associates.

Cyient's people function is very closely aligned to our Vision and the S3 strategy and work towards talent acquisition, talent retention and developing next line of leaders. The headcount on 31 March 2020 was 13,859

We constantly try to incorporate healthy and innovative HR practices that provide us an edge over our competition. Over the last year we made good progress on our strategic initiative actions and are well aligned to achieve them. Some of the key initiatives we embarked on over the year are as follows:

Early Career Initiatives

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

India:

National Apprenticeship Promotion Scheme: Under the National Apprenticeship Promotion Scheme, which Cyient incorporated in 2019, we have recruited 213 apprentices. This program enables graduates to upskill through basic training and on-the-job training/ practical training while being a part of live projects.

Fresher Campus Hiring: Each year Cyient approaches select colleges across India for its campus hiring program. However, this year, we moved to a different model to expand the talent pool. We launched a digital campaign for hiring campus fresher's for the year. As part of this we received 30,000 profiles. As a next step all the profiles were scrutinized and shortlisted candidates were put through an online assessment, which was conducted across India at nodal centers identified by Cyient. Currently, shortlisted candidates are going through the interview process. This initiative helped us expand our reach beyond the colleges.

North America

In FY20, we launched the Early Career Program initiative with focus on developing industry- ready engineers through the

"Train to Hire" model. The program is custom-designed in partnership with educational institutions to create a path to employment for students, helping them gain the skills and knowledge that Cyient require.

As part of this initiative we collaborated with North East Mississippi Community College at Tupelo, Mississippi and Asnuntuck Community College at Hartford, Connecticut and explored couple of other community colleges across North America to help us drive the Train+ Hire model of recruitment. The on-the-job interns recruited through this program go through customized curriculum through classroom training, shadowing and learning from current employees and finally live production and delivery.

Leadership Accelerator Programme (LEAP)

As a part of the Leadership Development Framework, the global Leadership Accelerator Programme was launched in FY20. In phase 1, Cyient has approached Top I tier institutes across the globe and selected three management trainees in India. Phase 2 of the hiring will continue to hire across geographies from the Top I Tier universities /institutes. The role of these Analysts will focus on the design and execution of strategic initiatives in the organization working in close collaboration with leadership and cross functional team members.

Leadership Development

Diversity Inclusivity Equity driven Leadership (DIEL) Series 1:

Diversity, Inclusivity, and Equity driven leadership (DIEL) program is designed and developed as part of promoting Diversity and Inclusion (D&I). The DIEL provides intensive development opportunities combined with mentoring by Cyient leaders focused towards translating ideas and goals into reality. The DIEL Series 1 focused on women's leadership covering 50 employees globally. All the employees have been trained in leadership development and in leveraging mentoring support. Internal leaders were trained as mentors who engaged with the participants for about a year. This participants part of the program expressed that the program helped them widened their perspectives and look at the business in a holistic manner.

The conversations helped them to channelize their efforts in a concerted manner and sharpen their focus on leadership positions across the organization.

Global Leadership Program (GLP)

To strengthen the leadership multiple initiatives are being undertaken based on the leadership talent review. GLP is one such initiative which was rolled out in partnership with Wharton Business School, Pennsylvania University. Select Cyient leadership team across the globe visited Wharton campus in Philadelphia to undergo the training. A wide range of leadership and business aspects were covered during the

program which include managing innovation and navigating disruption, customer insights, creating and sustaining competitive advantage, value creation, and connected strategy. Eminent faculty of Wharton conducted sessions during which some of the business heads also participated and engaged with the participants. The feedback from the participants is that the program is insightful, thought provoking, and helped in challenging assumptions on the practices for business growth.

Managing@Cyient (M@C)

In addition to our leadership programs we have added Managing@Cyient a global training program for all our managers. It was conducted over five months and includes learning challenges where participants put into practice what they have learnt. We have trained 422 managers globally during the year, ensuring representation from all our business units and markets.

Career and Competency Progression Program

As we continue to strengthen our HR processes, we implemented a global job structure framework. This Job Structure will ensure that we have a consistent and transparent methodology, across all our locations. The

framework is derived from Mercer's International Position Evaluation (IPE) methodology and builds on three guiding principles of Consistency, Clarity and Empowerment for our associates.

Development of Cyient's Job Structure spanned 18 months and helped standardize the roles across the organization into 20 job family group, 106 job families and 557 unique job roles. Also, as a result the Management Levels (20 no's) were replaced by Management Bands (8 no's). This will provide the basis for mobility, career progression and differentiate policies.

The career & competency progression framework piloted last year is now expanded to 14 IPE roles which constitute 70% of the associates. This framework would define the technical career paths for associates and define the critical competencies for career progression. The framework would allow us to identify competency gaps and build individual development plans.

We will continue to focus on driving initiatives across the talent acquisition, talent development and retention value chain. Our focus will continue to be on strengthening our HR practices and leverage strategic initiatives to drive our objectives.

Form No. AOC-2

Annexure-G

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

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

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

The company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2019-20

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

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

| Sl. No. | Name of the Company/Person | Relationship |
|---------|----------------------------------------------|--------------------------------|
| 1 | Cyient Europe Limited | Subsidiary |
| 2 | Cyient Benelux BV | Step down subsidiary |
| 3 | Cyient Schweiz GmbH | Step down subsidiary |
| 4 | Cyient SRO | Step down subsidiary |
| 5 | AnSem NV | Step down subsidiary |
| 6 | AnSem B.V. | Step down subsidiary |
| 7 | Cyient Inc. | Subsidiary |
| 8 | Cyient Canada Inc. | Step down subsidiary |
| 9 | Cyient Defense Services Inc. | Step down subsidiary |
| 10 | B&F Design Inc. | Step down subsidiary |
| 11 | New Technology Precision Machining Co., Inc. | Step down subsidiary |
| 12 | Cyient GmbH | Subsidiary |
| 13 | Cyient AB | Step down subsidiary |
| 14 | Cyient KK | Step down subsidiary |
| 15 | Cyient Insights Private Limited | Subsidiary |
| 16 | Cyient DLM Private Limited | Subsidiary |
| 17 | Cyient Australia Pty Limited | Subsidiary |
| 18 | Cyient Singapore Private Limited | Subsidiary |
| 19 | Cyient Israel India Limited | Subsidiary |
| 20 | Cyient Engineering (Beijing) Limited | Subsidiary |
| 21 | Cyient Solutions and Systems Private Limited | Subsidiary |
| 22 | Cyient Urban Microskill Centre Foundation | Subsidiary |
| 23 | Infotech HAL Limited | Joint Venture |
| 24 | B. Ashok Reddy | Relative of Executive Chairman |

(b) Nature of contracts/arrangements/transactions

IT Enabled Engineering Services & Geospatial Services.

Re-appointment to office or place of profit

(c) Duration of the contracts/arrangements/transactions

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

From 1 April 2019 to 30 June 2020

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

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

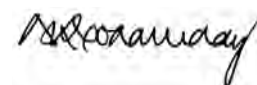
The payment terms of each project as per the inter company agreements entered with the respective subsidiaries.

As per the resolution and explanatory statement published in the notice of the 28th Annual General Meeting

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

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

For and on behalf of the Board



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

Place : Hyderabad
Date : 7 May 2020

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31 MARCH 2020

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turn over of the company shall be stated :-

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and address of the Company# | CIN / GLN | Holding/ Subsidiary /Associate | %of shares held | Applicable Section |
|---------|----------------------------------|-----------|--------------------------------|-----------------|--------------------|
| 1 | Cyient Europe Limited | NA | Subsidiary | 100% | 2(87) |
| 2 | Cyient Benelux BV | NA | Subsidiary | 100% | 2(87) |
| 3 | Cyient Schweiz GmbH | NA | Subsidiary | 100% | 2(87) |
| 4 | Cyient SRO | NA | Subsidiary | 100% | 2(87) |
| 5 | Cyient Inc. | NA | Subsidiary | 100% | 2(87) |
| 6 | Cyient Canada Inc. | NA | Subsidiary | 100% | 2(87) |
| 7 | Cyient Defense Services Inc. | NA | Subsidiary | 100% | 2(87) |
| 8 | B&F Design Inc | NA | Subsidiary | 100% | 2(87) |
| 9 | Cyient GmbH | NA | Subsidiary | 100% | 2(87) |

| Sl. No. | Name and address of the Company# | CIN / GLN | Holding/ Subsidiary /Associate | %of shares held | Applicable Section |
|---------|----------------------------------------------|-----------------------|--------------------------------|-----------------|--------------------|
| 10 | Cyient AB | NA | Subsidiary | 100% | 2(87) |
| 11 | Cyient KK | NA | Subsidiary | 14% | 2(87) |
| 12 | Cyient Insights Private Limited | U72200TG2013PTC087527 | Subsidiary | 100% | 2(87) |
| 13 | Cyient DLM Private Limited | U31909KA1993PTC014470 | Subsidiary | 100% | 2(87) |
| 14 | Cyient Australia Pty Limited | NA | Subsidiary | 100% | 2(87) |
| 15 | Cyient Singapore Private Limited | NA | Subsidiary | 100% | 2(87) |
| 16 | Cyient Israel India Limited | NA | Subsidiary | 100% | 2(87) |
| 17 | Cyient Solutions and Systems Private Limited | U72501TG2017PTC116600 | Subsidiary | 51% | 2(87) |
| 18 | Ansem NV | NA | Subsidiary | 100% | 2(87) |
| 19 | Ansem BV | NA | Subsidiary | 100% | 2(87) |
| 20 | New Technology Precision Machining Co., Inc* | NA | Subsidiary | 100% | 2(87) |
| 21 | Cyient Engineering(Beijing) Limited | NA | Subsidiary | 100% | 2(87) |
| 22 | Cyient Urban Microskill Centre Foundation | U85300TG2018NPL127543 | Subsidiary | 100% | 2(87) |
| 23 | Infotech HAL Limited | U29200KA2007PLC043691 | Joint Venture | 50% | 2(6) |

*New Technology Precision Machining Co., Inc was merged with Cyient Defense Services Inc. w.e.f July,1, 2019

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

i. Category-wise Share Holding

| Sl. No | Category of Shareholder | No. of Shares held at the beginning of the year (1 April 2019) | | | | No. of Shares held at the end of the year (31 March 2020) | | | | % Change during the Year |
|------------|--------------------------|-------------------------------------------------------------------|----------|-------------------|-------------------|--------------------------------------------------------------|----------|-------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| (A) | Promoter | | | | | | | | | |
| 1 | INDIAN | | | | | | | | | |
| (a) | Individual/HUF | 8,098,085 | - | 8,098,085 | 7.29 | 6,265,585 | - | 6,265,585 | 5.70 | (1.59) |
| (b) | Central Govt | - | - | - | - | - | - | - | - | - |
| (c) | State Govt(s) | - | - | - | - | - | - | - | - | - |
| (d) | Bodies Corp | 16,884,951 | - | 16,884,951 | 15.20 | 18,884,951 | - | 18,884,951 | 17.17 | 1.97 |
| (e) | Banks / FI | - | - | - | - | - | - | - | - | - |
| (f) | Any Other | - | - | - | - | - | - | - | - | - |
| | Sub-Total A(1) : | 24,983,036 | - | 24,983,036 | 22.49 | 25,150,536 | - | 25,150,536 | 22.87 | 0.39 |
| 2 | FOREIGN | | | | | | | | | |
| (a) | NRIs-Individuals | - | - | - | - | - | - | - | - | - |
| (b) | Other-Individuals | - | - | - | - | - | - | - | - | - |
| (c) | Bodies Corp | - | - | - | - | - | - | - | - | - |
| (d) | Banks / FI | - | - | - | - | - | - | - | - | - |
| (e) | Any Other.... | - | - | - | - | - | - | - | - | - |
| | Sub-Total A(2) : | 24,983,036 | - | 24,983,036 | 22.48 | 25,150,536 | - | 25,150,536 | 22.87 | 0.39 |
| | Total A=A(1)+A(2) | 24,983,036 | - | 24,983,036 | 22.48 | 25,150,536 | - | 25,150,536 | 22.87 | 0.39 |

| Sl. No | Category of Shareholder | No. of Shares held at the beginning of the year (1 April 2019) | | | | No. of Shares held at the end of the year (31 March 2020) | | | | % Change during the Year |
|------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------|--------------------|-------------------|--------------------------------------------------------------|----------------|--------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| (B) | PUBLIC SHAREHOLDING | | | | | | | | | |
| 1 | INSTITUTIONS | | | | | | | | | |
| (a) | Mutual Funds | 15,026,734 | - | 15,026,734 | 13.52 | 21,783,165 | - | 21,783,165 | 19.81 | 6.29 |
| (b) | Banks / FI | 33,917 | - | 33,917 | 0.04 | 12,533 | - | 12,533 | 0.01 | (0.02) |
| (c) | Central Govt | - | - | - | - | - | - | - | - | - |
| (d) | State Govt(s) | - | - | - | - | - | - | - | - | - |
| (e) | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (f) | Insurance Companies | 7,746,797 | - | 7,746,797 | 6.97 | 1,001,444 | - | 1,001,444 | 0.91 | (6.06) |
| (g) | FIs | 49,445,158 | - | 49,445,158 | 44.50 | 46,363,556 | - | 46,363,556 | 42.16 | (2.34) |
| (h) | Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (i) | Others (specify) | - | - | - | - | - | - | - | - | - |
| | Foreign Collaborators | 1,500,000 | - | 1,500,000 | 1.35 | 1,500,000 | - | 1,500,000 | 1.36 | 0.01 |
| | Sub-Total B(1) : | 73,752,606 | - | 73,752,606 | 66.38 | 70,660,698 | - | 70,660,698 | 64.25 | (2.12) |
| 2 | NON-INSTITUTIONS | | | | | | | | | |
| (a) | Bodies Corp. i. Indian | 1,281,238 | 1,500 | 1,282,738 | 1.15 | 619,681 | 1,500 | 621,181 | 0.56 | (0.59) |
| | ii. Overseas | | | | | | | | | |
| (b) | Individuals | | | | | | | | | |
| | (i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 5,450,150 | 285,942 | 5,735,642 | 5.16 | 7,041,247 | 250,536 | 7,291,783 | 6.64 | 1.47 |
| | (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 1,506,440 | - | 1,506,440 | 1.36 | 1,614,124 | - | 1,614,124 | 1.47 | 0.11 |
| (c) | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| (d) | Others(Specify) | - | - | - | - | - | - | - | - | - |
| | i. Alternate Investment Funds | 29,366 | - | 29,366 | 0.03 | 334,023 | - | 334,023 | 0.30 | 0.27 |
| | ii. NBFCs' | 325 | - | 325 | 0.00 | 300 | - | 300 | 0.00 | 0.00 |
| | iii. Foreign Nationals | 265,777 | 16,050 | 281,827 | 0.25 | 264,277 | 16,050 | 280,327 | 0.25 | 0.00 |
| | iv. Qualified Institutional Buyer | - | - | - | - | 172,752 | - | 172,752 | 0.16 | 0.16 |
| | v. Clearing Members | 184,660 | - | 184,660 | 0.17 | 285,760 | - | 285,760 | 0.26 | 0.09 |
| | vi Non Resident Indians | 2,901,598 | 200,550 | 3,102,148 | 2.79 | 31,10,137 | 198,600 | 3,308,737 | 3.01 | 0.22 |
| | vii. Trusts | 260 | 162,120 | 162,380 | 0.15 | 989 | 162,120 | 163,109 | 0.15 | 0.00 |
| | viii. IEPF | 93,421 | - | 93,421 | 0.08 | 87,891 | - | 87,891 | 0.08 | 0.00 |
| | Sub-Total B(2) : | 11,713,235 | 665,712 | 12,378,947 | 11.14 | 13,531,181 | 628,806 | 14,159,987 | 12.88 | 1.73 |
| | Total B=B(1)+B(2) : | 85,465,841 | 665,712 | 86,131,553 | 77.52 | 84,191,879 | 628,806 | 84,820,685 | 77.13 | (0.39) |
| | C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| | GRAND TOTAL (A+B+C) : | 110,448,877 | 665,712 | 111,114,589 | 100.00 | 109,342,415 | 628,806 | 109,971,221 | 100.00 | 0.00 |

ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|-----------------------------------------|-------------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------------|
| | | No. of shares | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | No. of shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | B.V.R. Mohan Reddy | 3,368,254 | 3.03 | 0.00 | 1,453,254 | 1.32 | 0.00 | (1.71) |
| 2 | Krishna Bodanapu | 1,850,760 | 1.67 | 0.00 | 1,913,260 | 1.74 | 0.00 | 0.07 |
| 3 | B. Sri Vaishnavi | 1,793,008 | 1.61 | 0.00 | 1,793,008 | 1.63 | 0.00 | 0.02 |
| 4 | B. Sucharitha | 912,883 | 0.82 | 0.00 | 932,883 | 0.85 | 0.00 | 0.03 |
| 5 | D. Nageswara Reddy | 115,200 | 0.10 | 0.00 | 115,200 | 0.10 | 0.00 | 0.00 |
| 6 | Carol Ann Reddy | 38,400 | 0.03 | 0.00 | 38,400 | 0.03 | 0.00 | 0.00 |
| 7 | B.V.S. RatnaKumari | 15,600 | 0.01 | 0.00 | 15,600 | 0.01 | 0.00 | 0.00 |
| 8 | A. Amala Reddy | 3,680 | 0.00 | 0.00 | 3,680 | 0.00 | 0.00 | 0.00 |
| 9 | B. Ashok Reddy | 300 | 0.00 | 0.00 | 300 | 0.00 | 0.00 | 0.00 |
| 10 | Vineyard Point Software Private Limited | 11,256,634 | 10.13 | 0.00 | 13,256,634 | 12.05 | 0.00 | 1.92 |
| 11 | Infocad Enterprises Private Limited | 5,628,317 | 5.07 | 0.00 | 5,628,317 | 5.12 | 0.00 | 0.05 |
| | Total | 24,983,036 | 22.47 | 0.00 | 25,150,536 | 22.85 | 0.00 | 0.38 |

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

| Sl. No. | Name of the Promoter | Shareholding at the beginning of the year | | Cumulative shareholding at the end of the year | |
|---------|-------------------------------------------------------------------|-------------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | B.V.R.Mohan Reddy | 3,368,254 | 3.03 | | |
| | Less: <i>Inter se</i> transfer to Vineyard Point Software Pvt Ltd | (2,000,000) | | | |
| | Add: Purchase from open market | 85,000 | | | |
| | At the End of the year | | | 1,453,254 | 1.32 |
| 2. | Krishna Bodanapu | 1,850,760 | 1.67 | | |
| | Add: Purchase from open market | 62,500 | | | |
| | At the End of the year | | | 1,913,260 | 1.74 |
| 3 | B. Sri Vaishnavi | 1,793,008 | 1.61 | | |
| | Increase/ Decrease during the year | - | - | | |
| | At the End of the year | | | 1,793,008 | 1.61 |
| 4 | B. Sucharitha | 912,883 | 0.82 | | |
| | Add: Purchase from open market | 20,000 | | | |
| | At the End of the year | | | 932,883 | 0.85 |

| Sl. No. | Name of the Promoter | Shareholding at the beginning of the year | | Cumulative shareholding at the end of the year | |
|---------|------------------------------------------------------|-------------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 5 | D. Nageswara Reddy | 115,200 | 0.10 | | |
| | Increase/ Decrease during the year | - | - | | |
| | At the End of the year | | | 115,200 | 0.10 |
| 6 | Carol Ann Reddy | 38,400 | 0.03 | | |
| | Increase/ Decrease during the year | - | - | | |
| | At the End of the year | | | 38,400 | 0.03 |
| 7 | B.V.S.Ratna Kumari | 15,600 | 0.01 | | |
| | Increase/ Decrease during the year | - | - | | |
| | At the End of the year | | | 15,600 | 0.03 |
| 8 | A. Amala Reddy | 3,680 | 0.00 | | |
| | Increase/ Decrease during the year | - | - | | |
| | At the End of the year | | | 3,680 | 0.00 |
| 9 | B. Ashok Reddy | 300 | 0.00 | | |
| | Increase/ Decrease during the year | - | - | | |
| | At the End of the year | | | 300 | 0.00 |
| 10 | Vineyard Point Software Private Limited | 11,256,634 | 10.13 | | |
| | Add: <i>Inter se</i> transfer from B.V.R.Mohan Reddy | 2,000,000 | | | |
| | At the End of the year | | | 13,256,634 | 12.05 |
| 11 | Infocad Enterprises Private Limited | 5,628,317 | 5.07 | | |
| | Increase/ Decrease during the year | - | - | | |
| | At the End of the year | | | 5,628,317 | 5.12 |

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

| Sl. No. | Name of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative shareholding at the end of the year | |
|---------|------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Amansa Holdings Private Limited | 7,435,341 | 6.69 | 7,768,358 | 7.06 |
| 2 | Nippon India Capital Builder Fund Iv - Series A | 3,442,414 | 3.10 | 5,371,511 | 4.88 |
| 3 | ICICI Prudential Equity Savings Fund | 508,356 | 0.46 | 5,150,791 | 4.68 |
| 4 | Templeton India Equity Income Fund | 3,340,758 | 3.01 | 4,649,812 | 4.23 |
| 5 | T. Rowe Price International Discovery Fund | 4,349,392 | 3.91 | 3,824,473 | 3.48 |
| 6 | Fidelity Investment Trust Fidelity Series Emerging | 3,526,987 | 3.17 | 3,508,556 | 3.19 |
| 7 | Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund | 3,626,204 | 3.26 | 3,422,701 | 3.11 |
| 8 | First State Investments ICVC- Stewart Investors AS | 3,991,981 | 3.59 | 2,952,574 | 2.68 |
| 9 | Rbc Emerging Markets Small-Cap Equity Fund | 2,128,480 | 1.92 | 2,488,036 | 2.26 |
| 10 | First State Investments ICVC- Stewart Investors IN | 2,007,302 | 1.81 | 1,794,033 | 1.63 |

v) Shareholding of Directors and Key Managerial Personnel

| Sl. No. | Name of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---------|-------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | B.V.R Mohan Reddy — Executive Chairman | 3,368,254 | 3.03 | | |
| | Less: Interse transfer to Vineyard Point Software Pvt Ltd | 2,000,000 | | | |
| | Add: Purchase from open market | 85,000 | | | |
| | At the end of the year | | | 1,453,254 | 1.32 |
| 2 | Krishna Bodanapu — Managing Director & Chief Executive Officer | 1,850,760 | 1.67 | | |
| | Add: Purchase from open market | 62,500 | | | |
| | At the end of the year | | | 19,13,260 | 1.74 |
| 3 | M.M. Murugappan —Independent Director | 30,000 | 0.03 | | |
| | Increase/Decrease during the year | - | - | | |
| | At the end of the year | | | 30,000 | 0.03 |
| 4 | Som Mittal | - | - | | |
| | Increase/Decrease during the year | 5,000 | 0.00 | | |
| | At the end of the year | | | 5,000 | 0.00 |
| 5 | Vikas Sehgal | - | - | | |
| | Increase during the year | 231,040 | 0.21 | | |
| | At the end of the year | - | - | 231,040 | 0.21 |
| 6 | Vivek Narayan Gour | - | - | | |
| | Increase during the year | 5,000 | 0.00 | | |
| | At the end of the year | | | 5,000 | 0.00 |
| 7 | Ajay Aggarwal — Chief Financial Officer | 29,484 | 0.02 | | |
| | Increase during the year | 15,992 | 0.00 | | |
| | At the end of the year | | | 45,476 | 0.04 |
| 8 | Sudheendhra Putty — Company Secretary | 168 | - | | |
| | Increase/Decrease during the year | - | - | | |
| | At the end of the year | | | 168 | - |

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

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total |
|---------|-------------------------------------------------------------------------------------|-------------------------|-------------------|--------------------|
| | | B.V.R.Mohan Reddy | Krishna Bodanapu | |
| 1 | Gross salary | 18,062,205 | 14,400,000 | 32,462,205 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 4,860,000 | 3,888,000 | 8,748,000 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock Options | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | 37,055,051 | 64,846,340 | 101,901,391 |
| | (a) as % of Profit | - | - | - |
| | (b) Others, Specify | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total (A) | 59,977,256 | 83,134,340 | 143,111,596 |
| | Ceiling as per the Act | 190,370,327 | 190,370,327 | 380,740,654 |

B. Remuneration to other directors:

(Amount in ₹)

| Sl. No. | Particulars of Remuneration | Name of the director | | | | | | Total Amount (₹) |
|---------|---------------------------------------------|----------------------|------------------|--------------------|-----------------------|------------------|------------------|-------------------|
| | | Matangi Gowrishankar | Som Mittal | Vivek Narayan Gour | Vinai Thumalalappally | Vikas Sehgal | M.M. Murugapalan | |
| 1. | Independent Directors | | | | | | | |
| | ·Fee for attending board committee meetings | - | - | - | - | - | - | - |
| | ·Commission | 1,500,000 | 1,500,000 | 1,500,000 | 3,517,915 | 3,517,915 | | 11,535,830 |
| | ·Others, please specify | - | - | - | - | - | - | - |
| | Total(1) | 1,500,000 | 1,500,000 | 1,500,000 | 3,517,915 | 3,517,915 | | 11,535,830 |
| 2. | Other Non-Executive Directors | | | | | | | |
| | ·Fee for attending board committee meetings | - | - | - | - | - | - | - |
| | ·Commission | - | - | - | - | - | 1,500,000 | 1,500,000 |
| | ·Others, please specify | - | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | - | 1,500,000 | 1,500,000 |
| | Total(B)=(1+2) | 1,500,000 | 1,500,000 | 1,500,000 | 3,517,915 | 3,517,915 | 1,500,000 | 13,035,830 |
| | Total Managerial Remuneration | 1,500,000 | 1,500,000 | 1,500,000 | 3,517,915 | 3,517,915 | 1,500,000 | 13,035,830 |
| | Overall Ceiling as per the Act | 38,074,065 | 38,074,065 | 38,074,065 | 38,074,065 | 38,074,065 | 38,074,065 | 228,444,390 |

C. Remuneration to Key Managerial Personnel other Than MD/Manager /WTD

(Amount in ₹)

| Sl. No. | Particulars of Remuneration | Name of KMP other than MD/WTD | | Total |
|---------|-------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------|-------------------|
| | | Chief Financial Officer(CFO) Ajay Agarwal | Company Secretary Sudheendhra Putty | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 6,517,800 | 1,112,820 | 7,630,620 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 21,461,632 | 2,177,243 | 23,638,875 |
| | (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961 | - | - | - |
| 2 | Stock Option | 20,000 | 2,490 | 22,490 |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| | (a) as % of Profit | - | - | - |
| | (b) Others, Specify | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total | 27,979,432 | 3,290,063 | 31,269,495 |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

A. COMPANY

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

B. DIRECTORS

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

C. OTHER OFFICERS IN DEFAULT

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

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Cyient Limited

1. The Corporate Governance Report prepared by Cyient Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes(Revised 2016) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held during April 01, 2019 to March 31, 2020:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Leadership, Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Risk Management Committee; and
 - v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not

be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Vikas Pansari

Partner

Membership Number: 093649

UDIN:20093649AAAAAV7684

Place of Signature: Mumbai

Date: May 7, 2020

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

Annexure-J

The Board of Directors
Cyient Limited
Hyderabad.

26 April 2020

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

- A. We have reviewed financial statements and the cash flow statement (standalone and consolidated) for the year 2019-20 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the audit committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.



Krishna Bodanapu
Managing Director & CEO



Ajay Aggarwal
Chief Financial Officer

Managing Director & CEO'S Declaration

Annexure-K

I, Krishna Bodanapu, Managing Director & CEO do hereby declare that pursuant to the provisions of Schedule V of the SEBI LODR Regulations, 2015 all the members of the Board and Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company, for the financial year ended 31 March 2020.

For Cyient Limited,



Krishna Bodanapu
Managing Director & CEO

Place: Hyderabad
Date : 26 April 2020

Report on Corporate Governance

Company's Philosophy on Corporate Governance

Corporate governance is about internalizing and manifesting, at all times, a firm commitment to the adoption of company wide best practices in order to deliver value. The value proposition is executed within a stakeholder base that encompasses associates, customers, vendors, regulators and shareholders. Corporate governance reflects the evolution of a system through which the values, principles, management policies and procedures of the company are inculcated.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's corporate governance philosophy underpins and effectuates business strategies. Effective governance ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising associates, customers, investors, regulators, vendors, and the society at large.

It is through this backdrop that the company embraces good governance practices. It ensures adherence to the legal and regulatory framework and the adoption of good practices beyond the realms of law.

As such, the emphasis is on transparency of operations. The company recognizes that to attract, meet and surpass the expectations of global investors, statutory disclosures and reporting norms are not sufficient and voluntary adherence to best international disclosure practices is essential. These practices enable the company to establish enduring relationships with all the stakeholders and optimize the growth paradigm.

Corporate governance in the company is predicated upon an ethos of transparency, accountability, fairness and overall sustainability. It aims at the following:

- Fulfilling long-term strategic goals;
- Maintaining excellent relations with customers and suppliers;
- Taking care of the interests of the associates;
- Caring for the environment and local community;
- Complying with all applicable laws and regulatory requirements

The company's philosophy on corporate governance is effectively encapsulated below:

| | |
|---------------------------------------------|-----------------------------------------------------------------------------------|
| Sustainable development of all stakeholders | Company ensures the growth of all those associated with it on a sustainable basis |
|---------------------------------------------|-----------------------------------------------------------------------------------|

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



Best Governance Practices

The company implements - voluntarily - some of the most robust and laudable good governance practices across the board. These include:

- Voluntary rating of governance practices by a third party (ICRA)
- Paperless and interactive communication amongst the directors through a customised web - based portal - a sustainability initiative that helps in ease and pace of decision making.

- Observing the Secretarial Standards issued by the Institute of Company Secretaries of India
- Increased board and board committee interaction through optimum use of technology- conduct of board meetings in the electronic mode
- Vendor, Investor and associate satisfaction surveys to elicit feedback from stakeholders
- Policies and procedures for disclosure and dissemination of information by the company
- Internal audit conducted by independent professionals
- All board committees headed by independent directors
- Separate meetings of independent directors
- Board committee on Diversity and Inclusion

Strong governance policies

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

- Code of conduct for board of directors and senior management
- Code of business conduct for all associates
- Code of Conduct for prevention of insider trading
- Code of Practices & Procedures for disclosure of unpublished price sensitive information
- Prevention of sexual harassment policy
- Policy on related party transactions
- Policy on material subsidiaries
- Policy to determine materiality
- Data privacy policy
- Whistle blower policy/vigil mechanism
- Policy on board diversity
- Environment, health and safety policy
- Anti-corruption policy
- Policy on preservation of documents
- Dividend policy
- Criteria of Payment of Remuneration to Non-Executive Directors
- Familiarization Programme for Non-Executive Directors
- Business code of conduct for vendors
- Policy for the Training of Directors
- Guidelines on purchase of shares by Independent Directors

For more information on these policies, visit the website of the company (www.cyient.com/investors/corporate-governance)

Global compliance initiatives

In order to meet the requirements of General Data Protection Regulations (GDPR), the company has put in place a new data privacy framework including: improved procedures, policies, communications and training materials in line with the guidance received from the regulator and is committed to ongoing improvements in the area of data privacy both within Europe and its operations globally.

The company published a Modern Slavery Statement outlining the steps that it has taken to ensure that there is no modern slavery in its business and supply chains. In addition to ensuring compliance with the applicable laws, this demonstrates company's commitment to transparent business practices and to protection of workers' rights..

Ratings and recognitions

During 2019, ICRA, the leading rating agency (A Moody's Investors Service Company) reaffirmed a rating of CGR2+ (pronounced C G R two plus) for the Corporate Governance practices of the company. The rating of CGR2 implies that, in ICRA's current opinion (2019), the rated company has adopted and follows such practices, conventions and codes as would provide its financial stakeholders a high level of assurance on the quality of corporate governance. The "+" sign suffixed to the rating symbol indicates a relatively higher standing within the category. This was a pioneering and voluntary initiative of the company.

As the company is debt free, no credit ratings were obtained.

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

Audits and Internal Checks

Besides the external auditors, the Company has its own internal check cell that reviews internal controls and other operating systems and procedures. A dedicated compliance cell is in existence in the company to review and maintain high standards of legal, statutory and regulatory compliances. The purview of this system includes various statutes such as, industrial and labour laws, taxation laws, corporate and securities laws, health, safety and environmental laws.

Management Initiatives for Controls and Compliance

The Company incorporated an integral framework for managing risks and internal controls. The internal financial controls have been documented, embedded and digitalised in the business process. Internal controls are regularly tested for design, implementation and operating effectiveness.

Compliance with SEBI Regulation on Corporate Governance

The company complies with the corporate governance provisions as specified in chapter IV of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The company lives by the principles of corporate governance and implements them in a manner to achieve the following avowed objectives.

The rights of shareholders

The company protects and facilitates the exercise of the rights of shareholders:

- i. Right to participate in and to be sufficiently informed of, decisions concerning fundamental corporate changes.
- ii. Opportunity to participate effectively and vote in general meetings.
- iii. Being informed of the rules, including voting procedures that govern general meetings.
- iv. Opportunity to ask questions to the board of directors, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable and statutory limitations.
- v. Exercise of ownership rights by all shareholders, including institutional investors.
- vi. Adequate mechanism to address the grievances of the shareholders.
- vii. Protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress.

Timely information

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

Equitable treatment

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

- i. All shareholders of the same series are treated equally.
- ii. Effective shareholder participation in key corporate governance decisions, such as the nomination and election of members of board of directors, is facilitated.
- iii. Exercise of voting rights by foreign shareholders is facilitated.
- iv. The company has devised and implemented a framework to avoid insider trading and abusive self-dealing.
- v. Processes and procedures for general shareholder meetings allow for equitable treatment of all shareholders.

- vi. Procedures adopted by the company do not make it unduly difficult or expensive to cast votes.

Role of stakeholders in corporate governance

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

Disclosure and transparency

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

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

Board of Directors

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

- a. guide, review and approve corporate strategy and financial planning, including major capital expenditures, acquisitions and divestments;
- b. monitor the effectiveness of the company's governance practices, environmental practices, and social practices, and adhere to applicable laws;
- c. embody high standards of business ethics and oversee the implementation of codes of conduct that engender a corporate culture of integrity;
- d. oversee the management of potential conflicts of interest, such as those which may arise around related party transactions;
- e. oversee the integrity of the company's accounting

and reporting systems, its compliance with internationally accepted standards, the effectiveness of its systems of internal control, and the independence of the external audit process;

- f. oversee the implementation of effective risk management and proactively review the risk management approach and policies annually or with any significant business change;
- g. ensure a formal, fair and transparent process for nomination, election and evaluation of directors;
- h. appoint the Chief Executive Officer (CEO) and develop succession plans;
- i. align CEO and senior management remuneration with the long term interests of the company and its shareholders; and
- j. conduct an objective board evaluation on a regular basis, consistently seeking to enhance board effectiveness.

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

Board Composition and Category of Directors

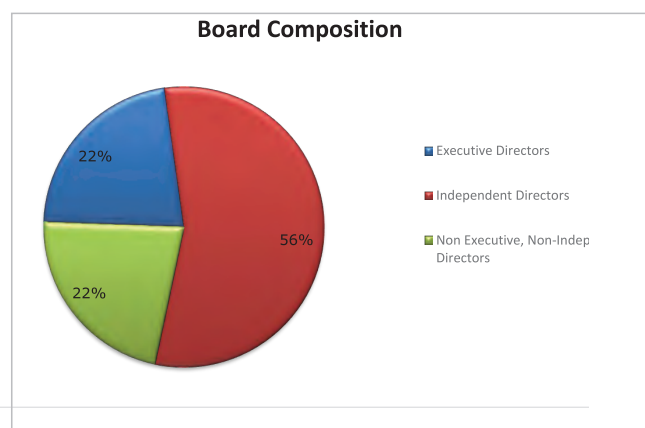
The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The composition of the Board and category of Directors is as follows:

| Particulars | Name of the Director |
|------------------------------------------|--------------------------|
| Promoter Executive Directors | B.V.R. Mohan Reddy |
| | Krishna Bodanapu |
| | Matangi Gowrishankar \$@ |
| | K Ramachandran* |
| Independent Directors | Andrea Bierce* \$ |
| | John Paterson* |
| | Som Mittal |
| | Vivek Gour@ |
| | Vinai Thummalapally |
| | Vikas Sehgal |
| Non-Executive, Non-Independent Directors | M.M. Murugappan |
| | Alain De Taeye |

*Ceased to be Directors w.e.f. 6 June 2019

\$Woman Director

@ Appointed as Directors w.e.f. 25April 2019



Mr. Krishna Bodanapu is the son of Mr. B.V.R. Mohan Reddy. None of the other directors is related to any other director on the Board.

The Board's decisions and actions are aligned with the company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The board critically evaluates the company's strategic direction, management policies and their effectiveness. It acts on an informed basis and in the best interests of the company with good faith, care and diligence, for the benefit of shareholders, while having regard to all relevant stakeholders.

As on 31 March 2020, the board has 9 directors, comprising (i) 5 Independent (ii) 2 Executive and (iii) 2 Non-Executive. The composition of the board is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- A. The Board met six times during the year with a maximum gap of not more than one hundred and twenty days between any two meetings.
- B. The names and categories, their attendance at Board meetings during the year and at the last Annual General Meeting (AGM), as also the details of Directorships across all Companies and Committee membership/chairpersonship held by them are given below:

| S. No. | Name of the Director | Designation | DIN No. | No. Of shares held as on 31 March 2020 | Attendance at Meetings held on | | | | | | Attendance at Last AGM |
|--------|----------------------|-----------------------------------------|----------|----------------------------------------|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------------|
| | | | | | 25-04-2019 | 18-07-2019 | 17-10-2019 | 17-12-2019 | 16-01-2020 | 12-03-2020 | |
| 1 | B.V.R. Mohan Reddy | Promoter, Executive Chairman | 00058215 | 1,453,254 | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 2 | Krishna Bodanapu | Promoter, MD & CEO | 00605187 | 1,913,260 | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | K. Ramachandran* | Independent Director | 00193357 | Nil | Yes | NA | NA | NA | NA | NA | NA |
| 4 | Andrea Bierce* | Independent Director | 06997266 | Nil | Yes | NA | NA | NA | NA | NA | NA |
| 5 | John Paterson* | Independent Director | 07102549 | Nil | Yes | NA | NA | NA | NA | NA | NA |
| 6 | Som Mittal | Independent Director | 00074842 | 5,000 | Yes | Yes | Yes | Yes | Yes | Yes | No |
| 7 | Vivek Gour | Independent Director | 00254383 | 5,000 | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 8 | Vinai Thummala pally | Independent Director | 07797921 | Nil | Yes | Yes | Yes | Yes | Yes | Yes ¹ | No |
| 9 | Matangi Gowrishankar | Independent Director | 01518137 | Nil | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 10 | Vikas Sehgal | Independent Director | 05218876 | 231,040 | Yes | Yes | Yes | Yes ¹ | Yes | Yes ¹ | No |
| 11 | M.M.Murugappan | Non-Independent, Non-Executive Director | 00170478 | 30,000 | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 12 | Alain De Taeye | Non-Independent, Non-Executive Director | 03015749 | Nil | Yes | Yes ¹ | Yes ¹ | Yes | Yes ¹ | Yes | No |

*ceased to be Directors w.e.f. 6 June 2019

¹Audio Webex

Following are the details of composition of statutory committees as on 31 March 2020 as prescribed by the statutes

| Audit Committee | Stakeholders Engagement Committee |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 1. Vivek Gour Independent Director (Chairman of the Committee) | 1. Vinai Thummalapally Independent Director (Chairman of the Committee) |
| 2. Som Mittal Independent Director | 2. B.V.R. Mohan Reddy Promoter, Executive Chairman |
| 3. M.M. Murugappan Non-Executive, Non-Independent Director | 3. Krishna Bodanapu Promoter, MD & CEO |

| Risk Management Committee | Leadership, Nomination & Remuneration Committee |
|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| 1. Vivek Gour Independent Director (Chairman of the Committee) | 1. Matangi Gowrishankar Independent Director (Chairperson of the Committee) |
| 2. Som Mittal Independent Director | 2. Vinai Thummalapally Independent Director |
| 3. M.M. Murugappan Non-Executive, Non-Independent Director | 3. M.M. Murugappan Non-Executive, Non-Independent Director |

Corporate Social Responsibility Committee

1. **Vinai Thummalapally**
Independent Director
(Chairman of the Committee)
2. **B.V.R. Mohan Reddy**
Promoter, Executive Chairman
3. **Krishna Bodanapu**
Promoter, MD & CEO

Additional details of the composition of board/committees is available on the website of the company i.e. (http://www.cyient.com/investors/corporate_governance/).

Details of skills / expertise / competence of the Board of Directors:

| S. No. | Name of the Director | Existing Skills / Expertise / Competence |
|--------|----------------------|------------------------------------------|
| 1 | B.V.R. Mohan Reddy | Innovation & Entrepreneurship |
| 2 | Krishna Bodanapu | Strategy & leadership |
| 3 | Som Mittal | Technology & Industrial Affairs |
| 4 | Vinai Thummalapally | Government Affairs |
| 5 | Vikas Sehgal | Investment Banking |
| 6 | M.M. Murugappan | Audit & Governance |
| 7 | Matangi Gowrishankar | People Management |
| 8 | Vivek Gour | Audit, Governance & Aviation |
| 9 | Alain De Taeve | Technology & Entrepreneurship |

The above are in addition to experience and expertise in general management.

Board Skill Matrix

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

| | |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Global Business | Understanding of global business dynamics, across various geographical markets, business units and regulatory jurisdictions. |
| Strategy and Planning | Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments. |
| Governance | Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving Values-FIRST. |

The eligibility of a person to be appointed as a director of the company depends on whether the person possesses the requisite skill sets identified by the Board as above; and whether the person is a proven leader in running a business that is relevant to the company's business or is a proven academician in the field relevant to the company's business. Being an Engineering services

provider, the company's business runs across different business units, geographical markets and is global in nature. The directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

Each director informs the company on an annual basis about the board and board committee positions he/she occupies in other companies including Chairmanships and notifies changes as and when they occur during the term of their directorship in the company. None of the directors on the board is a member of more than ten committees or chairperson of more than five committees across all the public companies in which they are Directors.

The number of directorships, committee chairmanships/memberships held in other companies by each of the Directors is tabled below:

| Name | No. of other Directorships and Committee Memberships / Chairmanships | | | | | |
|----------------------|----------------------------------------------------------------------|-----------------|------------------|-----------------|--------------|------------|
| | Board# | | | | Committee** | |
| | Chairmanship | | Directorships | | Chairmanship | Membership |
| | Public Companies | Other Companies | Public Companies | Other Companies | | |
| B.V.R. Mohan Reddy | - | - | 2 | 8 | - | 1 |
| Krishna Bodanapu | - | - | - | 5 | - | - |
| M.M. Murugappan | 6 | 1 | 2 | 5 | 4 | 1 |
| Matangi Gowrishankar | - | - | 3 | 3 | 1 | 2 |
| Vivek Gour | - | - | 3 | 2 | 3 | - |
| Som Mittal | - | - | 2 | 2 | 2 | 1 |
| Vinai Thummalapally | - | - | - | 2 | - | - |
| Alain De Taeye | - | 2 | - | 1 | - | - |
| Vikas Sehgal | - | - | - | - | - | - |

* Other Companies include section 8 companies, private limited companies, LLPs and companies incorporated outside India.

** Chairmanships / memberships of board committees include only in Audit and Stakeholders Relationship committees as required under regulation 26(1)(b) of SEBI (LODR) Regulations, 2015.

Details of directorships of aforesaid Directors, in other listed entities are given below:

| S. No. | Name of the Director | Name of the listed entity | Category |
|--------|----------------------|------------------------------------------------------|------------------------------------------|
| 1 | B.V.R. Mohan Reddy | Coromandel International Limited | Independent Director |
| 2 | Krishna Bodanapu | - | - |
| 3 | M.M. Murugappan | Coromandel International Limited | Non- Independent Chairman |
| | | Carborundum Universal Limited | Non-Executive, Non- Independent Chairman |
| | | Tube Investments of India Limited | Non- Independent Chairman |
| | | Cholamandalam Financial Holdings Limited | Non-Executive, Non- Independent Chairman |
| | | Mahindra And Mahindra Limited | Independent Director |
| | | Cholamandalam Investment and Finance Company Limited | Non-Executive, Non- Independent Chairman |
| 4 | Som Mittal | Sheela Foam Limited | Independent Director |
| 5 | Matangi Gowrishankar | Gabriel India Limited | Non- Executive, Independent Director |
| 6 | Vivek Gour | Affle (India) Limited | Independent Director |
| | | Indiamart Intermesh Limited | Independent Director |
| 7 | Vinai Thummalapally | - | - |
| 8 | Alain de Taeye | - | - |
| 9 | Vikas Sehgal | - | - |

Meetings of the Board

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

During the financial year 2019-20, the Board met 6 times on the following dates:

| Quarter | Date of meeting |
|----------------------------------------------------|--------------------------|
| First Quarter (1 April 2019 to 30 June 2019) | 25 April |
| Second Quarter (1 July 2019 to 30 September 2019) | 18 July |
| Third Quarter (1 October 2019 to 31 December 2019) | 17 October & 17 December |
| Fourth Quarter (1 January 2020 to 31 March 2020) | 16 January & 12 March |

The necessary quorum was present at all the meetings.

During the year, no resolutions were passed by circulation.

Mr. S. Chidambaram, Company Secretary in practice has certified that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed to this report.

Information given to the Board

The company mandatorily provides the following information to the board and the board committees as required under regulation 17(7) of SEBI (LODR) Regulations, 2015. Such information is submitted as part of the agenda papers either in advance of the meetings or by way of presentations and discussion materials during the meetings.

- Annual operating plans and budgets, capital budgets, updates and all variances;
- Quarterly, Half yearly, Nine months and Annual results of the company and its subsidiaries;
- Detailed presentations on the business performance of the company, its BUs and its material subsidiaries;
- Minutes of meetings of the Audit Committee and other committees;
- Contract in which Directors and Senior Management Personnel are interested, if any;
- Update on the significant legal cases of the Company; Subsidiary company's minutes, financial statements and significant investments;
- Reviews the compliance reports of all laws applicable to the Company;
- Evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices; and
- Any other matter that requires the attention and intervention of the Board.

Code of Conduct

The company has adopted a code of conduct for all board members and designated members of the senior management. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the core values of Company viz. Customer value, Respect Integrity. The duties of Independent Directors as laid down in the Companies Act, 2013, are incorporated in the Code of Conduct. The Code of Conduct is available on the website of the Company i.e. <http://www.cyient.com/investors/corporate-governance/>.

All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the CEO to this effect is annexed to this report.

Board Effectiveness

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

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

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

Board Accountability

This responsibility extends to interim and other price sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements. The board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The board also maintains sound risk management and internal control systems.

Board membership criteria

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

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

The Board skill matrix is also duly considered.

Term of Board Membership

The shareholders appoint the executive directors for a period

of five years at a time; they are eligible for reappointment in accordance with the provisions of the Act. The board on the recommendations of the Leadership, Nomination and Remuneration committee considers the appointment/ re-appointment of executive and non- executive directors. Independent directors are appointed for a term of up to 5 years. Non-executive, non-independent directors retire by rotation as per the provisions of the Companies Act, 2013.

As per company policy, the retirement age for directors is 70 years.

Memberships in other Boards

Executive directors are allowed to serve on the boards of corporate or government bodies whose interests are germane to the future of the IT and engineering service business or the key economic or academic institutions of the nation, or whose prime objective is to benefit society.

Independent directors should not serve on the boards of competing companies. There are no other limitations except those imposed by law and good corporate governance practices.

Training of Board Members

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

Newly inducted directors spend approximately a week at the time of their induction and interact with the Chairman, Managing Director & CEO, CFO and other members of the senior management. They interact with the heads of all business units and other functional heads. They are provided a walk through among some of the centers of excellence and given a detailed understanding of the business and its operations.

Directors are regularly updated on changes in policies and programmes, laws and the general business environment.

Details of the familiarization programme for Non-Executive Directors and their letter of appointment are published on the website of the company in the link: <http://www.cyient.com/investors/corporate-governance/>.

Board Evaluation and Assessment

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

Board evaluation processes, including in relation to the chairman, individual directors and committees, constitute a powerful and valuable feedback mechanism to improve

board effectiveness, maximise strengths and highlight areas for further development. In addition to greater board accountability, evaluation of board members helps in:

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

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

In order to facilitate the same, the board undertook a formal board assessment and evaluation process during 2019-20, which was administered by means of an online tool. The board evaluation was performed after seeking inputs from all the directors and included criteria such as the board composition and structure, effectiveness of board processes, information and functioning as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January 2017 and the amendments brought in by the SEBI (LODR) Regulations in 2018. The Leadership, Nomination & Remuneration Committee has overall stewardship for the process. The evaluation process covers the following aspects:

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

The evaluation process elicited responses from the directors in a judicious manner ranging from composition and induction of the board to effectiveness and governance. It also sought feedback on board and committee charters, strategy, risk management and quality of discussion and deliberations at the board. The evaluation process also ensures the fulfilment of independence criteria as specified in the applicable regulations and that the latter are independent of the management. The Independent Directors do not participate in the evaluation process.

Board processes, procedures and practices

The company believes that the effectiveness of the board is reinforced by its structures and the processes and procedures it follows. It has in place robust practices and processes that contribute to the effective and efficient performance of the board. The processes facilitate and reinforce the roles, responsibilities and authorities of the board in the governance, management and control of the company. Board

systems and procedures broadly comprise convening the meetings, contents of the agenda, conducting the meetings, decision making at the meetings, adequacy of minutes and working of board committees. Decisions relating to the policy and operations of the company are arrived at meetings of the board held periodically. Meetings of the board enable discussions on matters placed before them and facilitate decision-making based on collective judgment of the board. The company follows the best practices in convening and conducting meetings of the board and its committees.

These include:

Annual Calendar

The annual board calendar is drawn up 4 to 6 quarters in advance together with a well thought out action planner. All tasks are scheduled in advance so that everyone concerned can plan their work systematically. This also enables better time management of and for the board besides aiding their efficiency.

Board Charter

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

Meeting Location

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

Frequency of meetings

A minimum of four board meetings are held each year with the time gap between any two successive meetings not exceeding 120 days. Meetings of the committees are also planned and scheduled to be held along with the board meetings.

Board agenda

The agenda is structured such that routine and administrative matters do not consume too much board time. Those items that are strategic in nature are given sufficient time for cogitation and decision making. The agenda also shows the amount of time allocated for each item. The agenda is made available to the directors along with supporting documents sufficiently in advance of the meetings.

Briefing papers

Board materials, including the notes on agenda are summarized and formatted in such a way that the directors can readily grasp and focus on the more significant issues in the preparation for the board meetings. Relevant and complete information is presented in an orderly manner. The board papers associated with a particular agenda item are set out as an executive summary with further details annexed

thereto. The papers present the issue for discussion, offer solutions on how to effectively address the issue and provide management's view on what action to take. The briefing papers are crisp and succinct and facilitate decision-making.

Decision making process

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

Directors' participation

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

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

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

Board Minutes

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

E-Initiatives

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

Availability of Information to the board

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

Action Taken Report

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

Role of the Chairman

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

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

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

Role of Managing Director & CEO

The CEO is vested with operational responsibility for delivering the company's strategy. The CEO's relationship with the chairman is the key dynamic that underpins the effectiveness of the board.

The CEO, with the support of the executive team, has primary responsibility for communicating to the people working within the business the expectations of the board in relation to the company's culture, values and behaviors', and for ensuring that the appropriate standards of governance permeate down to all levels of the organisation.

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

Role of Non-Executive Directors

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

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

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

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

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

Because of the importance of the process of decision making to the work of the board, non-executive directors insist on accurate, clear and comprehensive information being provided sufficiently in advance to enable thorough

consideration of the issues prior to, and informed debate and challenge at, board meetings.

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

Role of Independent directors

The independent directors bring an element of objectivity to the board processes; they bring in an objective view in the board deliberations. They provide a valuable outside perspective to the deliberations of the board and contribute significantly to the decision making process. Independent directors play a pivotal role in maintaining a transparent working environment in the company.

Declaration by Independent Directors

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Section 149(6) of the Act.

During the financial year 2019-20, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements), 2015, has been placed before the Board for its consideration.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at <http://www.cyient.com/investors/corporate-governance/>.

During the year, no Independent Director has resigned before expiry of his tenure.

Declaration by Board

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on 24 April 2019, to discuss, inter alia:

- Review the performance of Non-Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairman of the company, taking into account the views of the Executive and Non-Executive Directors;
- Assess the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

Performance evaluation criteria for Independent Directors

The performance of Independent Directors is evaluated annually on the following parameters:

- understanding of the company's business as well as the markets and industry it operates in
- effective usage of the experience brought to the board
- level of involvement and participation in the meetings as also in the affairs of the company
- engagement with other directors and senior leadership of the company.

Decision making at the board

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

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

Succession planning at the board and senior management levels

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

- interviewing potential candidates;
- recommending candidates to the board;
- ensuring each new Board member receives induction and training; and
- developing a database of eligible board candidates on a continuous basis.
- the CEO, along with the head of HR, makes a presentation to the LNR Committee about the succession plan of senior management on an annual basis. The same is updated to the board.

Committees of the Board

The Board Committees focus on specific areas and make informed decisions within the authority delegated. The committees also make specific recommendations to the board on various matters, within the scope delegated to them, whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

The company has seven board-level committees - four of them mandatory (M) and three of them non-mandatory (NM), namely:

1. Audit Committee (M)
2. Risk Management Committee (M)
3. Leadership, Nomination & Remuneration Committee (M)
4. Stakeholders Relationship Committee (M)
5. Corporate Social Responsibility Committee (M)
6. Buyback Committee (NM)
7. Strategy & Client Engagement Committee (NM)
8. Diversity & Inclusion Committee (NM)

Audit Committee.

The management is responsible for the company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audit of the company's financial statements in accordance with generally accepted auditing practices and for issuing report based on such audit. The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Audit Committee comprises majority of Independent Directors. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, strategy and management.

During the financial year 2019-20, the Committee met four times and the gap between no two meetings exceeded 120 days. All the members of the audit committee are financially literate. The Chairman attended the last annual general meeting to answer members' queries. The particulars of composition of the audit committee and the details of attendance is as follows.

| S. No. | Name of the Director | Designation | Attendance of Meetings held on | | | |
|--------|----------------------|--------------------------------------------------|--------------------------------|--------------|-----------------|-----------------|
| | | | 24 April 2019 | 17 July 2019 | 16 October 2019 | 16 January 2020 |
| 1. | K. Ramachandran* | Chairman , Independent Director | Yes | NA | NA | NA |
| 2. | Vivek Gour** | Chairman , Independent Director | NA | Yes | Yes | Yes |
| 3. | M.M. Murugappan | Member, Non-Executive & Non-Independent Director | Yes | Yes | Yes | Yes |
| 4. | Som Mittal | Member, Independent Director | Yes | Yes | Yes | Yes |

*Mr. K. Ramachandran was ceased as the member of the committee w.e.f. 25 April 2019

**Mr. Vivek Gour was appointed as the chairman of the committee w.e.f. 25 April 2019

Audit:

- Recommend appointment and remuneration; evaluate performance of the auditors and effectiveness of the audit process.
- Evaluate the independence of auditors and their areas of unresolved concerns, if any.
- Review effectiveness of internal audit function, reporting structure, scope coverage and frequency of internal audit
- Examine internal audit report to focus on significant findings, follow up actions in place, internal investigations, conclusions arrived, failures or irregularities in the internal controls framework and the reports submitted to highlight the same.
- Review the statutory audit scope and plan for various locations before commencement of the audit; provide inputs and areas of focus if any.
- Summarize the findings of statutory audit report; understand process gaps, mitigation plans implemented to address the same.

Financial Review:

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

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

The committee also reviews corporate governance, processes and procedures.

The Audit invites such executives, as it considers appropriate, statutory auditors and internal auditors to be present at its meetings.

The company secretary acts as the Secretary to the Audit Committee.

On an annual basis, the members of the audit committee meet and interact with both the statutory auditors and internal auditors without the presence of the management. Further, on an annual basis, the key stakeholders within the company share their feedback on their interaction with the statutory and internal auditors. The audit committee is suitably apprised of the same.

The total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to the statutory auditor and all

entities in the network firm/network entity of which the statutory auditor is a part is as follows:

| Particulars | Amount (₹ in Mn) |
|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Fees for audit and related services paid to S.R. Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part | 36 |
| Other fees paid to S.R. Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part | 11 |
| Total Fee | 47 |

Risk Management Committee

The Board has constituted Risk Management Committee on 25 April 2019 and the terms of reference of the Committee is as follows:

| Terms of Reference | Risk Management Committee |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Charter of the Committee | <ul style="list-style-type: none"> To identify and assess all the risks that the organization faces and establish a risk management framework capable of addressing those risks. To oversee in conjunction with the board risks such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks. Approving the Company's enterprise wide risk management framework. |
| Objective | <ul style="list-style-type: none"> To provide an oversight for all categories of risk To promulgate risk culture in the organization To adopt leading risk management practices in the industry To manage risk proactively at organization level. |
| Responsibility | <ul style="list-style-type: none"> Help to set the tone and develop a culture of the enterprise vis-à-vis risk, promote open discussion regarding risk, integrate risk management into the organization's goals and create a culture that people at all levels understand risks. Provide input to management regarding the enterprise's risk appetite and tolerance and, ultimately, approve risk appetite. Monitor the organization's risk - its on-going and potential exposure to risks of various types. Approve the risk management plan. The risk management plan should include: <ul style="list-style-type: none"> ✓ The Company's risk management structure ✓ The risk management framework ✓ The standards and methodology adopted – this refers to the measurable milestones such as tolerances, intervals, frequencies, frequency rates etc., ✓ Risk management guidelines ✓ Details of the assurance and review of the risk management process Define risk review activities and prioritize them prior to being sent to the board's attention. Review and confirm that all responsibilities outlined in the charter have been carried out. Oversee the risk framework and interactions with management risk committee. Periodically review and evaluate the company's policies and processes with respect to risk assessment and risk management and annually present to the full board a report summarizing the committee's review of the company's methods for identifying, managing, and reporting risks and risk management deficiencies if any. Continually, as well as at specific intervals, monitor risks and risk management capabilities within the organization, including communication about escalating risk and crisis preparedness and mitigation plans. Continually obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed. Deliberate with the management risk committee regarding risk governance and oversight. Discuss with the management risk committee the company's major risk exposures and review the steps management has taken to monitor and mitigate such risks. Review and assess the effectiveness of the company's ERM framework and recommend improvements, where appropriate |

The composition of the Risk Management committee is as follows:

| Sl. No. | Name of the Director | Designation |
|---------|----------------------|--------------------------------|
| 1 | Vivek Gour | Chairman, Independent Director |
| 2 | M.M. Murugappan | Member, Executive Director |
| 3 | Som Mittal | Member, Executive Director |

During the year 2019-20, the committee met twice.

Leadership, Nomination & Remuneration Committee

The Board has constituted Leadership, Nomination and Remuneration Committee consisting of three Directors. The terms of reference of the committee include

- Evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), Key Managerial Personnel,
- Framing of policies and systems of the Employee Stock Option Scheme and
- Reviewing and resolving issues relating to major HR policies.
- During the financial year 2019-20, the Committee met four times. The below table gives the composition and attendance record of the Committee.

| S. No. | Name of the Director | Designation | Attendance of Meetings held on | | | |
|--------|------------------------|--------------------------------------------------|--------------------------------|--------------|-----------------|-----------------|
| | | | 24 April 2019 | 17 July 2019 | 16 October 2019 | 16 January 2020 |
| 1. | Vinai Thummalapally* | Chairman, Independent Director | Yes | Yes | Yes | Yes |
| 2. | Matangi Gowrishankar** | Chairman, Independent Director | NA | Yes | Yes | Yes |
| 3. | K. Ramachandran*** | Member, Independent Director | Yes | NA | NA | NA |
| 4. | M.M. Murugappan | Member, Non-executive & Non-Independent Director | Yes | Yes | Yes | Yes |

*Mr. Vinai Thummalapally ceased as Chairman w.e.f. 25 April 2019 and continued as Member

**Ms. Matangi Gowrishankar was appointed as the chairman of the committee w.e.f. 25 April 2019

***Mr. K. Ramachandran ceased as the member of the committee w.e.f. 25 April 2019

Remuneration policy

The Leadership, Nomination and Remuneration Committee has adopted a Charter, which, *inter alia*, deals with the manner of selection of Board of Directors and CFO & Managing Director and their remuneration.

Criteria of Selection of Non-Executive Directors

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- In case of appointment of independent directors, the committee shall satisfy itself with regard to the criteria of independence of the directors' vis-à-vis the company to enable the board to discharge its function and duties effectively.
- The committee shall ensure that the candidate identified for appointment as a director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The committee considers the following attributes/ criteria, whilst recommending to the board the candidature for appointment as director:
 - Qualification, expertise and experience of the directors in their respective fields;
 - Personal, professional or business standing;
 - Diversity of the board.
 - In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Non-Executive Directors are entitled to receive reimbursement of expenses for participation in the board / committee meetings and commission. The independent directors of the company are not entitled to participate in the Stock Option Scheme of the company. The aggregate commission paid to the Non- Executive Directors is within the statutory limit of 1% of the standalone net profits of the company.

Criteria for selection/appointment of Managing Director & CEO and CFO

For the purpose of selection of the Managing Director & CEO and CFO, the Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and takes into consideration recommendation, if any, received from any member of the Board.

The Committee also ensures that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013, or other applicable laws.

Remuneration for the Managing Director & CEO

- At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and the CEO & Managing Director, within the overall limits prescribed under the Companies Act, 2013;
- The remuneration shall be subject to the approval of the members of the company in General Meeting;
- The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus; as mutually agreed.
- In determining the remuneration (including the fixed increment and performance bonus) the committee considers the relationship of remuneration and performance benchmarks, the balance between fixed and variable pay reflecting short and long term performance objectives, appropriate to the working of the company and its goals; the responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends and company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

Remuneration Policy for the Senior Management Employees including CFO

In determining the remuneration of the Senior Management Employees (i.e. KMP and Operations Council), the Committee ensures / considers the following:

- clarity on the relationship of remuneration and performance benchmark;
- the balance between fixed and variable pay reflecting short and long term performance objectives, appropriate to the working of the company and its goals, as mutually agreed;
- the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the company's performance vis-à-vis the annual budget achievement, individual performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market as mutually agreed.

Directors Remuneration

a) Executive Directors

The remuneration paid/payable to the Executive Directors is given below:

(Amount in ₹)

| S. No. | Name of the Director | Salary | Commission | PF | Superannuation | Total |
|--------|----------------------|------------|------------|-----------|----------------|------------|
| 1 | B.V.R. Mohan Reddy | 18,062,205 | 37,055,051 | 2,160,000 | 2,700,000 | 59,977,256 |
| 2 | Krishna Bodanapu | 37,055,051 | 64,846,340 | 2,160,000 | 1,728,000 | 83,134,340 |

- None of the directors has been granted stock options/RsUs during the year.
- The above amounts do not include provisions for encashable leave, gratuity and premium paid for Group Health Insurance as separate actuarial valuation/premium paid are not available for the Executive Chairman and Managing Director & CEO.

- (c) The percentage of commission (incentive) is linked to the overall performance of the Executive Director and the company.
- (d) The terms and conditions including remuneration is as per the resolution passed by the members at their meeting held on 6 June 2019.
- (e) The notice period is two months/six months on either side, for Mr. Mohan Reddy and Mr. Krishna Bodanapu respectively.
- b) Non-Executive Directors

The commission payable to the Non-Executive Directors during the year under review is in conformity with the applicable provisions of the Companies Act, 2013, and duly considered and approved by the board and the members (vide postal ballot resolution passed on 30 October 2014).

The company does not pay any sitting fees to its directors.

The details of remuneration paid to non-executive directors is as follows:

(Amount in ₹)

| Name of the Director | Commission |
|-----------------------------|------------|
| M.M. Murugappan | 1,500,000 |
| Som Mittal | 1,500,000 |
| Vivek Gour | 1,500,000 |
| Matangi Gowrishankar | 1,500,000 |
| Vinai Thummalapally | 3,517,915 |
| Vikas Sehgal | 3,517,915 |
| Alain De Taeye ^a | - |

^a Mr. Alain De Taeye has waived the amount.

Other than above, there is no pecuniary or business relationship between the Non-Executive directors and the company. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

Criteria of the payment of remuneration to Non-Executive Directors has been published on the website of the company (<https://www.cyient.com/investors/corporate-governance>).

Stakeholders' Engagement Committee

The Stakeholders Engagement Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. Its primary focus is on:

1. Consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc.
2. Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
3. Provide guidance and make recommendations to improve investor service levels for the investors.

The Stakeholders' Engagement Committee met once on 24 April 2019 and all the members were present for the meeting. The below table gives the composition of the Committee

| Sl. No. | Name of the Director | Designation |
|---------|----------------------|--------------------------------|
| 1 | Vinai Thummalapally | Chairman, Independent director |
| 2 | B.V.R. Mohan Reddy | Member, Executive director |
| 3 | Krishna Bodanapu | Member, Executive director |

Status of Investor Complaints as on 31 March 2020 and reported under Regulation 13(3) of the LODR is as under:

| Particulars | Opening | Received | Resolved | Pending |
|----------------------------------------|---------|----------|----------|---------|
| Dividend/Annual Report related/ Others | - | 94 | 94 | - |

The complaints have been resolved to the satisfaction of the shareholders. The Company Secretary of the Company act as the secretary of the Committee and designated as Compliance Officer.

SCORES

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

Name, designation and address of Compliance Officer:

Sudheendhra Putty

Company Secretary & Compliance Officer

Telephone No: 040-67641322

E-mail: company.secretary@cyient.com

Corporate Social Responsibility (CSR) Committee

The Company has setup a CSR Committee to, *inter alia*

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

The Committee met on 24 April 2019 and all the members attended the meeting. Composition of the committee during the year 2019-20 is as follows:

| S.No. | Name of the Director | Designation |
|-------|----------------------|--------------------------------|
| 1 | Vinai Thummalapally | Chairman, Independent director |
| 2 | B.V.R. Mohan Reddy | Member, Executive director |
| 3 | Krishna Bodanapu | Member, Executive director |

A detailed overview of the CSR initiatives of the company is published elsewhere in the Annual Report.

Buyback Committee

The Company constituted Buyback Committee in order to administer the buyback process. The process of buyback was initiated during the FY 2018-19. The Committee met once on 18 April 2019 and completed the whole process of buyback.

The composition of the Committee is as follows:

| Name of the member | Position |
|--------------------|----------|
| B.V.R. Mohan Reddy | Chairman |
| B. Ashok Reddy | Member |
| Krishna Bodanapu | Member |
| Ajay Agarwal | Member |
| Sudheendhra Putty | Member |
| Samir Desai | Member |

Strategy & Client Engagement Committee

During the financial year 2019-2020, the Strategy and Client Engagement committee reviewed the strategy and execution progress at both an organization and business unit level. It monitored the company's performance in the context of Cyient's "Design-Build-Operate-Maintain" strategy, and shared valuable perspectives on the macro environment that encouraged

some of the businesses to rethink certain elements of strategy execution by taking into account the impact of economic and geopolitical changes.

The committee assessed potential acquisition targets pursued by the company and provided feedback that enabled a more robust evaluation of the strategic fit and financial impact of these transactions. On the Client Engagement front, the committee reviewed annual CSAT results and the actions being taken by the organization to improve customer satisfaction. Its recommendations have helped strengthen the process, both in conducting the studies as well and how the findings are used to develop organizational and business unit strategy. In January 2020, the company organized a strategy off site attended by the board of directors along with the leadership team. The session focused on Cyient's strategic vision and taking stock of where it is today. There were in depth discussions on key parts of the strategy, including digital transformation, M&A, as well as how execution is tracked and monitored. The recommendations resulting from the off site have been incorporated into the AGILE execution plan.

The composition of the Strategy & Client Engagement Committee as on 31 March 2020 is as follows:

| Name of the Director | Designation |
|----------------------|-------------|
| Som Mittal | Chairman |
| Alain De Taeye | Member |
| Vivek Gour | Member |

The Committee met 3 times during the year

Diversity & Inclusion Committee

The board continues with the Diversity and Inclusion (D and I) Committee to focus on the following areas:

- Drive D and I values into key business processes;
- Track and institutionalize key D and I metrics;
- Ensure Cyient is a workplace free of discrimination;
- Enhance the associate experience by providing a safe environment for the expression of thoughts and ideas;
- Communicate internally and externally D and I as part of the Cyient brand;
- Suggest policy changes to operation council when needed.

The composition of the Diversity & Inclusion Committee as on 31 March 2020 is as follows:

| Name of the Director | Designation |
|----------------------|-------------|
| Matangi Gowrishankar | Chairperson |
| Alain De Taeye | Member |
| Vinai Thummalapally | Member |

Role of Company Secretary in overall governance process

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

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

Statutory and Regulatory Disclosures

Disclosure on Materially Significant Related Party Transactions:

The company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization

and the company's long-term strategy for sectoral investments, optimisation of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates.

All the contracts / arrangements / transactions entered by the company during the financial year with related parties were in its ordinary course of business and on arm's length basis.

During the year, the company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

None of the transactions with any of related parties was in conflict with the company's interest.

The company's policy on Materiality of Related Party transactions and on dealing with Related Party Transactions is uploaded on the company's website and can be accessed at <https://www.cyient.com/investors/corporate-governance/>.

General Body Meetings

(a) Annual General Meetings:

| Year(s) | Date of AGM | Time | Venue | No. of special resolutions passed |
|---------|--------------|---------|-----------------------------------------------------------------------------------------------|-----------------------------------|
| 2018-19 | 6 June 2019 | 3.00 PM | L&D Centre (company's campus), Plot No. 2, IT Park, Manikonda, Hyderabad - 500 032, Telangana | 4 |
| 2017-18 | 12 July 2018 | 3.00 PM | -do- | Nil |
| 2016-17 | 13 July 2017 | 3:00 PM | -do- | 1 |

(b) Extraordinary General Meeting:

Nil

(c) Postal Ballot

During the year the company approached shareholders through postal ballot to pass four special resolutions – Dates to be specified

| Description | Type of resolution | No. of votes polled | Votes cast in favour | Votes cast against |
|----------------------------------------------------------------------------------------|--------------------|---------------------|----------------------|--------------------|
| Resolutions dated 2 January 2020 | | | | |
| Issue of Restricted Stock Units (RSUs) to the Associates of the Company's Subsidiaries | Special | 83,532,374 | 56,521,334 | 27,011,040 |
| Issue of Restricted Stock Units (RSUs) to the Associates of the Company | Special | 83,532,374 | 56,521,569 | 27,010,805 |
| Resolutions dated 5 March 2020 | | | | |
| Issue of Restricted Stock Units (RSUs) to the Associates of the Company's Subsidiaries | Special | 89,869,459 | 88,735,711 | 1,133,748 |
| Issue of Restricted Stock Units (RSUs) to the Associates of the Company | Special | 89,869,463 | 88,735,943 | 1,133,520 |

Mr. S. Chidambaram, Company Secretary in Practice was appointed as scrutinizer for the above postal ballots.

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self-addressed postage envelopes are sent to the shareholders to enable them to consider and vote for and against the proposal within a period of 30 days from the date of dispatch. E-voting facility is made available to all the shareholders and instructions for the same are specified under instructions for voting in the Postal Ballot Notice. E-mails are sent to shareholders whose e-mail ids are available with the depositories and Company along with Postal Ballot Notice and Ballot Form. The calendar of events containing the activity chart is filed with the Registrar of Companies within 7 days of the passing of the Resolution by the Board of Directors. After the last day for receipt of ballots

(physical / e-voting), the Scrutinizer, after due verification, submits the results to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same is published in the Newspapers and displayed on the Company Website and submitted to Stock Exchanges.

(d) Procedure for postal ballot

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

At present, there are no postal ballots proposed to be held.

(e) Disclosures

(a) The Managing Director & CEO and Chief Financial Officer have given a Certificate to the Board as contemplated in SEBI (LODR) Regulations, 2015. This is published elsewhere in the Annual Report.

(b) There are no materially significant related party transactions please refer note No. 22 of the stand alone financial statements, forming part of this Annual Report.

(c) There were no pecuniary transactions with any of the Non-Executive Directors, except payment of commission.

(d) A compliance report of all applicable laws and regulations duly signed by the Executive Chairman, Chief Financial Officer and the Company Secretary is placed at periodic intervals for review by the Board. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

(e) The board considers materially important show cause/demand notices received from statutory authorities and the steps/action taken by the company in this regard. A status report of material legal cases and disputed liabilities pending before the various courts/judicial forums is also put up to the board on a quarterly basis. During the year, the company received no such notices.

(f) The board of directors has laid-down a 'Code of Conduct' (Code) for all the board members and senior management personnel of the company and this Code is posted on the website of the Company. Annual declaration is obtained from every associate covered by the Code. The declaration of the Managing Director & CEO, as required under SEBI (LODR) Regulations, 2015, is published elsewhere in the Annual Report.

(g) The board regularly discusses the significant business risks identified by the management and the mitigation process being taken up. On a

quarterly basis, the CEO also presents an update to the Board. A detailed note on the risk identification and mitigation is included in the Risk Management Report and Management Discussion and Analysis annexed to the Directors' Report.

(h) No penalties or strictures were imposed on the company by the Stock Exchanges, SEBI or other statutory authorities during the last three years.

(i) The company is compliant with the provisions of applicable laws and the SEBI (LODR) Regulations, 2015.

(j) The senior management have affirmed to the board of directors that there are no material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the company.

(k) Mr. Krishna Bodanapu is the son of Mr. B.V.R. Mohan Reddy. There are no *inter-se* relationships between and among any other directors.

(l) The company is preparing its financial statements in line with the accounting standards prescribed under section 133 of the Companies Act, 2013.

(m) The company has not raised any fresh funds from the public or through Rights or Preferential Issue (except ASOPs).

(n) The board has accepted all recommendations made by the respective committees, as applicable.

(f) Whistle blower policy

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), 2015 for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The Whistle blower Policy is available on the website of the Company i.e. www.cyient.com. The company implemented a web based/online mechanism under the whistle blower policy. This mechanism encompasses the entire trail from the login of a complaint to its eventual redressal. The system also affords a dial-in facility to associates in various languages across the countries where the company has its operations.

(g) Subsidiary Companies

The board of directors has reviewed the financial statements and minutes of the board meetings of all the subsidiary companies. According to the policy of the company and applicable regulations under LODR, the company does not have any materially unlisted subsidiary company, except Cyient Inc., and Cyient DLM Private Limited. The company has a policy for determining 'material subsidiary' which is disclosed on its website.

(h) Disclosure of commodity price risks and commodity hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

(i) Details of compliance with mandatory and non-mandatory requirements :

Mandatory

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

Non-Mandatory

a. Shareholder Rights

The company sends a quarterly investor update to the shareholders comprising key financial, business and operations update. This is sent in the electronic mode and hosted on the company's website.

b. Audit qualification

The Company is in the regime of unmodified audit opinion.

c. Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

(j) CEO and CFO Certification

The Chief Executive Officer and the Chief Financial Officer of the company have given certification on financial reporting and internal controls for the financial year 2019-20 to the Board of Directors at their meeting held on 7 May 2020, as required under regulation 17(8) of SEBI (LODR), Regulations, 2015.

(k) Means of Communication

(i) Publication of results in newspapers

The quarterly, half-yearly & nine months un-audited financial results and annual audited financial results of the company are generally published in Business Standard or Financial Express, at national level in English language as well as Nava Telangana at regional level in Telugu language circulating in the state of Telangana.

(ii) Website and News Release

The quarterly, half-yearly & nine months unaudited financial results and annual audited financial results of the company are available on the website of the company i.e. www.cyient.com. Official news releases, detailed presentations made to media, analysts,

institutional investors, etc., are available on the website of the company i.e. www.cyient.com. Official media releases are sent to BSE Limited and National Stock Exchange of India Limited. Your company also makes timely disclosure of necessary information to BSE Limited and National Stock Exchange of India Limited in terms of the SEBI (LODR) Regulations, 2015 and other rules and regulations issued by the Securities and Exchange Board of India.

Further following information is available on the website of the company i.e. www.cyient.com:

- Details of business of the Company;
- Terms and conditions of appointment of Independent Directors;
- Composition of various Committees of Board of Directors;
- Code of Conduct for Board of Directors and Senior Management Personnel;
- Details of establishment of vigil mechanism/ Whistle Blower policy;
- Criteria of making payments to Non-Executive Directors;
- Policy on dealing with Related Party Transactions;
- Policy for determining 'material' subsidiaries;
- Details of familiarization programmes imparted to Independent Directors;
- Policy for determination of materiality of events.

(iii) Channels of Communication with the investors

NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

(l) E-voting

Pursuant to the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), 2015, company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings as also for postal ballot

(m) Additional Shareholders' Information

Annual General Meeting:

Date : 31 July 2020

Time : 4.00 pm (IST)

Venue : Audio-Visual means

Financial Calendar

Financial Year - 1 April 2019 to 31 March 2020

Tentative calendar for declaration of financial results in financial year 2020-21

| Results for the quarter ended | On or before |
|-------------------------------|-----------------|
| 30 June 2020 | 16 July 2020 |
| 30 September 2020 | 15 October 2020 |
| 31 December 2020 | 14 Jan 2021 |
| 31 March 2021 | 22 April 2021 |

Book Closure dates

The dates for book closure are from 28 July 2020 to 31 July 2020 (both days inclusive).

Code of Conduct for prohibition of Insider trading

Your company has adopted a Code of conduct as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended in 2019. All Directors, Senior Management Personnel, person-forming part of Promoter(s)/Promoter(s) Group(s) and such other Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. During the year, the Company had made due compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The code of conduct is available on the website of the Company i.e. www.cyient.com. Company Secretary of the Company was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

Listing on Stock Exchanges

The Company's shares are listed on BSE Limited (BSE), and The National Stock Exchange of India Limited (NSE).

The listing fee for the financial year 2020-21 has been paid to both the stock exchanges.

Stock Code:

- Trading scrip code on BSE: 532175
- Trading scrip code on NSE: CYIENT/EQ
- ISIN of the company: INE136B01020
- CIN: L72200TG1991PLC013134

Market Price Data

The Monthly high and low prices of your company's share at BSE and NSE for the year ended 31 March 2020 are as under:

in ₹)

| Month | NSE | | BSE | |
|----------------|--------|--------|--------|--------|
| | High | Low | High | Low |
| April 2019 | 659.20 | 570.00 | 658.00 | 571.30 |
| May 2019 | 601.20 | 535.33 | 603.00 | 530.00 |
| June 2019 | 573.90 | 520.30 | 573.00 | 520.30 |
| July 2019 | 559.90 | 432.30 | 557.00 | 433.00 |
| August 2019 | 458.95 | 414.05 | 460.00 | 414.00 |
| September 2019 | 480.00 | 414.15 | 479.70 | 414.35 |
| October 2019 | 475.95 | 396.30 | 475.10 | 392.85 |
| November 2019 | 424.95 | 380.00 | 425.20 | 380.00 |
| December 2019 | 434.60 | 385.25 | 434.00 | 381.00 |
| January 2020 | 504.40 | 410.00 | 504.25 | 411.30 |
| February 2020 | 513.60 | 414.95 | 514.00 | 415.00 |
| March 2020 | 433.80 | 210.00 | 430.85 | 205.00 |

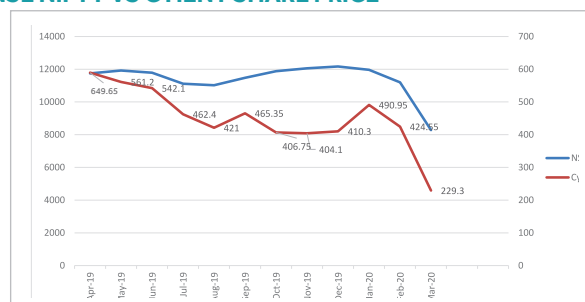
Share price performance in comparison to broad-based indices

| Particulars | Share price v/s NSE | | Share price v/s BSE | |
|---------------------|---------------------|-----------|---------------------|------------|
| | Share Price (in ₹) | Nifty | Share Price (in ₹) | BSE Sensex |
| As on 1 April 2019 | 649.65 | 11,669.15 | 649.60 | 38,871.87 |
| As on 31 March 2020 | 229.30 | 8,597.75 | 229.65 | 29,468.49 |
| Changes (%) | (64.70) | (26.32) | (64.65) | (24.19) |

BSE SENSEX VS CYIENT SHARE PRICE



NSE NIFTY VS CYIENT SHARE PRICE



Share price performance in comparison to broad-based indices

Share Transfer System

As the Company's shares are currently traded in dematerialized form, the transfers are processed and approved in the electronic form by NSDL / CDSL through their depository participants.

Kfintech Technologies Private Limited is the Common R&T Agent for both physical and dematerialised mode.

All queries and requests relating to share transfers/ transmissions may be addressed to our Registrar and Transfer Agent:

Kfintech Technologies Private Limited

Unit: Cyient Limited

Karvy Selenium Tower B, Plot 31&32,

Financial District, Gachibowli,

Nanakramguda, Hyderabad – 500 032, Telangana.

Contact Person: Mr. Mohd Mohsin Uddin,

Manager – Corporate Registry,

Ph: 040- 6716 1562, Email: mohsin.mohd@kfintech.com

Address for correspondence

Investors' correspondence may be addressed to Mr. Ravi Kumar Nukala, Dy. Company Secretary and any queries relating to the financial statements of the Company may be addressed to Mr. Mayur Maniyar, Manager, Investor Relations at the Registered Office of the Company at 4th Floor, 'A' Wing, Plot No.11, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081 Tel:+91-40-6764 1696 / 1537, E-mail : company.secretary@cyient.com / Mayur.Maniyar@cyient.com .

Secretarial Audit

Secretarial audit for the financial year 2019-20 was done by Mr. S. Chidambaram, a Company Secretary in practice. It, inter alia, includes audit of compliances with the Companies Act, 2013, and the rules made under the Act, Listing Regulations and applicable regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standard issued by the Institute of the Company Secretaries of India. The Secretarial Audit forms part of the Annual Report.

Reconciliation of Share Capital

As stipulated by SEBI, a Practising Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon are submitted to the Stock Exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

Dematerialization of Shares and liquidity

Dematerialization of shares is done through M/s. Kfintech Technologies Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents. As on 31 March 2020, 99.43% of the total shares have been dematerialized.

Total equity share capital as on 31 March 2020 was ₹ 549,856,105 comprising of 109,971,221, equity shares (previous year ₹ 555,572,945 comprising of 111,114,589 equity shares) of Rs.5/- each.

| Particulars | No. of Shares | % |
|----------------------------------------------------|--------------------|------------|
| National Securities Depository Limited (NSDL) | 106,104,955 | 96.49 |
| Central Depository Services (India) Limited (CDSL) | 3,237,460 | 2.94 |
| Physical Shares | 628,806 | 0.57 |
| Total | 109,971,221 | 100 |

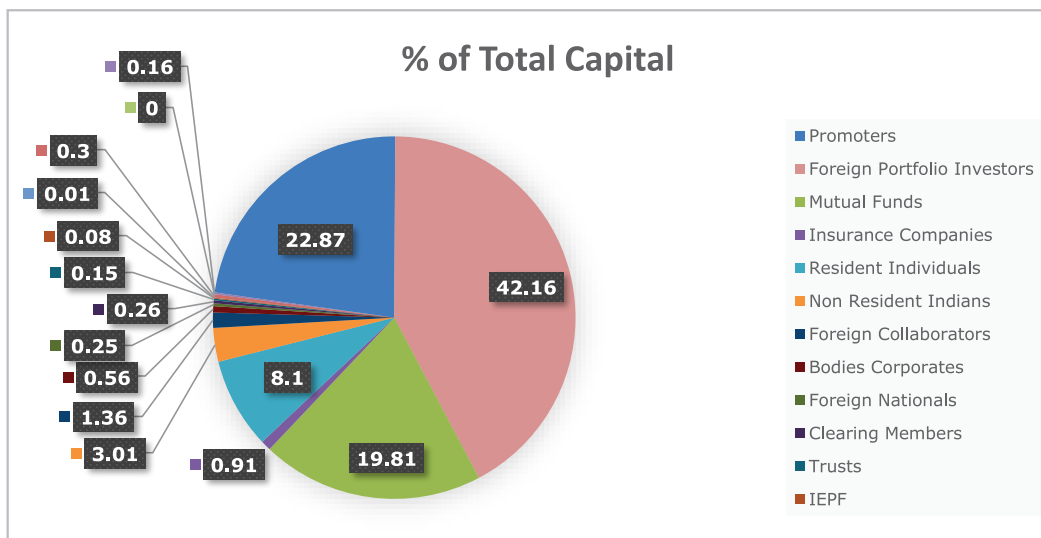
Distribution schedule as on 31 March 2020

| No. of shares | No. of Members | % of total Members | No. of shares | % to Total Capital |
|-----------------|----------------|--------------------|--------------------|--------------------|
| Up to 500 | 41,215 | 93.65 | 3,078,510 | 2.8 |
| 501-1000 | 1,227 | 2.79 | 906,202 | 0.82 |
| 1001-2000 | 703 | 1.6 | 980,033 | 0.89 |
| 2001-3000 | 285 | 0.65 | 715,782 | 0.65 |
| 3001-4000 | 131 | 0.30 | 467,486 | 0.43 |
| 4001-5000 | 56 | 0.13 | 258,231 | 0.23 |
| 5001-10000 | 155 | 0.35 | 1,135,262 | 1.03 |
| 10001 and above | 239 | 0.54 | 102,429,715 | 93.14 |
| Total | 44,011 | 100.00 | 109,971,221 | 100.00 |

Distribution of shareholding on the basis of ownership as on 31 March 2020

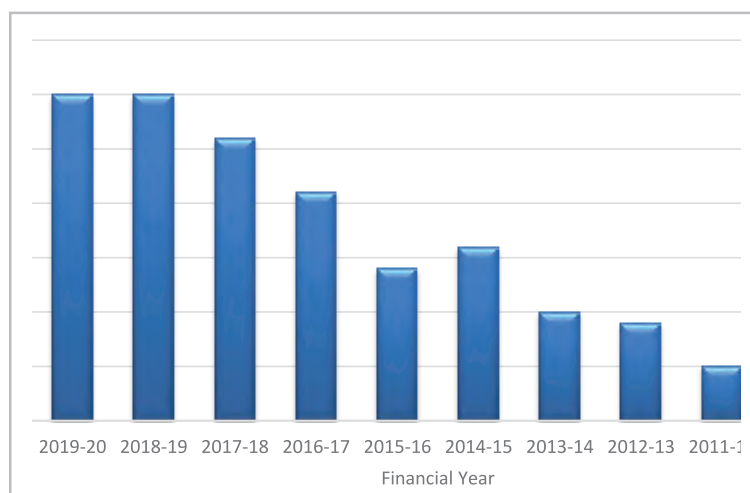
| No. of shares | No. of holders | Total shares | % of Total Capital |
|-------------------------------|----------------|--------------------|--------------------|
| Promoters | 11 | 25,150,536 | 22.87 |
| Foreign Portfolio Investors | 115 | 46,363,556 | 42.16 |
| Mutual Funds | 10 | 21,783,165 | 19.81 |
| Insurance Companies | 2 | 1,001,444 | 0.91 |
| Resident Individuals | 42,272 | 8,905,907 | 8.10 |
| Non Resident Indians | 1063 | 3,308,737 | 3.01 |
| Foreign Collaborators | 1 | 1,500,000 | 1.36 |
| Bodies Corporates | 414 | 621,181 | 0.56 |
| Foreign Nationals | 21 | 280,327 | 0.25 |
| Clearing Members | 79 | 285,760 | 0.26 |
| Trusts | 9 | 163,109 | 0.15 |
| IEPF | 1 | 87,891 | 0.08 |
| Banks | 3 | 12,533 | 0.01 |
| Alternative Investment Fund | 8 | 334,023 | 0.3 |
| NBFC | 1 | 300 | 0.00 |
| Qualified Institutional Buyer | 1 | 172,752 | 0.16 |
| Total | 44,011 | 109,971,221 | 100.00 |

CATEGORY WISE SHAREHOLDING



Corporate Benefits to Investors:

Dividend History FY 2010-20



Shareholders of the company, holding more than 1% shareholding as on 31 March 2020

| S.No. | Name | Shares | % | Category |
|-------|-------------------------------------------------|------------|-------|-------------|
| 1 | Vineyard Point Software Private Limited | 13,256,634 | 12.05 | Promoter |
| 2 | Infocad Enterprises Private Limited | 5,628,317 | 5.12 | Promoter |
| 3 | Bodanapu Ganesh Venkat Krishna | 1,913,260 | 1.74 | Promoter |
| 4 | Bodanapu Sri Vaishnavi | 1,793,008 | 1.63 | Promoter |
| 5 | Venkat Rama Mohan Reddy Bodanapu | 1,453,254 | 1.32 | Promoter |
| 6 | Nippon India Capital Builder Fund IV - Series A | 5,371,511 | 4.88 | Mutual Fund |
| 7 | ICICI Prudential Equity Savings Fund | 5,150,791 | 4.68 | Mutual Fund |
| 8 | Templeton India Equity Income Fund | 4,649,812 | 4.23 | Mutual Fund |

| S.No. | Name | Shares | % | Category |
|-------|----------------------------------------------------|-----------|------|-------------|
| 9 | Aditya Birla Sun Life Equity Hybrid '95 Fund | 3,422,701 | 3.11 | Mutual Fund |
| 10 | Amansa Holdings Private Limited | 7,768,358 | 7.06 | FPI |
| 11 | T. Rowe Price International Discovery Fund | 3,824,473 | 3.48 | FPI |
| 12 | Fidelity Investment Trust Fidelity Series Emerging | 3,508,556 | 3.19 | FPI |
| 13 | First State Investments ICVC- Stewart Investors AS | 2,952,574 | 2.68 | FPI |
| 14 | RBC Emerging Markets Small-Cap Equity Fund | 2,488,036 | 2.26 | FPI |
| 15 | First State Investments ICVC- Stewart Investors IN | 1,794,033 | 1.63 | FPI |
| 16 | Government Pension Fund Global | 1,594,301 | 1.45 | FPI |
| 17 | Highclere International Investors Emerging Markets | 1,577,485 | 1.43 | FPI |
| 18 | Fidelity Investment Trust Fidelity Internationals | 1,402,966 | 1.28 | FPI |
| 19 | Tele Atlas Data 'S Hertogenbosch B V | 1,500,000 | 1.36 | FC |

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants / any convertible instruments.

Plant Locations

Details of locations of the company's offices are published elsewhere in the Annual Report.

Unclaimed Shares / Dividend

Unpaid / Unclaimed Dividends in accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority

In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

During the year, the company had transferred the unclaimed dividend to the IEPF and filed the relevant forms with the Ministry of Corporate Affairs.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016/ Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, during the financial year 2019-20, 2,870 shares were transferred to the Investor Education and Protection Fund.

Due dates for transfer of dividend unclaimed to IEPF are as follows:

| Financial Year | Rate of Dividend | Amount of unclaimed dividend outstanding as on 31 March, 2020 (Rs) | Date of Declaration of Dividend | Last date for claiming un-paid dividends by Investors | Due date for transfer to IEPF |
|-------------------|------------------|--------------------------------------------------------------------|---------------------------------|-------------------------------------------------------|-------------------------------|
| 2012-13 (Final) | 50% | 660,242 | July 18, 2013 | August 24, 2020 | September 23, 2020 |
| 2013-14 (Interim) | 40% | 416,700 | October 17, 2013 | November 23, 2020 | December 22, 2020 |
| 2013-14 (Final) | 60% | 1,433,613 | July 17, 2014 | August 23, 2021 | September 22, 2021 |
| 2014-15 (Interim) | 60% | 2,703,480 | September 29, 2014 | October 28, 2021 | November 27, 2021 |
| 2014-15 (Final) | 100% | 1,950,800 | July 16, 2015 | August 22, 2022 | September 21, 2022 |

| Financial Year | Rate of Dividend | Amount of unclaimed dividend outstanding as on 31 March, 2020 (Rs) | Date of Declaration of Dividend | Last date for claiming un-paid dividends by Investors | Due date for transfer to IEPF |
|-----------------------|------------------|--------------------------------------------------------------------|---------------------------------|-------------------------------------------------------|-------------------------------|
| 2015-16 (1st interim) | 60% | 616,711 | October 15, 2015 | November 21, 2022 | December 20, 2022 |
| 2015-16 (2nd Interim) | 80% | 685,232 | March 17, 2016 | April 23, 2023 | May 22, 2023 |
| 2016-17 (Special) | 50% | 711,938 | August 29, 2016 | October 5, 2023 | November 4, 2023 |
| 2016-17 (Interim) | 60% | 767,793 | October 13, 2016 | November 19, 2023 | December 18, 2023 |
| 2016-17 (Final) | 100% | 976,475 | July 13, 2017 | August 19, 2024 | September 18, 2024 |
| 2017-18 (1st Interim) | 100% | 1,689,400 | October 12, 2017 | November 15, 2024 | December 14, 2024 |
| 2017-18 (2nd Interim) | 80% | 1,372,596 | January 18, 2018 | February 21, 2025 | March 20, 2025 |
| 2017-18 (Final) | 80% | 1,159,872 | July 12, 2018 | August 18, 2025 | September 17, 2025 |
| 2018-19 (Interim) | 120% | 1,577,604 | October 17, 2018 | November 20, 2025 | December 19, 2025 |
| 2018-19 (Final) | 180% | 1,510,893 | June 6, 2019 | July 9, 2026 | August 8, 2026 |
| 2019-20 (1st Interim) | 120% | 851,274 | October 17, 2019 | November 20, 2026 | December 19, 2026 |
| 2019-20 (2nd Interim) | 180% | 11,101,806 | March 30, 2020 | April 3, 2027 | May 2, 2027 |

The movement of unclaimed shares in the "Cyient Ltd – Unclaimed Suspense Account" during the year as follows:-

| Particulars | No. of Members | No. of Shares |
|--------------------------------------------------------------------------------------------------------------------|----------------|---------------|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 April 2019 | 31 | 20,043 |
| Shareholders who approached the company for transfer of shares from suspense account during the year | 5 | 600 |
| Shareholders to whom shares were transferred from suspense account during the year | 5 | 600 |
| Shareholders whose shares are transferred to the demat account of the IEPF authority as per Section 124 of the Act | 0 | 0 |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March, 2020 | 26 | 19,443 |

The voting rights on the shares outstanding in the suspense account as on 31 March 2020 shall remain frozen till the rightful owner of such shares claims the shares.

The company sends reminders to the shareholders concerned to claim the unclaimed and unpaid dividends before they are transferred to the IEPF.

The shareholders who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/ shares so transferred.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
CYIENT LIMITED,
4th Floor, 'A' Wing, Plot No.11,
Software Units Layout Infocity,
Madhapur Hyderabad - 500081.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CYIENT LIMITED having CIN L72200TG1991PLC013134 and having registered office at 4th Floor, 'A' Wing, Plot No.11, Software Units Layout Infocity, Madhapur Hyderabad - 500081 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

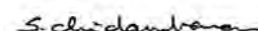
In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| S. No. | Name of Director | Designation | DIN | Date of appointment in Company |
|--------|----------------------------------|------------------------------------------|----------|--------------------------------|
| 1 | Venkat Rama Mohan Reddy Bodanapu | Executive Chairman | 00058215 | 28/08/1991 |
| 2 | Bodanapu Ganesh Venkat Krishna | Managing Director & CEO | 00605187 | 24/04/2014 |
| 3 | Murugappan Murugappan Muthiah | Non-executive & Non independent Director | 00170478 | 11/08/1997 |
| 4 | Alain A De Taeye | Non-executive & Non independent Director | 03015749 | 21/04/2010 |
| 5 | Som Mittal | Independent Director | 00074842 | 24/04/2014 |
| 6 | Vinai Thummalapally | Independent Director | 07797921 | 20/04/2017 |
| 7 | Vikas Sehgal | Independent Director | 05218876 | 17/10/2018 |
| 8 | Matangi Gowrishankar | Independent Director | 01518137 | 25/04/2019 |
| 9 | Vivek Narayan Gour | Independent Director | 00254383 | 25/04/2019 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad

Date: 04.06.2020



S. Chidambaram

Practicing Company Secretary:

FCS No. 3935

C P No: 2286

UDIN: F003935B000317875

INDEPENDENT AUDITORS' REPORT

To the Members of Cyient Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Cyient Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

| Key audit matters | How our audit addressed the key audit matter |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impairment assessment of Investments and Intangible assets under development (as described in note 5 and 4 respectively of the Standalone Financial Statements) | |
| <p>As at March 31, 2020, the Company has investments of ₹ 5,107 Mn and intangibles under development of ₹ 613 Mn. The investments and intangible assets under development is tested annually for impairment using discounted cash-flow models of recoverable value compared to the carrying value of the assets. A deficit between the recoverable value and carrying value would result in impairment. The inputs to the impairment testing model include:</p> <ul style="list-style-type: none"> Projected revenue growth, operating margins, operating cash-flows and capex during the periods relating to explicit forecasts; Stable long-term growth rates beyond explicit forecast period and in perpetuity; and Discount rates that represent the current market assessment of the risks specific to the cash generating unit / intangible assets under development, taking into consideration the time value of money. | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We tested the design, implementation and operative effectiveness of management's key internal controls over impairment assessments; Gained an understanding of and evaluated the methodology used by management to prepare its cash flow forecasts and the appropriateness of the assumptions applied. In making this assessment, we also evaluated the competence, professional qualification, objectivity and independence of Company's specialists involved in the process; With the assistance of specialists, we assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used; in consideration of the current and estimated future economic conditions, including the impact of COVID-19; |

| Key audit matters | How our audit addressed the key audit matter |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The financial projections basis which the future cash flows have been estimated consider the impact of the economic uncertainties arising from COVID-19 on the discount rates, the projected growth rates and terminal values and subjecting these variables to sensitivity analysis.</p> <p>The annual impairment testing is considered a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the Standalone Financial Statements as a whole.</p> | <ul style="list-style-type: none"> • We assessed the historical accuracy of management's forecasting by comparing actual financial performance to management's previous forecasts. We also analysed the consistency of cash flow forecasts with Management's latest estimates presented to the Board of Directors as part of the budget process; • We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used; • We tested the arithmetical accuracy of the models; • We assessed the related disclosures in Note 4 and 5 to the Standalone Financial Statements. |
| Accuracy of recognition, measurement, presentation and disclosure of Revenues (as described in note 2 and 17A of the Standalone Financial Statements) | |
| <p>The application of the revenue recognition standard Ind AS 115 – "Revenue from contracts with customers" involves certain key judgements and principles for evaluating various distinctive terms/matters.</p> <p>Revenue contracts with customers have defined delivery milestones with agreed scope of work and pricing for each milestone depending on the nature of service/industry served. The pricing arrangement of these contracts is time and material; fixed bid/unit based, etc.</p> <p>Revenue from fixed bid/unit-based contracts, where the performance obligation is satisfied over time has been recognised using the percentage of completion method. Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred.</p> <p>Identification of performance obligations involves high degree of judgement and assessment of contractual terms. Also, the estimate of total efforts or remaining efforts to complete fixed bid/unit-based contracts measured using the percentage of completion method involves significant judgement throughout the period of the contract and is subject to revision as the contract progresses based on the latest available information.</p> <p>As the revenue recognition involves significant estimates and judgments, we regard this as a key audit matter.</p> | <p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • Evaluated the design, implementation and operating effectiveness of management's key internal controls over revenue recognition; • Tested relevant information technology systems' controls relating to contracts and related information used in recording and disclosing revenue; • Substantive testing of sample revenue contracts and performed the following procedures to assess management analysis and impact of Ind AS 115: <ul style="list-style-type: none"> o Read, analyzed and identified the distinct performance obligations in these contracts. o Compared these performance obligations with that identified and recorded by the Company. o Considered the terms of the contracts and assessed the transaction price including any variable consideration to test revenue. • Sample contracts in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances and subsequent invoicing; • In respect of fixed price contracts, progress towards completion of performance obligation used to compute revenue was verified based on actual cost relative to estimated cost from management analysis and systems or external evidences of progress. Also, reviewed cost incurred with estimated cost to identify significant variations and reasons and to verify whether those variations have been considered in estimating the remaining cost to complete the contract; • Assessed the related disclosure made pursuant to Ind AS 115. |
| Allowance for credit losses for trade receivables including unbilled revenue (as described in note 2 and 9 of the Standalone Financial Statements) | |
| <p>As at March 31, 2020, the Company has outstanding trade receivables and unbilled revenue of ₹ 5,658 Mn and ₹ 1,174 Mn respectively. The Company has determined the allowance for credit losses based on the ageing status and historical loss experience adjusted to reflect current and estimated future economic conditions. In addition to the historical pattern of credit loss, the Company have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operative effectiveness of management's key internal controls over allowance for credit losses; • We assessed the completeness and accuracy of the information used in the estimation of probability of default and tested historical payment records, correspondence with customers, credit related information and subsequent collection of the customers' balances; • We performed analysis of ageing of receivables, tested the mathematical accuracy and computation of the allowance for credit losses; • We assessed the allowance for expected credit loss made by management including the possible effect from the pandemic relating to COVID-19. |

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The financial statements of the Company for the year ended March 31, 2019, included in these Standalone Financial Statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 25, 2019.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 21A to the Standalone Financial Statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 14 to the Standalone Financial Statements; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Vikas Pansari
Partner

Membership Number: 093649

UDIN: 20093649AAAAAU3951

Place of Signature: Mumbai

Date: May 7, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CYIENT LIMITED

Re: Cyient Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

| Particulars of freehold land | Gross Block as at March 31, 2020 (₹ in million) | Net Block as at March 31, 2020 (₹ in million) | Remarks |
|----------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------|----------------------------------------------------------------|
| Freehold land located at Nanakramguda Village, admeasuring 10 acres. | 4.00 | 4.00 | Pending completion of legal formalities relating to conveyance |

In respect of immovable properties of land that have been taken on lease and classified as Right of use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement. In case of one leasehold land, the Company is yet to receive the title which is pending completion of legal formalities relating to conveyance.

- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) The Company has granted loans to three companies covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans to companies covered in the register maintained under section 189 of the Act. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company and hence not commented upon.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, value added tax, duty of custom, goods and service tax and other statutory dues applicable to it. The provisions relating to sales tax, duty of excise and cess are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, value added tax, goods and service tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax and value added tax on account of any dispute, are as follows:

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount involved (₹ in million) | Amount paid under protest (₹ in million) |
|------------------------------------------|-----------------|-------------------------------------------------------|----------------------------------------|--------------------------------|------------------------------------------|
| Central Sales Tax Act, 1956 | Sales Tax | Commissioner of Commercial Taxes (Appeals) | 2004-05 to 2009-10 & 2015-16 to Jun-17 | 17 | 9 |
| Andhra Pradesh Value Added Tax Act, 2005 | Value Added Tax | Commissioner of Commercial Taxes (Appeals) | 2005-06 to 2009-10 | 4 | 2 |
| Finance Act, 1994 | Service Tax | Commissioner (Central Excise and Service tax) | Apr-13 to Jun-17 | 232 | - |
| | | Commissioner - Audit (Central Excise and Service tax) | Oct-13 to Sep-14 | 2 | 1 |
| Income Tax Act, 1961 | Income Tax | The High Court of Telangana | 1997-98, 1999-00, 2000-01 & 2002-03 | 18 | 18 |
| Income Tax Act, 1961 | Income Tax | Commissioner of Income Tax (Appeals) | 2014-15, 2016-17 to 2017-18 | 25 | 25 |
| Income Tax Act, 1961 | Income Tax | Income Tax Appellate Tribunal | 2009-10, 2012-13, 2013-14 | 25 | 25 |

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Vikas Pansari

Partner

Membership Number: 093649

UDIN: 20093649AAAAAU3951

Place of Signature: Mumbai

Date: May 7, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CYIENT LIMITED

Re: Cyient Limited ("the Company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Cyient Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Standalone Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Standalone Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Financial Statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Vikas Pansari

Partner

Membership Number: 093649

UDIN: 20093649AAAAAU3951

Place of Signature: Mumbai

Date: May 7, 2020

● Balance Sheet as at March 31, 2020

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

| Particulars | Notes | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------------------------------------------------------------|--------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3A | 2,852 | 2,460 |
| Right of use assets | 3B | 1,221 | - |
| Capital work-in-progress | | 14 | 287 |
| Other intangible assets | 4 | 282 | 204 |
| Intangible assets under development | 4 | 613 | 468 |
| Financial assets | | | |
| (a) Investments | 5 | 5,107 | 5,101 |
| (b) Loans and deposits | 6 | 1,002 | 688 |
| Deferred tax assets (net) | 16 (d) | 274 | 194 |
| Income tax assets (net) | 16 (f) | 807 | 320 |
| Other non-current assets | 8 | 451 | 462 |
| Total non-current assets | | 12,623 | 10,184 |
| Current assets | | | |
| Financial assets | | | |
| (a) Investments | 5 | - | 278 |
| (b) Trade receivables | 9 | 5,658 | 5,079 |
| (c) Cash and cash equivalents | 10A | 5,836 | 7,022 |
| (d) Other bank balances | 10B | 1 | 105 |
| (e) Loans and deposits | 6 | 436 | 320 |
| (f) Other financial assets | 7 | 1,566 | 1,805 |
| Other current assets | 8 | 607 | 1,008 |
| Total current assets | | 14,104 | 15,617 |
| Total assets | | 26,727 | 25,801 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 11A | 550 | 552 |
| Other equity | 11B | 20,433 | 21,813 |
| Total equity | | 20,983 | 22,365 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Provisions | 12 | 834 | 863 |
| Financial liabilities | | | |
| Lease liabilities | 3B | 1,014 | - |
| Total non-current liabilities | | 1,848 | 863 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (a) Trade payables | 13 | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | 13 | 1 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 2,571 | 1,962 |
| (b) Lease liabilities | 3B | 347 | - |
| (c) Other financial liabilities | 14 | 331 | 137 |
| Income tax liabilities (net) | 16 (f) | 134 | 48 |
| Provisions | 12 | 163 | 97 |
| Other current liabilities | 15 | 337 | 328 |
| Total current liabilities | | 3,896 | 2,573 |
| Total liabilities | | 5,744 | 3,436 |
| Total equity and liabilities | | 26,727 | 25,801 |
| Corporate information and significant accounting policies | 1 & 2 | | |
| Accompanying notes form an integral part of the financial statements | | | |

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



Vikas Pansari

Partner

Membership No.: 093649

Place : Mumbai

Date : May 07, 2020

For and on behalf of the Board of Directors

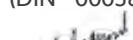
Cyient Limited



B.V.R. Mohan Reddy

Executive Chairman

(DIN - 00058215)



Ajay Aggarwal

President &

Chief Financial Officer

Place : Hyderabad

Date : May 07, 2020



Krishna Bodanapu

Managing Director and CEO

(DIN - 00605187)



Sudheendhra Putty

Company Secretary

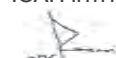
(M.No. - F5689)

● Statement of Profit and Loss for the Year Ended March 31, 2020 ●

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

| Particulars | Notes | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------------------------------------------------------------------------------------|--------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| Revenue from operations | 17A | 15,231 | 16,149 |
| Other income | 17B | 1,267 | 1,621 |
| Total income | | 16,498 | 17,770 |
| EXPENSES | | | |
| Employee benefits expense | 18A | 7,672 | 7,557 |
| Finance costs | 18B | 148 | 11 |
| Depreciation and amortisation expense | 19 | 990 | 509 |
| Impairment of non-current assets | 22 | 311 | - |
| Other expenses | 20 | 4,034 | 4,281 |
| Total expenses | | 13,155 | 12,358 |
| Profit before tax | | 3,343 | 5,412 |
| Tax expense | 16 (a) | | |
| Current tax | | 743 | 1,179 |
| Deferred tax | | 120 | (174) |
| Total tax expense | | 863 | 1,005 |
| Profit for the year | | 2,480 | 4,407 |
| Other comprehensive income (OCI) | | | |
| (a) Items that will not be reclassified subsequently to statement of profit and loss: | | | |
| (i) Remeasurements of the net defined benefit liability | 12 | 26 | (65) |
| (ii) Equity instruments through other comprehensive income | | 4 | 2 |
| (iii) Income tax relating to items that will not be reclassified to statement of profit and loss | 16 (b) | (6) | 16 |
| (b) Items that will be reclassified subsequently to statement of profit and loss: | | | |
| (i) Effective portion of gains/(loss) on designated portion of hedging instruments in a cash flow hedge | 11B | (541) | 468 |
| (ii) Income tax on items that may be reclassified to statement of profit and loss | 16 (b) | 189 | (164) |
| Total other comprehensive income | | (328) | 257 |
| Total comprehensive income for the year, net of tax | | 2,152 | 4,664 |
| Earnings per equity share (par value of ₹ 5 each) | 23 | | |
| Basic (₹) | | 22.56 | 39.07 |
| Diluted (₹) | | 22.56 | 39.01 |
| Corporate information and significant accounting policies | 1 & 2 | | |
| Accompanying notes form an integral part of the financial statements | | | |

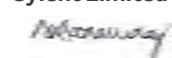
As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004



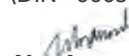
Vikas Pansari
Partner
Membership No.: 093649

Place : Mumbai
Date : May 07, 2020

For and on behalf of the Board of Directors
Cyient Limited



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



Ajay Aggarwal
President &
Chief Financial Officer
Place : Hyderabad
Date : May 07, 2020



Krishna Bodanapu
Managing Director and CEO
(DIN - 00605187)



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

Statement of Changes in Equity for the Year Ended March 31, 2020

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

a. Equity share capital

| Particulars | Notes | Amount |
|-----------------------------------------------------|-------|--------|
| Balance as at April 1, 2018 | | 563 |
| Issue of shares during the year | | 2 |
| Shares bought back and extinguished during the year | 11A | (10) |
| Shares bought back and pending extinguishment | | (3) |
| Balance as at March 31, 2019 | | 552 |
| Issue of shares during the year | | 1 |
| Shares bought back and extinguished during the year | 11A | (3) |
| Balance as at March 31, 2020 | | 550 |

b. Other equity

| Particulars | Notes | Reserves and surplus | | | | Items of other comprehensive income | | Total other equity |
|-----------------------------------------------------------------|-------|----------------------------|--------------------|-----------------|------------------------------|-------------------------------------|-------------------------|--------------------|
| | | Capital Redemption Reserve | Securities premium | General reserve | Share based payments reserve | Retained earnings | Cash flow hedge reserve | |
| Balance as at March 31, 2018 | | - | 3,863 | 5,289 | 221 | 10,708 | (30) | 20,051 |
| Profit for the year | | - | - | - | - | 4,407 | - | 4,407 |
| Other comprehensive income | | - | - | - | - | (49) | 304 | 257 |
| Total comprehensive income for the year | | - | - | - | - | 4,358 | 304 | 4,664 |
| Issue of shares under the Company's associate stock option plan | 11B | - | - | - | - | - | - | 20 |
| Share-based payment to employees | 11B | - | - | - | (179) | - | - | 29 |
| Dividends paid (including dividend distribution tax) | 30 | - | - | - | 29 | (1,269) | - | (1,269) |
| Buyback of equity shares | 11A | - | (1,655) | - | - | - | - | (1,655) |
| Transaction costs towards Buyback of equity shares | 11A | - | (27) | - | - | - | - | (27) |
| Amount transferred to capital redemption reserve upon Buyback | 11A | 13 | - | (13) | - | - | - | - |
| Balance as at March 31, 2019 | | 13 | 2,380 | 5,276 | 71 | 13,797 | 274 | 21,813 |
| Impact on account of adoption of Ind AS 116, (net of tax) | 3B | - | - | - | - | (81) | - | (81) |
| Revised balance as at March 31, 2019 | | 13 | 2,380 | 5,276 | 71 | 13,716 | 274 | 21,732 |
| Profit for the year | | - | - | - | - | 2,480 | - | 2,480 |
| Other comprehensive income | | - | - | - | - | 20 | (352) | (328) |
| Total comprehensive income for the year | | - | - | - | - | 2,500 | (352) | 2,152 |
| Issue of shares under the Company's associate stock option plan | 11B | - | - | - | (7) | - | - | 16 |
| Share-based payment to employees | 11B | - | 23 | - | 42 | - | - | 42 |
| Dividends paid (including dividend distribution tax) | 30 | - | - | - | - | (3,181) | - | (3,181) |
| Buyback of equity shares | 11A | - | (328) | - | - | - | - | (328) |
| Amount transferred to capital redemption reserve upon Buyback | 11A | 3 | - | (3) | - | - | - | - |
| Balance as at March 31, 2020 | | 16 | 2,075 | 5,273 | 106 | 13,035 | (78) | 20,433 |

Accompanying notes form an integral part of the financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Vikas Pansari
Partner

Membership No.: 093649

For and on behalf of the Board of Directors

Cyient Limited

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

Ajay Aggarwal
President &
Chief Financial Officer
Place: Hyderabad
Date: May 07, 2020

Krishna Bodanapu
Managing Director and CEO
(DIN - 00605187)

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

Place: Mumbai
Date: May 07, 2020

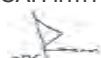
● Cash Flow Statement for the Year Ended March 31, 2020 ●

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

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit for the year | 2,480 | 4,407 |
| <i>Adjustments for:</i> | | |
| Tax expense | 863 | 1,005 |
| Depreciation and amortisation expense | 990 | 509 |
| (Profit)/loss on sale of property, plant and equipment, (net) | (3) | 3 |
| Finance costs | 148 | 11 |
| Impairment of non-current assets | 311 | - |
| Share-based payment to employees | 25 | 16 |
| Interest income | (495) | (564) |
| Dividend from subsidiary | - | (457) |
| Dividend from mutual funds | (29) | (53) |
| Liabilities no longer required written back | (4) | (41) |
| Gain on fair valuation of financial instrument | (2) | - |
| Provision for expected credit loss, (net) | 107 | 52 |
| Unrealised forex gain, net | (62) | (295) |
| Operating profit before working capital changes | 4,329 | 4,593 |
| <i>Changes in working capital:</i> | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Trade receivables | (756) | (1,006) |
| Other financial assets | (163) | 180 |
| Other assets | 602 | (446) |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payables | 509 | 82 |
| Other current liabilities | 5 | (150) |
| Other financial liabilities | (25) | 25 |
| Provisions | 63 | 123 |
| Cash generated from operations | 4,564 | 3,401 |
| Net income taxes paid | (1,144) | (1,103) |
| Net cash flow from operating activities (A) | 3,420 | 2,298 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payment towards purchase of property, plant and equipment and intangible assets | (844) | (959) |
| Proceeds from sale of property, plant and equipment | 8 | 53 |
| Payments to acquire financial assets - mutual funds | (5,901) | (5,035) |
| Proceeds from sale of financial assets - mutual funds | 6,179 | 5,887 |
| Net cash outflow on infusion of capital in subsidiaries | - | (460) |
| Loans given to subsidiaries | (940) | (418) |
| Loans repaid by subsidiaries | 204 | - |
| Interest received | 608 | 570 |
| Dividend received | | |
| - Subsidiaries | - | 457 |
| - Mutual funds | 29 | 53 |
| Movement in other bank balances | 104 | (39) |
| Net cash (used in) / from investing activities (B) | (553) | 109 |

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Payment towards buyback including transaction cost | (395) | (1,631) |
| Repayment of lease liabilities | (509) | - |
| Proceeds from issue of equity shares | 17 | 22 |
| Interest paid | (13) | (11) |
| Dividends paid | (2,627) | (1,122) |
| Dividend distribution tax | (542) | (139) |
| Net cash used in financing activities (C) | (4,069) | (2,881) |
| Net decrease in Cash and cash equivalents (A+B+C) | (1,202) | (474) |
| Cash and cash equivalents at the beginning of the year | 7,022 | 7,200 |
| Exchange differences on translation of foreign currency cash and cash equivalents | 16 | 296 |
| Cash and cash equivalents at the end of the year (refer note (i) below) | 5,836 | 7,022 |
| Notes: | | |
| (i) Cash and cash equivalents comprises of (refer note 10A): | | |
| Balances with banks | | |
| in current accounts | 337 | 510 |
| in deposit accounts | 2,373 | 4,177 |
| Deposits with financial institutions | 2,993 | 2,241 |
| Unpaid dividend | 34 | 24 |
| Remittances in transit | 99 | 70 |
| | 5,836 | 7,022 |
| Accompanying notes form an integral part of the financial statements | | |

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004



Vikas Pansari
Partner
Membership No.: 093649

Place : Mumbai
Date : May 07, 2020

For and on behalf of the Board of Directors
Cyient Limited



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



Ajay Aggarwal
President &
Chief Financial Officer

Place : Hyderabad
Date : May 07, 2020



Krishna Bodanapu
Managing Director and CEO
(DIN - 00605187)



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

Notes Forming Part of the Financial Statements

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

1. Corporate information

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

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

The registered office of the Company is located at 4th Floor, "A" Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081, India.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 7, 2020.

2. Significant accounting policies

i. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

ii. Basis of preparation and presentation

These financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value a) Derivative financial instruments and b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and consistent with previous year subject to changes in accounting policies. The financial statements are presented in INR and all values are rounded to the nearest millions, except when otherwise indicated.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

iii. Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 for the first time. The accounting policy adopted as a part of implementation of this standard is mentioned in note 2.1 viii

i) Ind AS 116

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under the modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company has used 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

As at April 1, 2019:

- 'Right-of-use assets' were recognised and presented separately in the balance sheet;
- Lease liabilities were recognised and included under 'financial liabilities';
- 'Retained earnings' decreased due to the net impact of these adjustments.

For the year ended March 31, 2020:

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets). This resulted in increase in depreciation and amortization expenses of ₹ 446.

- Rent expense included in 'Other expenses', decreased by ₹ 528.
- 'Finance costs' increased by ₹ 135.
- Cash outflows from operating activities decreased by ₹ 509 and cash outflows from financing activities increased by the same amount, relating to decrease in operating lease payments and increase in principal and interest payments of lease liabilities.

ii) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since, the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have a material impact on the financial statements of the Company.

iv. Use of estimates and judgements

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

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

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements such as:

- Impairment assessment of Investments and Intangible assets under development
- Revenue recognition
- Share based payments
- Provision for income tax and recoverability of deferred tax assets
- Fair value measurement of financial instruments
- Allowance for credit losses on receivables and unbilled revenue

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and, based on the current estimates, expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements

v. Foreign currency translation

Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional and presentation currency of the Company.

Transactions and balances

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign-currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary

items that are measured in terms of historical cost in a foreign currency are not retranslated.

Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

vi. Property, plant and equipment

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

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. Freehold land is not depreciated.

| Type of asset | Useful life |
|--------------------------|---------------------------------------------------|
| Building | 28 years |
| Plant and equipment | 10 years |
| Computers | 3 years |
| Leasehold improvements | Shorter of lease period or estimated useful lives |
| Furniture and fixtures | 10 years |
| Electrical installations | 10 years |
| Vehicles | 8 years |

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

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

vii. Intangible assets

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

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

| Type of asset | Useful life |
|-------------------|-----------------------------------------------------|
| Computer software | 3 years / Over the period of the respective project |

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

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

Amortisation methods and useful lives are reviewed periodically at each financial year end.

Research and development costs

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, availability of resources to complete the asset is established, the Company has intention and ability to complete and use the asset and the costs are reliably measured, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use.

Amortization and impairment of development cost

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

viii. Leases

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve

months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i) Right-of-use assets

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The right-of-use assets are also subject to impairment. Refer note 2 xxii.

| ROU asset | Useful lives |
|-----------|--------------|
| Land | 15-33 years |
| Buildings | 3-15 years |
| Computers | 2-4 years |

ii) Lease liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made or a change in the assessment of extension or termination options. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms

of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

ix. Income taxes:

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

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

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

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

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. MAT credit is recognised in accordance with tax laws in India as a deferred tax asset only to the extent that is probable

that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period. In the situations where one or more units in the Company are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

x. Cash and cash equivalents

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

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

xi. Equity Share Capital

Ordinary shares are classified as equity. Shares bought back are shown as a deduction from equity. No gain or loss is recognised in the statement of profit or loss on purchase, sale, issue or cancellation of equity instruments, except in case of employee stock options. Incremental costs directly attributable to the issuance of equity shares or buyback of equity shares are recognised as a deduction from equity, net of taxes.

xii. Provisions and contingent liabilities

Provisions

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

reliably estimated.

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

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

Contingencies

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

xiii. Revenue

The Company derives revenue primarily from services and solutions specialising in geospatial, engineering design, analytics, network and operations solutions. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or a service to a customer. The method for recognizing revenues and costs depends on the nature of services rendered as mentioned below:

- a) **Time and material:** Revenue from time and material contracts are recognized as the related services are performed, which is pursued based on the efforts spent and agreed rate with the customer. Revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.
- b) **Fixed price contracts:** Revenue from fixed-price contracts is recognized as per the 'percentage-of-completion' method, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity. In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a

fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term.

- c) **Maintenance contracts:** Revenue from fixed-price maintenance contracts are recognised pro-rata over the term of the maintenance arrangement.

Revenue from contract with customers is recognised by applying revenue recognition criteria specified in Ind AS 115 for each distinct performance obligation. The arrangement with customer specify services to be rendered which meet criteria of performance obligations. For allocation, transaction price, the Company measures the revenue in respect of each performance obligation of a contract at its relative standalone selling price.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services that are not distinct are accounted for on a cumulative catchup basis, while those that are distinct are accounted for prospective, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenue are classified as contract liabilities (unearned revenues).

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/incentive.

The Company presents revenues net of indirect taxes in the statement of profit and loss.

xiv. Other income

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

Interest income is recognised on a time proportion basis

taking into account the amount outstanding and rate applicable in the transaction.

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

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

xv. Government grants/incentives

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

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

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Grants are recognised net of attributable expenses.

xvi. Employee benefit plans

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

Defined contribution plans

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

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

Defined benefit plans

Gratuity

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash

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

Compensated absences

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

Other short-term employee benefits

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

xvii. Share based payments

The Company recognizes compensation expense relating to share based payments in the statement of profit and loss, using fair value in accordance with Ind AS 102, Share based payments. The Company issues equity-settled and cash-settled share based options to eligible employees under various stock option schemes established after June 19, 1999.

These stock options are measured at the fair value of the equity instruments at the grant date, based on option valuation model (Black Scholes model). The fair value determined at the grant date of the stock options is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the equity instruments that will eventually vest, with a corresponding increase in share based payments reserve in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments

expected to vest. The impact of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share based payments reserve in equity.

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

The dilutive effect of outstanding options if any is reflected as additional share dilution in the computation of diluted earnings per share.

xviii. Earnings per share

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

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

xix. Operating Segments

The Company's Chief Operating Decision maker is the Managing Director and Chief Executive Officer who evaluates Company's performance and allocates resources based on an analysis of various performance indicators by business verticals and geographical segmentation of customers. The Company has only one reportable business segment, which is rendering of Services. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment. 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.

xx. Financial instruments

(A) Initial recognition:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value and subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial

liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

(B) Subsequent measurement

a. Non-derivative financial instruments

i) Financial assets carried at amortised cost:

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

ii) Financial assets at fair value through other comprehensive income:

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

iii) Financial assets at fair value through profit or loss:

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Financial liabilities:

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

v) Investment in subsidiaries:

Investment in subsidiaries is carried at cost in the separate financial statements.

b. Derivative financial instruments

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

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

Effective interest method

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

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

c. Hedge accounting

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

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

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

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

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

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

d. De-recognition of financial assets and liabilities:

Financial assets

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

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

Financial liabilities

The Company derecognises financial liabilities

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

e. Foreign exchange gains and losses

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.
- For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.
- The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in statement of profit and loss.

xxi. Determination of fair values

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available

quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset or liability of market participants when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

xxii. Impairment of assets

a. Financial assets

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

loss in statement of profit and loss.

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

b. Non-financial assets

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

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

xxiii. Exceptional item

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

xxiv. Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3A. Property, plant and equipment

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| Carrying amounts of: | | |
| Freehold land | 16 | 16 |
| Leasehold land (refer note (c) below) | - | - |
| Buildings | 1,435 | 1,277 |
| Leasehold improvements | - | - |
| Computers | 377 | 185 |
| Plant and equipment | 440 | 435 |
| Office equipment | 151 | 145 |
| Furniture and fixtures | 233 | 221 |
| Electrical installations | 183 | 158 |
| Vehicles | 17 | 23 |
| Total | 2,852 | 2,460 |

Notes:

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

| Particulars | Freehold land [refer note (b) below] | Leasehold land [refer note (c) below] | Buildings [refer note (d) below] | Leasehold improvements | Computers | Plant and equipment | Office equipment | Furniture and fixtures | Electrical installations | Vehicles | Total |
|----------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------|-------------------------------------------|---------------------------|--------------|------------------------|---------------------|------------------------------|-----------------------------|-----------|--------------|
| I. Cost | | | | | | | | | | | |
| Balance as at April 1, 2018 | 16 | 9 | 1,964 | 4 | 1,470 | 979 | 332 | 487 | 472 | 41 | 5,774 |
| Additions | - | - | 59 | - | 130 | 169 | 82 | 117 | 47 | - | 604 |
| Disposals | - | - | (80) | - | (23) | (70) | (10) | (30) | (26) | - | (239) |
| Balance as at March 31, 2019 | 16 | 9 | 1,943 | 4 | 1,577 | 1,078 | 404 | 574 | 493 | 41 | 6,139 |
| Additions | - | - | 232 | - | 300 | 76 | 55 | 54 | 56 | - | 773 |
| Reclassified on account of adoption of Ind AS 116 (refer to note 3B) | - | (9) | - | - | - | - | - | - | - | - | (9) |
| Disposals | - | - | - | - | (300) | (1) | (6) | (3) | (1) | - | (311) |
| Balance as at March 31, 2020 | 16 | - | 2,175 | 4 | 1,577 | 1,153 | 453 | 625 | 548 | 41 | 6,592 |
| II. Accumulated depreciation | | | | | | | | | | | |
| Balance as at April 1, 2018 | - | 9 | 625 | 4 | 1,333 | 646 | 225 | 335 | 332 | 13 | 3,522 |
| Depreciation charge for the year | - | - | 71 | - | 82 | 64 | 41 | 48 | 29 | 5 | 340 |
| Disposals | - | - | (30) | - | (23) | (67) | (7) | (30) | (26) | - | (183) |
| Balance as at March 31, 2019 | - | 9 | 666 | 4 | 1,392 | 643 | 259 | 353 | 335 | 18 | 3,679 |
| Depreciation charge for the year | - | - | 74 | - | 107 | 71 | 48 | 40 | 30 | 6 | 376 |
| Reclassified on account of adoption of Ind AS 116 (refer to note 3B) | - | (9) | - | - | - | - | - | - | - | - | (9) |
| Disposals | - | - | - | - | (299) | (1) | (5) | (1) | - | - | (306) |
| Balance as at March 31, 2020 | - | - | 740 | 4 | 1,200 | 713 | 302 | 392 | 365 | 24 | 3,740 |
| III. Carrying Amounts (I - II) | | | | | | | | | | | |
| Net book value as at March 31, 2019 | 16 | - | 1,277 | - | 185 | 435 | 145 | 221 | 158 | 23 | 2,460 |
| Net book value as at March 31, 2020 | 16 | - | 1,435 | - | 377 | 440 | 151 | 233 | 183 | 17 | 2,852 |

b. Includes ₹ 4 (March 31, 2019 - ₹ 4) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

c. Includes ₹ 9 (March 31, 2019 - ₹ 9) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

d. Includes ₹ 922 (March 31, 2019 - ₹ 716) relating to building constructed on leasehold land.

3B. Leases

Transition

Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' which sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The Company has applied modified retrospective approach for all leases existing at the date of initial application and the cumulative effect of applying Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings. On transition, the adoption of this standard resulted in the recognition of Right of Use (ROU) asset of ₹ 1,517 and a lease liability of ₹ 1,591 and a net adjustment to opening balance of retained earnings of ₹ 81 (net of deferred tax). The effect of adopting this standard is not material on the profit for the year.

a) Right of use assets:

| Particulars | Category of ROU assets | | | |
|-------------------------------------|------------------------|--------------|------------|--------------|
| | Leasehold land | Buildings | Computers | Total |
| Balance as at April 1, 2019 | 41 | 1,031 | 445 | 1,517 |
| Additions | 6 | 97 | 47 | 150 |
| Depreciation | (4) | (198) | (244) | (446) |
| Balance as at March 31, 2020 | 43 | 930 | 248 | 1,221 |

b) Current and non current lease liabilities:

| Particulars | As at March 31, 2020 |
|-------------------------------|-------------------------|
| Current lease liabilities | 347 |
| Non-current lease liabilities | 1,014 |
| Total | 1,361 |

The following is the movement in lease liabilities during the year ended:

| Particulars | March 31, 2020 |
|---------------------------------------------|----------------|
| Balance at the beginning of the year | 1,591 |
| Additions | 144 |
| Finance cost accrued during the year | 135 |
| Payment of lease liabilities | (509) |
| Balance at the end of the year | 1,361 |

The table below provides details regarding contractual maturities of lease liabilities on an undiscounted basis:

| Particulars | As at March 31, 2020 |
|----------------------|-------------------------|
| Less than one year | 468 |
| One to five years | 814 |
| More than five years | 669 |
| Total | 1,951 |

The Company does not face a significant liquidity risk with regard to its lease liabilities, as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the statement of profit and loss.

Rental expense for low value assets and short-term leases was ₹ 38 included under other expenses in the statement of profit and loss. (refer note 20)

4. Other intangible assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------------------------------------|-------------------------|-------------------------|
| Computer software | 282 | 204 |
| Other intangible assets | - | - |
| Other intangible assets | 282 | 204 |
| Intangible assets under development [refer note (a) below] | 613 | 468 |

Notes:

- During the year 2016-17, the Company entered into an agreement with a third party, wherein it was granted technology license to develop, test and commercially utilise the benefits from such testing and development activity. Accordingly, the initial amount and subsequent development costs aggregating to ₹ 613 (March 31, 2019 - ₹ 468) have been classified under 'Intangible asset under development'. When testing for impairment, the estimated value-in-use of intangible assets under development is arrived based on future cash flows for a period of eight years, with one year transition period, discount rate of 23.7% and terminal growth rate of 5%.
- Movement in the carrying amount of intangible assets is as below:

| | Computer Software | Other Intangible assets | Total |
|--------------------------------------------|-------------------|-------------------------|--------------|
| I. Cost: | | | |
| Balance as at April 1, 2018 | 2,660 | 147 | 2,807 |
| Additions | 81 | - | 81 |
| Balance as at March 31, 2019 | 2,741 | 147 | 2,888 |
| Additions | 246 | - | 246 |
| Disposals | - | - | - |
| Balance as at March 31, 2020 | 2,987 | 147 | 3,134 |
| II. Accumulated amortisation: | | | |
| Balance as at April 1, 2018 | 2,368 | 147 | 2,515 |
| Amortisation for the year | 169 | - | 169 |
| Balance as at March 31, 2019 | 2,537 | 147 | 2,684 |
| Amortisation for the year | 168 | - | 168 |
| Balance as at March 31, 2020 | 2,705 | 147 | 2,852 |
| Carrying Amounts (I - II): | | | |
| Net book value as at March 31, 2019 | 204 | - | 204 |
| Net book value as at March 31, 2020 | 282 | - | 282 |

5. Investments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------------------------------------------------------------|-------------------------|-------------------------|
| A. Non-current (unquoted) (refer note 1 below) | | |
| Investment carried at cost: | | |
| (i) Equity instruments of subsidiary companies | 5,051 | 5,051 |
| (ii) Equity instruments of joint venture company | 20 | 20 |
| | 5,071 | 5,071 |
| Investment carried at fair value through other comprehensive income: | | |
| Equity instruments of other entities (unquoted) | 24 | 20 |
| Investment carried at fair value through profit and loss: | | |
| Compulsorily convertible preference shares of other entities (unquoted) | 12 | 10 |
| Total Non-current investments | 5,107 | 5,101 |
| B. Current (quoted) (refer note 2 below) | | |
| Investment carried at fair value through profit and loss | | |
| Investments in mutual funds | - | 278 |
| Total Current investments | - | 278 |

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

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|------------------------------------------------------------------------------------------|----------------------|--------------|----------------------|--------------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity instruments of subsidiary companies (fully paid-up): | | | | |
| Cyient Inc., USA | 500,500 | 993 | 500,500 | 993 |
| Cyient Europe Limited, UK | 185,000,000 | 304 | 185,000,000 | 304 |
| Cyient GmbH, Germany | 12,000 | 71 | 12,000 | 71 |
| Cyient KK, Japan (refer note 22A(ii)) | 900 | 5 | 900 | 5 |
| Cyient Singapore Private Limited, Singapore | 3,599,977 | 238 | 3,599,977 | 238 |
| Cyient Australia Pty Limited, Australia ^{@1} | 1,000 | - | 1,000 | - |
| Cyient Insights Private Limited, India (refer note 22A(ii)) | 1,999,478 | 122 | 1,999,478 | 122 |
| Cyient DLM Private Limited, India (refer note 22A(iii)) | 1,367,000 | 3,286 | 1,367,000 | 3,286 |
| Cyient Israel India Limited, Israel | 1,817,100 | 32 | 1,817,100 | 32 |
| Cyient Solutions and Systems Private Limited, India ^{@2} (refer note 22A(v)) | 10,200 | - | 10,200 | - |
| Sub total | | 5,051 | | 5,051 |
| Equity instruments of joint venture company (fully paid-up): | | | | |
| Infotech HAL Limited, India | 2,000,000 | 20 | 2,000,000 | 20 |
| Equity instruments of other entities (fully paid-up): | | | | |
| Cardiac Design Labs Private Limited, India | 6,036 | 24 | 6,036 | 20 |
| Compulsorily convertible preference shares of other entities (fully paid-up): | | | | |
| Cardiac Design Labs Private Limited, India | 3,048 | 12 | 3,048 | 10 |
| Total | | 5,107 | | 5,101 |

@1. Investment value is ₹ 0.05 (March 31, 2019: ₹ 0.05), rounded off.

@2. Investment value is ₹ 0.1 (March 31, 2019: ₹ 0.1), rounded off.

Note 2: Details of investments - Current (quoted)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|-------------------------------------------------------------------|----------------------|--------|----------------------|------------|
| | Number of units | Amount | Number of units | Amount |
| Investments in Mutual Funds * | | | | |
| UTI-Liquid Cash Plan - Institutional -Daily Dividend Reinvestment | - | - | 96,970 | 99 |
| Kotak Liquid Regular Plan Daily Dividend | - | - | 79,698 | 97 |
| Franklin India Liquid Fund - Super Institutional Plan | - | - | 81,570 | 82 |
| Total | - | - | | 278 |

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

Note 3: Carrying values:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Aggregate amount of unquoted investments | 5,107 | 5,101 |
| Aggregate amount of investments carried at fair value through other comprehensive income | 24 | 20 |
| Aggregate amount of investments (current and non-current) carried at fair value through profit and loss | 12 | 288 |
| Aggregate market value of quoted investments (current and non-current) carried at fair value through profit and loss | - | 278 |

6. Loans and deposits

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------------|-------------------------|-------------------------|
| (at amortised cost) | | |
| Non-current: | | |
| Security deposits | | |
| Considered good | 201 | 197 |
| Considered doubtful | 16 | 16 |
| Less : Allowance for doubtful deposits | (16) | (16) |
| Loan to subsidiaries (refer note 22) | | |
| Considered good | 801 | 491 |
| Considered doubtful | 311 | - |
| Less : Impairment (refer note below) | (311) | - |
| Total Non-current loans and deposits | 1,002 | 688 |
| Current: | | |
| Loan to subsidiaries (refer note 22) | 434 | 319 |
| Loan to employees | 2 | 1 |
| Total Current loans | 436 | 320 |
| Total Loans and deposits | 1,438 | 1,008 |

Note: During the year, Company's subsidiary, Cyient Solutions and Systems Private Limited ('CSS') has recognised one-time charge of ₹ 222 relating to costs incurred on development of UAV systems in view of the potential delays in materialization of orders. Accordingly, a corresponding provision for impairment of the loan given to CSS of ₹ 311 has been recognised in the Statement of Profit and Loss (refer note 22).

7. Other financial assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------------------|-------------------------|-------------------------|
| Current: | | |
| (at amortised cost) | | |
| Unbilled revenue (refer note below) | 1,174 | 1,027 |
| Interest accrued on deposit accounts | 149 | 233 |
| Interest accrued on loan given to subsidiaries (refer note 22) | 7 | 36 |
| Advance to subsidiary and joint venture (refer note 22) | - | 15 |
| Other receivables (refer note below) | 114 | 70 |
| (at FVTOCI) | | |
| Derivative instruments designated in a hedging relationship | 122 | 424 |
| Total Other current financial assets | 1,566 | 1,805 |

Note: Includes amounts from related parties (refer note 22)

8. Other assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------------------------------------|-------------------------|-------------------------|
| (at amortised cost) | | |
| Non-current: | | |
| Capital advances | 12 | 38 |
| Prepaid expenses | 5 | 76 |
| Deferred contract costs | 193 | - |
| Balance with government authorities (refer note 21) | 241 | 348 |
| Total Other non-current assets | 451 | 462 |

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------------------|-------------------------|-------------------------|
| Current: | | |
| Prepaid expenses | 399 | 275 |
| Deferred contract costs | 71 | - |
| Advances to suppliers and service providers (refer note below) | 137 | 363 |
| Other receivables (refer note 17B (ii)) | - | 370 |
| Total Other current assets | 607 | 1,008 |
| Total Other assets | 1,058 | 1,470 |

Note: Includes amounts from related parties (refer note 22)

9. Trade receivables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Trade receivables considered good - Unsecured* | 5,658 | 5,079 |
| Trade receivables - significant increase in credit risk | - | - |
| Trade receivables - credit impaired | 92 | 99 |
| Expected credit loss allowance | (92) | (99) |
| Total | 5,658 | 5,079 |

* Includes dues from related parties (refer note 22)

Note:

Expected credit loss (ECL):

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

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

| Ageing | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| Within the credit period | 3,067 | 2,360 |
| 1-90 days past due | 1,095 | 1,514 |
| 91-180 days past due | 139 | 458 |
| 181-365 days past due | 680 | 628 |
| More than 365 days past due | 769 | 218 |
| Balance at the end of the year | 5,750 | 5,178 |

| Movement in the expected credit loss allowance | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| Balance at beginning of the year | 99 | 54 |
| Provision made during the year | 85 | 52 |
| Reversal of provision on account of collection of bad debts | (4) | - |
| Bad debts written-off | (88) | (7) |
| Balance at the end of the year | 92 | 99 |

10. Cash and Bank Balances

10A. Cash and cash equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------|-------------------------|-------------------------|
| Balances with banks | | |
| in current accounts | 337 | 510 |
| in deposit accounts * | 2,373 | 4,177 |
| Cash on hand ** | - | - |
| Deposits with financial institutions * | 2,993 | 2,241 |
| Unpaid dividend | 34 | 24 |
| Remittances in transit | 99 | 70 |
| Total | 5,836 | 7,022 |

* The deposits maintained by the Company with banks and financial institutions comprise time deposits, which can be withdrawn at any point without prior notice or penalty on the principal.

** Cash on hand balance ₹ 0.49 (March 2019: ₹ Nil).

10B. Other bank balances

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------|-------------------------|-------------------------|
| Balance in escrow account (refer note below) | - | 50 |
| Deposits held as margin money/security for bank guarantees | 1 | 55 |
| Total | 1 | 105 |

Note: During the previous year, the Company had deposited an amount of ₹ 50 in escrow account (2.5% of the amount earmarked for Buyback) and furnished an irrevocable and unconditional bank guarantee of ₹ 500 (25% of the maximum Buyback size) towards security for the performance and compliance of its obligations under the Regulation 20 of Buyback regulations (refer note 11A(4)). The Company has revoked the bank guarantee in May 2019 upon conclusion of Buyback and subsequently withdrawn the amount from escrow account.

Reconciliation of liabilities arising from financing activities for the year end March 31, 2020:

| Particulars | As at March 31, 2019 | Impact on account of adoption of Ind AS 116 | Repayment | As at March 31, 2020 |
|----------------------------------------------------|-------------------------|------------------------------------------------------|--------------|-------------------------|
| Lease liabilities | - | 1,870 | (509) | 1,361 |
| Total liabilities from financing activities | - | 1,870 | (509) | 1,361 |

11A. Equity share capital

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Authorised share capital: | | |
| 280,000,000 equity shares of ₹ 5 each (March 31, 2019 : 280,000,000) | 1,400 | 1,400 |
| Issued and subscribed capital: | | |
| 109,971,221 fully paid-up equity shares of ₹ 5 each (March 31, 2019 : 110,474,173) | 550 | 552 |
| Total | 550 | 552 |

Notes:**1. Reconciliation of the number of shares outstanding:**

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--------------------------------------------------------------------------|----------------------|------------|----------------------|------------|
| | Number of shares | Amount | Number of shares | Amount |
| Opening balance | 110,474,173 | 552 | 112,596,002 | 563 |
| Add: Issue of shares during the year | 50,493 | 1 | 448,689 | 2 |
| Less: Shares bought back and extinguished during the year | (553,445) | (3) | (1,930,102) | (10) |
| Less: Shares bought back and pending extinguishment (refer note 4 below) | - | - | (640,416) | (3) |
| Balance | 109,971,221 | 550 | 110,474,173 | 552 |

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

| Name of shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|-----------------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| | Number of shares held | % holding of equity shares | Number of shares held | % holding of equity shares |
| Fully paid up equity shares | | | | |
| Vineyard Point Software Private Limited | 13,256,634 | 12.05% | 11,256,634 | 10.13% |
| Amansa Holdings Private Limited | 7,768,358 | 7.06% | 7,435,341 | 6.69% |
| Infocad Enterprises Private Limited | 5,628,317 | 5.12% | 5,628,317 | 5.07% |

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. Buyback of Equity shares:

The Board of Directors, at its meeting held on February 01, 2019, approved Buyback of the Company's fully paid-up equity shares of face value of ₹ 5 each from the eligible equity shareholders of the Company other than promoters, promoter group and persons who are in control of the company, at a price not exceeding ₹ 700 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹ 2,000 (Maximum Buyback size), payable in cash from the open market route through the stock exchange mechanism under the Companies Act, 2013 and Buyback Regulations. The Buyback shall not exceed ₹ 2,000 (Maximum Buyback size) excluding the transaction charges. The Maximum Buyback Size represents 9.79% of aggregate of the Company's paid up equity capital and free reserves based on the audited financial statements of the Company as at March 31, 2019, which is in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Section 68(2) of Companies Act, 2013.

The Buyback commenced on February 12, 2019 and closed on April 11, 2019. The Company bought back an aggregate of 3,123,963 equity shares (2018-19: 2,570,518 shares), utilizing a total of ₹ 1,999 (excluding transaction costs of Buyback) (2018-19: ₹ 1,668), which represents 99.99% of the maximum Buyback size. Total transaction costs incurred for Buyback is ₹ 27.

In line with the requirement of Companies Act, 2013, an amount of ₹ 328 (2018-19: ₹ 1,682) have been utilised from the securities premium for the Buyback. Further, capital redemption reserve of ₹ 16 (2018-19: ₹ 13), representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.

5. Details of shares allotted under Associate Stock Option Plans:

1,040,818 (March 31, 2019: 990,325) 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)

6. Details of shares reserved for issue:

- Shares aggregating 204,750 and 297,746 as at March 31, 2020 and March 31, 2019 respectively, reserved for issue under ASOP 2008 scheme.
- Shares aggregating 701,434 and 396,320 as at March 31, 2020 and March 31, 2019 respectively, reserved for issue under ASOP 2015 scheme.

7. (i) Associate Stock Option Plans

Associate Stock Option Plan – 2008 (ASOP 2008):

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

Movements in stock options during the year:

ASOP 2008

| Particulars | For the year ended March 31, 2020 | | For the year ended March 31, 2019 | |
|--------------------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| | No. of Options | Weighted average exercise price | No. of Options | Weighted average exercise price |
| Options outstanding at the beginning of the year | 297,746 | 482 | 383,625 | 430 |
| Forfeited | (42,503) | 466 | (15,750) | 213 |
| Exercised | (50,493) | 335 | (70,129) | 287 |
| Options outstanding at the end of year | 204,750 | 522 | 297,746 | 482 |

Out of the total outstanding options, 65,003 (March 31, 2019: 147,000) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2020, 1,040,818 (March 31, 2019: 990,325) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2008 plan. Accordingly, options (net of cancellations) for a total number of 204,750 (March 31, 2019: 297,746) are outstanding as at March 31, 2020.

Associate Stock Option Plan – 2015 (ASOP 2015):

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

Movements in stock options during the year

ASOP 2015

| Particulars | For the year ended March 31, 2020 | | For the year ended March 31, 2019 | |
|--------------------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| | No. of Options | Weighted average exercise price | No. of Options | Weighted average exercise price |
| Options outstanding at the beginning of the year | 396,320 | 655 | 146,200 | 583 |
| Granted | 375,270 | 456 | 264,000 | 693 |
| Forfeited | (70,156) | 628 | (13,880) | 609 |
| Options outstanding at the end of year | 701,434 | 551 | 396,320 | 655 |

Out of the total outstanding options, 257,080 (March 31, 2019: 117,150) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2020, Nil (March 31, 2019: Nil) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2015 plan. Accordingly, options (net of cancellations) for a total number of 701,434 (March 31, 2019: 396,320) are outstanding as at March 31, 2020.

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

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

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

During the previous year, the Company has discharged the cash, as well as equity settled RSUs at an exercise price of ₹ 5 per share.

Movement in Restricted Stock Units:

RSU 2016

| Particulars | For the year ended March 31, 2020 | | For the year ended March 31, 2019 | |
|-----------------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| | No. of RSUs | Weighted average exercise price | No. of RSUs | Weighted average exercise price |
| RSUs outstanding at the beginning of the year | - | - | 556,332 | 5 |
| Forfeited | - | - | (8,512) | 5 |
| Exercised | - | - | (547,820) | 5 |
| RSUs outstanding at the end of year* | - | - | - | - |

* includes Nil (March 31, 2019: Nil) RSUs to be settled in cash. Of the total exercised RSU's, 169,260 RSUs have been settled in cash and balance have been settled in equity.

Associate Restricted Stock Units Scheme 2020 (ARSU 2020):

The Company has instituted the ARSU's 2020 plan earmarking 1,050,000 shares of ₹ 5 each which provided for grant of RSUs to eligible associates of the Company and its subsidiaries. The Board of Directors recommended the establishment of the plan on January 16, 2020 and the shareholders approved the recommendation of Board of Directors on March 5, 2020 through a postal ballot. During the year no RSUs granted under this Scheme. The RSUs will vest over a period of three years from the date of grant.

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

The weighted average fair value of the share options during the year is ₹ 112.34 - ₹ 116.47 (2018-19: ₹ 166.48 - ₹ 194.03). Options and RSUs were priced using Black Scholes pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and 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 | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|-------------------------|-------------------------|
| a) ASOP 2008 | | |
| Exercise price (₹) | 184 - 559 | 184 - 559 |
| Grant date share price (₹) | 185 - 531.5 | 185 - 531.5 |
| Dividend yield (%) | 1.53 - 2.64 | 1.53 - 2.64 |
| Expected volatility (%) | 28.66 - 65.53 | 28.66 - 65.53 |
| Risk-free interest (%) | 6.41 - 8.4 | 6.41 - 8.4 |
| Expected term (in years) | 3 - 4 | 3 - 4 |
| b) ASOP 2015 | | |
| Exercise price (₹) | 448 - 741 | 583 - 741 |
| Grant date share price (₹) | 450 - 734.95 | 590.2 - 734.95 |
| Dividend yield (%) | 1.7 - 1.9 | 1.7 - 1.9 |
| Expected volatility (%) | 29.82 - 32.2 | 29.82 - 32.2 |
| Risk-free interest (%) | 5.95 - 7.9 | 6.9 - 7.9 |
| Expected term (in years) | 3 - 4 | 3 - 4 |

iv. Details of Share options exercised during the year:

| Options series | Year | Number exercised | Exercise date* | Share price (₹) at exercise date |
|------------------------------------------------|---------|------------------|-----------------|----------------------------------|
| Associate Stock Option Plan – 2008 (ASOP 2008) | 2019-20 | 50,493 | July to Aug | 446.5 - 528.2 |
| Associate Stock Option Plan – 2008 (ASOP 2008) | 2018-19 | 70,129 | May to December | 617.95 - 806.4 |
| Restricted Stock Unit Scheme - 2016 (RSU 2016) | 2018-19 | 378,560 | May to October | 687.15 - 806.4 |

* Allotment happened at various dates during that period

11B. Other equity

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------------------------------------------|-------------------------|-------------------------|
| (a) Capital redemption reserve (refer note 11A(4)) | | |
| (i) Opening balance | 13 | - |
| (ii) Appropriation from general reserve upon Buyback of equity shares | 3 | 13 |
| | 16 | 13 |
| (b) Securities premium | | |
| (i) Opening balance | 2,380 | 3,863 |
| (ii) Options exercised | 7 | 179 |
| (iii) Premium received on allotment of shares | 16 | 20 |
| (iv) Amount paid upon for Buyback (refer note 11A(4)) | (328) | (1,655) |
| (v) Transaction costs relating to Buyback (refer note 11A(4)) | - | (27) |
| | 2,075 | 2,380 |
| (c) General reserve | | |
| (i) Opening balance | 5,276 | 5,289 |
| (ii) Transfer to capital redemption reserve upon Buyback of equity shares | (3) | (13) |
| | 5,273 | 5,276 |

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (d) Share based payments reserve | | |
| (i) Opening balance | 71 | 221 |
| (ii) Stock option expense | 42 | 29 |
| (iii) Options exercised | (7) | (179) |
| | 106 | 71 |
| (e) Cash flow hedge reserve | | |
| (i) Opening balance | 274 | (30) |
| (ii) Effective portion of gain/(loss) on designated portion of hedging instruments (net of tax) | (352) | 304 |
| | (78) | 274 |
| (f) Retained earnings | | |
| (i) Opening balance | 13,797 | 10,708 |
| (ii) Impact on account of adoption of Ind AS 116, (net of tax) (refer note 3B) | (81) | - |
| (iii) Other comprehensive income arising out of remeasurement of defined benefit obligation (net of taxes) | 20 | (49) |
| (iv) Profit for the year | 2,480 | 4,407 |
| | 16,216 | 15,066 |
| Less: Appropriations | | |
| (a) Dividend on equity shares (refer note 29) | 2,639 | 1,130 |
| (b) Dividend distribution tax | 542 | 139 |
| | 13,035 | 13,797 |
| (g) Equity instrument through other comprehensive income | | |
| (i) Opening balance | 2 | - |
| (ii) Increase in fair value of equity instruments (net of tax) (refer note 5) | 4 | 2 |
| | 6 | 2 |
| Total | 20,433 | 21,813 |

Nature of reserves:

(a) Capital redemption reserve

Represents the nominal value of equity shares bought back pursuant to Buyback in accordance with Section 69 of the Companies Act, 2013.

(b) Securities premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(c) General reserve

This represents appropriation of profit by the Company. General reserve is appropriated for the creation of capital redemption reserve up on Buyback of equity shares pursuant to section 69 of the Companies Act, 2013.

(d) Share based payments reserve

The Share based payments 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.

(e) Cash flow hedge reserve

Represents effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge, net of tax.

(f) Retained earnings

- (a) Retained earnings comprises of prior years' undistributed earnings after taxes along with current year profit, net of dividends declared and dividend distribution tax thereon.
- (b) Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income. These are presented within retained earnings.

(g) Equity instruments through OCI

Represents the cumulative gains and loss arising from fair valuation of the equity instruments measured at the fair value through OCI, net of amounts reclassified to retained earnings when the investments have been disposed off.

12. Provisions

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------|-------------------------|-------------------------|
| Gratuity [refer note (i) below] | 764 | 690 |
| Compensated absences [refer note (ii) below] | 229 | 267 |
| Other provisions | 4 | 3 |
| Total | 997 | 960 |
| Non-current: | | |
| Gratuity | 678 | 673 |
| Compensated absences | 156 | 190 |
| Total Non current provisions | 834 | 863 |
| Current: | | |
| Gratuity | 86 | 17 |
| Compensated absences | 73 | 77 |
| Other provisions | 4 | 3 |
| Total current provisions | 163 | 97 |
| Total | 997 | 960 |

Notes:

i. Defined Benefit Plans - Gratuity

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the year determined. The gratuity plan is administered by the Company's own trust which has subscribed to the "Group Gratuity Scheme" of Life Insurance Corporation of India.

The present value of the defined benefit obligation (DBO), and the related current service cost and past service cost, were measured using the projected unit credit method.

| Principal assumptions used for the purposes of the actuarial valuation | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------------------|----------------------------|----------------------------|
| Discount rate (%) | 6.05% | 7.10% |
| Salary increase rate (%) | 6.00% - 7.00% | 6.00% - 8.00% |
| Attrition (%) | 20% | 17% |
| Mortality table | IALM (2012-14) Ultimate | IALM (2006-08) Ultimate |
| Retirement age | 60 years | 60 years |

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

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Amounts recognised in statement of profit and loss in respect of these defined benefit plans | | |
| Current service cost | 115 | 92 |
| Total service cost (A) | 115 | 92 |
| Interest expense on defined benefit obligation | 53 | 46 |
| Interest income on plan assets | (9) | (10) |
| Net interest cost (B) | 44 | 36 |
| Defined benefit cost recognised in statement of profit and loss (A) + (B) | 159 | 128 |
| Remeasurement effects recognised in other comprehensive income | | |
| Actuarial (gain) /loss due to financial assumptions change in defined benefit obligation | (26) | 18 |
| Actuarial (gain) /loss due to experience on defined benefit obligation | (3) | 45 |
| Return on plan assets less than discount rate | 3 | 2 |
| Components of defined benefit costs recognised in other comprehensive income | (26) | 65 |
| Total | 133 | 193 |

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

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| Present value of funded defined benefit obligation | 844 | 813 |
| Fair value of plan assets | (80) | (123) |
| Net liability arising from defined benefit obligation | 764 | 690 |

Movement in the present value of the defined benefit obligation

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Projected benefit obligation at the beginning of the year | 813 | 679 |
| Current service cost | 115 | 92 |
| Interest cost | 53 | 46 |
| Actuarial (gain)/loss on change in experience and financial assumptions | (29) | 63 |
| Payments | (108) | (67) |
| Defined benefit obligation at the end of the year | 844 | 813 |

Change in Plan Assets

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------------------|--------------------------------------|--------------------------------------|
| Plan assets at the beginning of the year | 123 | 134 |
| Return on plan assets | 9 | 10 |
| Employer contribution | 59 | 48 |
| Payments | (108) | (67) |
| Actuarial loss on plan assets | (3) | (2) |
| Plan Assets at the end of the year | 80 | 123 |

The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases. 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, 2020 | | As at March 31, 2019 | |
|------------------------------------|----------------------|----------|----------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (34) | 37 | (36) | 40 |
| Future salary growth (1% movement) | 35 | (33) | 39 | (36) |

Maturity profile of defined benefit obligation:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------|----------------------|----------------------|
| Within 1 year | 159 | 140 |
| 1-2 year | 142 | 128 |
| 2-3 year | 125 | 115 |
| 3-4 year | 112 | 107 |
| 4-5 year | 95 | 97 |
| 5-10 year | 295 | 327 |

The expected contribution to the plan for the year ended March 31, 2021 is ₹ 159.

Composition of plan assets:

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

ii. Assumptions for compensated absences

a) Compensated absences – India:

| Actuarial assumptions for long-term compensated absences | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------------|-------------------------|-------------------------|
| Discount rate(%) | 6.05% | 7.10% |
| Salary escalation (%) | 6.00% - 7.00% | 6.00% - 8.00% |
| Attrition (%) | 20.00% | 17.00% |
| Mortality table | IALM (2012-14) Ultimate | IALM (2006-08) Ultimate |
| Retirement age | 60 years | 60 years |

b) Compensated absences – Overseas branches:

| Actuarial assumptions for long-term compensated absences | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------------|-------------------------|-------------------------|
| Discount rate(%) | 1.00% - 3.70% | 2.00% - 4.00% |
| Salary escalation(%) | 2.00% | 2.00% |
| Attrition (%) | 5.00% | 5.00% |
| Mortality table | IALM (2012-14) Ultimate | IALM (2006-08) Ultimate |
| Retirement age | 60 years | 60 years |

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 year determined.

The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases. 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.

13. Trade payables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (at amortised cost) | | |
| Total outstanding dues of micro enterprises and small enterprises (refer note 28) | 13 | 1 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises (refer notes below) | 2,571 | 1,962 |
| Total | 2,584 | 1,963 |

Notes:

- (i) Includes amount payable to its related parties (refer note 22).
- (iii) The Company normally settles trade payables in 30-60 days.

14. Other financial liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| Current: | | |
| (at amortised cost) | | |
| Unpaid dividends | 34 | 22 |
| Capital creditors | 55 | 34 |
| Payable towards Buyback of shares | - | 53 |
| Others | - | 25 |
| (at FVOCI) | | |
| Derivative instruments designated in a hedging relationship | 242 | 3 |
| Total | 331 | 137 |

15. Other current liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|-------------------------|-------------------------|
| (at amortised cost) | | |
| Unearned revenue | 125 | 62 |
| Advance from customers* | 10 | - |
| Statutory remittances | 162 | 218 |
| Others | 40 | 48 |
| Total | 337 | 328 |

* Includes amount from related parties (refer note 22)

16. Income taxes

a. Income tax expense recognized in the statement of profit and loss

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| Current tax: | | |
| In respect of the current year | 627 | 1,179 |
| In respect of earlier years (refer note (i) below) | 116 | - |
| | 743 | 1,179 |
| Deferred taxes: | | |
| In respect of the current year (refer note (ii) below) | 61 | (72) |
| In respect of MAT credit | 59 | (102) |
| | 120 | (174) |
| | 863 | 1,005 |

Note:

- Current tax in respect of earlier years include expected tax impact of settlement of past litigations under the Vivad Se Vishwas Scheme 2020 and other adjustments.
- Deferred taxes include one-time charge arising out of the estimated impact of the Taxation Laws (Amendment) Ordinance 2019 of ₹ 56(2018-19: Nil).

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

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Income tax expense/(benefit) recognized directly in OCI consists of: | | |
| Tax effect on effective portion of change in fair value of cash flow hedges | 189 | (164) |
| Tax effect on actuarial (gain)/loss on defined benefit obligations | (6) | 16 |
| Total | 183 | (148) |
| Bifurcation of the income tax recognized in other comprehensive income into: | | |
| Items that will not be reclassified to statement of profit and loss | (6) | 16 |
| Items that will be reclassified to statement of profit and loss | 189 | (164) |
| Total | 183 | (148) |

c. Reconciliation of effective tax rate

The following is the reconciliation of the Company's effective tax rates.

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Profit before tax | 3,343 | 5,412 |
| Enacted rate in India | 34.94% | 34.94% |
| Computed expected tax expense | 1,168 | 1,891 |
| Tax effect of adjustments to reconcile expected tax expense: | | |
| Exemptions / deductions for tax purposes / tax holidays | (664) | (819) |
| Expenses that are not deductible in determining taxable profit | 128 | 1 |
| Reversal of deferred tax asset recognised in earlier years | 56 | - |
| Adjustments in respect of current income tax of previous years | 116 | (68) |
| Others (including MAT credit reversal) | 59 | - |
| Total income tax expense | 863 | 1,005 |
| Effective tax rate | 25.82% | 18.57% |

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

d. Deferred tax assets and liabilities

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Deferred tax assets | 364 | 447 |
| Deferred tax liabilities | (90) | (253) |
| | 274 | 194 |

e. Movement in deferred tax assets and liabilities

| 2019-20 | Opening Balance | Recognised in the statement of profit and loss | Recognised in other comprehensive income | Transition impact of Ind AS 116 on retained earnings | Closing balance |
|-----------------------------------------------------------|--------------------|---------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------|--------------------|
| Deferred tax assets/(liabilities) in relation to : | | | | | |
| Cash flow hedges | (147) | - | 189 | - | 42 |
| Property, plant and equipment and Intangible assets | (109) | 19 | - | - | (90) |
| Provision for employee benefits | 310 | (84) | (6) | - | 220 |
| Right of use assets/lease liabilities (refer note 3B) | - | 2 | - | 17 | 19 |
| Provision for doubtful debts | 36 | 4 | - | - | 40 |
| MAT credit entitlement | 102 | (59) | - | - | 43 |
| Others | 2 | (2) | - | - | - |
| Net deferred tax assets/(liabilities) | 194 | (120) | 183 | 17 | 274 |

| 2018-19 | Opening Balance | Recognised in the statement of profit and loss | Recognised in other comprehensive income | Other adjustments | Closing balance |
|-----------------------------------------------------------|--------------------|---------------------------------------------------------|---------------------------------------------------|----------------------|--------------------|
| Deferred tax assets/(liabilities) in relation to : | | | | | |
| Cash flow hedges | 17 | - | (164) | - | (147) |
| Property, plant and equipment and Intangible assets | (127) | 18 | - | - | (109) |
| Provision for employee benefits | 256 | 38 | 16 | - | 310 |
| Provision for doubtful debts | 20 | 16 | - | - | 36 |
| MAT credit entitlement | - | 102 | - | - | 102 |
| Others | 1 | - | - | 1 | 2 |
| Net deferred tax assets/(liabilities) | 167 | 174 | (148) | 1 | 194 |

f. Income tax assets and liabilities

The following is the analysis of income tax assets/(liabilities) presented in the balance sheet:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|
| Income tax assets [net of provisions ₹ 3,815 (March 31, 2019 - ₹ 4,282)] | 807 | 320 |
| Income tax liabilities [net of advance tax ₹ 4,259 (March 31, 2019 - ₹ 3,044)] | 134 | 48 |

17A. Revenue from operations

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Revenue from services | 15,225 | 16,091 |
| Revenue from products | 6 | 58 |
| Total revenue from operations | 15,231 | 16,149 |

The Company presents revenues net of indirect taxes in the statement of profit and loss.

1. Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by contract type and geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected.

| Segment | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------------------|--------------------------------------|--------------------------------------|
| Revenues by contract type | | |
| Fixed-price | 5,666 | 4,235 |
| Time and material | 9,547 | 11,792 |
| Maintenance | 12 | 64 |
| Product Sale | 6 | 58 |
| Total | 15,231 | 16,149 |
| Revenues by Geography | | |
| North America | 7,599 | 7,589 |
| Europe | 4,714 | 5,490 |
| Asia Pacific (including India) | 2,918 | 3,070 |
| Total | 15,231 | 16,149 |
| Revenues by time of recognition | | |
| Goods and services transferred | | |
| - At a point in time | 6 | 58 |
| - Over time | 15,225 | 16,091 |
| Total | 15,231 | 16,149 |

Fixed price:

Fixed price arrangements with customers have defined delivery milestones with agreed scope of work and pricing for each milestone. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and

when there is no uncertainty as to measurement or collectability of consideration, is recognised as per the 'percentage-of-completion' method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity. In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term.

Time and material:

Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Maintenance

Revenue from fixed-price maintenance contracts are recognised pro-rata over the term of the maintenance arrangement.

Product sale:

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Sales volume discounts are reduced from the contract price to recognise the revenue and does not have material impact on revenue recognised.

2. Trade receivables and contract balances

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------|-------------------------|-------------------------|
| Trade receivables | 5,658 | 5,079 |
| Unbilled revenue | 1,174 | 1,027 |
| Unearned revenue | 125 | 62 |

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenue are classified as contract liabilities (unearned revenues).

Contract assets:

During the year ended March 31, 2020, ₹ 835 of contract assets as at March 31, 2019 has been reclassified to receivables on completion of performance obligation. During the year ended March 31, 2019, ₹ 965 of contract assets as at March 31, 2018 has been reclassified to receivables on completion of performance obligation.

Contract liabilities:

During the year ended March 31, 2020 the Company has recognized revenue of ₹ 33 arising from contract liabilities as at March 31, 2019. During the year ended March 31, 2019, the Company recognized revenue of ₹ 49 arising from opening unearned revenue as at April 1, 2018.

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts, where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. Consequently, disclosure related to transaction price allocated to remaining performance obligation is not material.

17B. Other income

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Interest income on financial assets carried at amortised cost: | | |
| Deposits with banks and financial institutions | 391 | 487 |
| Interest on loan to subsidiaries | 104 | 62 |
| Others | - | 15 |
| | 495 | 564 |
| Dividend income | | |
| Dividend from subsidiary (refer note (i) below) | - | 457 |
| Dividend from mutual funds | 29 | 52 |
| | 29 | 509 |
| Other non-operating income | | |
| Operating lease rental income | 5 | 17 |
| Liabilities no longer required, written back (refer note 9) | 4 | 41 |
| Export incentives (refer note (ii) below) | 36 | 516 |
| Miscellaneous income | 48 | 61 |
| | 93 | 635 |
| Other gains and losses | | |
| Gain on disposal of property, plant and equipment | 3 | - |
| Foreign exchange gain (net) | 131 | 92 |
| Exchange gain / (loss) on foreign currency forward contracts (net) | 514 | (180) |
| Gain on fair valuation of financial assets | 2 | 1 |
| | 650 | (87) |
| Total | 1,267 | 1,621 |

Notes:

- (i) During the previous year, Cyient Australia Pty Limited repatriated ₹ 457 as dividend to the Company.
- (ii) During the year, the Company has recognised Export incentives of ₹ 36 (2018-19: ₹ 516) aggregating under schemes defined by the Government of India, as other income upon satisfying the conditions specified in the applicable scheme and monetized ₹ 406 (2018-19: ₹ 146). As at March 31, 2020, an amount of ₹ Nil (March 31, 2019: ₹ 370) receivable under the scheme has been classified as 'other receivables' under other current assets.

18 A. Employee benefits expense

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries and wages | 6,633 | 6,588 |
| Contribution to provident and other funds (refer note (i) below) | 580 | 516 |
| Social security and other benefits to overseas employees (refer note (ii) below) | 9 | 16 |
| Share based payments to employees (refer note 11A) | 25 | 16 |
| Staff welfare expenses | 471 | 479 |
| Less: Capitalised | (46) | (58) |
| Total | 7,672 | 7,557 |

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 year they are incurred. Total expense recognised during the year aggregated ₹ 357 (2018-19 - ₹ 328).

Gratuity (funded):

Amount recognised in statement of profit and loss in respect of gratuity - ₹ 159 (2018-19 - ₹ 128). [refer note 12 (i)].

National Pension Scheme:

Amount recognised in statement of profit and loss in respect of national pension scheme - ₹ 8 (2018-19 - ₹ Nil)

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 year they are incurred. Total expense recognised during the year aggregated ₹ 30 (2018-19 - ₹ 25).

Employees' State Insurance Scheme:

Amount recognised in the statement of profit and loss in respect of Company's contribution to employees' state insurance scheme - ₹ 26 (2018-19 - ₹ 35).

ii. Superannuation fund - Australia

The employees at the Australia branch of the Company are also covered under a superannuation scheme. The Company contributes 9.5% of the basic salary of the employee. The Company's monthly contributions are charged to the statement of profit and loss in the year they are incurred. Total expense recognised during the year aggregated ₹ 9 (2018-19 - ₹ 16).

18B. Finance cost

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------------------------------------|--------------------------------------|--------------------------------------|
| Interest on lease liabilities (refer note 3B) | 135 | - |
| Other interest expense | 13 | 11 |
| Total | 148 | 11 |

19. Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment | 376 | 340 |
| Depreciation on right of use assets (refer note 3B) | 446 | - |
| Amortisation of intangible assets | 168 | 169 |
| Total | 990 | 509 |

20. Other expenses

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Rent including lease rentals [refer note 3B] | 73 | 548 |
| Rates and taxes | 26 | 39 |
| Insurance | 21 | 17 |
| Travelling and conveyance | 496 | 628 |
| Sub-contracting charges | 446 | 512 |
| Communication | 159 | 121 |
| Printing and stationery | 17 | 17 |
| Power and fuel | 195 | 208 |
| Marketing and advertising expenses | 32 | 43 |
| Repairs and maintenance | | |
| - Buildings | 11 | 10 |
| - Machinery | 878 | 868 |
| - Others | 137 | 82 |
| Non - executive directors commission | 13 | 13 |
| Legal and professional charges | 890 | 435 |
| Expenditure for corporate social responsibility [refer note (i) below] | 83 | 74 |
| Expected credit loss for trade receivables [refer note (ii) below] | 107 | 52 |
| Auditors' remuneration [refer note (iii) below] | 16 | 14 |
| Recruitment expenses | 29 | 36 |
| Training and development | 66 | 75 |
| Software charges | 25 | 156 |
| Electoral bonds [refer note (iv) below] | 10 | 40 |
| Miscellaneous expenses | 304 | 293 |
| Total | 4,034 | 4,281 |

Notes:

i. Expenditure for Corporate Social Responsibility:

The Company contributes towards Corporate Social Responsibility (CSR) activities through Cyient Foundation and Cyient Urban Micro Skill Centre Foundation (refer note 22). The Company has formed CSR committee as per Section 135 of the Companies Act, 2013 to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified by law. The areas for CSR activities are promoting education, adoption of schools, facilitating skill development, medical and other social projects. Expenses incurred on CSR activities through Cyient Foundation and contributions towards other charitable institutions are charged to the statement of profit and loss under 'Other Expenses' - ₹ 83 (2018-19 - ₹ 74).

- Gross amount required to be spent by the Company during the year ended March 31, 2020 and 2019 is ₹ 82 and ₹ 68, respectively.
- Amount spent during the year on :

| Particulars | In cash | Total |
|--------------------------------------------|---------|-------|
| 1. Construction / acquisition of any asset | - | - |
| 2. On purposes other than (1) above | 83 | 83 |

ii. **Expected credit loss:**

Bad debts written off during the year ended March 31, 2020 was ₹ 110 (2018-19: ₹ 7) and reversal of provision for doubtful debts was ₹ 88 (2018-19: ₹ 7). Provision for ECL allowance made for the year ended March 31, 2020 was ₹ 85 (2018-19: ₹ 52).

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

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------------------------------|--------------------------------------|--------------------------------------|
| (a) For audit and related services of Company | 8 | 8 |
| (b) For audit and related services of subsidiaries | 6 | - |
| (c) For certification and other services | 1 | 5 |
| (d) Reimbursement of expenses | 1 | 1 |
| Total Auditors' remuneration | 16 | 14 |

- iv. During the year, the Company has purchased and issued electoral bonds for an amount of ₹ 10 (2018-19- ₹ 40) in accordance with 'The Electoral Bond Scheme, 2018', notified by the Central Government vide Gazette Notification No. 20 dated January 2, 2018.

21. Contingent liabilities and commitments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (A) Contingent liabilities: | | |
| Claims against the Company not acknowledged as debt (refer note (i) to (vi) below) | 406 | 456 |
| Guarantees (refer note (vii) below) | 10,208 | 10,157 |
| | 10,614 | 10,613 |
| (B) Commitments: | | |
| Contracts remaining to be executed on capital account and not provided for (net of capital advances) | 135 | 297 |
| Financial support to a subsidiary company | 591 | 552 |
| | 726 | 849 |
| Total | 11,340 | 11,462 |

Notes:

- (i) The Company disputed various demands raised by income tax authorities for the assessment years 2002-03, 2003-04, 2013-14, 2014-15, 2016-17 and 2017-18 (March 31, 2019: 1997-98, 1999-00 to 2002-03, 2004-05 to 2005-06, 2009-10, 2011-12 and 2013-14 to 2015-16) which are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 24 (March 31, 2019 - ₹ 158). The Company is confident that these appeals will be decided in its favour.
- (ii) The Company disputed various demands raised by the sales tax authorities for the financial years 2004-05 to 2009-10 and 2015-16 to 2017-18 (till June 2017) (March 31, 2019 - 2004-05 to 2009-10, 2012-13 and 2015-16). The Company filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 21 (March 31, 2019 - ₹ 20). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
- (iii) The Company disputed various demands raised by the service tax authorities for the financial years 2013-14 to 2017-18 (till June 2017) (March 31, 2019 - 2006-07 to 2015-16). The Company filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 234 (March 31, 2019 - ₹ 141). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
- (iv) The Company is contesting certain pending service tax refunds amounting to ₹ 35 (March 31, 2019 : ₹ 45) at various appellate authorities. The Company is confident that these appeals will be decided in its favour.

- (v) During the year 2014-15, the Company received an order from the Provident Fund authorities regarding provident fund (PF) payments on certain allowances given by the Company to its employees for the years 2010-11 to 2012-13. Against this, the Company made a provision along with interest on the same, during the year 2018-19.
- (vi) During the financial year 2015-16, the Government of India notified an amendment to the Payment of Bonus Act, 1961 whereby the applicable slabs as well as coverage limit was enhanced. The said amendment was made effective April 1, 2014. The Company is contesting the retrospective applicability of the amendment for the financial year 2014-15 in the High Court of Judicature at Hyderabad for the states of Telangana and Andhra Pradesh. The aggregate amount of liability pertaining to the financial year 2014-15, not provided for, is ₹ 92 (March 31, 2019 - ₹ 92).
- (vii) Corporate guarantee has been extended to subsidiaries for availing loans from respective banks and the Company charges commission from subsidiaries, wherever applicable.
- (C) The Company has certain outstanding export obligations/commitments as at March 31, 2019 and March 31, 2020. Further, the Company has certain commitments to bankers relating to receivable factoring arrangements entered with them in respect of receivables from few customers. These factoring arrangements are without recourse to the Company and in the normal course of business. The Company is confident of meeting these commitments arising from such arrangements.

22. Related Party Transactions

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

| Name of Subsidiaries | Country of incorporation | Extent of holding (%) as at | |
|---------------------------------------------------------------------|--------------------------|-----------------------------|----------------|
| | | March 31, 2020 | March 31, 2019 |
| Cyient Europe Limited | UK | 100% | 100% |
| Cyient Inc. | USA | 100% | 100% |
| Cyient GmbH | Germany | 100% | 100% |
| Cyient KK [refer note (i) below] | Japan | 14% | 14% |
| Cyient Insights Private Limited [refer note (ii) below] | India | 100% | 100% |
| Cyient Australia Pty Limited | Australia | 100% | 100% |
| Cyient DLM Private Limited [refer note (iii) below] | India | 100% | 100% |
| Cyient Singapore Private Limited | Singapore | 100% | 100% |
| Cyient Israel India Limited | Israel | 100% | 100% |
| Cyient Engineering (Beijing) Limited [refer note (iv) below] | China | - | - |
| Cyient Solutions and Systems Private Limited [refer note (v) below] | India | 51% | 51% |
| Cyient Urban Micro Skill Centre Foundation [refer note (vi) below] | India | 100% | 100% |

- (i) During the previous year, Cyient KK, Japan increased its paid-up capital from ₹ 5 to ₹ 39. The additional capital was infused by Cyient Australia Pty Limited. Consequently, Cyient Australia Pty Limited held 86% of shareholding in Cyient KK, Japan and Cyient Limited holds the remaining 14% shareholding.
- (ii) During the previous year, the Company acquired the remaining 49% shareholding of 979,744 equity shares of ₹ 10 each in Cyient Insights Private Limited for a consideration of ₹ 35. Consequently, Cyient Insights Private Limited and its wholly owned subsidiary Cyient Insights LLC became wholly owned subsidiaries of the Company.
- (iii) During the previous year, the Company acquired the remaining 26% shareholding of 355,420 equity shares of ₹ 10 each in Cyient DLM Private Limited for a consideration of ₹ 425, in accordance with the investment agreement dated January 02, 2015 and amendments thereon. Consequently, Cyient DLM Private Limited became wholly owned subsidiary of the Company.

- (iv) On March 25, 2016, the Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China. The share capital in the subsidiary is yet to be infused and the subsidiary is yet to commence commercial operations.
- (v) On April 11, 2018, CSSPL entered into a share purchase agreement with Bluebird Aero Systems Limited ("Bluebird"), wherein Bluebird acquired 49% shareholding in CSSPL.
- (vi) During the previous year, the Company incorporated a wholly owned Company under section 8 of Companies Act, 2013, Cyient Urban Micro Skill Centre Foundation, to further the CSR activities of the Company.

| Name of the Joint Venture | Country of incorporation | Extent of holding (%) as at | |
|---------------------------|--------------------------|-----------------------------|----------------|
| | | March 31, 2020 | March 31, 2019 |
| Infotech HAL Limited | India | 50% | 50% |

Subsidiaries of Cyient Inc.:

| Name of Subsidiaries | Country of incorporation | Extent of holding (%) as at | |
|------------------------------------------------|--------------------------|-----------------------------|----------------|
| | | March 31, 2020 | March 31, 2019 |
| Cyient Canada Inc. | Canada | 100% | 100% |
| Cyient Defense Services Inc. | USA | 100% | 100% |
| B&F Design Inc.* | USA | 100% | 100% |
| New Technology Precision Machining Co., Inc.** | USA | - | 100% |

* Cyient Inc., acquired 100% stake of B&F Design Inc., USA on January 24, 2018.

** Cyient Inc., acquired 100% stake of New Technology Precision Machining Co., Inc., USA on April 4, 2018. Effective July 01, 2019 New Tech Precision Machining Co., Inc. has been merged with its holding company, Cyient Defense Services Inc.

Subsidiaries of Cyient Europe Limited:

| Name of Subsidiaries | Country of incorporation | Extent of holding (%) as at | |
|----------------------|--------------------------|-----------------------------|----------------|
| | | March 31, 2020 | March 31, 2019 |
| Cyient Benelux BV | Netherlands | 100% | 100% |
| Cyient Schweiz GmbH | Switzerland | 100% | 100% |
| Cyient SRO | Czech Republic | 100% | 100% |
| AnSem NV* | Belgium | 100% | 100% |
| AnSem BV* | Netherlands | 100% | 100% |

*Cyient Europe Limited, acquired 100% of equity shares of AnSem NV, Belgium (and its wholly owned subsidiary AnSem BV., Netherlands) on April 26, 2018.

Subsidiary of Cyient GmbH:

| Name of the Subsidiary | Country of incorporation | Extent of holding (%) as at | |
|------------------------|--------------------------|-----------------------------|----------------|
| | | March 31, 2020 | March 31, 2019 |
| Cyient AB | Sweden | 100% | 100% |

Other related party:

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

Key Managerial Personnel (KMP):

| Name | Designation |
|-------------------------------------------------|------------------------------------------|
| B.V.R Mohan Reddy | Executive Chairman |
| Krishna Bodanapu | Managing Director & CEO |
| Ajay Aggarwal | President & Chief Financial Officer |
| Karthikeyan Natarajan (effective 05 March 2020) | President & Chief Operating Officer |
| Sudheendhra Putty | Company Secretary |
| K. Ramachandran (until 06 June 2019) | Independent Director |
| Som Mittal | Independent Director |
| Andrea Bierce (until 06 June 2019) | Independent Director |
| John Paul Paterson (until 06 June 2019) | Independent Director |
| Vinai Thummalapally | Independent Director |
| Vikas Sehgal | Independent Director |
| Vivek Gour (effective 25 April 2019) | Independent Director |
| Matangi Gowrishankar (effective 25 April 2019) | Independent Director |
| M.M. Murugappan | Non-Executive & Non-independent Director |
| Alain De Taeye | Non-Executive & Non-independent Director |

Relative of Executive Chairman and Managing Director & CEO

| | |
|----------------|------------------------------------------------|
| B. Ashok Reddy | President – Corporate Affairs & Infrastructure |
|----------------|------------------------------------------------|

(B) Summary of the transactions and balances with the above related parties:**(a) Transactions during the year:**

| Nature of the transaction | Party name | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| Revenue from operations | Cyient Inc. | 4,332 | 4,132 |
| | Cyient Europe Limited | 793 | 1,016 |
| | Cyient Benelux BV | 540 | 491 |
| | Cyient Schweiz GmbH | 101 | 152 |
| | Cyient S.R.O. | 45 | 32 |
| | Cyient GmbH | 874 | 958 |
| | Cyient AB | 161 | 148 |
| | Cyient Canada Inc. | 184 | 212 |
| | Cyient KK | 426 | 376 |
| | Cyient Australia Pty Limited | 976 | 1,182 |
| | Cyient Singapore Private Limited* | (26) | 44 |
| | Cyient DLM Private Limited | 1 | - |
| | AnSem NV | 2 | - |
| | Cyient Israel Limited | - | 9 |

| Nature of the transaction | Party name | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--------------------------------------------------------------|----------------------------------------------|--------------------------------------|--------------------------------------|
| Sub-contracting charges | Cyient Inc. | 145 | 216 |
| | Cyient Europe Limited | 17 | 1 |
| | Cyient Benelux BV | - | 4 |
| | Cyient S.R.O. | - | 3 |
| | Cyient GmbH | 9 | - |
| | Cyient AB | - | 1 |
| | Cyient Canada Inc. | - | 2 |
| | Cyient Insights Private Limited | 12 | 35 |
| | B&F Design Inc. | 4 | - |
| | Cyient DLM Private Limited | 38 | 24 |
| Reimbursement of expenses (net) | Cyient Inc. | 25 | 63 |
| | Cyient Europe Limited | (29) | (61) |
| | Cyient Benelux BV | (7) | 5 |
| | Cyient S.R.O. | (13) | (14) |
| | Cyient GmbH | (43) | (25) |
| | Cyient AB | (2) | (2) |
| | Cyient Canada Inc. | (10) | (9) |
| | Cyient KK | (3) | (5) |
| | Cyient Singapore Private Limited | 2 | - |
| | Cyient Insights Private Limited | (5) | (1) |
| | Cyient DLM Private Limited | (44) | (43) |
| | Cyient Australia Pty Limited | (3) | (2) |
| | B&F Design Inc. | (1) | - |
| | AnSem NV | (1) | - |
| | Cyient Solutions and Systems Private Limited | (26) | (19) |
| Software purchases | Cyient Inc. | - | 50 |
| Corporate guarantee given to subsidiary's bankers | Cyient DLM Private Limited | 1,450 | 850 |
| | Cyient Inc. | - | 381 |
| | Cyient Europe Limited | 605 | 1,283 |
| | Cyient Singapore Private Limited | 75 | - |
| | Cyient S.R.O. | 268 | - |
| | Cyient Australia Pty Limited | 93 | 213 |
| | Cyient Solutions and Systems Private Limited | - | 3 |
| Corporate guarantee given to subsidiary's bankers liquidated | Cyient Inc. | - | 1,110 |
| | Cyient Singapore Private Limited | 388 | - |
| | Cyient S.R.O. | 133 | - |
| | Cyient Solutions and Systems Private Limited | 42 | - |
| | Cyient DLM Private Limited | 2,210 | 540 |

| Nature of the transaction | Party name | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------------------------------------------|----------------------------------------------|--------------------------------------|--------------------------------------|
| Other income on corporate guarantee given to subsidiary's bankers | Cyient Australia Pty Limited | 2 | 2 |
| | Cyient Defense Services Inc. | 1 | - |
| | Cyient Europe Limited | 12 | 11 |
| | Cyient GmbH | 2 | 2 |
| | Cyient Inc. | 8 | 9 |
| | Cyient S.R.O. | 1 | 1 |
| | Cyient Singapore Private Limited | 1 | 2 |
| Investments in subsidiaries | Cyient DLM Private Limited | - | 425 |
| | Cyient Insights Private Limited | - | 35 |
| Advances given / (recovered) | Infotech HAL Limited | 2 | 3 |
| | Cyient Solutions and Systems Private Limited | - | (137) |
| Advance received from customer | Cyient KK | 10 | - |
| Loans given | Cyient Insights Private Limited | 11 | 16 |
| | Cyient DLM Private Limited | 900 | 120 |
| | Cyient Solutions and Systems Private Limited | 29 | 282 |
| Loans recovered | Cyient DLM Private Limited | 204 | - |
| Interest on loans given | Cyient Insights Private Limited | 15 | 13 |
| | Cyient DLM Private Limited | 61 | 26 |
| | Cyient Solutions and Systems Private Limited | 28 | 23 |
| Rental income | Infotech HAL Limited | - | 1 |
| | Cyient Insights Private Limited | 3 | 3 |
| | Cyient Solutions and Systems Private Limited | - | 0.2 |
| Impairment of loans given | Cyient Solutions and Systems Private Limited | 311 | - |
| Dividend from subsidiary | Cyient Australia Pty Limited | - | 457 |
| CSR expenditure | Cyient Foundation | 83 | 74 |

* Net of revenue reversal during the year.

Compensation to Key Managerial Personnel is as follows:

| Nature of the transaction | Party name | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------|----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Short-term benefits | Executive Chairman, Managing Director & CEO and Executive Officers ^{#1&2} | 188 | 227 |
| Dividend paid during the year | Executive Chairman, Managing Director & CEO and Executive Officers ^{#1} | 98 | 52 |
| Commission and other benefits | Non-Executive and Independent Directors | 13 | 13 |

#1 Executive officers includes Ajay Aggarwal (President & Chief Financial Officer), Sudheendhra Putty (Company Secretary), Karthikeyan Natarajan (President & Chief Operating Officer) and B. Ashok Reddy (Relative of Executive Chairman, Managing Director & CEO).

#2 The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

(b) Balances at the year-end:

| Nature of the balance | Party name | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------|----------------------------------------------|-------------------------|-------------------------|
| Trade receivables | Cyient Inc. | 1,524 | 1,517 |
| | Cyient Europe Limited | 953 | 945 |
| | Cyient Benelux BV | 591 | 99 |
| | Cyient Schweiz GmbH | 57 | - |
| | Cyient S.R.O. | 164 | 121 |
| | Cyient GmbH | 30 | 12 |
| | Cyient AB | 52 | 26 |
| | Cyient Canada Inc. | 84 | 89 |
| | Cyient KK | - | 131 |
| | Infotech HAL Limited (refer note 1 below) | - | 24 |
| | Cyient Australia Pty Limited | 473 | 483 |
| | Cyient Insights Private Limited | 23 | 14 |
| | Cyient DLM Private Limited | 110 | 114 |
| | Cyient Singapore Private Limited | 56 | 33 |
| | Cyient Israel Limited | 10 | 9 |
| | AnSem NV | 3 | - |
| | B&F Design Inc. | 1 | - |
| | Cyient Defense Services Inc. | 2 | - |
| | Cyient Solutions and Systems Private Limited | 45 | 19 |
| Unbilled revenue | Cyient Inc. | 320 | 241 |
| | Cyient Canada Inc. | 24 | 4 |
| | Cyient Europe Limited | 109 | 84 |
| | Cyient S.R.O. | 19 | 4 |
| | Cyient Benelux BV | 22 | 25 |
| | Cyient GmbH | 169 | 69 |
| | Cyient Schweiz GmbH | - | 6 |
| | Cyient AB | 34 | 13 |
| | Cyient KK | 1 | 4 |
| | Cyient Australia Pty Limited | 83 | 116 |
| | Cyient DLM Private Limited | 1 | - |
| | Cyient Singapore Private Limited | 7 | 37 |
| Advance from subsidiaries | Cyient KK | 10 | - |
| Trade payables | Cyient Inc. | 1,110 | 713 |
| | Cyient Europe Limited | 34 | 11 |
| | Cyient Benelux BV | 38 | 35 |
| | Cyient AB | 45 | 43 |
| | Cyient Singapore Private Limited | 55 | 33 |
| | Cyient S.R.O. | 4 | 4 |
| | Cyient GmbH | 96 | 82 |
| | Cyient KK | 43 | 38 |
| | Cyient Insights Private Limited | 21 | 8 |
| | Cyient Canada Inc. | 37 | 35 |
| | B&F Design Inc. | 4 | - |
| | Cyient Australia Pty Limited | 139 | 90 |

| Nature of the balance | Party name | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------|-------------------------|
| Other receivables | Cyient Inc. | 45 | 34 |
| | Cyient Canada Inc. | 1 | 1 |
| | Cyient Europe Limited | 9 | 6 |
| | Cyient Benelux BV | 1 | 1 |
| | Cyient KK | 1 | 1 |
| | Cyient Australia Pty Limited | 10 | 9 |
| | Cyient Singapore Private Limited | 1 | 1 |
| Unearned revenue | Cyient Inc. | 77 | 26 |
| | Cyient Europe Limited | 8 | - |
| | Cyient Benelux BV | 1 | 1 |
| | Cyient GmbH | 8 | 26 |
| | Cyient KK | 1 | - |
| | Cyient Canada Inc. | 2 | - |
| | Cyient Australia Pty Limited | 2 | - |
| Corporate guarantee given to subsidiary's bankers (refer note 3 below) | Cyient Inc. | 1,576 | 1,447 |
| | Cyient Defense Services Inc. | 249 | 228 |
| | Cyient Europe Limited | 2,618 | 1,890 |
| | Cyient S.R.O | 268 | 132 |
| | Cyient GmbH | 383 | 358 |
| | Cyient DLM Private Limited | 4,520 | 5,280 |
| | Cyient Australia Pty Limited | 508 | 381 |
| | Cyient Singapore Private Limited | 75 | 388 |
| | Cyient Solutions and Systems Private Limited | 11 | 53 |
| Commitments (refer note 3 below) | Cyient Europe Limited | 591 | 552 |
| Advance to Joint venture | Infotech HAL Limited (Refer note 1 below) | - | 15 |
| Advances to suppliers and service providers | Cyient KK | 6 | - |
| Loans outstanding | Cyient Insights Private Limited | 154 | 143 |
| | Cyient DLM Private Limited | 1,081 | 385 |
| | Cyient Solutions and Systems Private Limited (refer note 2 below) | - | 282 |
| Interest on loans outstanding | Cyient DLM Private Limited | 7 | 36 |
| Short-term benefits payable | Executive Chairman and Managing Director & CEO | 102 | 138 |
| Commission and other benefits payable | Non-Executive and Independent Directors | 13 | 13 |

Notes:

1. During the year, the Company has written-off ₹ 41 towards outstanding advances and trade receivables from Infotech HAL Limited, Joint venture.
2. During the year, Company's subsidiary, Cyient Solutions and Systems Private Limited ('CSS') has recognised one-time charge of ₹ 222 relating to costs incurred on development of UAV systems in view of the potential delays in materialization of orders. Accordingly, a corresponding provision for impairment of the loan given to CSS of ₹ 311 has been recognised in the Statement of Profit and Loss.
3. Foreign exchange restatements have not been disclosed as transactions during the year.

23. Earnings per share (refer note 11A(4))

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Profit after tax | 2,480 | 4,407 |
| Basic: | | |
| Number of shares outstanding at the year end | 109,971,221 | 110,474,173 |
| Weighted average number of equity shares | 109,961,348 | 112,789,308 |
| Earnings per share (₹) | 22.56 | 39.07 |
| Diluted: | | |
| Effect of potential equity shares on ASOPs and RSUs outstanding | 2,319 | 167,866 |
| Weighted average number of equity shares outstanding | 109,963,667 | 112,957,174 |
| Earnings per share (₹) | 22.56 | 39.01 |

24. Research & Development:

i. Property, plant and equipment used in Research and Development

The following table provides the break-up of 'Property, plant and equipment' used specifically for the research and development:

| Carrying amounts of: | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------|-------------------------|-------------------------|
| Buildings - Freehold | 30 | 31 |
| Plant and Equipment - Freehold | 5 | 4 |
| Furniture and Fixtures | 8 | 8 |
| Electrical Installations | 16 | 5 |
| Computers | 13 | 3 |
| Office Equipment | 10 | 10 |
| Total Tangible Assets | 82 | 61 |

| Particulars | Buildings | Plant and Equipment | Furniture and Fixtures | Electrical Installations | Computers | Office Equipment | Total |
|-------------------------------------|-----------|------------------------|---------------------------|-----------------------------|-----------|---------------------|-----------|
| Balance as at April 1, 2018 | 32 | 3 | 4 | 3 | 1 | - | 43 |
| Additions | - | 1 | 6 | 2 | 3 | 11 | 23 |
| Depreciation* | (1) | - | (2) | - | (1) | (1) | (5) |
| Balance as at March 31, 2019 | 31 | 4 | 8 | 5 | 3 | 10 | 61 |
| Additions | - | 2 | 1 | 13 | 14 | 2 | 32 |
| Depreciation* | (1) | (1) | (1) | (2) | (4) | (2) | (11) |
| Balance as at March 31, 2020 | 30 | 5 | 8 | 16 | 13 | 10 | 82 |

* Amounts are below million.

ii. Revenue Expenditure:

Revenue expenditure pertaining to research and development are charged to the Statement of Profit and Loss aggregated to ₹ 481 (2018-19 - ₹ 276).

25. Financial Instruments

25.1 Capital management

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

25.2 Financial instruments by category:

| Particulars | Carrying value as at | |
|--------------------------------------------------------------------------|----------------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Financial assets: | | |
| Amortised cost | | |
| Loans and deposits | 1,438 | 1,008 |
| Trade receivables | 5,658 | 5,079 |
| Cash and cash equivalents | 5,836 | 7,022 |
| Other bank balance | 1 | 105 |
| Other financial assets | 1,444 | 1,381 |
| Fair value through other comprehensive income | | |
| Investment in unquoted equity shares | 24 | 20 |
| Derivative instruments designated in a hedging relationship | 122 | 424 |
| Fair value through profit and loss | | |
| Investments in mutual funds | - | 278 |
| Investment in unquoted Compulsorily convertible preference shares (CCPS) | 12 | 10 |
| Total financial assets | 14,535 | 15,327 |
| Financial liabilities: | | |
| Amortised cost | | |
| Trade payables | 2,584 | 1,963 |
| Other liabilities | 89 | 134 |
| Lease liabilities | 1,361 | - |
| Fair value through other comprehensive income | | |
| Derivative instruments designated in a hedging relationship | 242 | 3 |
| Total financial liabilities | 4,276 | 2,100 |

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

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

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

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

25.3 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, 2020:

| Particulars | Date of valuation | As at March 31, 2020 | Fair value measurement at the end of year using | | |
|--------------------------------------------------------------------------------|-------------------|-------------------------|----------------------------------------------------|---------|---------|
| | | | Level 1 | Level 2 | Level 3 |
| Assets | | | | | |
| Investment in unquoted equity shares (refer note 5)* | March 31, 2020 | 24 | - | - | 24 |
| Investment in unquoted CCPS (refer note 5)* | March 31, 2020 | 12 | - | - | 12 |
| Derivative instruments designated in a hedging relationship (refer note 7)*** | March 31, 2020 | 122 | - | 122 | - |
| Liabilities | | | | | |
| Derivative instruments designated in a hedging relationship (refer note 14)*** | March 31, 2020 | 242 | - | 242 | - |

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, 2019:

| Particulars | Date of valuation | As at March 31, 2019 | Fair value measurement at the end of year using | | |
|-------------------------------------------------------------------------------------|-------------------|-------------------------|----------------------------------------------------|---------|---------|
| | | | Level 1 | Level 2 | Level 3 |
| Assets | | | | | |
| Investment in unquoted equity shares (refer note 5)* | March 31, 2019 | 20 | - | - | 20 |
| Investment in unquoted CCPS (refer note 5)* | March 31, 2019 | 10 | - | - | 10 |
| Investment in mutual fund (refer note 5)** | March 31, 2019 | 278 | 278 | - | - |
| Derivative instruments designated in a hedging relationship (refer note 7)*** | March 31, 2019 | 424 | - | 424 | - |
| Liabilities | | | | | |
| Derivative instruments designated in a hedging rela- tionship (refer note 14)*** | March 31, 2019 | 3 | - | 3 | - |

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

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

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

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

*** The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, etc. As at March 31, 2020 the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had insignificant impact on the hedge effectiveness assessment for derivatives designated in hedge relationships.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents changes in level 3 items for the year ended March 31, 2020 and March 31, 2019:

| Particulars | Investment in unquoted equity shares | Investment in unquoted CCPS | Total |
|-----------------------------|-----------------------------------------|--------------------------------|-----------|
| As at March 31, 2018 | 18 | 10 | 28 |
| Acquisitions | - | - | - |
| Gains/(losses) recognised | 2 | - | 2 |
| As at March 31, 2019 | 20 | 10 | 30 |
| Acquisitions | - | - | - |
| Gains/(losses) recognised | 4 | 2 | 6 |
| As at March 31, 2020 | 24 | 12 | 36 |

Valuation inputs and relationships to fair value:

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

| Particulars | Fair value as at | | Significant unobservable inputs | Valuation process | Sensitivity of the inputs to fair value |
|--------------------------------------------------------------------------------------------|------------------|----------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| | March 31, 2020 | March 31, 2019 | | | |
| Investment in unquoted equity shares and compulsorily convertible preference shares (CCPS) | 36 | 30 | Earnings growth rate | i) Earnings growth factor for unquoted equity shares and CCPS are estimated based on the market information of similar type of companies and also considering the economic environment impact. | a) Any increase in the earnings growth rate would result in a increase in fair value. |
| | | | Discount rate | ii) Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and risk specific to that asset. | b) Any increase in the discount rate would result in a decrease in the fair value. |

25.4 Financial risk management

Financial risk factors

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

Foreign exchange risk

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

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

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

The Company has applied the hedge accounting principles set out in Indian Accounting Standard – 109 "Financial Instruments" (Ind AS - 109) in respect of such derivative contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions. Accordingly, in respect of all such outstanding contracts as at March 31, 2020 that were designated as effective hedges of highly probable forecast transactions, (loss)/ gain aggregating ₹ (78) (net of tax ₹ (42)) (March 31, 2019 - ₹ 274 (net of tax ₹ 147)) have been recognised under the cash flow hedge reserve.

Derivative financial instruments:

Outstanding forward exchange contracts as on March 31, 2020:

| Currency | No. of contracts | Amount in foreign currency | Amount in ₹ | Buy/Sell | Cross currency |
|----------|------------------|----------------------------|-------------|----------|----------------|
| AUD | 30 | 28,300,000 | 1,429 | Sell | Rupees |
| CAD | 18 | 17,500,000 | 974 | Sell | Rupees |
| EUR | 30 | 29,450,000 | 2,484 | Sell | Rupees |
| GBP | 13 | 6,675,000 | 638 | Sell | Rupees |
| USD | 62 | 70,800,000 | 5,256 | Sell | Rupees |

Outstanding forward exchange contracts as on March 31, 2019:

| Currency | No. of contracts | Amount in foreign currency | Amount in ₹ | Buy/Sell | Cross currency |
|----------|------------------|----------------------------|-------------|----------|----------------|
| AUD | 25 | 22,460,000 | 1,186 | Sell | Rupees |
| CAD | 15 | 12,100,000 | 674 | Sell | Rupees |
| EUR | 37 | 28,550,000 | 2,472 | Sell | Rupees |
| GBP | 14 | 8,415,000 | 815 | Sell | Rupees |
| USD | 68 | 64,300,000 | 4,683 | Sell | Rupees |

All outstanding forward exchange contracts as at March 31, 2020 and March 31, 2019 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 ₹ (530)/ 530 (decrease)/increase in the Company's other comprehensive income as at March 31, 2020.

* an approximately ₹ (453)/ 453 (decrease)/increase in the Company's other comprehensive income as at March 31, 2019.

Foreign currency exposure unhedged

The following table analyses foreign currency risk from financial instruments as of March 31, 2020 (in ₹):

| Particulars | US Dollars | EURO | United Kingdom Pound Sterling | Other currencies* | Total |
|---------------------------------|--------------|--------------|----------------------------------|-------------------|--------------|
| Cash and cash equivalents | 29 | 13 | -** | 57 | 99 |
| Trade receivables | 1,759 | 930 | 989 | 1,047 | 4,725 |
| Other financial assets | 467 | 237 | 115 | 121 | 940 |
| Trade payables | (1,193) | (173) | (43) | (302) | (1,711) |
| Other financial liabilities | (3) | - | - | - | (3) |
| Net assets/(liabilities) | 1,059 | 1,007 | 1,061 | 923 | 4,050 |

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

** Represents less than ₹ 1

The following table analyses foreign currency risk from financial instruments as of March 31, 2019 (in ₹):

| Particulars | US Dollars | EURO | United Kingdom Pound Sterling | Other currencies* | Total |
|---------------------------------|--------------|------------|----------------------------------|-------------------|--------------|
| Cash and cash equivalents | 115 | 17 | 6 | 132 | 270 |
| Trade receivables | 2,115 | 242 | 927 | 1,004 | 4,288 |
| Other financial assets | 811 | 219 | 103 | 248 | 1,381 |
| Trade payables | (795) | (154) | (19) | (217) | (1,185) |
| Other financial liabilities | (23) | - | - | - | (23) |
| Net assets/(liabilities) | 2,223 | 324 | 1,017 | 1,167 | 4,731 |

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

Sensitivity analysis:

For the year ended March 31, 2020 and March 31, 2019, every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by ₹ 203 / (₹ 203) 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. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables 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)(iii))

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

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|-------------------------------------|------------------------------|------------------------------|
| Receivables from top customer | 5.09 | 7.14 |
| Receivables from top five customers | 19.71 | 24.76 |

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, 2020 and March 31, 2019, the Company had unutilized credit limits from banks of ₹978 & ₹1,114, respectively.

As of March 31, 2020, the Company had working capital of ₹10,208, including cash and bank balances of ₹5,837

As of March 31, 2019, the Company had working capital of ₹13,044, including cash and bank balances of ₹7,127

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding lease liabilities) as at March 31, 2020:

| Particulars | Less than 1 year | 1-2 years | 2 years and above |
|-----------------------------|------------------|-----------|-------------------|
| Trade payables | 2,584 | - | - |
| Other financial liabilities | 331 | - | - |
| Total | 2,915 | - | - |

Note: The Company's obligation towards payment of lease liabilities has been included in note 3B.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019:

| Particulars | Less than 1 year | 1-2 years | 2 years and above |
|-----------------------------|------------------|-----------|-------------------|
| Trade payables | 1,963 | - | - |
| Other financial liabilities | 137 | - | - |
| Total | 2,100 | - | - |

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.

26 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.

27. 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 March 31, 2020 | As at March 31, 2019 | Maximum amount outstanding at any time during the year ended | |
|--------------------------------------------------------------------|---------------|---------|-------------------------|-------------------------|-----------------------------------------------------------------|----------------|
| | | | | | March 31, 2020 | March 31, 2019 |
| Cyient KK | Subsidiary | Advance | 6 | - | 6 | - |
| Infotech HAL Limited (refer note 22) | Joint Venture | Advance | - | 15 | 17 | 15 |
| Cyient Insights Private Limited | Subsidiary | Loan | 154 | 143 | 154 | 143 |
| Cyient DLM Private Limited | Subsidiary | Loan | 1,081 | 385 | 1,085 | 385 |
| Cyient Solutions and Systems Private Limited (refer note 22) | Subsidiary | Loan | - | 282 | 311 | 282 |
| Total | | | 1,241 | 825 | | |

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

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 13 | 1 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| (iv) The amount of interest due and payable for the year | - | - |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - |

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

29. Dividends distribution made and proposed

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Cash dividends on equity shares declared and paid: | | |
| Final dividend for the year ended on March 31, 2019 : ₹ 9 per share (March 31, 2018 : ₹ 4 per share) | 990 | 451 |
| Dividend distribution tax ("DDT") on final dividend* | 203 | - |
| Interim dividend for the year ended on March 31, 2020 : ₹ 15 per share (March 31, 2019 : ₹ 6 per share) | 1,649 | 679 |
| DDT on Interim dividend | 339 | 139 |
| Total# | 3,181 | 1,269 |
| Proposed dividends on equity shares: | | |
| Final cash dividend for the year ended on March 31, 2020 : ₹ Nil per share (March 31, 2019: ₹ 9 per share) | - | 990 |
| DDT on final dividend* | - | 203 |
| | - | 1,193 |

During the year, the Board of Directors at their meetings held on October 17, 2019 and March 12, 2020 declared an interim dividend of ₹ 6 per share and ₹ 9 per share respectively on face value of ₹ 5 each.

Includes unclaimed dividend amount of ₹ 12 (2018-19: ₹ 8).

* During the previous year, the Company has received dividend of ₹ 457 from its wholly owned subsidiary, Cyient Australia Pty Limited. Final dividend for the year ended March 31, 2018 of ₹ 451 has been adjusted against the final dividend received from Cyient Australia Pty Limited. Accordingly, the DDT on final dividend is ₹ Nil.

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, 2020, income available for distribution were ₹ 18,308 (March 31, 2019 - ₹ 19,073).

30. Previous year figures have been regrouped / reclassified, where necessary, to conform to the current years' classification.

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004




Vikas Pansari
Partner
Membership No.: 093649

Place : Mumbai
Date : May 07, 2020

For and on behalf of the Board of Directors
Cyient Limited



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



Ajay Aggarwal
President &
Chief Financial Officer
Place : Hyderabad
Date : May 07, 2020



Krishna Bodanapu
Managing Director and CEO
(DIN - 00605187)



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

INDEPENDENT AUDITORS' REPORT

To the Members of Cyient Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated Ind-AS financial statements of Cyient Limited (hereinafter referred to as "the Parent Company"), its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group") and its joint venture comprising of the Consolidated Balance sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

| Key audit matters | How our audit addressed the key audit matter |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impairment assessment of Goodwill and Intangible assets under development (as described in note 4 and 5 respectively of the Consolidated Financial Statements) | |
| <p>As at March 31, 2020, the Group has goodwill of ₹ 5,374 Mn on consolidation pertaining to historical acquisitions and intangibles under development of ₹ 659 Mn.</p> <p>In accordance with Ind AS, the goodwill and intangible assets under development is tested annually for impairment using discounted cash-flow models of recoverable value compared to the carrying value of the assets. A deficit between the recoverable value and carrying value would result in impairment.</p> <p>The inputs to the impairment testing model include:</p> <ul style="list-style-type: none">• Projected revenue growth, operating margins, operating cash-flows and capex during the periods relating to explicit forecasts;• Stable long-term growth rates beyond explicit forecast period and in perpetuity; and• Discount rates that represent the current market assessment of the risks specific to the cash generating unit / intangible assets under development, taking into consideration the time value of money. | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• We tested the design, implementation and operative effectiveness of management's key internal controls over impairment assessments;• Gained an understanding of and evaluated the methodology used by management to prepare its cash flow forecasts and the appropriateness of the assumptions applied. In making this assessment, we also evaluated the competence, professional qualification, objectivity and independence of Company's specialists involved in the process;• With the assistance of specialists, we assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used; in consideration of the current and estimated future economic conditions, including the impact of COVID-19; |

| Key audit matters | How our audit addressed the key audit matter |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The financial projections basis which the future cash flows have been estimated consider the impact of the economic uncertainties arising from COVID-19 on the discount rates, the projected growth rates and terminal values and subjecting these variables to sensitivity analysis.</p> <p>The annual impairment testing is considered a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the Consolidated Financial Statements as a whole.</p> | <ul style="list-style-type: none"> We assessed the historical accuracy of management's forecasting by comparing actual financial performance to management's previous forecasts. We also analysed the consistency of cash flow forecasts with Management's latest estimates presented to the Board of Directors as part of the budget process; We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used; We tested the arithmetical accuracy of the models; We assessed the related disclosures in Note 4 and 5 to the Consolidated Financial Statements. |
| Accuracy of recognition, measurement, presentation and disclosure of Revenues (as described in note 2 and 21 of the Consolidated Financial Statements) | |
| <p>The application of the revenue recognition standard Ind AS 115 – "Revenue from contracts with customers" involves certain key judgements and principles for evaluating various distinctive terms/matters.</p> <p>Revenue contracts with customers have defined delivery milestones with agreed scope of work and pricing for each milestone depending on the nature of service/industry served. The pricing arrangement of these contracts vary between time and material, fixed bid/unit based, etc.</p> <p>Revenue from fixed bid/unit-based contracts, where the performance obligation is satisfied over time has been recognised using the percentage of completion method. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred.</p> <p>Identification of performance obligations involves high degree of judgement and assessment of contractual terms. Also, the estimate of total efforts or remaining efforts to complete fixed bid/unit-based contracts measured using the percentage of completion method involves significant judgement throughout the period of the contract and is subject to revision as the contract progresses based on the latest available information.</p> <p>As the revenue recognition involves significant estimates and judgments, we regard this as a key audit matter.</p> | <p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> Evaluated the design, implementation and operating effectiveness of management's key internal controls over revenue recognition; Tested relevant information technology systems' controls relating to contracts and related information used in recording and disclosing revenue; Substantive testing of sample revenue contracts and performed the following procedures to assess management analysis and impact of Ind AS 115: <ul style="list-style-type: none"> Read, analyzed and identified the distinct performance obligations in these contracts. Compared these performance obligations with that identified and recorded by the Company. Considered the terms of the contracts and assessed the transaction price including any variable consideration to test revenue. Sample contracts in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances and subsequent invoicing; In respect of fixed price contracts, progress towards completion of performance obligation used to compute revenue was verified based on actual cost relative to estimated cost from management analysis and systems or external evidences of progress. Also, reviewed cost incurred with estimated cost to identify significant variations and reasons and to verify whether those variations have been considered in estimating the remaining cost to complete the contract; Assessed the related disclosure made pursuant to Ind AS 115. |
| Allowance for credit losses for trade receivables including unbilled revenue (as described in note 2 and 10 of the Consolidated Financial Statements) | |
| <p>As at March 31, 2020, the Group has outstanding trade receivables and unbilled revenue of ₹ 7,262 Mn and ₹ 4,015 Mn respectively. The Group has determined the allowance for credit losses based on the ageing status and historical loss experience adjusted to reflect current and estimated future economic conditions. In addition to the historical pattern of credit loss, the Group have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We tested the design, implementation and operative effectiveness of management's key internal controls over allowance for credit losses; We assessed the completeness and accuracy of the information used in the estimation of probability of default and tested historical payment records, correspondence with customers, credit related information and subsequent collection of the customers' balances; We performed analysis of ageing of receivables, tested the mathematical accuracy and computation of the allowance for credit losses; We assessed the allowance for expected credit loss made by management including the possible effect from the pandemic relating to COVID-19. |

Other Information

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of the Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and its joint venture are also responsible for overseeing the financial reporting process of the Group and its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors.

We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- The accompanying Consolidated Financial Statements include the Group's share of net loss of ₹ 26mn for the year ended March 31, 2020, as considered in the Consolidated Financial Statements, in respect of a joint venture, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of the joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.
- The Consolidated Financial Statements of the Company for the year ended March 31, 2019, included in these Consolidated Financial Statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 25, 2019.

Our opinion on the Consolidated Financial Statements is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Parent Company, its subsidiaries and its joint venture incorporated in India as on March 31, 2020 taken on record by the respective Board of Directors of the Parent Company, its subsidiaries and its joint venture, none of the directors of the Group's companies and its joint venture incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Parent Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report. According to the information and explanations given by the Management, the provisions of the section 143(3)(i) are not applicable to its joint venture incorporated in India;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Parent Company, its subsidiaries and its joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us, as noted in the 'Other matter' paragraph:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint venture in its Consolidated Financial Statements – Refer Note 35A to the Consolidated Financial Statements;
 - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer 16 to the Consolidated Financial Statements in respect of such items as it relates to the Group and its joint venture;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company during the year ended March 31, 2020. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries and its joint venture incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Vikas Pansari

Partner

Membership Number: 093649

UDIN: 20093649AAAAAT7854

Place of Signature: Mumbai

Date: May 7, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CYIENT LIMITED

Re: Cyient Limited ("the Company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of Cyient Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Cyient Limited (hereinafter referred to as the "Parent Company") and its subsidiary companies, which are companies incorporated in India, as of that date. According to the information and explanations given by the Management, the provisions of the Section 143(3) (i) are not applicable to its joint venture incorporated in India.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Parent Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Vikas Pansari

Partner

Membership Number: 093649

UDIN: 20093649AAAAAT7854

Place of Signature: Mumbai

Date: May 7, 2020

Consolidated Balance Sheet as at March 31, 2020

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

| Particulars | Notes | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------------------------------------------------------------|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3A | 4,205 | 3,530 |
| Right of use assets | 3B | 2,704 | - |
| Capital work-in-progress | | 800 | 300 |
| Goodwill | 4 | 5,374 | 5,257 |
| Other intangible assets | 5 | 767 | 993 |
| Intangible assets under development | 5 | 659 | 740 |
| Financial assets | | | |
| (a) Investments | 6 | 414 | 270 |
| (b) Loans and deposits | 7A | 299 | 308 |
| (c) Other financial assets | 7B | 10 | 8 |
| Deferred tax assets (net) | 18.2 | 396 | 294 |
| Income tax assets (net) | 18.3 | 878 | 716 |
| Other non-current assets | 8 | 641 | 626 |
| Total non-current assets | | 17,147 | 13,042 |
| Current assets | | | |
| Inventories | 9 | 2,267 | 1,833 |
| Financial assets | | | |
| (a) Investments | 6 | - | 278 |
| (b) Trade receivables | 10 | 7,262 | 8,137 |
| (c) Cash and cash equivalents | 11A | 8,995 | 9,096 |
| (d) Other bank balances | 11B | 523 | 609 |
| (e) Other financial assets | 7B | 4,411 | 4,223 |
| Other current assets | 8 | 1,192 | 1,674 |
| Total current assets | | 24,650 | 25,850 |
| Total assets | | 41,797 | 38,892 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 12 | 550 | 552 |
| Other equity | 13 | 25,059 | 25,089 |
| Equity attributable to Shareholders of the Company | | 25,609 | 25,641 |
| Non-controlling interests | 14 | (32) | (19) |
| Total equity | | 25,577 | 25,622 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (a) Borrowings | 15 | 859 | 1,116 |
| (b) Lease liabilities | 3B | 2,293 | - |
| (c) Other financial liabilities | 16 | 380 | 697 |
| Provisions | 17 | 1,151 | 1,137 |
| Deferred tax liabilities (net) | 18.2 | 378 | 405 |
| Income tax liabilities (net) | 18.3 | - | 20 |
| Other non-current liabilities | 19 | 24 | - |
| Total non-current liabilities | | 5,085 | 3,375 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (a) Borrowings | 15 | 2,879 | 2,137 |
| (b) Trade payables | 20 | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | 36 | 13 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,693 | 3,687 |
| (c) Lease liabilities | 3B | 672 | - |
| (d) Other financial liabilities | 16 | 1,016 | 874 |
| Income tax liabilities (net) | 18.3 | 328 | 424 |
| Provisions | 17 | 377 | 289 |
| Other current liabilities | 19 | 2,134 | 2,471 |
| Total current liabilities | | 11,135 | 9,895 |
| Total liabilities | | 16,220 | 13,270 |
| Total equity and liabilities | | 41,797 | 38,892 |

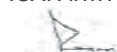
Corporate information and significant accounting policies 1 & 2
Accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



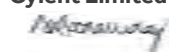
Vikas Pansari

Partner

Membership No.: 093649

For and on behalf of the Board of Directors

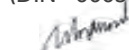
Cyient Limited



B.V.R. Mohan Reddy

Executive Chairman

(DIN - 00058215)



Ajay Aggarwal

President &

Chief Financial Officer



Krishna Bodanapu

Managing Director and CEO

(DIN - 00605187)



Sudheendhra Putty

Company Secretary

(M.No. - F5689)

Place : Mumbai

Date : May 07, 2020

Place : Hyderabad

Date : May 07, 2020

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2020

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

| Particulars | Notes | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------------------------------------------------------------------------------------|-----------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| Revenue from operations | 21 | 44,274 | 46,175 |
| Other income | 22 | 1,583 | 1,340 |
| Total income | | 45,857 | 47,515 |
| EXPENSES | | | |
| Employee benefits expense | 23 | 24,776 | 25,469 |
| Cost of materials consumed | 24 | 4,066 | 3,936 |
| Purchase of stock-in-trade | | - | 108 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 25 | (144) | 141 |
| Finance costs | 26 | 486 | 326 |
| Depreciation and amortisation expense | 27 | 1,878 | 1,114 |
| Impairment of non-current assets | 36 | 404 | - |
| Other expenses | 28 | 9,683 | 10,193 |
| Total expenses | | 41,149 | 41,287 |
| Profit before share of profit / (loss) from joint venture, exceptional item and tax | | 4,708 | 6,228 |
| Share of profit / (loss) from joint venture | 6(iv) | (26) | 5 |
| Profit before exceptional item and tax | | 4,682 | 6,233 |
| Exceptional item | 37 | - | 35 |
| Profit before tax | | 4,682 | 6,198 |
| Tax expense | | | |
| Current tax | 18.1 | 1,181 | 1,512 |
| Deferred tax | 18.1 | 89 | (85) |
| Total tax expense | | 1,270 | 1,427 |
| Profit for the year | | 3,412 | 4,771 |
| Other comprehensive income (OCI) | | | |
| (a) Items that will not be reclassified subsequently to statement of profit and loss: | | | |
| (i) Remeasurements of the net defined benefit liability | 17(i) | 14 | (70) |
| (ii) Equity instrument through other comprehensive income | 13 | 10 | 14 |
| (iii) Income tax relating to items that will not be reclassified to statement of profit and loss | 18.1 (B) | (8) | 14 |
| (b) Items that will be reclassified subsequently to statement of profit and loss: | | | |
| (i) Exchange differences in translating the financial statements of foreign operations | 13 | 471 | 67 |
| (ii) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge | 13 | (544) | 467 |
| (iii) Income tax on items that may be reclassified to statement of profit and loss | 18.1 (B) | 190 | (164) |
| Total other comprehensive income for the year | | 133 | 328 |
| Total comprehensive income for the year | | 3,545 | 5,099 |
| Profit for the year attributable to: | | | |
| - Shareholders of the Company | | 3,425 | 4,785 |
| - Non-controlling interests | | (13) | (14) |
| | | 3,412 | 4,771 |
| Other comprehensive income for the year attributable to: | | | |
| - Shareholders of the Company | | 133 | 329 |
| - Non-controlling interests | | - | (1) |
| | | 133 | 328 |
| Total comprehensive income for the year attributable to: | | | |
| - Shareholders of the Company | | 3,558 | 5,114 |
| - Non-controlling interests | | (13) | (15) |
| | | 3,545 | 5,099 |
| Earnings per equity share (par value of ₹ 5 each) | 29 | | |
| Basic (₹) | | 31.14 | 42.43 |
| Diluted (₹) | | 31.14 | 42.36 |
| Corporate information and significant accounting policies | 1 & 2 | | |
| Accompanying notes form an integral part of the consolidated financial statements | | | |

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Vikas Pansari

Partner

Membership No.: 093649

For and on behalf of the Board of Directors

Cyient Limited

B.V.R. Mohan Reddy

Executive Chairman

(DIN - 00058215)

Ajay Aggarwal

President &
Chief Financial Officer

Place : Hyderabad

Date : May 07, 2020

Krishna Bodanapu

Managing Director and CEO

(DIN - 00605187)

Sudheendhra Putty

Company Secretary

(M.No. - F5689)

Place : Mumbai

Date : May 07, 2020

| Particulars | Notes | Amount |
|-----------------------------------------------------|-------|------------|
| Balance as at April 1, 2018 | | 563 |
| Issue of shares during the year | | 2 |
| Shares bought back and extinguished during the year | 12A | (10) |
| Shares bought back and pending extinguishment | | (3) |
| Balance as at March 31, 2019 | | 552 |
| Issue of shares during the year | | 1 |
| Shares bought back and extinguished during the year | 12A | (3) |
| Balance as at March 31, 2020 | | 550 |

[illegible]

Consolidated Statement of Changes in Equity for the Year Ended March 31, 2020

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

| Particulars | Notes | Attributable to shareholders of the Company | | | | | | | | | | | |
|-------------------------------------------------------------------------------------|-------|---------------------------------------------|--------------------|-----------------|------------------------------|-------------------|----------------------------------------------------------------|-----------------|-------------------------|--------------------------------------|--------------------------------|---------------------------|--------------------|
| | | Reserves and surplus | | | | | Items of other comprehensive income | | | | | | |
| | | Capital redemption reserve | Securities premium | General reserve | Share based payments reserve | Retained earnings | Gross obligation liability to acquire non-controlling interest | Capital reserve | Cash flow hedge reserve | Foreign currency translation Reserve | Equity instruments through OCI | Non-controlling Interests | Total other equity |
| Balance as at March 31, 2019 | | 13 | 2,380 | 5,142 | 71 | 16,515 | - | 35 | 274 | 640 | 19 | (19) | 25,070 |
| Impact on account of adoption of Ind AS 116, net of tax | 3B | - | - | - | - | (137) | - | - | - | - | - | - | (137) |
| Revised balance as at March 31, 2019 | | 13 | 2,380 | 5,142 | 71 | 16,378 | - | 35 | 274 | 640 | 19 | (19) | 24,933 |
| Profit for the year | | - | - | - | - | 3,425 | - | - | - | - | - | (13) | 3,412 |
| Other comprehensive income | | - | - | - | - | 8 | - | - | (354) | 471 | 8 | - | 133 |
| Total comprehensive income for the year | | - | - | - | - | 3,433 | - | - | (354) | 471 | 8 | (13) | 3,545 |
| Amount transferred to capital redemption reserve upon buyback of equity shares | 13 | 3 | - | (3) | - | - | - | - | - | - | - | - | - |
| Issue of shares under Company's associate stock option plan | 13 | - | 23 | - | (7) | - | - | - | - | - | - | - | 16 |
| Buyback of equity shares | 13 | - | (328) | - | - | - | - | - | - | - | - | - | (328) |
| Share based payments to employees | 13 | - | - | - | 42 | - | - | - | - | - | - | - | 42 |
| Transfer of gain to retained earnings on disposal of equity instruments through OCI | 13 | - | - | - | - | 22 | - | - | - | - | (22) | - | - |
| Dividends paid (including dividend distribution tax) | 39 | - | - | - | - | (3,181) | - | - | - | - | - | - | (3,181) |
| Balance as at March 31, 2020 | | 16 | 2,075 | 5,139 | 106 | 16,652 | - | 35 | (80) | 1,111 | 5 | (32) | 25,027 |

Accompanying notes form an integral part of the consolidated financial statements

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E3000004


Vikas Pansari
Partner
Membership No.: 093649

For and on behalf of the Board of Directors
Cyient Limited



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



Krishna Bodanapu
Managing Director and CEO
(DIN - 00605187)

Place: Mumbai

Date: May 07, 2020

Ajay Aggarwal
President &
Chief Financial Officer

Place: Hyderabad

Date: May 07, 2020

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

Consolidated Cash Flow Statement for the Year Ended March 31, 2020

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

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit for the year | 3,412 | 4,771 |
| Adjustments for: | | |
| Tax expense | 1,270 | 1,427 |
| Loss on dissolution of subsidiary | - | 35 |
| Share of loss/(profit) of joint venture | 26 | (5) |
| Depreciation and amortisation expense | 1,878 | 1,114 |
| Impairment of non-current assets | 404 | - |
| (Profit)/loss on sale of property, plant and equipment, (net) | (5) | 6 |
| Finance costs | 486 | 326 |
| Interest income | (439) | (555) |
| Dividend from mutual funds and equity instruments | (30) | (55) |
| Liabilities no longer required written back | (371) | (53) |
| Gain on fair valuation of financial instruments | (8) | (135) |
| Share-based payments to employees | 42 | 30 |
| Provision for expected credit loss, net | 422 | 140 |
| Unrealised forex gain, net | (132) | (218) |
| Operating profit before working capital changes | 6,955 | 6,828 |
| <i>Changes in operating assets and liabilities:</i> | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Trade receivables | 813 | (1,301) |
| Other financial assets | (610) | (543) |
| Inventories | (430) | (516) |
| Other assets | 796 | (714) |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payables | 49 | (172) |
| Other financial liabilities | (57) | 133 |
| Other liabilities | (331) | 1,186 |
| Provisions | 98 | 217 |
| Cash generated from operations | 7,283 | 5,118 |
| Net income taxes paid | (1,459) | (1,417) |
| Net cash flow from operating activities (A) | 5,824 | 3,701 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payment towards purchase of property, plant and equipment and intangible assets | (2,149) | (1,512) |
| Proceeds from sale of property, plant and equipment | 11 | 72 |
| Proceeds from sale of financial assets | | |
| - Investments in equity instruments classified as FVTOCI | 46 | 223 |
| - Mutual funds | 6,179 | 5,887 |
| Payments to acquire financial assets | | |
| - Investment in non current investments | (176) | (173) |
| - Mutual funds | (5,901) | (5,035) |
| Payment to non-controlling interests | - | (460) |
| Interest received | 509 | 564 |
| Dividend received from | | |
| - Mutual funds and equity instruments | 29 | 55 |
| Net cash outflow on acquisition of subsidiaries (refer note (ii) below) | - | (1,306) |
| Settlement of deferred consideration pertaining to prior year acquisitions | (204) | (93) |
| Movement in other bank balances | 86 | (419) |
| Net cash flow used in investing activities (B) | (1,570) | (2,197) |

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

Accompanying notes form an integral part of the consolidated financial statements

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Notes Forming Part of the Consolidated Financial Statements for the Year Ended March 31, 2020

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

1. Corporate information

Cyient Limited ('Cyient' or 'the Company') and its subsidiaries (collectively referred to as 'the Group') and its joint venture is engaged in providing global technology services and solutions specialising in geospatial, engineering design, IT solutions and data analytics. The Group also specialises in the areas of total electronics manufacturing solutions in the fields of medical, industrial, automotive, telecommunications, defence and aerospace applications, including manufacturing and machining of components for aerospace, automotive and defence industries. The Company is a public limited Company incorporated in India and has its headquarters and development facilities in India and serves a global customer base through its subsidiaries and joint ventures in the United States of America (USA), United Kingdom (UK), Germany, Japan, Australia and Singapore. Cyient Group's range of services include digitisation of drawings and maps, photogrammetry, computer aided design/engineering (CAD/CAE), design and modelling, repair development engineering, reverse engineering application software development, software products development, consulting, analytics and implementation. Cyient Group specialises in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets. Further, the Group is also engaged in the business of manufacturing, assembling, integrating, testing and sale of unmanned aerial systems.

The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is located at 4th Floor, "A" Wing, Plot No. 11, Software Units Layout, Infocity, Madhapur, Hyderabad 500 081, India.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 7, 2020.

2. Significant accounting policies

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

2.2 Basis of preparation and presentation

These consolidated financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value a) Derivative financial instruments and b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and consistent with previous year subject to changes in accounting policies. The consolidated financial statements are presented in INR and all values are rounded to the nearest millions, except when otherwise indicated.

Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 116 for the first time. The accounting policy adopted as a part of implementation of this standard is mentioned in note 2.10

i) Ind AS 116

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under the modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

On completion of evaluation of the effect of adoption of Ind AS 116, the Group has used 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach

for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

As at April 1, 2019:

- 'Right-of-use assets' were recognised and presented separately in the balance sheet;
- Lease liabilities were recognised and included under 'financial liabilities';
- 'Retained earnings' decreased due to the net impact of these adjustments.

For the year ended March 31, 2020:

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets). This resulted in increase in Depreciation and Amortization Expenses of ₹ 786.
- Rent expense included in 'Other expenses' decreased by ₹ 947.
- 'Finance costs' increased by ₹ 182.
- Cash outflows from operating activities decreased by ₹ 947 and cash outflows from financing activities increased by the same amount, relating to decrease in operating lease payments and increase in principal and interest payments of lease liabilities.

ii) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since, the Group operates in a complex multinational environment, it assessed whether the Appendix had an impact on its consolidated financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Group's tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation

authorities. The Appendix did not have a material impact on the consolidated financial statements of the Group.

Changes in existing accounting policies:

iii) Operating Segments

The Group's Chief Operating Decision maker is the Managing Director and Chief Executive Officer who evaluates Cyient Group's performance and allocates resources based on an analysis of various performance indicators by business verticals and geographical segmentation of customers.

Until March 31, 2019, the Cyient Group classified its operations into three vertically oriented business segments, i.e. Utilities, Geospatial and Communications (UGC), Manufacturing and Industrial Products (MI) and Design Led Manufacturing (DLM). The business caters to the specific requirements of customers in their respective user segments.

Effective April 1, 2019, in furtherance of the Group's S3 strategy, the Group has re-organized certain business units and its operating structure to enable a strong solution focus across all the business units. In view of the structural changes, the Chief Operating Decision Maker (CODM) reviews the business as two operating segments - 'Services' and 'Design led Manufacturing' (DLM), and in accordance with the core principles of Ind AS 108 - 'Operating Segments', these have been considered as the reportable segments of the Group.

The Group has re-presented the information relating to all comparative periods in line with this revised segmental classification. Refer note 30 for further details.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;

- The Group's voting rights and potential voting rights; and
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company.

Consolidation procedures

- Combining like items of assets, liabilities, equity, income, expenses and cash flows of the Company with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary.
- All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.5 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions

considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expenditure for the periods presented. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

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

Significant areas of estimation of uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements such as:

- Impairment assessment of Goodwill and Intangible assets under development
- Revenue recognition
- Share based payments
- Provision for income tax and recoverability of deferred tax assets
- Fair Value measurement of financial instruments
- Allowance for credit losses on receivables and unbilled revenue

2.6 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements, has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and, based on the current estimates, expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

2.7 Business combination and goodwill

The Company accounts for its business combinations under acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of

the acquisition-date fair value of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in consolidated statement of profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree, if any over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from the additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed as on the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments and are classified as an asset or liability and are remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit and loss.

Acquisition of some or all of the non-controlling interest ("NCI") is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the Company. No goodwill is recognised as a result of such transactions.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of

exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Business combinations arising from entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the entity are recorded in other equity.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. Any impairment loss for goodwill is recognised directly in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in the subsequent periods.

2.8 Foreign currency translation

i) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is the functional and presentation currency of the Company. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

ii) Transactions and balances

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the consolidated statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency is translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of balance sheet;
- Income and expenses are translated at average exchange rates;
- All resulting exchange differences are recognised in other comprehensive income; and
- When a foreign operation is sold, the associated exchange differences are reclassified to consolidated statement of profit and loss, as part of gain or loss on sale.

2.9 Property, plant and equipment

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

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. Freehold land is not depreciated.

| Type of asset | Useful life |
|--------------------------|---------------------------------------------------|
| Building | 28 years |
| Leasehold improvements | Shorter of lease period or estimated useful lives |
| Computers | 3 years |
| Plant and equipment | 10 years |
| Furniture and fixtures | 3-10 years |
| Electrical installations | 3-10 years |
| Vehicles | 8 years |
| Tools and Equipment | 5 years |

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of

an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in 'other income' of the consolidated statement of profit and loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.10 Intangible assets

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

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

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

| Type of asset | Useful life |
|--------------------------------------|----------------------------------------------------|
| Computer software | 3 years/ Over the period of the respective project |
| Technology/ Intellectual property | 2-6 years |
| Customer contracts | 2-6 years |
| Process knowhow | 5 years |
| Other intangible assets | Over the period of the respective project |

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

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

Amortisation methods and useful lives are reviewed periodically at each financial year end.

Research and development costs

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, availability of resources to complete the asset is established, the Group has intention and ability to complete and use the asset and the costs are reliably measured, in which case

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

Amortization and impairment of development cost:

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

2.11 Leases

Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i) Right-of-use assets

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The right-of-use assets are also subject to impairment. Refer note 2.26.

| ROU asset | Useful lives |
|----------------|--------------|
| Leasehold land | 15-33 years |
| Buildings | 2-15 years |
| Computers | 2-4 years |

ii) Lease liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made or a change in the assessment of extension or termination options. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

2.12 Investments in joint venture

A Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from a joint venture reduce the carrying amount of the investment. If entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which

includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in a joint venture.

2.13 Income taxes

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

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

The current tax and deferred tax calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income.

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets

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

Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax for the year. MAT credit is recognised in accordance with tax laws in India as a deferred tax asset only to the extent that is probable that the Group will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

In the situations where one or more entities in the Group are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Inventories are valued in accordance with the below method of valuation.

- i) Raw materials & consumables: Valued at cost or net realisable value whichever is less. Cost includes purchase costs and other costs incurred in bringing the inventories to their present location and condition.
- ii) Stores and spares: Valued at cost. Cost includes purchase costs and other costs incurred in bringing the inventories to their present location and condition.

- iii) Work in progress & finished Goods: Valued at cost or net realisable value whichever is less. Costs includes direct material costs, wages and applicable overheads.

2.15 Cash and cash equivalents:

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

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

2.16 Equity Share Capital:

Ordinary shares are classified as equity. Shares bought back are shown as a deduction from equity. No gain or loss is recognised in the statement of profit or loss on purchase, sale, issue or cancellation of equity instruments. Incremental costs directly attributable to the issuance of equity shares or buyback of equity shares are recognised as a deduction from equity, net of taxes.

2.17 Provisions and contingent liabilities

Provisions

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

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

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

Contingencies

Contingent liabilities are not recognised in the financial

statements. A contingent asset is neither recognised nor disclosed in the financial statements.

2.18 Revenue

The Group derives revenue primarily from services and solutions specialising in geospatial, engineering design, analytics, network and operations solutions. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or a service to a customer. The method for recognizing revenues and costs depends on the nature of services rendered as mentioned below:

- a) **Time and material:** Revenue from time and material contracts are recognized as the related services are performed, which is pursued based on the efforts spent and agreed rate with the customer. Revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.
- b) **Fixed price contracts:** Revenue from fixed-price contracts is recognized as per the 'percentage-of-completion' method, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity. In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term.
- c) **Maintenance contracts:** Revenue from fixed-price maintenance contracts are recognised pro-rata over the term of the maintenance arrangement.
- d) **Sale of products:** Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Revenue from contract with customers is recognised by applying revenue recognition criteria specified in Ind AS 115 for each distinct performance obligation. The arrangement with customer specify services to be rendered which meet criteria of performance obligations. For allocation, transaction price, the Group measures the revenue in respect of each

performance obligation of a contract at its relative standalone selling price.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services that are not distinct are accounted for on a cumulative catchup basis, while those that are distinct are accounted for prospective, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenue are classified as contract liabilities (unearned revenues).

The Group accounts for the Deferred contract costs, upfront costs incurred for the contract, on a systematic amortisation that is consistent with the transfer to the customer of the goods or services to which the asset relates.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/incentive.

The Group presents revenues net of indirect taxes in the consolidated statement of profit and loss.

2.19 Other income

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

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

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

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

2.20 Government grants/incentives

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

- a) The Group will comply with the conditions attached to them; and
- b) The grant will be received.

Export entitlements from government authorities are recognised in the statement of consolidated profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Grants are recognised net of attributable expenses.

2.21 Employee benefit plans

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

Defined contribution plans

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

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

The Group provides a defined contribution plan benefit such as 401(K) Retirement Plan and other social security benefits to all of its eligible employees of subsidiaries and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

Gratuity

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The

net interest cost is calculated by applying the discount rate to the net balance of the defined obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the consolidated statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of profit and loss as past service cost.

Compensated absences

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

Medical benefits

In Cyient Inc, medical insurance plan is offered to the associates on self-insured basis which consists of fixed costs of administration charges and stop loss insurance that are charged on a per associate and monthly claims being settled from consolidated fund maintained by third party insurance fund. At the end of every calendar year, the insurance agency provides an estimate of "Claims Not Yet Received" computed on actuarial valuation based on number of associates and claims received over the last 12 months. This estimate is extrapolated on the basis of the closing enrolments as of March 31 and the management creates a liability for medical expenses.

Other short-term employee benefits

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

2.22 Share based payments

The Company recognizes compensation expense relating to share based payments in the statement of profit and loss, using fair value in accordance with Ind AS 102, Share based payments. The Company issues equity-settled and cash-settled share based options to eligible employees under various stock option schemes established after June 19, 1999.

These stock options are measured at the fair value of the equity instruments at the grant date, based on

option valuation model (Black Scholes model). The fair value determined at the grant date of the stock options is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the equity instruments that will eventually vest, with a corresponding increase in share based payments reserve in equity.

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

The equity settlement component is not remeasured at each reporting date. The cash settlement component is remeasured at each reporting date and at settlement date based on the fair value of the liability with any changes in the fair value recognised in the consolidated statement of profit and loss.

The dilutive effect of outstanding options if any is reflected as additional share dilution in the computation of diluted earnings per share.

2.23 Earnings per share

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

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

2.24 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director and Chief Executive Officer evaluates Cyient Group's performance and allocates resources based on analysis of various performance indicators by business verticals and geographical segmentation of customers. Refer note 2.3 (iii) for change in accounting policy and note 30 for operating segment information.

2.25 Financial instruments

(A) Initial recognition:

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments. Financial

assets and financial liabilities are initially measured at fair value and subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated statement of profit and loss.

(B) Subsequent measurement:

a. Non-derivative financial instruments

i) Financial assets carried at amortised cost:

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

ii) Financial assets at fair value through other comprehensive income:

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

iii) Financial assets at fair value through profit or loss:

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Financial liabilities:

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently

measured at fair value through consolidated statement of profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments:

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

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

Effective interest method

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

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

c. Hedge accounting

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

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item,

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

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

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

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

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

d. De-recognition of financial assets and liabilities

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the

asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in consolidated statement of profit and loss on disposal of that financial asset.

Financial liabilities

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

e. Foreign exchange gains and losses

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in consolidated statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.
- For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the consolidated statement of profit and loss.
- The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign

exchange component forms part of the fair value gains or losses and is recognised in consolidated statement of profit and loss.

2.26 Determination of fair values

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of asset or liability of market participants when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

2.27 Impairment of assets

a. Financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through consolidated statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses

are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in consolidated statement of profit and loss.

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

b. Non-financial assets

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

asset belongs. Intangible assets under development are tested for impairment annually. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

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

2.28 Exceptional item

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

2.29 Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3A. Property, plant and equipment

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| Carrying amount of: | | |
| Freehold land | 16 | 16 |
| Leasehold land [refer note (c) below] | - | - |
| Buildings | 1,516 | 1,277 |
| Leasehold improvements | 109 | 103 |
| Computers | 521 | 344 |
| Plant and equipment | 1,025 | 811 |
| Office equipment | 268 | 295 |
| Furniture and fixtures | 435 | 421 |
| Electrical installations | 231 | 176 |
| Vehicles | 21 | 25 |
| Tools and equipment | 63 | 62 |
| Total | 4,205 | 3,530 |

Notes:

(a) Movement in the carrying amount of property, plant and equipment is as below:

| Particulars | Freehold land [refer note (b) below] | Leasehold land [refer note (c) below] | Buildings [refer note (d) below] | Leasehold improvements | Computers | Plant and equipment | Office equipment | Furniture and fixtures | Electrical installations | Vehicles | Tools and equipment | Total |
|---------------------------------------------------|-----------------------------------------------|------------------------------------------------|-------------------------------------------|------------------------|--------------|---------------------|------------------|------------------------|--------------------------|-----------|---------------------|--------------|
| I. Cost or deemed cost | | | | | | | | | | | | |
| Balance as at April 1, 2018 | 16 | 9 | 1,964 | 124 | 1,816 | 1,644 | 649 | 725 | 508 | 45 | 116 | 7,616 |
| Additions | - | - | 59 | 30 | 249 | 229 | 123 | 167 | 50 | - | 7 | 914 |
| Disposals | - | - | (80) | - | (69) | (81) | (23) | (33) | (26) | - | - | (312) |
| Acquisitions through business combination | - | - | - | 30 | 3 | 7 | - | 7 | - | 1 | 8 | 56 |
| Foreign currency translation adjustments | - | - | - | 5 | 15 | - | 9 | 19 | - | - | 3 | 51 |
| Balance as at March 31, 2019 | 16 | 9 | 1,943 | 189 | 2,014 | 1,799 | 758 | 885 | 532 | 46 | 134 | 8,325 |
| Additions | - | - | 316 | 22 | 362 | 333 | 66 | 73 | 89 | 2 | 17 | 1,280 |
| Disposals | - | - | - | - | (304) | (1) | (8) | (4) | (1) | - | - | (318) |
| Reclassified on account of adoption of Ind AS 116 | - | (9) | - | - | - | - | - | - | - | - | - | (9) |
| Foreign currency translation adjustments | - | - | - | 14 | 22 | 12 | 2 | 17 | 3 | - | 5 | 75 |
| Balance as at March 31, 2020 | 16 | - | 2,259 | 225 | 2,094 | 2,143 | 818 | 971 | 623 | 48 | 156 | 9,353 |
| II. Accumulated depreciation | | | | | | | | | | | | |
| Balance as at April 1, 2018 | - | 9 | 626 | 60 | 1,526 | 951 | 394 | 408 | 350 | 15 | 57 | 4,396 |
| Depreciation for the year | - | - | 71 | 24 | 171 | 114 | 85 | 73 | 30 | 6 | 15 | 589 |
| Disposals | - | - | (31) | - | (54) | (77) | (18) | (33) | (24) | - | - | (237) |
| Foreign currency translation adjustments | - | - | - | 2 | 27 | - | 2 | 16 | - | - | - | 47 |
| Balance as at March 31, 2019 | - | 9 | 666 | 86 | 1,670 | 988 | 463 | 464 | 356 | 21 | 72 | 4,795 |
| Depreciation for the year | - | - | 77 | 22 | 194 | 128 | 96 | 68 | 34 | 6 | 20 | 645 |
| Disposals | - | - | - | - | (303) | (1) | (7) | (1) | - | - | - | (312) |
| Reclassified on account of adoption of Ind AS 116 | - | (9) | - | - | - | - | - | - | - | - | - | (9) |
| Foreign currency translation adjustments | - | - | - | 8 | 12 | 3 | (2) | 5 | 2 | - | 1 | 29 |
| Balance as at March 31, 2020 | - | - | 743 | 116 | 1,573 | 1,118 | 550 | 536 | 392 | 27 | 93 | 5,148 |
| III. Carrying amounts (I-II) | | | | | | | | | | | | |
| Net book value as at March 31, 2019 | 16 | - | 1,277 | 103 | 344 | 811 | 295 | 421 | 176 | 25 | 62 | 3,530 |
| Net book value as at March 31, 2020 | 16 | - | 1,516 | 109 | 521 | 1,025 | 268 | 435 | 231 | 21 | 63 | 4,205 |

(b) Includes ₹ 4 (March 31, 2019: ₹ 4) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

(c) Includes ₹ 9 (March 31, 2019: ₹ 9) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

(d) Includes ₹ 1,006 (March 31, 2019: ₹ 716) relating to building constructed on leasehold land.

3B. Leases

Transition

Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' which sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The Company has applied modified retrospective approach for all leases existing at the date of initial application and the cumulative effect of applying Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings. On transition, the adoption of this standard resulted in the recognition of Right of Use (ROU) asset of ₹ 3,206 and a lease liability of ₹ 3,408 and a net adjustment to opening balance of retained earnings of ₹ 137 (net of deferred tax). The effect of adopting this standard is not material on the profit for the year.

a) Right of use assets:

| Particulars | Category of ROU assets | | | |
|------------------------------------------|------------------------|--------------|------------|--------------|
| | Leasehold land | Buildings | Computers | Total |
| Balance as at April 1, 2019 | 469 | 2,292 | 445 | 3,206 |
| Additions | 6 | 231 | 76 | 313 |
| Deletions | - | (68) | - | (68) |
| Depreciation transferred to CWIP | (23) | - | - | (23) |
| Depreciation | (4) | (537) | (245) | (786) |
| Foreign currency translation adjustments | - | 62 | - | 62 |
| Balance as at March 31, 2020 | 448 | 1,980 | 276 | 2,704 |

b) Current and Non current lease liabilities:

| Particulars | As at March 31, 2020 |
|-------------------------------|-------------------------|
| Current lease liabilities | 672 |
| Non-current lease liabilities | 2,293 |
| Total | 2,965 |

The following is the movement in lease liabilities during the year ended:

| Particulars | March 31, 2020 |
|---------------------------------------------|----------------|
| Balance at the beginning of the year | 3,408 |
| Additions | 309 |
| Finance cost transferred to CWIP | 36 |
| Deletions | (74) |
| Finance cost accrued during the year | 182 |
| Payment of lease liabilities | (947) |
| Foreign currency translation adjustments | 51 |
| Balance at the end of the year | 2,965 |

The table below provides details regarding contractual maturities of lease liabilities on an undiscounted basis:

| Particulars | As at March 31, 2020 |
|----------------------|-------------------------|
| Less than one year | 845 |
| One to five years | 1,773 |
| More than five years | 1,531 |
| Total | 4,149 |

The Group does not face a significant liquidity risk with regard to its lease liabilities, as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the consolidated statement of profit and loss. (refer note 27)

Rental expense for low value assets and short-term leases was ₹ 142 included under other expenses in the consolidated statement of profit and loss. (refer note 28)

4. Goodwill

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Balance at beginning of the year | 5,257 | 3,549 |
| Additions on account of business combinations (refer note 33 B(i) & (ii)) | - | 1,719 |
| On dissolution of subsidiary | - | (11) |
| Foreign currency translation adjustments | 117 | - |
| Balance at end of the year | 5,374 | 5,257 |

Goodwill of ₹ 2,960 (March 31, 2019: ₹ 2,909) has been allocated to the DLM segment (refer note 30). The estimated value-in-use of this cash generating unit (CGU) is based on the future cash flows using a 2% -6% annual growth rate for periods subsequent to the forecast period of 5-7 years and discount rate of 12%- 14%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Goodwill of ₹ 2,242 (March 31, 2019: ₹ 2,185) has been allocated to the Services segment (refer note 30). The estimated value-in-use of this CGU is based on the future cash flows using a 2% annual growth rate for periods subsequent to the forecast period of 5-7 years and discount rate of 12%-18%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining goodwill of ₹ 172 (March 31, 2019: ₹ 163) (relating to different CGUs and allocated to Service segments) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amount.

5. Other Intangible assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------------------------------------|-------------------------|-------------------------|
| Carrying amount of: | | |
| Computer software | 327 | 258 |
| Technology/ Intellectual Property | 88 | 61 |
| Customer contracts | 210 | 279 |
| Process knowhow | 33 | 47 |
| Other intangible assets | 109 | 348 |
| Total intangible assets | 767 | 993 |
| Intangible assets under development (refer note (i) below) | 659 | 740 |

Notes:

(i) Intangible assets under development:

- The Company entered into an agreement with a third party, wherein it was granted technology license to develop, test and commercially utilise the benefits from such testing and development activity. Accordingly, the initial amount and subsequent development costs aggregating to ₹ 613 (March 31, 2019: ₹ 468) have been classified under 'intangible assets under development'. The estimated value-in-use of intangible assets under development is arrived based on future cash flows for a period of eight years, with one year transition period, discount rate of 23.7% and terminal growth rate of 5%.
- During the previous year, Company's subsidiary, Cyient Solutions and Systems Private Limited ('CSSPL') entered into a collaboration agreement with a third party for the development of payload and customisation of UAV systems. As at March 31, 2019, ₹ 163 spent had been classified as 'intangible asset under development'. During the year, CSSPL has recognised one-time charge of ₹ 163 relating to costs incurred on development of UAV systems in view of the potential delays in materialization of orders (refer note 36(a)).
- Amounts incurred by the Company's wholly owned subsidiary pursuant to an agreement with a customer towards efficiency improvement in certain equipment on a risk sharing model ₹ 46 (March 31, 2019: ₹ 73) was capitalised as 'intangible assets under development'. During the year, Company capitalized ₹ 34 pursuant to successful completion of an identifiable block which is expected to generate revenue over the next six years. This has been classified under 'Intellectual Property'.
- The Group incurred certain expenses towards development of a software towards certification process through simulation which was capitalised as 'intangible assets under development'. During the year, based on forecast of the underlying contracts, the Group has impaired the carrying value of the asset of ₹ 73 and recognised under 'impairment of non-current assets. (refer note 36(b))

(ii) Movement in the carrying amount of intangible assets is as below:

| Particulars | Computer software | Technology/ Intellectual Property | Customer contracts | Process Knowhow | Other intangible assets | Total |
|----------------------------------------------------|-------------------|-----------------------------------------|--------------------|-----------------|-------------------------|--------------|
| I. Cost or deemed cost | | | | | | |
| Balance as at April 1, 2018 | 3,124 | 92 | 441 | 78 | 866 | 4,601 |
| Additions | 108 | - | - | - | - | 108 |
| Disposals | (21) | - | - | - | - | (21) |
| Additions through business combination | 3 | - | 24 | - | 145 | 172 |
| Foreign currency translation adjustments | 27 | 5 | 11 | 5 | 56 | 104 |
| Balance as at March 31, 2019 | 3,241 | 97 | 476 | 83 | 1,067 | 4,964 |
| Additions | 269 | 34 | - | - | - | 303 |
| Disposals | - | - | - | - | - | - |
| Foreign currency translation adjustments | 12 | 12 | 10 | 7 | 23 | 64 |
| Balance as at March 31, 2020 | 3,522 | 143 | 486 | 90 | 1,090 | 5,331 |
| II. Accumulated amortisation and impairment | | | | | | |
| Balance as at April 1, 2018 | 2,689 | 19 | 97 | 17 | 573 | 3,395 |
| Amortisation for the year | 289 | 17 | 97 | 17 | 105 | 525 |
| Disposals | (18) | - | - | - | - | (18) |
| Foreign currency translation adjustments | 23 | - | 3 | 2 | 41 | 69 |
| Balance as at March 31, 2019 | 2,983 | 36 | 197 | 36 | 719 | 3,971 |
| Amortisation for the year | 200 | 19 | 70 | 17 | 141 | 447 |
| Disposals | - | - | - | - | - | - |
| Impairment (refer note 36 (c)) | - | - | - | - | 109 | 109 |
| Foreign currency translation adjustments | 12 | - | 9 | 4 | 12 | 37 |
| Balance as at March 31, 2020 | 3,195 | 55 | 276 | 57 | 981 | 4,564 |
| III. Carrying amounts (I-II) | | | | | | |
| Net book value as at March 31, 2019 | 258 | 61 | 279 | 47 | 348 | 993 |
| Net book value as at March 31, 2020 | 327 | 88 | 210 | 33 | 109 | 767 |

6. Investments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------------------------------------------------------------|-------------------------|-------------------------|
| A. Non-current (refer note (i) below) | | |
| Investment carried at equity method of accounting | | |
| (i) Equity instruments of joint venture company (unquoted) | - | 26 |
| | - | 26 |
| Investments carried at fair value through other comprehensive income | | |
| (i) Equity instruments of other entities (unquoted) | 27 | 23 |
| (ii) Equity instruments of other entities (quoted) | - | 38 |
| | 27 | 61 |
| Investment carried at fair value through profit and loss | | |
| (i) Compulsorily convertible preference shares of other entities (unquoted) | 12 | 10 |
| (ii) Preferred instruments of other entities (unquoted) | 155 | 69 |
| (iii) Debt instruments of other entities (unquoted) | 114 | 104 |
| (iv) Units of partnership fund (unquoted) | 106 | - |
| | 387 | 183 |
| Total non-current investments | 414 | 270 |

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------------------------------------------------|-------------------------|-------------------------|
| B. Current (refer note (ii) below) | | |
| Investment carried at fair value through profit and loss | | |
| (i) Investments in mutual funds (quoted) | - | 278 |
| Total current investments | - | 278 |

Notes:

(i) Details of investments - non-current

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--------------------------------------------------------------------------------|----------------------|------------|----------------------|------------|
| | No. of shares | Amount | No. of shares | Amount |
| Equity instruments of joint venture company (unquoted) | | | | |
| Infotech HAL Limited, India (refer note (iv) below) | 2,000,000 | - | 2,000,000 | 26 |
| Equity instruments of other entities (unquoted) | | | | |
| Canesta Inc., USA (refer note (b) below) | - | - | 10,000 | - |
| Traffic master Plc., United Kingdom (refer note (c) below) | 35,088 | - | 35,088 | - |
| Cardiac Design Labs Private Limited, India | 6,036 | 24 | 6,036 | 20 |
| Mysore ESDM Cluster | 3,193,237 | 3 | 3,193,237 | 3 |
| Equity instruments of other entities (quoted) | | | | |
| Murata Manufacturing Co. Limited, Japan (refer note (a) below) | - | - | 11,154 | 38 |
| Compulsorily convertible preference shares of other entities (unquoted) | | | | |
| Cardiac Design Labs Private Limited, India | 3,048 | 12 | 3,048 | 10 |
| Preferred instruments of other entities (unquoted) | | | | |
| Jana Care Inc. | 368,297 | 80 | 368,297 | 69 |
| Debt instruments of other entities (unquoted) | | | | |
| Spry Health Inc., USA | NA | 114 | NA | 104 |
| Preferred instruments of other entities (unquoted) | | | | |
| Cylus Cyber Security Ltd | 668,986 | 75 | - | - |
| Investment in Class A units of Partnership fund (unquoted) | | | | |
| Vasuki 2019 SCSp, Luxembourg | NA | 106 | - | - |
| Total | | 414 | | 270 |

Note :

(a) During the previous year, Cyient Inc. sold 24,375 shares held in Murata Manufacturing Co. Ltd, Japan ('Murata') for a consideration of ₹ 236 (USD 3,470,675) resulting into gain of ₹ 109 (net of tax of ₹ 45) and the same has been transferred from 'other comprehensive income' to 'retained earnings'. Balance 3,718 shares continue to be fair valued through other comprehensive income.

During the year, Cyient Inc. has sold outstanding equity shares held in Murata for a consideration of ₹ 46 resulting in a gain of ₹ 22 (net of tax of ₹ 24) which is accounted as a part of 'Other comprehensive income'.

(b) During the year, Cyient Inc. has written off its investment in Canesta Inc. of ₹ 0.10.

(c) As at March 31, 2020, carrying value of equity instruments in Trafficmaster Plc. was ₹ 0.11 (March 31, 2019: ₹ 0.11)

(ii) Details of investments - current (quoted)*

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|-------------------------------------------------------------------|----------------------|--------|----------------------|------------|
| | Number of units | Amount | Number of units | Amount |
| Investments in Mutual Funds | | | | |
| UTI-Liquid Cash Plan - Institutional -Daily Dividend Reinvestment | - | - | 96,970 | 99 |
| Kotak Liquid Regular Plan Daily Dividend | - | - | 79,698 | 97 |
| Franklin India Liquid Fund - Super Institutional Plan | - | - | 81,570 | 82 |
| Total | | - | | 278 |

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

(iii) Carrying values:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Aggregate amount of unquoted investments carried at equity method of accounting | - | 26 |
| Aggregate amount of investments carried at fair value through other comprehensive income | 27 | 61 |
| Aggregate amount of investments (current and non-current) carried at fair value through profit and loss | 387 | 461 |
| Aggregate market value of quoted investments (non-current) carried at fair value through other comprehensive income | - | 38 |
| Aggregate market value of quoted investments (current) carried at fair value through profit and loss | - | 278 |

(iv) Investments in Joint Venture

The Company holds 50% stake in Infotech HAL Limited, India as at March 31, 2020 (March 31, 2019: 50%). The share in profit of joint venture is accounted for using the equity method of accounting.

Summarised financial information:

Financial Position:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------|-------------------------|-------------------------|
| Non-current assets | 2 | 2 |
| Current assets | 20 | 204 |
| Non-current liabilities | - | (2) |
| Current liabilities | (52) | (152) |
| Net assets | (30) | 52 |

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|----------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Revenue | 29 | 91 |
| Profit / (loss) for the year | (83) | 9 |
| Other comprehensive income for the year | - | 1 |
| Total comprehensive income for the year | (83) | 10 |
| Share of profit / (loss) from joint venture | (42) | 5 |
| Share of profit / (loss) from joint venture accounted in consolidated financial statements* | (26) | 5 |

Reconciliation to carrying amounts:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------|-------------------------|-------------------------|
| Opening net assets | 52 | 42 |
| Total comprehensive income for the year | (83) | 10 |
| Closing net assets | (31) | 52 |
| Group's share % | 50% | 50% |
| Group's share in net assets of Joint venture* | - | 26 |

* Cyient Limited has restricted its share of loss from joint venture to its carrying value.

The financial statements of joint venture is not audited as on date of approval of these financial statements.

7. Loans and other financial assets

7A. Loans and deposits

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------|-------------------------|-------------------------|
| Non-current: | | |
| (at amortised cost) | | |
| Security deposits | | |
| Considered good | 299 | 308 |
| Considered doubtful | 16 | 16 |
| Less : Allowance for doubtful deposits | (16) | (16) |
| Total loans and deposits | 299 | 308 |

7B. Other financial assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| Non-current: | | |
| (at amortised cost) | | |
| Retention money receivable | 10 | 8 |
| Total other non-current financial assets | 10 | 8 |
| Current: | | |
| (at amortised cost) | | |
| Unbilled revenue | 4,015 | 3,438 |
| Interest accrued on deposit accounts | 177 | 247 |
| Advance to employees | 61 | 63 |
| Other receivables* | 37 | 50 |
| (at FVTOCI) | | |
| Derivative instruments designated in a hedging relationship | 121 | 425 |
| Total other current financial assets | 4,411 | 4,223 |
| Total other financial assets | 4,421 | 4,231 |

*Other receivables include advances of ₹ Nil (March 31, 2019: ₹ 15) receivable from Joint venture (refer note 32).

8. Other assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------------------------------|-------------------------|-------------------------|
| Non-current: | | |
| (at amortised cost) | | |
| Capital advances (net of provision) (refer note 36(a)) | 152 | 108 |
| Deferred contract costs | 71 | 62 |
| Prepaid expenses | 127 | 78 |
| Balances with government authorities (refer note 35) | 268 | 373 |
| Other advances | 23 | 5 |
| Total other non-current assets | 641 | 626 |
| Current: | | |
| (at amortised cost) | | |
| Deferred contract costs | 276 | 7 |
| Prepaid expenses | 461 | 577 |
| Balances with government authorities (refer note 35) | 47 | 41 |
| Advances to suppliers | 406 | 679 |
| Other receivables (refer note 22(ii)) | 2 | 370 |
| Total other current assets | 1,192 | 1,674 |
| Total other assets | 1,833 | 2,300 |

9. Inventories

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------|-------------------------|-------------------------|
| Raw materials | 1,773 | 1,503 |
| Work-in-progress | 222 | 66 |
| Finished goods | 240 | 252 |
| Consumables & stores | 32 | 12 |
| Total | 2,267 | 1,833 |

10. Trade receivables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Trade receivables considered good - unsecured* | 7,262 | 8,137 |
| Trade receivables - significant increase in credit risk | - | - |
| Trade receivables - credit impaired | 265 | 240 |
| Expected credit loss allowance | (265) | (240) |
| Total | 7,262 | 8,137 |

* Includes amount receivable from related parties (refer note 32).

Note:

Expected credit loss (ECL):

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

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

| Ageing | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| Within the credit period | 5,623 | 6,403 |
| 1-90 days past due | 1,143 | 1,197 |
| 91-180 days past due | 216 | 380 |
| 181-365 days past due | 153 | 201 |
| More than 365 days past due | 392 | 196 |
| Balance at the end of the year | 7,527 | 8,377 |

| Movement in the expected credit loss allowance | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 240 | 124 |
| Provision made during the year | 217 | 140 |
| Reversal of provision on account of collection | (28) | (5) |
| Bad debts written-off | (154) | (7) |
| Translation adjustment | (10) | (12) |
| Balance at the end of the year | 265 | 240 |

11: Cash and Bank Balances

11A. Cash and cash equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------------------------|-------------------------|-------------------------|
| Cash on hand* | 1 | - |
| Balances with banks | | |
| in current accounts | 3,169 | 2,436 |
| in deposit accounts ** | 2,993 | 4,179 |
| Deposits with financial institutions ** | 2,373 | 2,236 |
| Cheques on hand | 22 | - |
| Remittances in transit | 403 | 221 |
| Unpaid dividend | 34 | 24 |
| Total | 8,995 | 9,096 |

* Cash balance aggregate ₹ 0.2 as on March 31, 2019

** The deposits maintained by the Company with banks and financial institutions comprise time deposits, which can be withdrawn at any point without prior notice or penalty on the principal.

11B. Other bank balances

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------|-------------------------|-------------------------|
| Balance in escrow account (refer notes below) | 62 | 175 |
| Deposits held as margin money/security for bank guarantees | 461 | 434 |
| Total | 523 | 609 |

Notes:

- Balance in escrow aggregating ₹ 62 (March 31, 2019: ₹ 125) pertains to purchase consideration payable by subsidiaries to previous shareholders of acquired entities on meeting of certain obligations.
- During the previous year, the Company had deposited an amount of ₹ 50 in escrow account (2.5% of the amount earmarked for Buyback) and furnished an irrevocable and unconditional bank guarantee of ₹ 500 (25% of the maximum Buyback size) towards security for the performance and compliance of its obligations under the Regulation 20 of Buyback regulations (refer note 12). The Company has revoked the bank guarantee in May 2019 upon conclusion of Buyback and subsequently withdrawn the amount from escrow account.

Reconciliation of liabilities arising from financing activities for the year end March 31, 2020:

| Particulars | As at March 31, 2019 | Proceeds | Impact on account of adoption of Ind AS 116 | Repayment | Foreign exchange | As at March 31, 2020 |
|--------------------------------------------------------|-------------------------|------------|---------------------------------------------------|----------------|---------------------|-------------------------|
| Non-current borrowings (including current portion) | 1,547 | - | - | (419) | 142 | 1,270 |
| Current borrowings | 2,137 | 742 | - | - | - | 2,879 |
| Lease liabilities | - | - | 3,861 | (947) | 51 | 2,965 |
| Total liabilities from financing activities | 3,684 | 742 | 3,861 | (1,366) | 193 | 7,114 |

Reconciliation of liabilities arising from financing activities for the year end March 31, 2019:

| Particulars | As at March 31, 2018 | Proceeds | Repayment | Foreign exchange | As at March 31, 2019 |
|--------------------------------------------------------|-------------------------|--------------|--------------|---------------------|-------------------------|
| Non-current borrowings (including current portion) | 1,052 | 919 | (424) | - | 1,547 |
| Current borrowings | 1,780 | 357 | - | - | 2,137 |
| Total liabilities from financing activities | 2,832 | 1,276 | (424) | - | 3,684 |

12. Equity share capital

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Authorised share capital: | | |
| 280,000,000 equity shares of ₹ 5 each (March 31, 2019 : 280,000,000) | 1,400 | 1,400 |
| Issued and subscribed capital: | | |
| 109,971,221 fully paid up equity shares of ₹ 5 each (March 31, 2019 : 110,474,173) | 550 | 552 |
| Total | 550 | 552 |

Notes

(A) Reconciliation of the number of shares outstanding:

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--------------------------------------------------------------------------|----------------------|------------|----------------------|------------|
| | Number of shares | Amount | Number of shares | Amount |
| Opening Balance | 110,474,173 | 552 | 112,596,002 | 563 |
| Add: Issue of shares during the year | 50,493 | 1 | 448,689 | 2 |
| Less: Shares bought back and extinguished during the year | (553,445) | (3) | (1,930,102) | (10) |
| Less: Shares bought back and pending extinguishment (refer note D below) | - | - | (640,416) | (3) |
| Balance | 109,971,221 | 550 | 110,474,173 | 552 |

(B) Details of shares held by each shareholder holding more than 5% shares:

| Name of the shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|-----------------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| | Number of shares held | % holding of equity shares | Number of shares held | % holding of equity shares |
| Fully paid up equity shares | | | | |
| Vineyard Point Software Private Limited | 13,256,634 | 12.05% | 11,256,634 | 10.13% |
| Amansa Holdings Private Limited | 7,768,358 | 7.06% | 7,435,341 | 6.69% |
| Infocad Enterprises Private Limited | 5,628,317 | 5.12% | 5,628,317 | 5.07% |

(C) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

(D) Buyback of Equity shares:

The Board of Directors, at its meeting held on February 01, 2019, approved Buyback of the Company's fully paid-up equity shares of face value of ₹ 5 each from the eligible equity shareholders of the Company other than promoters, promoter group and persons who are in control of the company, at a price not exceeding ₹ 700 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹ 2,000 (Maximum Buyback size), payable in cash from the open market route through the stock exchange mechanism under the Companies Act, 2013 and Buyback Regulations. The Buyback shall not exceed ₹ 2,000 (Maximum Buyback size) excluding the transaction charges. The Maximum Buyback Size represents 9.79% of aggregate of the Company's paid up equity capital and free reserves based on the audited financial statements of the Company as at March 31, 2019, which is in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Section 68(2) of Companies Act, 2013.

The Buyback commenced on February 12, 2019 and closed on April 11, 2019. The Company bought back an aggregate of 3,123,963 equity shares (2018-19: 2,570,518 shares), utilizing a total of ₹ 1,999 (excluding transaction costs of Buyback) (2018-19 : ₹ 1,668), which represents 99.99% of the maximum Buyback size. Total transaction costs incurred for Buyback is ₹ 27.

In line with the requirement of Companies Act, 2013, an amount of ₹ 328 (2018-19: ₹ 1,682) have been utilised from the securities premium for the Buyback. Further, capital redemption reserve of ₹ 16 (2018-19: ₹ 13), representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.

(E) Details of shares allotted under Associate Stock Option Plans:

1,040,818 (March 31, 2019: 990,325) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2008 (ASOP - 2008)

(F) Details of shares reserved for issue:

- (i) Shares aggregating 204,750 and 297,746 as at March 31, 2020 and March 31, 2019 respectively, reserved for issue under ASOP 2008 scheme.
- (ii) Shares aggregating 701,434 and 396,320 as at March 31, 2020 and March 31, 2019 respectively, reserved for issue under ASOP 2015 scheme.

(G) (i). Associate Stock Option Plans

Associate Stock Option Plan – 2008 (ASOP 2008):

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

**Movements in stock options during the year
ASOP 2008**

| Particulars | For the year ended March 31, 2020 | | For the year ended March 31, 2019 | |
|--------------------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| | No. of Options | Weighted average exercise price | No. of Options | Weighted average exercise price |
| Options outstanding at the beginning of the year | 297,746 | 482 | 383,625 | 430 |
| Granted | - | - | - | - |
| Forfeited | (42,503) | 466 | (15,750) | 213 |
| Exercised | (50,493) | 335 | (70,129) | 287 |
| Options outstanding at the end of year | 204,750 | 522 | 297,746 | 482 |

Out of the total outstanding options, 65,003 (March 31, 2019: 147,000) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2020, 1,040,818 (March 31, 2019: 990,325) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2008 plan. Accordingly, options (net of cancellations) for a total number of 204,750 (March 31, 2019: 297,746) are outstanding as at March 31, 2020.

Associate Stock Option Plan – 2015 (ASOP 2015):

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

**Movements in stock options during the year
ASOP 2015**

| Particulars | For the year ended March 31, 2020 | | For the year ended March 31, 2019 | |
|--------------------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| | No. of Options | Weighted average exercise price | No. of Options | Weighted average exercise price |
| Options outstanding at the beginning of the year | 396,320 | 655 | 146,200 | 583 |
| Granted | 375,270 | 456 | 264,000 | 693 |
| Forfeited | (70,156) | 628 | (13,880) | 609 |
| Exercised | - | - | - | - |
| Options outstanding at the end of year | 701,434 | 551 | 396,320 | 655 |

Out of the total outstanding options, 257,080 (March 31, 2019: 117,150) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2020, Nil (March 31, 2019: Nil) equity shares of ₹ 5 each have been allotted to the associates under ASOP 2015 plan. Accordingly, options (net of cancellations) for a total number of 701,434 (March 31, 2019: 396,320) are outstanding as at March 31, 2020.

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

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

On March 31, 2017, the Company made a grant of 637,476 restricted stock units to eligible employees out of which 423,892 RSUs were designated as equity settled and 213,584 RSUs were designated as cash settled. Accordingly, as at March 31, 2017 an amount of ₹ 174 has been presented under 'Share based payments reserve' representing the equity settlement and ₹ 87 has been presented under 'trade payables' representing expected cash settlement. Subsequent increase in the liability on account of fair valuation of cash settled RSUs resulted in a closing cash settlement of ₹ 116 as at March 31, 2018 and the same was accounted as "employee benefits expense". These RSUs' fully vested as on March 31, 2018.

During the previous year, the Company has discharged the cash, as well as equity settled RSUs at an exercise price of ₹ 5 per share.

Movement in Restricted Stock Units during the year

RSU 2016 Plan

| Particulars | For the year ended March 31, 2020 | | For the year ended March 31, 2019 | |
|----------------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| | No. of RSUs | Weighted average exercise price | No. of RSUs | Weighted average exercise price |
| RSU outstanding at the beginning of the year | - | - | 556,332 | 5 |
| Granted | - | - | - | - |
| Forfeited | - | - | (8,512) | 5 |
| Exercised | - | - | (547,820) | 5 |
| RSU outstanding at the end of year* | - | - | - | - |

* includes Nil (March 31, 2019: Nil) RSUs to be settled in cash. Of the total exercised RSU's, 169,260 RSUs have been settled in cash and balance have been settled in equity.

Associate Restricted Stock Units Scheme 2020 (ARSU 2020):

The Company has instituted the ARSU's 2020 plan earmarking 1,050,000 shares of ₹ 5 each which provided for grant of RSUs to eligible associates of the Company and its subsidiaries. The Board of Directors recommended the establishment of the plan on January 16, 2020 and the shareholders approved the recommendation of Board of Directors on March 5, 2020 through a postal ballot. During the financial year, no RSUs granted under this Scheme. The RSUs will vest over a period of three years from the date of grant.

(iii). Fair value of share options granted during the year:

The weighted average fair value of the share options during the year is ₹ 112.34 - ₹ 116.47 (2018-19: ₹ 166.48 - ₹ 194.03). Options and RSUs were priced using Black Scholes pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and 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 | Black-Scholes Model | |
|----------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| a) ASOP 2008 | | |
| Exercise price (₹) | 184 - 559 | 184 - 559 |
| Grant date share price (₹) | 185 - 531.5 | 185 - 531.5 |
| Dividend yield (%) | 1.53 - 2.64 | 1.53 - 2.64 |
| Expected volatility (%) | 28.66 - 65.53 | 28.66 - 65.53 |
| Risk-free interest (%) | 6.41 - 8.4 | 6.41 - 8.4 |
| Expected term (in years) | 3 - 4 | 3 - 4 |
| b) ASOP 2015 | | |
| Exercise price (₹) | 448 - 741 | 583 - 741 |
| Grant date share price (₹) | 450 - 734.95 | 590.2 - 734.95 |
| Dividend yield (%) | 1.7 - 1.9 | 1.7 - 1.9 |
| Expected volatility (%) | 29.82 - 32.2 | 29.82 - 32.2 |
| Risk-free interest (%) | 5.95 - 7.9 | 6.9 - 7.9 |
| Expected term (in years) | 3 - 4 | 3 - 4 |

(iv) Share Options exercised during the year

| Series | Year | No. of options exercised | Exercise date* | Share price at exercise date |
|------------------------------------------------|---------|-----------------------------|-----------------|---------------------------------|
| Associate Stock Option Plan – 2008 (ASOP 2008) | 2019-20 | 50,493 | July to August | 446.5 - 528.2 |
| Associate Stock Option Plan – 2008 (ASOP 2008) | 2018-19 | 70,129 | May to December | 617.95 - 806.4 |
| Restricted Stock Unit Scheme 2016 (RSU 2016) | 2018-19 | 378,560 | May to October | 687.15 - 806.4 |

* Allotment happened at various dates during that period

13. Other equity

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------------------------------------------|-------------------------|-------------------------|
| (a) Capital reserve | | |
| (i) Opening balance | 35 | 32 |
| (ii) Additions due to business combination | - | 3 |
| | 35 | 35 |
| (b) Capital redemption reserve (refer note 12(D)) | | |
| (i) Opening balance | 13 | - |
| (ii) Appropriation from general reserve upon buyback of equity shares | 3 | 13 |
| | 16 | 13 |
| (c) Securities premium | | |
| (i) Opening balance | 2,380 | 3,863 |
| (ii) Options exercised | 7 | 179 |
| (iii) Premium received on allotment of shares | 16 | 20 |
| (iv) Amount paid upon for buyback (refer note 12) | (328) | (1,655) |
| (v) Transaction costs relating to buyback (refer note 12) | - | (27) |
| | 2,075 | 2,380 |
| (d) General reserve | | |
| (i) Opening balance | 5,142 | 5,155 |
| (ii) Transfer to capital redemption reserve upon Buyback of equity shares | (3) | (13) |
| | 5,139 | 5,142 |

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (e) Share based payments reserve | | |
| (i) Opening balance | 71 | 221 |
| (ii) Share based payments to employees | 42 | 29 |
| (iii) Options exercised | (7) | (179) |
| | 106 | 71 |
| (f) Cash flow hedge reserve | | |
| (i) Opening balance | 274 | (29) |
| (ii) Effective portion of gain/(loss) on designated portion of hedging instruments (net of tax) | (354) | 303 |
| | (80) | 274 |
| (g) Foreign currency translation reserve | | |
| (i) Opening balance | 640 | 549 |
| (ii) Additions / (deductions) (net) | 471 | 67 |
| (iii) Impact on dissolution of subsidiary (refer note 37) | - | 24 |
| | 1,111 | 640 |
| (h) Retained earnings | | |
| (i) Opening balance | 16,515 | 13,584 |
| (ii) Profit for the year attributable to the shareholders of the Company | 3,425 | 4,785 |
| (iii) Other comprehensive income arising out of remeasurement of defined benefit obligation (net of taxes) | 8 | (52) |
| (iv) Transfer of gain to retained earnings on disposal of equity instruments through OCI | 22 | 109 |
| (v) Net impact on settlement of gross obligation to acquire non-controlling interest (refer note 14) | - | (191) |
| (vi) Net impact on acquisition of non-controlling interest (refer note 14) | - | (451) |
| (vii) Impact on account of adoption of Ind AS 116, net of tax (refer note 3B) | (137) | - |
| | 19,833 | 17,784 |
| Less: Appropriations | | |
| (a) Dividend on equity shares (refer note 39) | (2,639) | (1,130) |
| (b) Dividend distribution tax | (542) | (139) |
| | 16,652 | 16,515 |
| (i) Equity instruments through other comprehensive income (refer note 6(i) (a)) | | |
| (i) Opening balance | 19 | 117 |
| (ii) Increase in fair value of equity instruments (net of tax) | 8 | 11 |
| (iii) Transfer of gain to retained earnings on disposal of equity instruments through OCI | (22) | (109) |
| | 5 | 19 |
| (j) Gross obligation liability to acquire non-controlling interest (refer note 14) | | |
| (i) Opening balance | - | (616) |
| (ii) Net impact on settlement of gross obligation to acquire non-controlling interest | - | 616 |
| | - | - |
| Total | 25,059 | 25,089 |

Nature of reserves:

(a) Capital reserve

Represents the gain on bargain purchase on acquisitions and other additions from components.

(b) Capital redemption reserve

Represents the nominal value of equity shares bought back pursuant to Buyback in accordance with Section 69 of the Companies Act, 2013.

(c) Securities premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(d) General reserve

Represents appropriation of profit by the Group. Additionally, General reserve is appropriated for the creation of capital redemption reserve on Buyback of equity shares pursuant to section 69 of Companies Act, 2013.

(e) Share based payments reserve

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

(f) Cash flow hedge reserve

Represents effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge, net of tax.

(g) Foreign currency translation reserve

Exchange difference relating to the translation of the Group's foreign operations from their functional currencies to the Company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

(h) Retained earnings

- (i) Retained earnings comprises of prior years' undistributed earnings after taxes along with current year profit, net of dividends declared and dividend distribution tax thereon.
- (ii) Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are presented within retained earnings.
- (iii) Gain or loss on disposal of equity instruments designated at fair value through other comprehensive income is reclassified to retained earnings.
- (iv) Net difference between the consideration paid for the acquisition of non-controlling interests and its respective carrying value is recognised in retained earnings.

(i) Equity instruments through other comprehensive income

Represents the cumulative gains and losses arising on fair valuation of the equity instruments measured at fair value through OCI, net of amounts reclassified to retained earnings when the investments have been disposed off.

(j) Gross obligation liability to acquire non-controlling interest

Represents the put option held by non-controlling interests recognised at present value of redemption amount.

14. Non-controlling Interests ('NCI')

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------------------------------------------|-------------------------|-------------------------|
| Balance at beginning of the year | (19) | 3 |
| Total comprehensive loss for the year attributable to NCI | (13) | (15) |
| Net impact on acquisition of non-controlling interest | - | (9) |
| Other adjustments | - | 2 |
| Balance at end of the year | (32) | (19) |

Details of subsidiaries with the non-controlling interests:

| Name of the subsidiary | Place of incorporation and principal place of business | Non-controlling interests | |
|-----------------------------------------------------------------------|--------------------------------------------------------|---------------------------|----------------|
| | | March 31, 2020 | March 31, 2019 |
| Cyient Insights Private Limited (refer note (i) below) | India | - | - |
| Cyient DLM Private Limited (refer note (ii) below) | India | - | - |
| Cyient Solutions and Systems Private Limited (refer note (iii) below) | India | 49% | 49% |

(i) Acquisition of NCI in Cyient Insights Private Limited

During the previous year, the Group acquired the balance 49% share of non-controlling interest in Cyient Insights Private Limited, increasing its ownership interest to 100%. Consideration of ₹ 35 was paid to the non-controlling shareholders. The carrying value of the non-controlling interest acquired at the date of acquisition was ₹ 123. Upon acquisition of the balance 49% share in Cyient Insights Private Limited, the difference between the consideration paid and carrying value of the non-controlling interest of ₹ 158 was adjusted to retained earnings.

(ii) Acquisition of NCI in Cyient DLM Private Limited

The Company acquired 74% of the share capital of Cyient DLM Private Limited on February 4, 2015. According to conditions stipulated in the Investment Agreement, the selling shareholders have "put option" over 26% shareholding at any time after March 31, 2017 until July 29, 2019 for a consideration equal to their proportion of the equity value of Cyient DLM Private Limited.

During the previous year, pursuant to the Investment agreement & amendments thereto, the Company acquired the non-controlling interest of 26% for a gross obligation of ₹ 425. Accordingly, the reduction in carrying value of gross obligation liability outstanding by ₹ 135 was recognised in 'other income'. Net impact of ₹ 293, being excess of consideration paid to non-controlling interest taken over was adjusted to retained earnings.

(iii) Cyient Solutions and Systems Private Limited (CSSPL)

During the financial year 2017-18, the Company subscribed to 49% share capital in CSSPL which was consolidated as an associate under Ind AS 28 'Investments in Associates and Joint Ventures'. Subsequently, the Company acquired the balance 51% share capital in CSSPL which resulted in a goodwill of ₹ 3 in the financial year 2017-18.

On April 11, 2018, CSSPL entered into a share purchase agreement with Bluebird Aero Systems Limited ("Bluebird"), wherein Bluebird acquired 49% shareholding in CSSPL. The Company continues to consolidate CSSPL as a subsidiary.

During the year, CSSPL has recognised one-time impairment charge of its non-current assets of ₹ 222 relating to costs incurred on development of UAV systems in view of the potential delays in materialization of orders. The Group has recognised this impairment charge in the consolidated financial statements.

15. Borrowings

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------|----------------------|----------------------|
| Non-current | | |
| Secured - at amortised cost | | |
| Term loans from banks | 859 | 1,116 |
| Total | 859 | 1,116 |
| Current | | |
| Secured - at amortised cost | | |
| Working capital loans from banks | 2,879 | 2,137 |
| Total | 2,879 | 2,137 |
| Total borrowings | 3,738 | 3,253 |

* Current maturities of non-current borrowings amount of ₹ 411 (March 31, 2019: ₹ 431) have been disclosed under the head 'other current financial liabilities' (refer note 16).

Details of the non-current borrowings along with their terms and conditions are mentioned in the below tables:

| Particulars | Coupon/Interest Rate | Gross amount in specified currency | Security | Carrying value as at | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----|------------------|-----|
| | | | | March 31, 2020 | | March 31, 2019 | |
| | | | | Foreign currency | INR | Foreign currency | INR |
| Cyient Inc. | | | | | | | |
| HSBC (USD) (Avalled in February 2017 repayable in quarterly installments over a period of 4 years) | LIBOR+1% Payable quarterly | 4,000,000 | i. Lien on cash, deposits, securities, instruments or other property in the possession of the bank ii. Corporate Guarantee from Cyient Limited | 1,000,000 | 75 | 2,000,000 | 138 |
| DECD (USD) (refer note below) (Avalled in August 2018) | 2.5% | 500,000 | None | 421,138 | 32 | 500,000 | 33 |
| Cyient Defense Services Inc. | | | | | | | |
| HSBC (USD) (Avalled in January 2018 repayable in quarterly installments over a period of 4 years) | LIBOR+1% Payable quarterly | 3,000,000 | i. Lien on cash, deposits, securities, instruments or other property in the possession of the bank ii. Corporate Guarantee from Cyient Limited | 1,500,000 | 113 | 2,250,000 | 156 |
| Cyient Singapore Private Ltd. | | | | | | | |
| HSBC (USD) (Avalled in August 2015 repayable in quarterly installments over a period of 4 years) | 3 Months LIBOR+1.35% per annum payable quarterly | 3,600,000 | i. Charge over the operating account provided by borrower ii. Corporate Guarantee from Cyient Limited | - | - | 600,000 | 42 |
| Cyient DLM Private Limited | | | | | | | |
| HDFC (INR) (Avalled in March 2016 repayable in 54 monthly installments) | 9.65% | 150,000,000 | i. First pari-passu charge on current assets and other movable asset of the Company ii. Second pari-passu charge on all existing and future fixed assets of the borrower iii. Corporate Guarantee from Cyient Limited | 16,000,000 | 16 | 54,000,000 | 54 |
| Cyient Europe Limited | | | | | | | |
| HSBC (EUR) (Avalled in October 2017 repayable in quarterly installments over a period of 4 years) | EURIBOR+0.78% per annum payable quarterly | 11,500,000 | i. First charge on all existing and future freehold and leasehold property and other assets | 10,500,000 | 869 | 11,500,000 | 886 |
| HSBC (USD) (Avalled in April 2018, repayable in quarterly installments over a period of 5 years and repayment will start from second year onwards) | 3 Months LIBOR+1.15% per annum payable quarterly | 5,000,000 | ii. Corporate Guarantee from Cyient Limited | 2,187,500 | 165 | 3,437,500 | 238 |

Note:

- i. During the previous year, Cyient Inc has received financial assistance in the form of loan of ₹ 35 (USD 500,000) from 'The Connecticut Department of Economics and Community Development' (DECD) at interest rate of 2.5% for a term of 10 years and repayable in monthly installments, as a part of the Company's project in East Hartford, Connecticut, USA ("Assistance agreement"). The Company may be eligible for a principal loan forgiveness of USD 200,000 based on creation of 85 new jobs and retention of 456 existing jobs at a specified average salary and retaining the same for 24 consecutive months. The Company is required to use the loan funds for the acquisition of machinery and equipment. As at March 31, 2020, the Company is in the process of meeting specified terms and conditions of the assistance agreement.

Working capital loans:

Cyient DLM Private Limited

(a) HDFC Bank :

Loan outstanding balance as on March 31, 2020 is ₹ 713 (March 31, 2019: ₹ 830). This loan is secured by a corporate guarantee from Cyient Limited.

Primary Security: Paripassu charge on current assets

Secondary Security: Paripassu charge on movable fixed assets of Cyient DLM Private Limited.

(b) State Bank of India:

Loan outstanding balance as on March 31, 2020 is ₹ 513 (March 31, 2019 ₹ 335). This loan is secured by a corporate guarantee from Cyient Limited.

Primary Security: Paripassu charge on current assets

Secondary Security: Paripassu charge on movable fixed assets of Cyient DLM Private Limited.

(C) Federal Bank :

Loan outstanding balance as on March 31, 2020 is ₹ 291 (March 31, 2019 ₹ Nil). This loan is secured by a corporate guarantee from Cyient Limited.

Primary Security: Paripassu charge on current assets

Secondary Security: Paripassu charge on movable fixed assets of Cyient DLM Private Limited.

Cyient Inc.

During the year, Cyient Inc. has borrowed working capital loan aggregating ₹ 980 (USD 13,000,158) (March 31, 2019: ₹ 671 (USD 9,700,000) and repaid during the year ₹ 671 (USD 9,700,000) secured by a stand by letter of credit from HSBC Bank, India. Cyient Limited has provided corporate guarantee for this borrowing. Amount outstanding as at March 31, 2020 was ₹ 980 (USD 13,000,158) (March 31, 2019: ₹ 671 (USD 9,700,000).

Cyient Europe Limited

- (a) During the year, Ansem N.V, wholly owned subsidiary of Cyient Europe Limited has borrowed short term loans aggregating ₹ 57 (EUR 731,100) and repaid during the year ₹ 14 (EUR 181,937) from HSBC bank. This loan is secured by a corporate guarantee from Cyient Limited. Amount outstanding as at March 31, 2020 was ₹ 46 (EUR 549,164).
- (b) During the year, Cyient SRO, wholly owned subsidiary of Cyient Europe Limited has borrowed short term loans aggregating ₹ 89 (CZK 29,058,391) from HSBC bank. This loan is secured by a corporate guarantee from Cyient Limited
- (c) During the year, Cyient Europe Limited has borrowed short term loans aggregating ₹ 98 (GBP 1,056,329) (March 31, 2019: Nil) from HSBC bank. This loan is secured by corporate guarantee from Cyient Limited and charge on all existing and future freehold and leasehold property and other assets and liabilities.
- (d) Cyient Europe Limited borrowed short term loans aggregating ₹ 149 (GBP 1,600,000) (March 31, 2019: ₹ 145 (GBP 1,600,000)) from Citibank. This loan is secured by a corporate guarantee from Cyient Limited.

Cyient GmbH

Cyient GmbH borrowed a short term loan aggregating ₹ Nil (March 31, 2019: ₹ 156) from HSBC Bank. This loan is secured by a corporate guarantee from Cyient Limited.

16. Other financial liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| Non-current | | |
| (at amortised cost) | | |
| Liability towards acquisition of business (refer note below) | 380 | 696 |
| Security deposits | - | 1 |
| Total | 380 | 697 |
| Current | | |
| (at amortised cost) | | |
| Current maturities of non-current borrowings | 411 | 431 |
| Capital creditors | 211 | 38 |
| Liability towards acquisition of business (refer note below) | 109 | 266 |
| Interest accrued | 7 | 9 |
| Unpaid dividends | 34 | 22 |
| Payable towards buyback of shares | - | 53 |
| Others | - | 52 |
| (at FVTOCI) | | |
| Derivative instruments designated in a hedging relationship | 244 | 3 |
| Total | 1,016 | 874 |
| Total other financial liabilities | 1,396 | 1,571 |

Note:

The Group has certain outstanding liabilities to previous shareholders of acquired entities payable on meeting certain criteria defined within acquisition agreements:

| Payable by | Acquisition of | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Cyient Europe Limited | Ansem NV | | |
| | Non-current | 285 | 449 |
| | Current | 62 | 197 |
| | (During the year, an amount of ₹ 131 has been paid as deferred consideration and ₹ 199 has been written back to other income (refer note 22 (i)). The remaining contingent consideration is payable through May 31, 2021). | | |
| Cyient Inc. | B&F Design Inc. | | |
| | Non-current | 95 | 126 |
| | Current | 47 | 69 |
| | (During the year, an amount of ₹ 66 has been paid as deferred consideration. The remaining consideration is payable through April 30, 2021). | | |
| | Certon Software Inc. | | |
| | Non-current | - | 121 |
| | Current | - | - |
| | (During the year, an amount of ₹ Nil (March 31, 2019: ₹ 67) has been paid as deferred consideration and ₹ 134 (March 31, 2019: ₹ 69) has been written back to other income (refer note 22 (i)). | | |

17. Provisions

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------|-------------------------|-------------------------|
| Gratuity (refer note (i) below) | 806 | 716 |
| Compensated absences (refer note (ii) below) | 718 | 707 |
| Other provisions | 4 | 3 |
| Total | 1,528 | 1,426 |
| Non-current: | | |
| Gratuity | 710 | 692 |
| Compensated absences | 441 | 445 |
| Total non-current provisions | 1,151 | 1,137 |
| Current: | | |
| Gratuity | 96 | 24 |
| Compensated absences | 277 | 262 |
| Other provisions | 4 | 3 |
| Total current provisions | 377 | 289 |

Notes:

Employee benefit plans:

The employee benefit schemes are as under:

Defined Benefit Plans

(i). Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company and two of its subsidiaries provide for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Consolidated Statement of Profit and Loss in the period determined. The gratuity plan is administered by the Company's own trust which has subscribed to the "Group Gratuity Scheme" of Life Insurance Corporation of India.

The present value of the defined benefit obligation (DBO), and the related current service cost and past service cost, were measured using the projected unit credit method.

| Principal assumptions used for the purposes of the actuarial valuation | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------------------|----------------------------|----------------------------|
| Discount Rate (%) | 6.05% - 6.77% | 7.10% - 7.60% |
| Salary Increase rate (%) | 6.00% - 10.00% | 6.00% - 12.00% |
| Attrition (%) | 8.00% - 20.00% | 8.00% - 17.00% |
| Mortality Table | IALM (2012-14) Ultimate | IALM (2006-08) Ultimate |
| Retirement age | 58 - 60 years | 58 - 60 years |

The following table sets out the defined benefit costs as per actuarial valuation for the Company and its subsidiaries in India:

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Amounts recognised in consolidated statement of profit and loss in respect of these defined benefit plans | | |
| Current service cost | 122 | 99 |
| Total service cost (A) | 122 | 99 |
| Interest expense on defined benefit obligation | 56 | 48 |
| Interest income on plan assets | (10) | (11) |
| Net interest cost (B) | 46 | 37 |
| Defined benefit cost recognised in consolidated statement of profit and loss (A)+(B) | 168 | 136 |

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Remeasurement effects recognised in other comprehensive income | | |
| Actuarial (gain)/loss due to demographic assumptions change in defined benefit obligation | - | 10 |
| Actuarial (gain)/loss due to financial assumptions change in defined benefit obligation | (22) | (9) |
| Actuarial loss/(gain) due to experience on defined benefit obligation | 4 | 67 |
| Return on plan assets less/(greater) than discount rate | 4 | 2 |
| Components of defined benefit costs recognised in other comprehensive income | (14) | 70 |
| Total | 154 | 206 |

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

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| Present value of funded defined benefit obligation | 913 | 862 |
| Fair value of plan assets | (107) | (146) |
| Net liability arising from defined benefit obligation | 806 | 716 |

Movement in the present value of the defined benefit obligation:

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|-----------------------------------------------------------|------------------------------|------------------------------|
| Projected benefit obligation at the beginning of the year | 862 | 715 |
| Current service cost | 122 | 99 |
| Interest cost | 56 | 48 |
| Actuarial (gain)/loss | (18) | 68 |
| Payments | (109) | (68) |
| Defined benefit obligation at the end of the year | 913 | 862 |

Change in Plan assets

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|-----------------------------------------------|------------------------------|------------------------------|
| Plan assets at the beginning of the year | 146 | 152 |
| Return on plan assets | 10 | 11 |
| Employer contribution | 64 | 53 |
| Payments | (109) | (68) |
| Return on plan assets less than discount rate | (4) | (2) |
| Plan assets at the end of the year | 107 | 146 |

The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.

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, 2020 | | As at March 31, 2019 | |
|------------------------------------|----------------------|----------|----------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (41) | 45 | (41) | 44 |
| Future salary growth (1% movement) | 43 | (40) | 44 | (40) |

Maturity profile of defined benefit obligation:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------|-------------------------|-------------------------|
| Within 1 year | 162 | 142 |
| 1-2 year | 145 | 131 |
| 2-3 year | 128 | 118 |
| 3-4 year | 115 | 109 |
| 4-5 year | 99 | 100 |
| 5-10 year | 309 | 340 |

The expected contribution to the plan for the year ended March 31, 2021 is ₹ 162

Composition of plan assets

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

(ii) Assumptions for compensated absences**a) Compensated absences – India and domestic subsidiaries:**

| Actuarial assumptions for long-term compensated absences | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------------|----------------------------|----------------------------|
| Discount rate (%) | 6.05% - 6.77% | 7.10% - 7.60% |
| Salary escalation (%) | 6.00% - 10.00% | 6.00% - 12.00% |
| Mortality table | IALM (2012-14) Ultimate | IALM (2006-08) Ultimate |
| Attrition (%) | 8.00% - 20.00% | 8.00% - 17.00% |
| Retirement age | 58 - 60 years | 58 - 60 years |

b) Compensated absences – Overseas branches and subsidiaries :

| Actuarial assumptions for long-term compensated absences | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------------|----------------------------|----------------------------|
| Discount rate (%) | 0.2% - 3.7% | 0.05% - 4% |
| Salary escalation (%) | 2.00% - 3.00% | 2.00% - 3.00% |
| Mortality table | IALM (2012-14) Ultimate | IALM (2006-08) Ultimate |
| Attrition (%) | 5.00% - 15.00% | 5.00% - 15.00% |
| Retirement age | 60 years | 60 years |

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at year-end as per Company's policy. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to consolidated statement of profit and loss in the period determined.

The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.

c) Long Service Leave – Australia:

The regulations of long service leave are applicable to the associates of the Company employed at its Australia Branch and subsidiary. The accrual of long service leave is in addition to the compensated absences to which the associates are entitled to. These long service leaves are dependent on the tenure of the employee with the same employer and are regulated by respective state laws.

18. Income taxes

18.1 Tax Expense

A. Income tax expense/(benefit) recognised in the consolidated statement of profit and loss

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| Current tax: | | |
| In respect of the current year | 1,076 | 1,512 |
| In respect of earlier years (refer note (i) below) | 105 | - |
| | 1,181 | 1,512 |
| Deferred tax expense/(benefit): | | |
| In respect of the current year (refer note (ii) below) | 29 | 23 |
| In respect of MAT credit | 60 | (108) |
| | 89 | (85) |
| | 1,270 | 1,427 |

Notes:

- Current tax in respect of earlier years include expected tax impact of settlement of past litigations under the Vivad Se Vishwas Scheme 2020 and other adjustments.
- Deferred taxes include one-time charge arising out of the estimated impact of the Taxation Laws (Amendment) Ordinance 2019 of ₹ 56 (2018-19: ₹ Nil).

B. Income tax expense/(benefit) recognised in other comprehensive income

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Income tax expense/(benefit) recognised directly in equity consists of: | | |
| Tax effect on remeasurements of the net defined benefit liability | (6) | 17 |
| Tax effect on equity instrument through other comprehensive income | (2) | (3) |
| Tax effect on effective portion of hedging instruments in a cash flow hedge | 190 | (164) |
| Total | 182 | (150) |
| Bifurcation of the income tax recognised in other comprehensive income into: | | |
| Items that will not be reclassified to consolidated statement of profit and loss | (8) | 14 |
| Items that may be reclassified to consolidated statement of profit and loss | 190 | (164) |
| Total | 182 | (150) |

C. Reconciliation of effective tax rate

The following is the reconciliation of the Group's effective tax rate for the year ended March 31, 2020 and 2019:

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Profit before tax | 4,682 | 6,198 |
| Enacted rate in India | 34.94% | 34.94% |
| Computed expected tax expense | 1,636 | 2,166 |
| Effect of income exempt from tax | (860) | (841) |
| Effect of expenses that are not deductible in determining taxable profit | 181 | 44 |
| Deferred tax asset not recognised on tax losses | 128 | 176 |
| Reversal of deferred tax asset recognised in earlier years | 5 | - |
| Capital gain on sale of investment and dividend from subsidiary taxed at lower rate | - | (68) |
| Adjustments in respect of current income tax of previous years | 105 | - |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | 4 | (28) |
| Others (including MAT credit reversal) | 71 | (22) |
| Income tax expense | 1,270 | 1,427 |
| Effective tax rate | 27.13% | 23.02% |

Notes:

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

18.2. Deferred tax assets and liabilities**A. The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated balance sheet:**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Deferred tax assets | 396 | 294 |
| Deferred tax liabilities | (378) | (405) |

B. Movement in deferred tax assets and liabilities :

| 2019-20 | Opening Balance | Recognised in the consolidated statement of profit and loss | Recognised in other comprehensive income | Other adjustments | Exchange difference | Closing balance |
|-----------------------------------------------------------|--------------------|----------------------------------------------------------------------|---------------------------------------------------|----------------------|------------------------|--------------------|
| Deferred tax (liabilities)/assets in relation to : | | | | | | |
| Property, plant and equipment & Intangible assets | (134) | (4) | - | - | (1) | (139) |
| Provision for doubtful debts | 78 | 12 | - | - | 2 | 92 |
| Provisions | 412 | (69) | (6) | - | 6 | 343 |
| Financial assets at FVTOCI | (56) | 51 | (2) | - | 7 | - |
| Unearned revenue | (488) | (7) | - | - | (29) | (524) |
| Cash flow hedges | (147) | - | 190 | - | - | 43 |
| Carry forward of tax losses | 90 | (8) | - | - | 3 | 85 |
| MAT credit entitlement | 108 | (60) | - | - | 1 | 49 |
| Gain on bargain purchase on business combinations | (12) | - | - | - | 1 | (11) |
| Capital loss | 38 | (12) | - | - | 3 | 29 |
| Right of use assets/lease liabilities (refer note 3B) | - | 8 | - | 43 | - | 51 |
| Net deferred tax assets/(liabilities) | (111) | (89) | 182 | 43 | (7) | 18 |
| 2018-19 | Opening Balance | Recognised in the consolidated statement of profit and loss | Recognised in other comprehensive income | Other adjustments | Exchange difference | Closing balance |
| Deferred tax (liabilities)/assets in relation to : | | | | | | |
| Property, plant and equipment & Intangible assets | (167) | 37 | - | - | (4) | (134) |
| Provision for doubtful debts | 39 | 38 | - | - | 1 | 78 |
| Provisions | 343 | 46 | 17 | - | 6 | 412 |
| Financial assets at FVTOCI | (49) | - | (3) | - | (4) | (56) |
| Unearned revenue | (366) | (112) | - | - | (10) | (488) |
| Cash flow hedges | 15 | - | (164) | - | 2 | (147) |
| Carry forward of tax losses | 162 | (72) | - | - | - | 90 |
| MAT credit entitlement | - | 108 | - | - | - | 108 |
| Gain on bargain purchase on business combinations | (12) | - | - | - | - | (12) |
| Capital loss | - | 40 | - | - | (2) | 38 |
| Net deferred tax assets/(liabilities) | (35) | 85 | (150) | - | (11) | (111) |

Gross deferred tax assets and liabilities are as follows:

| As at March 31, 2020 : | Assets | Liabilities | Net |
|------------------------------------------------------------|------------|--------------|--------------|
| Deferred tax assets / (liabilities) in relation to: | | | |
| Property, plant and equipment & Intangible assets | (104) | (35) | (139) |
| Provision for doubtful debts | 72 | 20 | 92 |
| Provisions | 269 | 74 | 343 |
| Unearned revenue | - | (524) | (524) |
| Cash flow hedges | 42 | 1 | 43 |
| Carry forward of tax losses | 50 | 35 | 85 |
| MAT credit entitlement | 49 | - | 49 |
| Gain on bargain purchase on business combinations | - | (11) | (11) |
| Right of use assets/lease liabilities (refer note 3B) | 18 | 33 | 51 |
| Capital loss | - | 29 | 29 |
| Net deferred tax assets/(liabilities) | 396 | (378) | 18 |
| As at March 31, 2019 : | Assets | Liabilities | Net |
| Deferred tax assets / (liabilities) in relation to: | | | |
| Property, plant and equipment & Intangible assets | (128) | (6) | (134) |
| Provision for doubtful debts | 50 | 28 | 78 |
| Provisions | 346 | 66 | 412 |
| Financial assets at FVTOCI | - | (56) | (56) |
| Unearned revenue | - | (488) | (488) |
| Cash flow hedges | (147) | - | (147) |
| Carry forward of tax losses | 65 | 25 | 90 |
| MAT credit entitlement | 108 | - | 108 |
| Gain on bargain purchase on business combinations | - | (12) | (12) |
| Capital loss | - | 38 | 38 |
| Net deferred tax assets/(liabilities) | 294 | (405) | (111) |

18.3. Income tax assets and liabilities

The following is the analysis of income tax assets/(liabilities) presented in the consolidated balance sheet:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------------------------------------------------|-------------------------|-------------------------|
| Income tax assets, net | | |
| Income tax assets (net of provisions ₹ 3,815 (March 31, 2019: ₹ 5,287)) | 878 | 716 |
| Income tax liabilities, net | | |
| Income tax payable-Current (net of advance ₹ 4,259 (March 31, 2019: ₹ 3,599)) | (328) | (424) |
| Income tax payable-Non current (refer note below) | - | (20) |

During the earlier years, in accordance with the Tax Cuts and Jobs Act of 2017 enacted in United States of America, tax on deemed repatriation for foreign subsidiaries of Cyient Inc. has been provided for and the liability is classified under non-current portion of the income tax payable of ₹ 20 and current portion of income tax payable of ₹ 2. During the year, Cyient Inc. repaid the total liability of income tax payable of ₹ 20 (March 31, 2019: ₹ 2)

19. Other liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|-------------------------|-------------------------|
| (at amortised cost) | | |
| Non-current | | |
| Unearned revenue | 24 | - |
| Total | 24 | - |
| Current | | |
| Unearned revenue | 214 | 216 |
| Advance from customers | 1,280 | 1,604 |
| Statutory remittances | 571 | 574 |
| Others | 69 | 77 |
| Total | 2,134 | 2,471 |

20. Trade Payables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (at amortised cost) | | |
| (i) Total outstanding dues of micro enterprises and small enterprises (refer note 38) | 36 | 13 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises* | 3,693 | 3,687 |
| Total | 3,729 | 3,700 |

* includes amount payable to its related parties (refer note 32)

* Trade payables are non-interest bearing and are normally settled on 30 - 60 days.

21. Revenue from operations

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Revenue from services | 39,036 | 40,579 |
| Revenue from products | 5,238 | 5,596 |
| Total revenue from operations | 44,274 | 46,175 |

The Group presents revenues net of indirect taxes in the statement of profit and loss.

1. Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by contract type and geography. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected.

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|------------------------------------------|--------------------------------------|--------------------------------------|
| Revenues by contract type | | |
| Fixed-price | 14,942 | 14,483 |
| Time and material | 24,007 | 25,826 |
| Maintenance | 86 | 270 |
| Product Sale | 5,238 | 5,596 |
| Total | 44,274 | 46,175 |
| Revenues by Geography | | |
| North America | 24,345 | 23,535 |
| Europe | 12,076 | 10,894 |
| APAC (including India) | 7,853 | 11,746 |
| Total | 44,274 | 46,175 |
| Revenues by Timing of recognition | | |
| Goods and services transferred | | |
| - At a point in time | 5,238 | 5,596 |
| - Over time | 39,036 | 40,579 |
| Total | 44,274 | 46,175 |

Fixed price:

Fixed price arrangements with customers have defined delivery milestones with agreed scope of work and pricing for each milestone. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration, is recognised as per the 'percentage-of-completion' method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity. In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term.

Time and material:

Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Maintenance

Revenue from fixed-price maintenance contracts are recognised pro-rata over the term of the maintenance arrangement.

Product sale:

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Sales volume discounts are reduced from the contract price to recognise the revenue and does not have material impact on revenue recognised.

2. Trade receivables and contract balances

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------|-------------------------|-------------------------|
| Trade receivables | 7,262 | 8,137 |
| Unbilled revenue | 4,015 | 3,438 |
| Unearned revenue | 238 | 216 |

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenue are classified as contract liabilities (unearned revenues).

Contract assets: During the year ended March 31, 2020, ₹ 2,894 Mn of contract assets as at March 31, 2019 has been reclassified to receivables on completion of performance obligation. During the year ended March 31, 2019, ₹ 2,623 Mn of contract assets as at March 31, 2018 has been reclassified to receivables on completion of performance obligation. During the year, contract assets of ₹ 210 Mn (2018-19: ₹ Nil) has been impaired.

Contract liabilities: During the year ended March 31, 2020 the Company recognized revenue of ₹ 129 Mn arising from contract liabilities as at March 31, 2019. During the year ended March 31, 2019, the Company recognized revenue of ₹ 190 Mn arising from opening unearned revenue as at April 1, 2018.

3. Transaction price allocated to the remaining performance obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes contract liabilities and amounts that will be invoiced and recognized as revenue in future periods. Applying the practical expedient, the Company has not disclosed information about remaining performance obligations in contracts, where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

As at March 31, 2020, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was 15,484 of which approximately 92% is expected to be recognized as revenues within one year, and the remainder thereafter. This includes contracts, with a substantive enforceable termination penalty if the contract is terminated without cause by the customer, based on an overall assessment of the contract carried out at the time of inception. Historically, customers have not terminated contracts without cause.

As at March 31, 2019, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was 13,364 of which approximately 84% is expected to be recognized as revenues within one year, and the remainder thereafter. This includes contracts, with a substantive enforceable termination penalty if the contract is terminated without cause by the customer, based on an overall assessment of the contract carried out at the time of inception. Historically, customers have not terminated contracts without cause.

22. Other income

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Interest income on financial assets carried at amortised cost: | | |
| Deposits with banks and financial institutions | 439 | 526 |
| Others | - | 29 |
| | 439 | 555 |
| Dividend income | | |
| Dividend from mutual funds | 29 | 53 |
| Dividend from equity instruments | 1 | 2 |
| | 30 | 55 |
| Other non-operating income | | |
| Liabilities no longer required, written back (refer note (i) below) (refer note 16) | 371 | 53 |
| Export incentives (refer note (ii) below) | 67 | 519 |
| Miscellaneous income | 92 | 117 |
| | 530 | 689 |
| Other gain and loss | | |
| Foreign exchange gain (net) | 61 | 95 |
| Exchange gain/(loss) on foreign currency forward contracts (net) | 515 | (189) |
| Gain on fair valuation of financial assets and financial liability (refer note (iii) below) | 8 | 135 |
| | 584 | 41 |
| Total | 1,583 | 1,340 |

Notes:

- Liabilities no longer required, written back includes gain of ₹ 333 (2018-19: ₹ 69) on reversal of contingent consideration payable on past acquisitions which are not contractually payable.
- During the year, the Company has recognised export incentives of ₹ 67 (2018-19: ₹ 519) aggregating under schemes defined by the Government of India, as other income upon satisfying the conditions specified in the applicable scheme and monetized ₹ 437 (2018-19: ₹ 149). As at March 31, 2020, an amount of ₹ Nil (March 31, 2019: ₹ 370) receivable under the scheme has been classified as 'other receivables' under other current assets.
- During the previous year, pursuant to the Investment agreement and amendments thereto, the gain on settlement of gross obligation (put option) to acquire NCI of ₹ 135 was classified as Other income

23. Employee benefits expense

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries and wages | 22,490 | 23,268 |
| Contribution to provident and other funds (refer note (i) below) | 582 | 504 |
| Social security and other benefits to overseas employees (refer note (ii) below) | 301 | 369 |
| Share based payments to employees (refer note 12) | 42 | 30 |
| Staff welfare expenses (refer note (iii) below) | 1,445 | 1,406 |
| Less: Capitalised | (84) | (108) |
| Total | 24,776 | 25,469 |

Notes:

(i) Contribution to provident fund and other funds

Provident fund:

The Company and two of its subsidiaries makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the fund administered and managed by the Government of India. The Group's monthly contributions are charged to the consolidated statement of profit and loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 376 (2018-19: ₹ 343).

Gratuity (funded):

Amount recognised in the consolidated statement of profit and loss in respect of gratuity - ₹ 168 (2018-19: ₹ 136) (refer note 17(ii)).

National Pension Scheme:

Amount recognised in Statement of Profit and Loss in respect of national pension scheme - ₹ 8 (2018-19 - ₹ Nil).

Superannuation fund - India:

The qualifying employees of the Company receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the employee has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administered by Life Insurance Corporation of India. The Company's monthly contributions are charged to the consolidated statement of profit and loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 30 (2018-19: ₹ 25).

(ii) Social security and other benefits to overseas employees**Superannuation fund - Australia:**

The employees at the Australia branch & subsidiary of the Company are also covered under a superannuation scheme. The Group contributes 9.5% of the basic salary of the employee. The Group's monthly contributions are charged to the consolidated statement of profit and loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 97 (2018-19: ₹ 160).

401 (K) benefit plan - Cyient Inc:

Cyient Inc., provides a defined contribution plan benefit through 401(K) benefit Plan to all of its eligible employees. The plan is administered by the Cyient Inc., while the trustee for the plan is an external agency. The contribution from the Cyient Inc., is at the discretion of the Board of Directors. The Cyient Inc., monthly contributions are charged to the consolidated statement of profit and loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 121 (2018-19: ₹ 123). The amount payable towards 401(K) benefit plan as at March 31, 2020 is ₹ Nil (March 31, 2019: ₹ Nil).

(iii) Staff welfare**Medical Insurance plan - Cyient Inc:**

Cyient Inc., offers a medical insurance plan to its associates on self-insured basis which consists of fixed costs of administration charges and stop loss insurance that are charged on a per associate and monthly claims being settled from consolidated fund maintained by third party insurance fund. At the end of every calendar year, the insurance agency provides an estimate of "Claims Not Yet Received" computed on actuarial valuation based on number of associates and claims received over the last 12 months. This estimate is extrapolated on the basis of the closing enrolments as of March 31 and a liability is recognised for medical expenses. Total expense recognised during the year aggregated to ₹ 794 (2018-19: ₹ 592).

24. Cost of materials consumed

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------|--------------------------------------|--------------------------------------|
| Opening stock | 1,503 | 830 |
| Add: Stock on acquisition | - | 5 |
| Add: Purchases | 4,336 | 4,604 |
| Less: Closing stock | (1,773) | (1,503) |
| Total | 4,066 | 3,936 |

25. Changes in inventories of finished goods, stock-in-trade and work-in-progress

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Opening stock: | | |
| Finished goods | 252 | 189 |
| Work-in-progress | 66 | 270 |
| | 318 | 459 |
| Closing stock: | | |
| Finished goods | 240 | 252 |
| Work-in-progress | 222 | 66 |
| | 462 | 318 |
| Net decrease/(increase) | (144) | 141 |

26. Finance costs

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------------------------------|--------------------------------------|--------------------------------------|
| Interest expense | | |
| Interest on borrowings | 167 | 178 |
| Interest on lease liabilities (refer note 3B) | 182 | - |
| Other interest expense | 123 | 130 |
| Unwinding of discounting on deferred consideration | 14 | 18 |
| Total | 486 | 326 |

27. Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment | 645 | 589 |
| Depreciation of right of use assets (refer note 3B) | 786 | - |
| Amortisation of intangible assets | 447 | 525 |
| Total | 1,878 | 1,114 |

28. Other expenses

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Rent including lease rentals (refer note 3B) | 233 | 1,051 |
| Rates and taxes | 64 | 78 |
| Insurance | 123 | 90 |
| Stores and spares consumed | 4 | 72 |
| Freight outwards | 65 | 38 |
| Travelling and conveyance | 1,195 | 1,501 |
| Sub-contracting charges | 3,348 | 3,539 |
| Communication | 267 | 232 |
| Printing and stationery | 40 | 42 |
| Power and fuel | 252 | 263 |
| Marketing and advertising expenses | 193 | 254 |
| Repairs and maintenance | | |
| - Buildings | 26 | 31 |
| - Machinery | 1,096 | 1,049 |
| - Others | 149 | 104 |
| Non executive directors commission | 13 | 13 |
| Legal and professional charges | 1,230 | 748 |
| Expenditure for corporate social responsibility (refer note (i) below) | 83 | 74 |
| Expected credit loss for trade receivables and unbilled revenue (refer note 10 & 21) (refer note (ii) below) | 422 | 140 |
| Auditors' remuneration (refer note (iii) below) | 27 | 23 |
| Recruitment expenses | 62 | 72 |
| Training and development | 110 | 116 |
| Software charges | 172 | 184 |
| Electoral bonds (refer note (iv) below) | 10 | 40 |
| Miscellaneous expenses | 499 | 439 |
| Total | 9,683 | 10,193 |

Notes:

(i) Corporate Social Responsibility:

The Company contributes towards Corporate Social Responsibility (CSR) activities through Cyient Foundation and Cyient Urban Micro Skill Centre Foundation (refer note 31). The Company has formed CSR committee as per Section 135 of the Companies Act, 2013 to formulate and recommend to the Board, a Corporate Social Responsibility Policy

which shall indicate the activities to be undertaken by the Company as specified by law. The areas for CSR activities are promoting education, adoption of schools, facilitating skill development, medical and other social projects. Expenses incurred on CSR activities through Cyient Foundation and contributions towards other charitable institutions are charged to the statement of profit and loss under 'Other Expenses' - ₹ 83 (2018-19 - ₹ 74).

- a) Gross amount required to be spent by the Company during the year ended March 31, 2020 and 2019 is ₹ 82 and ₹ 68, respectively.
- b) Amount spent during the year on :

| Particulars | In cash | Total |
|--------------------------------------------|---------|-------|
| 1. Construction / acquisition of any asset | - | - |
| 2. On purposes other than (1) above | 83 | 83 |

(ii) Expected credit loss

Bad debts/unbilled revenue written off during the year ended March 31, 2020 was ₹ 387 (2018-19- ₹ 7) and reversal of provision for doubtful debts was ₹ 182 (2018-19- ₹ 7). Provision for ECL allowance made for the year ended March 31, 2020 was ₹ 217 (2018-19- ₹ 140).

(iii) Auditors' remuneration (net of applicable tax) comprises of:

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------------------------------|-----------------------------------|-----------------------------------|
| Payment to the auditors of the Company | | |
| (a) For audit and related services of Company | 8 | 8 |
| (b) For audit and related services of subsidiaries | 17 | 9 |
| (c) For certification and other services | 1 | 5 |
| (d) Reimbursement of expenses | 1 | 1 |
| Total | 27 | 23 |

- (iv) During the year, the Company purchased and issued electoral bonds aggregating ₹ 10 (2018-19- ₹ 40) in accordance with 'The Electoral Bond Scheme, 2018', notified by the Central Government vide Gazette Notification No. 20 dated the January 02, 2018.

29. Earnings per share

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Profit for the year attributable to shareholders of the Company | 3,425 | 4,785 |
| Basic: | | |
| Number of shares outstanding at the year end | 109,971,221 | 110,474,173 |
| Weighted average number of equity shares | 109,961,348 | 112,789,308 |
| Earnings per share (₹) | 31.14 | 42.43 |
| Diluted: | | |
| Effect of potential equity shares on ASOPs & RSUs outstanding | 2,319 | 167,866 |
| Weighted average number of equity shares outstanding | 109,963,667 | 112,957,174 |
| Earnings per share (₹) | 31.14 | 42.36 |

30. Segment Information

A. Products and services from which reportable segments derive their revenue

The Group's Chief Operating Decision maker, is the Managing Director and Chief Executive Officer who evaluates Cyient Group's performance and allocates resources based on an analysis of various performance indicators by business verticals and geographical segmentation of customers.

The Cyient Group has identified business segments as its primary segment and geographic segments as its secondary segment.

Geographic segments of the Cyient Group are North America, Europe and Asia Pacific.

Until March 31, 2019, the Cyient Group classified its operations into three vertically oriented business segments, i.e. Utilities, Geospatial and Communications (UGC), Manufacturing and Industrial Products (MI) and Design Led Manufacturing (DLM). The business cater to the specific requirements of customers in their respective user segments.

Effective April 1, 2019, in furtherance of the Group S3 strategy, the Group has re-organized certain business units and its operating structure to enable a strong solution focus across all the business units. In view of the structural changes,

the Chief Operating Decision Maker (CODM) reviews the business as two operating segments - 'Services' and 'Design led Manufacturing' (DLM), and in accordance with the core principles of Ind AS 108 - 'Operating Segments', these have been considered as the reportable segments of the Group.

The 'Services' segment comprises the Group service and solutions offerings across the of Aerospace & Defence, Transportation, Semiconductor, Medical & Healthcare, Communications, Energy & Utilities and Portfolio business units. The 'DLM' segment is engaged in providing electronic manufacturing solutions in the fields of medical, industrial, automotive, telecommunications, defence and aerospace applications including manufacture and machining of components for aerospace, automotive and defence industries.

The Group has re-presented the information relating to all comparative periods in line with this revised segmental classification.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, expenses, assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocable revenue /expenses /assets /liabilities".

B. Segment revenue and results

| Particulars | Segment Revenue | | Segment Profit | |
|--------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Services | 38,997 | 40,592 | 4,174 | 5,681 |
| Design Led Manufacturing | 5,320 | 5,592 | (163) | 90 |
| Less : Inter segment revenue | 43 | 9 | - | - |
| Total | 44,274 | 46,175 | 4,011 | 5,771 |
| Finance costs | | | 486 | 326 |
| Unallocable income (net of unallocable expenses) | | | 1,183 | 748 |
| Share of (loss)/profit from joint venture | | | (26) | 5 |
| Profit before tax | | | 4,682 | 6,198 |

C. Capital employed (Segment assets - Segment liabilities)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| Segment assets | | |
| Services | 21,813 | 19,616 |
| Design Led Manufacturing | 8,480 | 7,344 |
| Total | 30,293 | 26,960 |
| Unallocable assets | 11,504 | 11,932 |
| Consolidated total assets | 41,797 | 38,892 |
| Segment liabilities | | |
| Services | 5,508 | 5,944 |
| Design Led Manufacturing | 2,607 | 2,759 |
| Total | 8,115 | 8,703 |
| Unallocable liabilities | 8,105 | 4,567 |
| Consolidated total liabilities | 16,220 | 13,270 |

Geographic segments

Information regarding geographical revenue is as follows:

| Geographic location | Year ended March 31, 2020 | Year ended March 31, 2019 |
|------------------------|------------------------------|------------------------------|
| Segment Revenue | | |
| North America | 24,345 | 23,535 |
| Europe | 12,076 | 10,894 |
| APAC (including India) | 7,853 | 11,746 |
| Total | 44,274 | 46,175 |

Geographical non-current assets, (property , plant & equipment, right of use assets, capital work-in-progress, goodwill, intangible assets, intangible assets under development and other non-current assets) are allocated based on location of assets:

| Geographic location | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------------------|-------------------------|-------------------------|
| Segment non-current assets | | |
| North America | 2,535 | 1,574 |
| Europe | 2,408 | 2,214 |
| APAC (including India) | 10,207 | 7,658 |
| Total | 15,150 | 11,446 |

31. List of subsidiaries and joint venture considered for consolidation:

| Sl. No. | Name of the Company | Parent Company | Country of Incorporation | Extent of holding (%) | |
|-------------------|-------------------------------------------------------------|------------------------------|--------------------------|-----------------------|----------------------|
| | | | | As at March 31, 2020 | As at March 31, 2019 |
| Subsidiaries | | | | | |
| 1 | Cyient Europe Limited | Cyient Limited | UK | 100% | 100% |
| 2 | Cyient Benelux BV | Cyient Europe Limited | Netherlands | 100% | 100% |
| 3 | Cyient Schweiz GmbH | Cyient Europe Limited | Switzerland | 100% | 100% |
| 4 | Cyient SRO | Cyient Europe Limited | Czech Republic | 100% | 100% |
| 5 | AnSem NV @ ¹ | Cyient Europe Limited | Belgium | 100% | 100% |
| 6 | AnSem B.V. @ ¹ | AnSem NV | Netherlands | 100% | 100% |
| 7 | Cyient Inc. | Cyient Limited | USA | 100% | 100% |
| 8 | Cyient Canada Inc. | Cyient Inc. | Canada | 100% | 100% |
| 9 | Cyient Defense Services Inc. | Cyient Inc. | USA | 100% | 100% |
| 10 | B&F Design Inc. | Cyient Defense Services Inc. | USA | 100% | 100% |
| 11 | New Technology Precision Machining Co., Inc. @ ² | Cyient Defense Services Inc. | USA | - | 100% |
| 12 | Cyient GmbH | Cyient Limited | Germany | 100% | 100% |
| 13 | Cyient AB | Cyient GmbH | Sweden | 100% | 100% |
| 14 | Cyient KK @ ³ | Cyient Limited | Japan | 100% | 100% |
| 15 | Cyient Insights Private Limited @ ⁴ | Cyient Limited | India | 100% | 100% |
| 16 | Cyient DLM Private Limited @ ⁵ | Cyient Limited | India | 100% | 100% |
| 17 | Cyient Australia Pty Limited | Cyient Limited | Australia | 100% | 100% |
| 18 | Cyient Singapore Private Limited | Cyient Limited | Singapore | 100% | 100% |
| 19 | Cyient Israel India Limited | Cyient Limited | Israel | 100% | 100% |
| 20 | Cyient Solutions and Systems Private Limited @ ⁶ | Cyient Limited | India | 51% | 51% |
| 21 | Cyient Engineering (Beijing) Limited @ ⁷ | Cyient Limited | China | - | - |
| Joint Venture | | | | | |
| 22 | Infotech HAL Limited @ ⁸ | - | India | 50% | 50% |
| Section 8 Company | | | | | |
| 23 | Cyient Urban Micro Skill Centre Foundation @ ⁹ | - | India | 100% | 100% |

Notes:

- The Company through its wholly owned subsidiary, Cyient Europe Limited, acquired 100% of equity shares of AnSem NV, Belgium (and its wholly owned subsidiary AnSem B.V., Netherlands) on April 26, 2018.
- The Company, through its wholly owned step down subsidiary Cyient Defense Services Inc., acquired 100% equity shares of New Technology Precision Machining Co., Inc., USA on April 4, 2018. On July 01, 2019 New Tech Precision Machining Co., Inc. has been merged with its parent company, Cyient Defense Services Inc.
- During the previous year, Cyient KK, Japan increased its paid-up capital from ₹ 5 to ₹ 39. The additional capital was infused by Cyient Australia Pty Limited. Consequently, Cyient Australia Pty Limited holds 86% of shareholding in Cyient KK, Japan and Cyient Limited holds the remaining 14% shareholding.
- Cyient Insights Private Limited became a wholly owned subsidiary of the Company, consequent to acquisition of the remaining 49% of shareholding on May 14, 2018. Cyient Insights LLC is a wholly owned subsidiary of Cyient Insights Private Limited has been dissolved on February 15, 2019.

5. Cyient DLM Private Limited became a wholly owned subsidiary of the Company, consequent to acquisition of the remaining 26% of shareholding on January 22, 2019.
6. On April 11, 2018, CSSPL entered into a share purchase agreement with Bluebird Aero Systems Limited ("Bluebird"), wherein Bluebird acquired 49% shareholding in CSSPL. The Company continues to consolidate CSSPL as a subsidiary.
7. The Company incorporated a wholly owned subsidiary, Cyient Engineering (Beijing) Limited, in China on March 25, 2016. The share capital in the subsidiary is yet to be infused and the subsidiary is yet to commence commercial operations.
8. Infotech HAL Limited is a joint venture (50:50) between the Company and Hindustan Aeronautics Limited. Infotech HAL Limited has been accounted for under equity method in accordance with the Ind AS 28 Investments in Associates and Joint Ventures.
9. On October 10, 2018, the Company incorporated Cyient Urban Micro Skill Centre Foundation ("Cyient Urban"), a wholly owned Section 8 Company under the Companies Act, 2013, to further the CSR activities of the Company. The objective is not to obtain economic benefits through the activities of Cyient Urban and accordingly it has been excluded for the purpose of preparation of consolidated financial statements.

32. Related party transactions

Details of transactions between the Group and related parties are disclosed below.

Joint Venture:

| Name of the Joint Venture | Country of incorporation | Extent of holding (%) as at | |
|---------------------------|--------------------------|-----------------------------|----------------|
| | | March 31, 2020 | March 31, 2019 |
| Infotech HAL Limited | India | 50% | 50% |

Other related parties:

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

Key Managerial Personnel (KMP):

| Name | Designation |
|-------------------------------------------------|------------------------------------------|
| B.V.R. Mohan Reddy | Executive Chairman |
| Krishna Bodanapu | Managing Director & CEO |
| Ajay Aggarwal | President & Chief Financial Officer |
| Karthikeyan Natarajan (effective 05 March 2020) | President & Chief Operating Officer |
| Sudheendhra Putty | Company Secretary |
| K. Ramachandran (until 06 June 2019) | Independent Director |
| Som Mittal | Independent Director |
| Andrea Bierce (until 06 June 2019) | Independent Director |
| John Paul Paterson (until 06 June 2019) | Independent Director |
| Vinai Thummalapally | Independent Director |
| Vikas Sehgal | Independent Director |
| Vivek Gour (effective 25 April 2019) | Independent Director |
| Matangi Gowrishankar (effective 25 April 2019) | Independent Director |
| M.M. Murugappan | Non-Executive & Non-independent Director |
| Alain De Taeye | Non-Executive & Non-independent Director |

Relative of Executive Chairman and Managing Director & CEO

| | |
|----------------|------------------------------------------------|
| B. Ashok Reddy | President – Corporate Affairs & Infrastructure |
|----------------|------------------------------------------------|

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

(a) Transactions during the year:

| Nature of transaction | Party name | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------------------|----------------------|--------------------------------------|--------------------------------------|
| Share of (loss)/profit from joint venture | Infotech HAL Limited | (26) | 5 |
| Rental income | Infotech HAL Limited | - | 1 |
| Advance given | Infotech HAL Limited | 2 | 3 |
| CSR expenditure | Cyient Foundation | 83 | 74 |

Compensation to key management personnel as follows:

| Nature of the transaction | Party name | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------|------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Short-term benefits | Executive Chairman, Managing Director & CEO and Executive officers ^{#1 & 2} | 188 | 227 |
| Dividend paid | Executive Chairman, Managing Director & CEO and Executive officers ^{#1} | 98 | 52 |
| Commission and other benefits | Non-executive/independent directors | 13 | 13 |

#1 Executive officers include Ajay Aggarwal (President & Chief Financial Officer), Karthikeyan Natarajan (President & Chief Operating Officer), Sudheendhra Putty (Company Secretary) and Ashok Reddy (relative of Executive Chairman and Managing Director & CEO).

#2 The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

(b) Balances at the year end:

| Nature of the balance | Party name | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|------------------------------------------------|-------------------------|-------------------------|
| Trade receivables | Infotech HAL Limited (refer note below) | - | 24 |
| Trade payables | Infotech HAL Limited | 4 | 4 |
| Advances receivable | Infotech HAL Limited (refer note below) | - | 15 |
| Short-term benefits payable | Executive Chairman and Managing Director & CEO | 102 | 138 |
| Commission and other benefits payable | Non-executive/independent directors | 13 | 13 |

Note:

During the year, the Group has written-off ₹ 41 towards trade receivables and outstanding advances from Infotech HAL Limited, Joint venture.

33. Business combinations

A. Business combinations during the year 2019-20:

(i) Merger of New Tech Precision Machining Co., Inc.

New Tech Precision Machining Co., Inc. a wholly owned subsidiary of Cyient Defense Services Inc. ("CDSI") was merged with CDSI, with effect from July 01, 2019. Pursuant to the amalgamation, all the assets, liabilities and reserves stand transferred and vested in CDSI. The amalgamation had been accounted for under "Pooling of Interests" method. Accordingly, the assets, liabilities and reserves have been taken over at their books values. As New Tech Precision Machining Co., Inc. was a wholly owned subsidiary of CDSI, no consideration was paid to effect the amalgamation.

B. Business combinations during the year 2018-19:

(i) AnSem NV (AnSem)

On April 26, 2018, the Group acquired 100% of equity interest in AnSem NV and its wholly owned subsidiary AnSem B.V. (together referred as 'AnSem'). AnSem specializes in advanced analog, radio frequency, and mixed-signal integrated circuit design and provides custom ASICs for clients around the world across key industries, including automotive, medical, industrial, smart home, and smart grid, with long-life applications. The fair value of the purchase consideration of ₹ 1,913 comprised upfront consideration of ₹ 1,361, contingent consideration of upto ₹ 552 payable subject to the satisfaction of certain conditions. The fair value of the contingent consideration, recognised on the acquisition date is determined by discounting the estimated amount payable to the previous owners on achievement of certain financial targets applying the discounted cash flow approach. The key inputs used for the estimation of fair values are discount rate of 12.5% and probabilities of achievement of financial targets. The fair value of net assets acquired on the acquisition date amounted to ₹ 224. The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill.

| Components | Purchase price allocated |
|-------------------------------|--------------------------|
| Property, plant and equipment | 50 |
| Intangible assets | 156 |
| Non-current assets | 3 |
| Net current assets * | 15 |
| Total | 224 |
| Goodwill | 1,689 |
| Total purchase price | 1,913 |

*includes cash and cash equivalents acquired of ₹ 122.

The transaction costs relating to this acquisition amounting to ₹ 15 have been included under legal & professional charges in the consolidated statement of profit and loss for the year ended March 31, 2019. The intangible assets are amortised over a period of 2-3 years as per management's estimate of its useful life, over which economic benefits are expected to be realised. The fair value and gross contractual amount for trade receivables acquired is ₹ 59 and is expected to be collectable. The goodwill amounting to ₹ 1,689 is attributable to the workforce and high profitability of the acquired business. Goodwill arising on the acquisition is not deductible for tax purposes. From the date of acquisition, AnSem has contributed revenues amounting to ₹ 769 and profit amounting to ₹ 121 to the Group's performance for the year ended March 31, 2019.

Results from this acquisition are grouped under the 'Services' segment.

(ii) Acquisition of New Technology Precision Machining Co., Inc. (New Tech)

On April 04, 2018, the Group acquired 100% of equity interest in New Tech through its wholly owned subsidiary Cyient Defense Services Inc.. New Tech has expertise in design and manufacturing of precision engine assembly equipment, repair tooling, machining of fixtures and gauges, and engine factory modernization services primarily for aerospace and defense industry. The fair value of the purchase consideration was ₹ 75, entirely upfront consideration. The fair value of net assets acquired on the acquisition date amounted to ₹ 45. The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values, as follows:

| Components | Purchase price allocated |
|-------------------------------|--------------------------|
| Property, plant and equipment | 9 |
| Intangible assets | 16 |
| Net current assets * | 20 |
| Total | 45 |
| Goodwill | 30 |
| Total purchase price | 75 |

*includes cash and cash equivalents acquired of ₹ 8.

The transaction costs relating to this acquisition amounting to ₹ 2 have been included under legal & professional charges in the consolidated statement of profit and loss for the year ended March 31, 2019. The intangible assets are amortised over a period of 3-5 years as per management's estimate of its useful life, over which economic benefits are expected to be realised. The fair value and gross contractual amount for trade receivables acquired is ₹ 14 and is expected to be collectable. The goodwill amounting to ₹ 30 is attributable to the workforce and high profitability of the acquired business. Goodwill arising on the acquisition is deductible for tax purposes. From the date of acquisition, New Tech has contributed revenues amounting to ₹ 99 and loss amounting to ₹ (9) to the Group's performance for the year ended March 31, 2019. Management has consolidated New Tech w.e.f April 1, 2018, as the transactions between the period April 01, 2018 and April 04, 2018 were not material.

Results from this acquisition are grouped under Design Led Manufacturing (DLM) segment.

(iii) Amalgamation of Certon Software Inc.

Certon Software Inc. a wholly owned subsidiary of Cyient Inc. was amalgamated with Cyient Inc., with effect from November 01, 2018. Pursuant to the amalgamation all the assets, liabilities and reserves stand transferred and vested in Cyient Inc. The amalgamation had been accounted for under "Pooling of Interests" method. Accordingly, the assets, liabilities and reserves have been taken over at their books values. As Certon Software Inc. was a wholly owned subsidiary of Cyient Inc., no consideration was paid to effect the amalgamation.

Further, Certon Instruments Inc., wholly owned subsidiary of Certon Software Inc., was dissolved during the year, 2018-19.

34. Financial Instruments

34.1 Capital management

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

Gearing ratio:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|-------------------------|-------------------------|
| Borrowings* | 4,149 | 3,684 |
| Cash and bank balances | (9,518) | (9,705) |
| Net debt | - | - |
| Total equity | 25,577 | 25,622 |
| Net debt to equity ratio | - | - |

* Include current, non-current and current maturities of non-current borrowings (refer note 15 and 16)

34.2 Financial instruments by category

| Particulars | Carrying value as at | |
|-----------------------------------------------------------------|----------------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Financial assets: | | |
| Amortised cost | | |
| Trade receivables | 7,262 | 8,137 |
| Cash and cash equivalents | 8,995 | 9,096 |
| Other bank balances | 523 | 609 |
| Loans and deposits | 299 | 308 |
| Other financial assets | 4,300 | 3,806 |
| Fair value through other comprehensive income | | |
| Investments in other equity instruments (unquoted) | 27 | 23 |
| Investments in other equity instruments (quoted) | - | 38 |
| Derivative instruments designated in a hedging relationship | 121 | 425 |
| Fair value through profit and loss | | |
| Investments in mutual funds | - | 278 |
| Investment in compulsorily convertible preference shares (CCPS) | 12 | 10 |
| Investment in preferred instruments of other entities | 155 | 69 |
| Investment in debt instruments of other entities | 114 | 104 |
| Investment in Partnership fund | 106 | - |
| Total financial assets | 21,914 | 22,903 |
| Financial liabilities: | | |
| Amortised cost | | |
| Borrowings* | 4,149 | 3,684 |
| Trade payables | 3,729 | 3,700 |
| Other financial liabilities | 252 | 175 |
| Lease liabilities(refer note 3B) | 2,965 | - |
| Fair value through other comprehensive income | | |
| Derivative instruments designated in a hedging relationship | 244 | 3 |
| Fair value through profit and loss | | |
| Liability towards acquisition of business (refer note 16) | 489 | 962 |
| Total financial liabilities | 11,828 | 8,524 |

* Include current, non-current and current maturities of non-current borrowings (refer note 15 and 16)

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

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

Investments in other equity, debt and preferred instruments (quoted and unquoted) are measured at fair value through initial designation in accordance with Ind-AS 109.

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

Liability towards acquisition of business and gross obligation liability to acquire non-controlling interests are measured mandatorily at fair value through consolidated statement of profit and loss.

34.3 Fair value hierarchy

Valuation technique and key inputs

Level 1 - Quoted prices (unadjusted) in an active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2020:

| Particulars | Date of valuation | As at March 31, 2020 | Fair value measurement at the end of year using | | |
|--------------------------------------------------------------------------------------------|-------------------|----------------------|-------------------------------------------------|---------|---------|
| | | | Level 1 | Level 2 | Level 3 |
| Assets | | | | | |
| Investments in other equity instruments (unquoted) (refer note 6) * | March 31, 2020 | 27 | - | - | 27 |
| Investment in preferred instruments of other entities (unquoted) (refer note 6)* | March 31, 2020 | 155 | - | - | 155 |
| Investment in compulsorily convertible preference shares (CCPS) (unquoted) (refer note 6)* | March 31, 2020 | 12 | - | - | 12 |
| Investment in debt instruments of other entities (unquoted) (refer note 6) | March 31, 2020 | 114 | - | - | 114 |
| Investment in Partnership fund (unquoted) (refer note 6) | March 31, 2020 | 106 | - | - | 106 |
| Derivative instruments designated in a hedging relationship (refer note 7) *** | March 31, 2020 | 121 | - | 121 | - |
| Liabilities | | | | | |
| Derivative instruments designated in a hedging relationship (refer note 16) *** | March 31, 2020 | 244 | - | 244 | - |
| Liability towards acquisition of business (refer note 16) * | March 31, 2020 | 489 | - | - | 489 |

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019:

| Particulars | Date of valuation | As at March 31, 2019 | Fair value measurement at the end of year using | | | |
|--------------------------------------------------------------------------------------------|-------------------|----------------------|-------------------------------------------------|---------|---------|--|
| | | | Level 1 | Level 2 | Level 3 | |
| Assets | | | | | | |
| Investments in other equity instruments (unquoted) (refer note 6) * | March 31, 2019 | 23 | - | - | 23 | |
| Investments in other equity instruments (quoted) (refer note 6) ** | March 31, 2019 | 38 | 38 | - | | |
| Investment in preferred instruments of other entities (unquoted) (refer note 6)* | March 31, 2019 | 69 | - | - | 69 | |
| Investment in compulsorily convertible preference shares (CCPS) (unquoted) (refer note 6)* | March 31, 2019 | 10 | - | - | 10 | |
| Investment in debt instruments of other entities (unquoted) (refer note 6) | March 31, 2019 | 104 | - | - | 104 | |
| Investment in mutual funds (refer note 6) ** | March 31, 2019 | 278 | 278 | - | - | |
| Derivative instruments designated in a hedging relationship (refer note 7) *** | March 31, 2019 | 425 | - | 425 | - | |
| Liabilities | | | | | | |
| Derivative instruments designated in a hedging relationship (refer note 16) *** | March 31, 2019 | 3 | - | 3 | - | |
| Liability towards acquisition of business (refer note 16) * | March 31, 2019 | 962 | - | - | 962 | |

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

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

* The fair values of the unquoted equity, debt, CCPS, preferred instruments and investment in partnership fund, liability towards acquisition of business and gross obligation liability to acquire non-controlling interests have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate and probabilities of the various estimates within the range used in management's estimate of fair value for these unquoted equity, preferred and debt investments.

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

*** The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts and interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, etc. As at March 31, 2020 the mark-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had insignificant impact on the hedge effectiveness assessment for derivatives designated in hedge relationships.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents changes in level 3 items for the year ended March 31, 2020 and March 31, 2019:

| Particulars | Investment in other equity, debt, unquoted CCPS and preferred instruments (unquoted) | Liability towards acquisition of business and contingent consideration | Gross obligation liability to acquire non-controlling interests | Total |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------|--------------|
| As at March 31, 2018 | 28 | 421 | 560 | 1,009 |
| Acquisitions | 176 | 646 | - | 822 |
| Gain recognised in other comprehensive income | 2 | - | - | 2 |
| (Gain) recognised in consolidated statement of profit and loss account | - | (58) | (135) | (193) |
| Exchange impact on financial assets/liabilities | - | 24 | - | 24 |
| Derecognition during the year (refer note 16) | - | - | (425) | (425) |
| Payments during the year | - | (71) | - | (71) |
| As at March 31, 2019 | 206 | 962 | - | 1,168 |
| Acquisitions | 181 | - | - | 181 |
| Gain recognised in other comprehensive income | 10 | - | - | 10 |
| (Gain) recognised in consolidated statement of profit and loss account | 10 | (319) | - | (309) |
| Exchange impact on financial assets / liabilities | 7 | 50 | - | 57 |
| Derecognition during the year (refer note 16) | - | - | - | - |
| Payments during the year | - | (204) | - | (204) |
| As at March 31, 2020 | 414 | 489 | - | 903 |

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, 2020 | Fair value as at March 31, 2019 | Significant unobservable inputs | Valuation process | Sensitivity of the inputs to fair value |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Investment in unquoted equity, debt, preferred instruments, compulsorily convertible preference shares (CCPS) and partnership fund | 414 | 203 | Earnings growth rate | Earnings growth factor for unquoted equity, debt, preferred investments, CCPS and partnership fund are estimated based on the market information of similar type of companies and also considering the economic environment impact. | Any increase in earnings growth rate would increase the fair value. |
| | | | Discount rate | Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and risk specific to that asset. | Any increase in the discount rate would result in decrease in fair value. |

| Particulars | Fair value as at | | Significant unobservable inputs | Valuation process | Sensitivity of the inputs to fair value |
|-------------------------------------------|------------------|----------------|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| | March 31, 2020 | March 31, 2019 | | | |
| Liability towards acquisition of business | 489 | 962 | Expected cash outflows | Estimate of cash outflows are based on forecasted sales and entity's knowledge of the business and how the current economic environment is likely to impact. | Any increase in expected cash flows would increase the fair value. |
| | | | Discount rate | Discount rate is the current average borrowing cost that a market participant would expect to pay to obtain its debt financing based on the assumed capital structure. | Any increase in the discount rate would result in decrease in fair value. |

34.4 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and other price risks. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk and interest rate risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The liquidity risk is measured by the Group's inability to meet its financial obligations as they become due.

Foreign exchange risk

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

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

The Company has applied the hedge accounting principles set out in Indian Accounting Standard – 109 "Financial Instruments" (Ind AS - 109) in respect of such derivative contracts, designated in a hedging relationship, used to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions. Accordingly, in respect of all such outstanding contracts as at March 31, 2020 that were designated as effective hedges of highly probable forecast transactions, gain / (loss) aggregating ₹ (80) (net of tax ₹ (43)) (March 31, 2019 - ₹ 274 (net of tax ₹ 147) have been recognised under the cash flow hedge reserve.

Derivative financial instruments:

Outstanding forward exchange contracts as on March 31, 2020:

| Currency | No. of contracts | Amount in foreign currency | Amount in ₹ | Buy/Sell | Cross currency |
|----------|------------------|----------------------------|-------------|----------|----------------|
| AUD | 30 | 28,300,000 | 1,429 | Sell | Rupees |
| CAD | 18 | 17,500,000 | 974 | Sell | Rupees |
| EUR | 30 | 29,450,000 | 2,484 | Sell | Rupees |
| GBP | 13 | 6,675,000 | 638 | Sell | Rupees |
| USD | 62 | 70,800,000 | 5,256 | Sell | Rupees |

Outstanding forward exchange contracts as on March 31, 2019:

| Currency | No. of contracts | Amount in foreign currency | Amount in ₹ | Buy/Sell | Cross currency |
|----------|------------------|----------------------------|-------------|----------|----------------|
| AUD | 25 | 22,460,000 | 1,186 | Sell | Rupees |
| CAD | 15 | 12,100,000 | 674 | Sell | Rupees |
| EUR | 37 | 28,550,000 | 2,472 | Sell | Rupees |
| GBP | 14 | 8,415,000 | 815 | Sell | Rupees |
| USD | 68 | 64,300,000 | 4,683 | Sell | Rupees |

All outstanding forward exchange contracts as at March 31, 2020 and March 31, 2019 have maturity period of less than one year.

Sensitivity analysis:

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

* an approximately ₹ (530)/ 530 (decrease)/increase in the Company's other comprehensive income as at March 31, 2020.

* an approximately ₹ (453)/ 453 (decrease)/increase in the Company's other comprehensive income as at March 31, 2019.

Foreign currency exposure unhedged

The following table analyses foreign currency risk from financial instruments as of March 31, 2020 (in ₹):

| Particulars | US Dollars | EURO | United Kingdom Pound Sterling | Other currencies* | Total |
|---------------------------------|------------|--------------|----------------------------------|-------------------|--------------|
| Cash and cash equivalents | 426 | 165 | - | 118 | 709 |
| Trade receivables | 2,460 | 1,567 | 1,033 | 1,175 | 6,235 |
| Other financial assets | 631 | 540 | 131 | 129 | 1,431 |
| Trade payables | (1,990) | (1,056) | (484) | (705) | (4,235) |
| Other financial liabilities | (609) | (61) | - | - | (670) |
| Net assets/(liabilities) | 918 | 1,155 | 680 | 717 | 3,470 |

* Others include currencies such as Singapore \$, Australian \$, Canadian \$, Japanese Yen, Malaysian Ringgit, Swedish Krona, Swiss Frank, Czech Koruna etc.

The following table analyses foreign currency risk from financial instruments as of March 31, 2019 (in ₹):

| Particulars | US Dollars | EURO | United Kingdom Pound Sterling | Other currencies* | Total |
|---------------------------------|--------------|--------------|----------------------------------|-------------------|--------------|
| Cash and cash equivalents | 346 | 230 | 6 | 319 | 901 |
| Trade receivables | 3,681 | 750 | 818 | 257 | 5,506 |
| Other financial assets | 903 | 542 | 105 | 266 | 1,816 |
| Trade payables | (1,471) | (1,077) | (441) | (1,037) | (4,026) |
| Other financial liabilities | (431) | (650) | - | - | (1,081) |
| Net assets/(liabilities) | 3,028 | (205) | 488 | (195) | 3,116 |

* Others include currencies such as Singapore \$, Australian \$, Canadian \$, Japanese Yen, Malaysian Ringgit, Swedish Krona, Swiss Frank, Czech Koruna etc.

Sensitivity analysis:

For the year ended March 31, 2020 and March 31, 2019, every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by ₹ 174 / (₹ 174) and ₹ 156 / (₹ 156) respectively.

Interest rate risk

The Group is exposed to interest rate risk as it has borrowing at floating interest rate. The risk is managed by maintaining use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and define risk appetite, ensuring the most cost effective hedging strategies are applied.

Interest rate swap contracts

Under Interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amount. Such contract enables group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest is based on the outstanding balances at the end of the reporting period.

Details of the Interest rate swap contracts:

| Particulars | Loan Amount | Fair Value of Interest Rate Swap as at March 31, 2020 | Fair Value of Interest Rate Swap as at March 31, 2019 | Coupon/Interest Rate | Fixed Interest Rate |
|---------------------|----------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------|------------------------|
| Term loan from HSBC | 336 | 2 | 1 | Libor + 1% to 1.25% | 1.35% - 3.3190% |

In respect of the Group's interest rate swap contracts, a 5% increase/decrease in its fair value has an insignificant impact on the profit of the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk, except for trade receivables. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of 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.

Trade and other receivables:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

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

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Receivable from top customer | 17.2 | 16.5 |
| Receivable from top 5 customers | 33.3 | 31.8 |

Investments:

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

Liquidity risk

The Group principal sources of liquidity are cash & bank balances and investments in mutual funds and cash generated from operations. The Group believes that working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The group has unutilised credit limits from the banks of ₹ 3,651 and ₹ 3,008, as of March 31, 2020 and March 31, 2019 respectively

As of March 31, 2020, the Company had working capital of ₹ 13,515, including cash and bank balances of ₹ 9,518

As of March 31, 2019, the Company had working capital of ₹ 15,955, including cash and bank balances of ₹ 9,705

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding current and non-current borrowings and lease liabilities) as at March 31, 2020:

| Particulars | Less than 1 year | 1-2 years | 2 years and above |
|---------------------------------------------------------|------------------|------------|-------------------|
| Trade payables | 3,729 | - | - |
| Other current financial liabilities (refer note 16) | 605 | - | - |
| Other non-current financial liabilities (refer note 16) | - | 380 | - |
| Total | 4,334 | 380 | - |

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding current and non-current borrowings and lease liabilities) as at March 31, 2019:

| Particulars | Less than 1 year | 1-2 years | 2 years and above |
|---------------------------------------------------------|------------------|------------|-------------------|
| Trade payables | 3,700 | - | - |
| Other current financial liabilities (refer note 16) | 443 | - | - |
| Other non-current financial liabilities (refer note 16) | - | 351 | 346 |
| Total | 4,143 | 351 | 346 |

(i) The Group's obligation towards payment of borrowings has been included in note 15 and 16.

(ii) The Group's obligation towards payment of lease liabilities has been included in note 3B.

Other price risks

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

35. Contingent liabilities and commitments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (A) Contingent liabilities: | | |
| Claims against the Company not acknowledged as debt (refer note a, b, c, d, e, f & g below) | 434 | 491 |
| | 434 | 491 |
| (B) Commitments: | | |
| Contracts remaining to be executed on capital account and not provided for (net of capital advances) | 376 | 356 |
| Total | 810 | 847 |

Notes:

- The Company disputed various demands raised by income tax authorities for the assessment years 2002-03, 2003-04, 2013-14, 2014-15, 2016-17 and 2017-18 (March 31, 2019: 1997-98, 1999-00 to 2002-03, 2004-05 to 2005-06, 2009-10, 2011-12 and 2013-14 to 2015-16) which are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 24 (March 31, 2019 - ₹ 158). The Company is confident that these appeals will be decided in its favour.
 - The Company disputed various demands raised by the sales tax authorities for the financial years 2004-05 to 2009-10 and 2015-16 to 2017-18 (till June 2017) (March 31, 2019 - 2004-05 to 2009-10, 2012-13 and 2015-16). The Company filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 21 (March 31, 2019 - ₹ 20). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
A subsidiary Company has pending statutory forms (C/H/I) for financial years 2015-16 to 2017-18. Aggregate amount of liability not provided for is ₹ 13 (March 31, 2019: ₹ 19)
 - The Company disputed various demands raised by the service tax authorities for the financial years 2013-14 to 2017-18 (till June 2017) (March 31, 2018 - 2006-07 to 2015-16). The Company filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 234 (March 31, 2019 - ₹ 141). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
 - The Company is contesting certain pending service tax refunds amounting to ₹ 35 (March 31, 2019: ₹ 45) at various appellate authorities. The Company is confident that these appeals will be decided in its favour.
 - During the year 2014-15, the Company received an order from the Provident Fund authorities regarding provident fund (PF) payments on certain allowances given by the Company to its employees for the years 2010-11 to 2012-13. Against this, the Company made a provision along with interest on the same, during the year 2018-19.
 - Differential amount of Customs Duty (excluding interest) in a subsidiary company in respect of machinery imported under various export promotion schemes is ₹ 15 (March 31, 2019: ₹ 16)
 - During the financial year 2015-16, the Government of India notified an amendment to the Payment of Bonus Act, 1961 whereby the applicable slabs as well as coverage limit was enhanced. The said amendment was made effective April 1, 2014. The Company is contesting the retrospective applicability of the amendment for the financial year 2014-15 in the High Court of Judicature at Hyderabad for the states of Telangana and Andhra Pradesh. The aggregate amount of liability pertaining to the financial year 2014-15, not provided for, is ₹ 92 (March 31, 2019: ₹ 92).
 - Cyient Inc. has certain obligations towards revenue authorities for its step down subsidiary Wellsco Inc. (amalgamated with Cyient Inc. w.e.f April 1, 2012). As at March 31, 2019, ₹ 51 had been provided towards adjustment of any liabilities pertaining towards such obligation. During the year, Company has evaluated its obligation by obtaining a legal opinion and noted that Cyient Inc. is not required to carry provision and hence reversed ₹ 51 in the consolidated financial statements.
 - One of the former employee of the Company filed a legal suit to recover amount from a party in his personal capacity on behalf of Certon Software Inc., (merged with Cyient Inc. on November 1, 2018). The Company has taken proactive steps to mitigate any potential risks that may arise out of this action. Pending legal resolution of the dispute, no provision has been recognised in the consolidated financial statements.
- (C) The Company has certain outstanding export obligations/commitments as at March 31, 2020 and March 31, 2019. Further, the Company has certain commitments to bankers relating to receivable factoring arrangements entered with them in respect of receivables from few customers. These factoring arrangements are without recourse to the Company and in the normal course of business. The Company is confident of meeting these commitments arising from such arrangements.

36. Impairment of non-current assets

- (a) During the previous year, Company's subsidiary, Cyient Solutions and Systems Private Limited ('CSSPL') entered into a collaboration agreement with a third party for the development of payload and customisation of UAV systems. As at March 31, 2019, ₹ 163 spent has been classified as 'intangible asset under development' and ₹ 59 under capital and other advances. During the year, CSSPL has recognised one-time impairment charge of ₹ 222 relating to costs incurred on development of UAV systems in view of the potential delays in materialization of orders and classified under 'impairment of non-current assets'. (refer note 5)
- (b) The Group incurred certain expenses towards development of a software towards certification process through simulation which was capitalised as 'intangible assets under development'. During the year, based on forecast of the underlying contracts, the Group has impaired the carrying value of the asset of ₹ 73 and recognised under 'impairment of non-current assets'. (refer note 5)
- (c) Based on the management estimates and the forecast of the underlying contracts, the Group has impaired the carrying value of the intangible asset as at March 31, 2020 of ₹ 109 acquired as a part of business of 'Global Services Engineering Asia' Singapore by Cyient Singapore Private Limited on September 1, 2015. (refer note 5)

37. Exceptional item:

During the previous year, Cyient Insights LLC, wholly owned subsidiary of Cyient Insights Private Limited was dissolved and the resultant net impact of ₹ 35 was recognised in the consolidated financial statements as an 'exceptional item'.

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

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 36 | 13 |
| (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.

39. Dividends distribution made and proposed

| Particulars | March 31, 2020 | March 31, 2019 |
|------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Cash dividends on equity shares declared and paid: | | |
| Final dividend for the year ended on March 31, 2019 : ₹ 9 per share (March 31, 2018 : ₹ 4 per share) | 990 | 451 |
| Dividend distribution tax ("DDT") on final dividend * | 203 | - |
| Interim dividend for the year ended on March 31, 2020 : ₹ 15 per share (March 31, 2019 : ₹ 6 per share) | 1,649 | 679 |
| DDT on Interim dividend | 339 | 139 |
| Total # | 3,181 | 1,269 |
| Proposed dividend on equity shares: | | |
| Final cash dividend for the year ended on March 31, 2020 : ₹ Nil per share (March 31, 2019: ₹ 9 per share) | - | 990 |
| DDT on final dividend | - | 203 |
| | - | 1,193 |

During the year, the Board of Directors at their meetings held on October 17, 2019 and March 12, 2020 declared an interim dividend of ₹ 6 per share and ₹ 9 per share respectively on face value of ₹ 5 each.

* During the previous year, the Company has received dividend of ₹ 457 from its wholly owned subsidiary, Cyient Australia Pty Limited. Final dividend for the year ended March 31, 2018 of ₹ 451 has been adjusted against the final dividend received from Cyient Australia Pty Limited. Accordingly, the DDT on final dividend is ₹ Nil.

Includes unclaimed dividend amount of ₹ 12 (March 31, 2019: ₹ 8)

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, 2020, income available for distribution were ₹ 18,308 (March 31, 2019 - ₹ 19,073).

40. Disclosure of Additional Information as Required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013
(A). As at and for the year ended March 31, 2020

| Sl No. | Name of the entity in the Group | Net assets, i.e., total assets minus total liabilities | | Share of profit or loss | | Share of other comprehensive income | | Share in total comprehensive income | |
|-------------------------------|--------------------------------------------------------------|--------------------------------------------------------|--------|-------------------------------------|--------|-------------------------------------------------|--------|-------------------------------------------------|--------|
| | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| | | | | | | | | | |
| Parent Company | | | | | | | | | |
| | Cyient Limited | 82.01% | 20,976 | 82.06% | 2,800 | (212.78%) | (283) | 71.00% | 2,517 |
| Subsidiaries | | | | | | | | | |
| Indian | | | | | | | | | |
| 1 | Cyient Insights Private Limited | (0.34%) | (88) | 0.03% | 1 | 2.26% | 3 | 0.11% | 4 |
| 2 | Cyient DLM Private Limited | (0.36%) | (91) | (1.85%) | (63) | (10.53%) | (14) | (2.17%) | (77) |
| 3 | Cyient Solutions and Systems Private Limited | (1.13%) | (288) | (7.88%) | (269) | 0.00% | - | (7.59%) | (269) |
| Foreign | | | | | | | | | |
| 1 | Cyient Inc. | 12.54% | 3,208 | 26.17% | 893 | 229.32% | 305 | 33.79% | 1,198 |
| 2 | Cyient Europe Limited | 0.98% | 250 | 2.26% | 77 | 6.77% | 9 | 2.43% | 86 |
| 3 | Cyient GmbH | 5.63% | 1,441 | 3.58% | 122 | 67.67% | 90 | 5.98% | 212 |
| 4 | Cyient KK | 0.85% | 217 | 3.72% | 127 | 16.54% | 22 | 4.20% | 149 |
| 5 | Cyient Australia Pty Limited | 0.79% | 203 | (1.17%) | (40) | (6.02%) | (8) | (1.35%) | (48) |
| 6 | Cyient Singapore Private Limited | (0.81%) | (207) | (5.80%) | (198) | 3.76% | 5 | (5.44%) | (193) |
| 7 | Cyient Israel Private Limited | 0.03% | 8 | 0.03% | 1 | 3.03% | 4 | 0.14% | 5 |
| Non-controlling interests in: | | | | | | | | | |
| 1 | Cyient Solutions and Systems Private Limited (refer note 14) | (0.13%) | (32) | (0.38%) | (13) | - | - | (0.37%) | (13) |
| Joint Venture | | | | | | | | | |
| Indian | | | | | | | | | |
| 1 | Infotech HAL Limited | (0.06%) | (20) | (0.76%) | (26) | - | - | (0.73%) | (26) |
| Total | | 100% | 25,577 | 100% | 3,412 | 100% | 133 | 100% | 3,545 |

40. Disclosure of Additional Information as Required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013
(B). As at and for the year ended March 31, 2019

| Sl No. | Name of the entity in the Group | Net assets, i.e., total assets minus total liabilities | | Share of profit or loss | | Share of other comprehensive income | | Share in total comprehensive income | |
|-------------------------------|--------------------------------------------------------------|--------------------------------------------------------|--------|-------------------------------------|--------|-------------------------------------------------|--------|-------------------------------------------------|--------|
| | | As % of consolidated net assets | | As % of consolidated profit or loss | | As % of consolidated other comprehensive income | | As % of consolidated total comprehensive income | |
| | | Amount | Amount | Amount | Amount | Amount | Amount | Amount | Amount |
| Parent Company | | | | | | | | | |
| | Cyient Limited | 85.38% | 21,878 | 85.76% | 4,091 | 104.57% | 343 | 86.95% | 4,434 |
| Subsidiaries | | | | | | | | | |
| Indian | | | | | | | | | |
| 1 | Cyient Insights Private Limited | (0.26%) | (67) | 4.90% | 234 | - | - | 4.59% | 234 |
| 2 | Cyient DLM Private Limited | (0.02%) | (6) | (0.42%) | (20) | (1.22%) | (4) | (0.47%) | (24) |
| 3 | Cyient Solutions and Systems Private Limited | (0.09%) | (22) | (0.42%) | (20) | - | - | (0.39%) | (20) |
| Foreign | | | | | | | | | |
| 1 | Cyient Inc. | 8.53% | 2,186 | 8.68% | 414 | (2.44%) | (8) | 7.96% | 406 |
| 2 | Cyient Europe Limited | 0.84% | 214 | (4.93%) | (235) | - | - | (4.61%) | (235) |
| 3 | Cyient GmbH | 4.47% | 1,145 | 2.85% | 136 | (0.61%) | (2) | 2.63% | 134 |
| 4 | Cyient KK | 0.27% | 68 | 1.22% | 58 | - | - | 1.14% | 58 |
| 5 | Cyient Australia Pty Limited | 0.98% | 252 | 2.62% | 125 | - | - | 2.45% | 125 |
| 6 | Cyient Singapore Private Limited | (0.06%) | (16) | (0.08%) | (4) | - | - | (0.08%) | (4) |
| 7 | Cyient Israel Private Limited | 0.01% | 3 | 0.02% | 1 | - | - | 0.02% | 1 |
| Non-controlling interests in: | | | | | | | | | |
| 1 | Cyient Insights Private Limited (refer note 14) | - | - | (0.15%) | (7) | - | - | (0.14%) | (7) |
| 2 | Cyient DLM Private Limited (refer note 14) | - | - | 0.25% | 12 | (0.30%) | (1) | 0.22% | 11 |
| 3 | Cyient Solutions and Systems Private Limited (refer note 14) | (0.07%) | (19) | (0.40%) | (19) | - | - | (0.37%) | (19) |
| Joint Venture | | | | | | | | | |
| Indian | | | | | | | | | |
| | Infotech HAL Limited | 0.02% | 6 | 0.10% | 5 | - | - | 0.10% | 5 |
| Total | | 100% | 25,622 | 100% | 4,771 | 100% | 328 | 100% | 5,099 |

41. Research and Development expenses:

Revenue expenditure pertaining to research and development are charged to the consolidated statement of profit and loss amounts to ₹ 518 (2018-19: ₹ 314).

42. Previous year figures have been regrouped / reclassified, where necessary, to conform to the current years' classification.

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004



Vikas Pansari
Partner
Membership No : 093649

Place : Mumbai
Date : May 07, 2020

For and on behalf of the Board of Directors
Cyient Limited



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



Ajay Aggarwal
President &
Chief Financial Officer
Place : Hyderabad
Date : May 07, 2020



Krishna Bodanapu
Managing Director and CEO
(DIN - 00605187)



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



CYIENT STRATEGICALLY INVESTS IN RAIL CYBERSECURITY FIRM CYLUS

At Cyient, we aim to partner with businesses that have synergy with our core competencies and can contribute to our growth. Earlier this year, we invested in Cylus, an Israel-based global leader in cybersecurity solutions for the rail industry. This strategic investment is in line with our focus on developing intelligent mobility solutions. The investment will strengthen Cyient's value proposition of enabling the rail transportation industry to efficiently design, build, and maintain safe assets and secure networks.

Furthermore, Cyient and Cylus will be able to expand their industry-specific cybersecurity value proposition, jointly address market needs, and accelerate the development of cutting-edge cybersecurity solutions for the rail industry. Specifically, CylusOne, a cybersecurity software product, is built for mainline and urban rail systems, and it detects cyber threats in signaling and control networks, both trackside and onboard, thus facilitating a timely and effective response.

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014-AOC I)

Part "A": Subsidiaries

| Name of the subsidiary | Cyient Inc. | Cyient Europe Limited | Cyient GmbH | Cyient KK | Cyient Australia Pty Limited | Cyient Singapore Private Limited | Cyient Insights Private Limited | Cyient DLM Private Limited | Cyient Solutions and Systems Private Limited | Cyient Israel India Limited |
|---------------------------------------------------------------------------------------------------------|----------------|-----------------------|----------------|----------------|------------------------------|----------------------------------|---------------------------------|----------------------------|----------------------------------------------|-----------------------------|
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | April to March | April to March | April to March | April to March | April to March | April to March | April to March | April to March | April to March | April to March |
| Reporting currency | USD | GBP | EUR | JPY | AUD | SGD | INR | INR | INR | ILS |
| Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries. | 75.3949 | 93.3484 | 83.1811 | 0.6982 | 46.5907 | 52.9502 | 1 | 1 | 1 | 21.1284 |
| Equity share capital | 21,450,000 | 1,850,000 | 600,000 | 64,500,000 | 1,000 | 5,085,360 | 19,994,780 | 13,670,000 | 2,00,000 | 1,817,100 |
| Other equity | 37,531,247 | 4,403,559 | 17,569,472 | 303,068,312 | 4,301,167 | (4,503,613) | (74,818,524) | 243,389,394 | (322,744,439) | 58,768 |
| Total assets | 140,681,362 | 71,498,799 | 33,659,414 | 695,703,112 | 27,035,906 | 3,008,164 | 138,828,565 | 5,934,938,500 | 33,264,100 | 4,191,028 |
| Total Liabilities | 81,700,115 | 65,245,240 | 15,489,942 | 328,134,800 | 22,733,739 | 2,426,417 | 193,652,309 | 5,677,879,106 | 355,808,539 | 2,315,160 |
| Investments | 3,576,500 | 1,139,456 | - | - | - | - | - | - | - | - |
| Turnover | 288,931,935 | 70,221,003 | 25,947,022 | 1,338,845,150 | 63,126,652 | 7,160,331 | 85,759,742 | 4,570,872,913 | - | 955,757 |
| Profit/(Loss) before taxation | 15,379,176 | 1,486,095 | 2,072,871 | 308,183,421 | (898,986) | (4,033,223) | 1,737,570 | (72,163,482) | (281,786,161) | 37,643 |
| Provision for taxation | 3,330,426 | 777,131 | 565,546 | 111,982,412 | (108,788) | (228,756) | 755,461 | (5,123,703) | - | - |
| Profit/(Loss) after taxation | 12,048,749 | 708,964 | 1,507,325 | 196,201,009 | (790,198) | (3,804,467) | 982,109 | (67,039,779) | (281,786,161) | 37,643 |
| Proposed Dividend (refer note 3) | - | - | - | - | - | - | - | - | - | - |
| % of shareholding | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 51% | 100% |

Notes: 1. All amounts are mentioned in the respective reporting currency as described above.

2. Cyient Engineering (Beijing) Limited, China was incorporated during the year 2015-16. It has not yet started commercial operations.

Part "B": Associates and Joint Ventures

| Name of Joint Venture | | Infotech HAL Limited , India |
|-----------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|
| 1. | Latest audited Balance Sheet Date | March 31, 2019 |
| 2. | Shares of Associate/Joint Ventures held by the company on the year end | |
| | i. No. | i. 2,000,000 |
| | ii. Amount of Investment in Associates/Joint Venture | ii. 20,000,000 |
| | iii. Extent of Holding % | iii. 50% |
| 3. | Description of how there is significant influence | There is significant influence to the extent of shareholding |
| 4. | Reason why the associate/joint venture is not Consolidated | NA |
| 5. | Net worth attributable to Shareholding as per latest audited Balance Sheet | ₹ Null** |
| 6. | Profit/(Loss) for the year | |
| | i. Considered in Consolidation* | i) ₹ (26,127,797) |
| | ii. Not Considered in Consolidation | ii) - |

*Including other comprehensive income

** During the year, Cyient Limited has restricted share of loss from joint venture to its carrying amount.

1. Names of joint ventures which are yet to commence operations – None.

10 Year Historical Perspective - Standalone

₹ Mn

| Particulars | I GAAP | | | | | IND AS | | | | |
|----------------------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
| For the year | | | | | | | | | | |
| Total Revenue | 6,774 | 9,174 | 10,889 | 12,769 | 13,969 | 13,591 | 13,736 | 14,397 | 16,149 | 15,231 |
| EBITDA | 1,668 | 2,646 | 3,196 | 3,967 | 4,053 | 3,637 | 3,617 | 5,671 | 5,932 | 4,792 |
| Finance cost | 1 | 6 | 1 | 4 | 5 | 3 | 6 | 6 | 11 | 148 |
| Depreciation, amortisation and impairment*** | 375 | 412 | 563 | 649 | 618 | 684 | 540 | 508 | 509 | 1,301 |
| Provision for income tax | 126 | 715 | 699 | 763 | 707 | 615 | 601 | 1,285 | 1,179 | 743 |
| Deferred tax | 10 | (72) | 71 | 3 | 12 | (72) | (100) | (43) | (174) | 120 |
| Profit before exceptional item | 1,156 | 1,586 | 1,862 | 2,549 | 2,711 | 2,407 | 2,570 | 3,915 | 4,407 | 2,480 |
| Exceptional item | (23) | - | 18 | - | - | 72 | 201 | (103) | - | - |
| Profit after tax | 1,179 | 1,586 | 1,843 | 2,549 | 2,711 | 2,335 | 2,369 | 4,018 | 4,407 | 2,480 |
| Dividend | 139 | 279 | 586 | 559 | 899 | 787 | 1,307 | 1,463 | 1,667 | 1,649 |
| As at the end of the year | | | | | | | | | | |
| Share capital* | 556 | 557 | 558 | 560 | 562 | 562 | 563 | 563 | 552 | 550 |
| Reserves and surplus | 8,523 | 9,792 | 11,108 | 13,298 | 15,244 | 16,213 | 18,259 | 20,051 | 21,813 | 20,433 |
| Share application money pending allotment | - | - | 4 | 1 | - | 1 | - | - | - | - |
| Net Worth | 9,080 | 10,349 | 11,670 | 13,859 | 15,806 | 16,776 | 18,822 | 20,614 | 22,365 | 20,983 |
| Loan funds | - | - | - | - | - | - | - | - | - | - |
| Gross block | 5,350 | 5,976 | 6,810 | 7,226 | 7,806 | 8,013 | 8,251 | 8,581 | 9,028 | 9,735 |
| Capital investment | 514 | 626 | 834 | 416 | 580 | 207 | 238 | 330 | 447 | 707 |
| Right of use assets** | - | - | - | - | - | - | - | - | - | 1,667 |
| Net Current assets | 4,496 | 5,438 | 6,230 | 8,524 | 7,589 | 8,420 | 10,510 | 12,282 | 13,044 | 10,208 |
| Debt - equity ratio | - | - | - | - | - | - | - | - | - | - |
| Per share data | | | | | | | | | | |
| Basic earnings per share (₹) (EPS) | 10.60 | 14.24 | 16.53 | 22.81 | 24.17 | 20.77 | 21.05 | 35.69 | 39.07 | 22.56 |
| Dividend Per Share (₹) (DPS) | 1.3 | 2.5 | 4.5 | 5.0 | 8.0 | 7.0 | 10.5 | 13.0 | 15 | 15 |
| Dividend (%) | 25.0% | 50.0% | 90.0% | 100.0% | 160.0% | 140.0% | 210.0% | 260.0% | 300% | 300% |
| Dividend Pay-out (%) | 11.8% | 17.6% | 27.2% | 21.9% | 33.2% | 33.7% | 55.2% | 36.4% | 37.8% | 66.5% |
| Book Value (₹) | 81.7 | 92.9 | 104.5 | 123.8 | 140.7 | 149.1 | 167.2 | 183.1 | 202.45 | 189.94 |
| Face Value (₹) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from the "transition date" of April 01, 2015. Financial statements for the year ended and as at March 31, 2016, already reported under the Previous GAAP, have been restated to conform to Ind AS.

* The Company bought back an aggregate of 3,123,963 equity shares, utilizing a total of ₹ 1,999 (excluding transaction costs of Buyback), which represents 99.99% of the maximum Buyback size between 1st February 2019 to 11th April 2019. Refer note 11A in standalone financial statements.

** Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' which sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The depreciation of right of use assets for the year 2019-20 is ₹ 446 Mn. Refer note 3B in standalone financial statements.

*** During the current year, Company's subsidiary, Cyient Solutions and Systems Private Limited ('CSS') has recognised one-time charge of ₹ 222 Mn relating to costs incurred on development of UAV systems in view of the potential delays in materialization of orders. Accordingly, a corresponding provision for impairment of the loan given to CSS of ₹ 311 Mn has been recognised in standalone financial statements.

Financial Analysis - Standalone Balance Sheet Summary for Last Five Years

₹ Mn and percentage

| IND AS | | | | | | | | | | |
|------------------------------------------|-------------------------|-------|-------------------------|-------|-------------------------|-------|-------------------------|-------|-------------------------|-------|
| | As at March 31, 2020 | % | As at March 31, 2019 | % | As at March 31, 2018 | % | As at March 31, 2017 | % | As at March 31, 2016 | % |
| ASSETS | | | | | | | | | | |
| Non-current assets | | | | | | | | | | |
| Property, plant and equipment | 2,852 | 10.7% | 2,460 | 9.5% | 2,252 | 9.4% | 2,313 | 10.7% | 2,475 | 12.9% |
| Right of use assets | 1,221 | 4.6% | - | - | - | - | - | - | - | - |
| Capital work-in-progress | 14 | 0.1% | 287 | 1.1% | 213 | 0.9% | 92 | 0.4% | 6 | 0.03% |
| Other Intangible assets | 282 | 1.1% | 204 | 0.8% | 292 | 1.2% | 243 | 1.1% | 241 | 1.3% |
| Intangible assets under develop- ment | 613 | 2.3% | 468 | 1.8% | 251 | 1.0% | 71 | 0.3% | - | - |
| Financial assets | | | | | | | | | | |
| (a) Investments | 5,107 | 19.1% | 5,101 | 19.8% | 4,639 | 19.3% | 4,605 | 21.3% | 4,587 | 23.9% |
| (b) Loans and deposits | 1,002 | 3.7% | 688 | 2.7% | 320 | 1.3% | 376 | 1.7% | 291 | 1.5% |
| Deferred tax assets (net) | 274 | 1.0% | 194 | 0.8% | 167 | 0.7% | 26 | 0.1% | 44 | 0.2% |
| Income tax assets (net) | 807 | 3.0% | 320 | 1.2% | 392 | 1.6% | 392 | 1.8% | 457 | 2.4% |
| Other non-current assets | 451 | 1.6% | 462 | 1.8% | 507 | 2.1% | 836 | 3.9% | 809 | 4.2% |
| Total non-current assets | 12,623 | 47.2% | 10,184 | 39.5% | 9,033 | 37.6% | 8,954 | 41.4% | 8,910 | 46.4% |
| Current assets | | | | | | | | | | |
| Financial assets | | | | | | | | | | |
| (a) Investments | - | - | 278 | 1.1% | 1,130 | 4.7% | 925 | 4.3% | 790 | 4.1% |
| (b) Trade receivables | 5,658 | 21.2% | 5,079 | 19.7% | 4,151 | 17.3% | 2,950 | 13.6% | 2,802 | 14.6% |
| (c) Cash and cash equivalents | 5,836 | 21.8% | 6,998 | 27.1% | 7,200 | 30.0% | 6,516 | 30.1% | 4,916 | 25.6% |
| (d) Other bank balances | 1 | 0.0% | 129 | 0.5% | 66 | 0.3% | 23 | 0.1% | 40 | 0.2% |
| (e) Loans | 436 | 1.6% | 320 | 1.2% | 267 | 1.1% | 153 | 0.7% | 154 | 0.8% |
| (f) Other financial assets | 1,566 | 5.9% | 1,805 | 7.0% | 1,628 | 6.8% | 1,611 | 7.4% | 1,155 | 6.0% |
| Other current assets | 607 | 2.3% | 1,008 | 3.9% | 536 | 2.2% | 501 | 2.3% | 450 | 2.3% |
| Total current assets | 14,104 | 52.8% | 15,617 | 60.5% | 14,978 | 62.4% | 12,679 | 58.6% | 10,307 | 53.6% |
| Total assets | 26,727 | 100% | 25,801 | 100% | 24,011 | 100% | 21,633 | 100% | 19,217 | 100% |

| | IND AS | | | | | | | |
|--------------------------------------|-------------------------|---------------|-------------------------|---------------|-------------------------|--------------|-------------------------|--------------|
| | As at March 31, 2020 | % | As at March 31, 2019 | % | As at March 31, 2018 | % | As at March 31, 2017 | % |
| EQUITY AND LIABILITIES | | | | | | | | |
| Equity | | | | | | | | |
| Equity share capital | 550 | 2.0% | 552 | 2.1% | 563 | 2.3% | 563 | 2.6% |
| Other equity | 20,433 | 76.5% | 21,813 | 84.5% | 20,051 | 83.5% | 18,259 | 84.4% |
| Total equity | 20,983 | 78.5% | 22,365 | 86.7% | 20,614 | 85.9% | 18,822 | 87.0% |
| | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Non-current liabilities | | | | | | | | |
| Provisions | 834 | 3.1% | 863 | 3.3% | 701 | 2.9% | 642 | 3.0% |
| Financial liabilities | | | | | | | | |
| Lease liabilities | 1,014 | 3.8% | - | - | - | - | - | - |
| Total non-current liabilities | 1,848 | 6.9% | 863 | 3.3% | 701 | 2.9% | 642 | 3.0% |
| | | | | | | | | |
| Current liabilities | | | | | | | | |
| Financial liabilities | | | | | | | | |
| (a) Trade payables | 2,584 | 9.7% | 1,963 | 7.6% | 1,933 | 8.1% | 1,321 | 6.1% |
| (b) Lease liabilities | 347 | 1.3% | - | - | - | - | - | - |
| (c) Other financial liabilities | 331 | 1.2% | 137 | 0.5% | 173 | 0.7% | 67 | 0.3% |
| Income tax liabilities (net) | 134 | 0.5% | 48 | 0.2% | 44 | 0.2% | 45 | 0.2% |
| Provisions | 163 | 0.6% | 97 | 0.4% | 71 | 0.3% | 74 | 0.3% |
| Other current liabilities | 337 | 1.3% | 328 | 1.3% | 475 | 2.0% | 662 | 3.1% |
| Total current liabilities | 3,896 | 14.6% | 2,573 | 10.0% | 2,696 | 11.2% | 2,169 | 10.0% |
| | | | | | | | | |
| Total liabilities | 5,744 | 21.5% | 3,436 | 13.3% | 3,397 | 14.1% | 2,811 | 13.0% |
| Total equity and liabilities | 26,727 | 100.0% | 25,801 | 100.0% | 24,011 | 100% | 21,633 | 100% |

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from the "transition date" of April 01, 2015. Financial statements for the year ended and as at March 31, 2016, already reported under the Previous GAAP, have been restated to conform to Ind AS.

Financial Analysis - Standalone

Statement of Profit and Loss Summary for Last Five Years

(₹ Mn and percentage)

| | IND AS | | | | | | | |
|-----------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2019-20 | % | 2018-19 | % | 2017-18 | % | 2016-17 | % |
| INCOME | | | | | | | | |
| Revenue from operations | 15,231 | 92.3% | 16,149 | 90.9% | 14,397 | 88.2% | 12,920 | 94.1% |
| Other income | 1,267 | 7.7% | 1,621 | 9.1% | 1,923 | 11.8% | 816 | 5.9% |
| Total Income | 16,498 | 100.0% | 17,770 | 100.0% | 16,320 | 100.0% | 13,736 | 100.0% |
| EXPENSES | | | | | | | | |
| Employee benefits expense | 7,672 | 46.5% | 7,557 | 42.5% | 6,758 | 41.4% | 6,520 | 47.5% |
| Operating, administration and other expense | 4,034 | 24.5% | 4,281 | 24.1% | 3,891 | 23.8% | 3,599 | 26.2% |
| Finance costs | 148 | 0.9% | 11 | 0.06% | 6 | 0.04% | 6 | 0.04% |
| Depreciation, amortisation and impairment | 1,301 | 7.9% | 509 | 2.9% | 508 | 3.1% | 540 | 3.9% |
| Total expenses | 13,155 | 79.7% | 12,358 | 69.5% | 11,163 | 68.4% | 10,665 | 77.6% |
| Profit before exceptional items and tax | 3,343 | 20.3% | 5,412 | 30.5% | 5,157 | 31.6% | 3,071 | 22.4% |
| Exceptional item | - | - | - | - | (103) | -0.6% | 201 | 1.5% |
| Profit before tax | 3,343 | 20.3% | 5,412 | 30.5% | 5,260 | 32.2% | 2,870 | 20.9% |
| Provision for income tax | 743 | 4.5% | 1,179 | 6.6% | 1,285 | 7.9% | 601 | 4.4% |
| Deferred tax | 120 | 0.7% | (174) | -1.0% | (43) | -0.3% | (100) | -0.7% |
| Profit after tax | 2,480 | 15.0% | 4,407 | 24.8% | 4,018 | 24.6% | 2,369 | 17.2% |
| Total other comprehensive income, net of tax | (328) | -2.0% | 257 | 1.4% | (357) | (2.2%) | 217 | 1.6% |
| Total comprehensive income for the year | 2,152 | 13.0% | 4,664 | 26.2% | 3,661 | 22.4% | 2,586 | 18.8% |
| | | | | | | | 2,118 | 15.6% |

Financial Analysis - Consolidated Balance Sheet Summary for Last Five Years

₹ Mn and percentage

| | Ind AS | | | | | | | | | |
|-------------------------------------|-------------------------|-------|-------------------------|-------|-------------------------|-------|-------------------------|-------|-------------------------|-------|
| | As at March 31, 2020 | % | As at March 31, 2019 | % | As at March 31, 2018 | % | As at March 31, 2017 | % | As at March 31, 2016 | % |
| ASSETS | | | | | | | | | | |
| Non-current assets | | | | | | | | | | |
| Property, plant and equipment | 4,205 | 10.1% | 3,530 | 9.1% | 3,220 | 9.4% | 3,017 | 9.6% | 3,020 | 11.1% |
| Right of use assets | 2,704 | 6.5% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% |
| Capital work-in-progress | 800 | 1.9% | 300 | 0.8% | 213 | 0.6% | 92 | 0.3% | 24 | 0.1% |
| Goodwill | 5,374 | 12.9% | 5,257 | 13.5% | 3,549 | 10.3% | 3,278 | 10.5% | 2,708 | 9.9% |
| Other intangible assets | 767 | 1.8% | 993 | 2.6% | 1,206 | 3.5% | 1,215 | 3.9% | 844 | 3.1% |
| Intangible assets under development | 659 | 1.6% | 740 | 1.9% | 302 | 0.9% | 173 | 0.6% | 76 | 0.3% |
| Financial assets | | | | | | | | | | |
| (a) Investments | 414 | 1.0% | 270 | 0.7% | 298 | 0.9% | 1,032 | 3.3% | 808 | 3.0% |
| (b) Loans and deposits | 299 | 0.7% | 308 | 0.8% | | | | | | |
| (c) Other financial assets | 10 | 0.0% | 8 | 0.0% | 270 | 0.8% | 205 | 0.7% | 183 | 0.7% |
| Deferred tax assets (net) | 396 | 0.9% | 294 | 0.8% | 321 | 0.9% | 101 | 0.3% | 176 | 0.6% |
| Income tax assets (net) | 878 | 2.1% | 716 | 1.8% | 755 | 2.2% | 683 | 2.2% | 597 | 2.2% |
| Other non-current assets | 641 | 1.5% | 626 | 1.6% | 736 | 2.1% | 855 | 2.7% | 957 | 3.5% |
| Total non-current assets | 17,147 | 41.0% | 13,042 | 33.5% | 10,870 | 31.6% | 10,651 | 34.1% | 9,393 | 34.5% |
| Current assets | | | | | | | | | | |
| Inventories | 2,267 | 5.4% | 1,833 | 4.7% | 1,312 | 3.8% | 935 | 3.0% | 979 | 3.6% |
| Financial assets | | | | | | | | | | |
| (a) Investments | - | - | 278 | 0.7% | 1,130 | 3.3% | 925 | 2.9% | 790 | 2.9% |
| (b) Trade receivables | 7,262 | 17.4% | 8,137 | 20.9% | 6,913 | 20.1% | 6,496 | 20.7% | 6,145 | 22.5% |
| (c) Cash and cash equivalents | 8,995 | 21.5% | 9,096 | 23.4% | 9,603 | 28.0% | 8,570 | 27.3% | 6,831 | 25.0% |
| (d) Other bank balances | 523 | 1.3% | 609 | 1.6% | 204 | 0.6% | 211 | 0.7% | 118 | 0.4% |
| (e) Other financial assets | 4,411 | 10.6% | 4,223 | 10.9% | 3,384 | 9.9% | 2,660 | 8.5% | 2,177 | 8.0% |
| Other current assets | 1,192 | 2.9% | 1,674 | 4.3% | 910 | 2.6% | 916 | 2.8% | 875 | 3.1% |
| Total current assets | 24,650 | 59.0% | 25,850 | 66.5% | 23,456 | 68.4% | 20,713 | 65.9% | 17,915 | 65.5% |
| Total assets | 41,797 | 100% | 38,892 | 100% | 34,326 | 100% | 31,364 | 100% | 27,308 | 100% |

| | Ind AS | | | | | | | |
|-----------------------------------------------------|-------------------------|---------------|-------------------------|---------------|-------------------------|--------------|-------------------------|--------------|
| | As at March 31, 2020 | % | As at March 31, 2019 | % | As at March 31, 2018 | % | As at March 31, 2017 | % |
| EQUITY AND LIABILITIES | | | | | | | | |
| Equity | | | | | | | | |
| Equity share capital | 550 | 1.3% | 552 | 1.4% | 563 | 1.6% | 563 | 1.8% |
| Other equity | 25,059 | 60.0% | 25,089 | 64.5% | 22,876 | 66.6% | 20,610 | 65.7% |
| Equity attributable to owners of the Company | 25,609 | 61.3% | 25,641 | 65.9% | 23,439 | 68.3% | 21,173 | 67.5% |
| Non-controlling interests | (32) | (0.1%) | (19) | (0.05%) | 3 | 0.01% | 26 | 0.1% |
| Total equity | 25,577 | 61.2% | 25,622 | 65.9% | 23,442 | 68.3% | 21,199 | 67.6% |
| Non-current liabilities | | | | | | | | |
| Financial liabilities | | | | | | | | |
| (a) Borrowings | 859 | 2.1% | 1,116 | 2.9% | 630 | 1.8% | 492 | 1.6% |
| (b) Lease liabilities | 2,293 | 5.5% | - | - | - | - | - | - |
| (c) Other financial liabilities | 380 | 0.9% | 697 | 1.8% | 353 | 1.0% | 232 | 0.7% |
| Provisions | 1,151 | 2.7% | 1,137 | 2.9% | 878 | 2.6% | 813 | 2.6% |
| Deferred tax liabilities (net) | 378 | 0.9% | 405 | 1.0% | 356 | 1.0% | 302 | 1.0% |
| Income tax liabilities (net) | - | - | 20 | 0.1% | 20 | 0.1% | - | 0.0% |
| Other non-current liabilities | 24 | 0.1% | - | - | 26 | 0.1% | 35 | 0.1% |
| Total non-current liabilities | 5,085 | 12.2% | 3,375 | 8.7% | 2,263 | 6.6% | 1,874 | 6.0% |
| Current liabilities | | | | | | | | |
| Financial liabilities | | | | | | | | |
| (a) Borrowings | 2,879 | 6.9% | 2,137 | 5.5% | 1,780 | 5.2% | 1,159 | 3.7% |
| (b) Trade payables | 3,729 | 8.9% | 3,700 | 9.5% | 3,813 | 11.1% | 4,021 | 12.8% |
| (c) Lease liabilities | 672 | 1.6% | - | - | - | - | - | - |
| (d) Other financial liabilities | 1,016 | 2.4% | 874 | 2.2% | 1,256 | 3.7% | 1,133 | 3.6% |
| Income tax liabilities (net) | 328 | 0.8% | 424 | 1.1% | 316 | 0.9% | 424 | 1.4% |
| Provisions | 377 | 0.9% | 289 | 0.7% | 229 | 0.7% | 235 | 0.7% |
| Other current liabilities | 2,134 | 5.1% | 2,471 | 6.4% | 1,227 | 3.5% | 1,319 | 4.2% |
| Total current liabilities | 11,135 | 26.6% | 9,895 | 25.4% | 8,621 | 25.1% | 8,291 | 26.4% |
| Total liabilities | 16,220 | 38.8% | 13,270 | 34.1% | 10,884 | 31.7% | 10,165 | 32.4% |
| Total equity and liabilities | 41,797 | 100.0% | 38,892 | 100.0% | 34,326 | 100% | 31,364 | 100% |

Financial Analysis - Consolidated

Statement of Profit and Loss Summary for Last Five Years

(₹ Mn and percentage)

| | INDAS | | | | | | | |
|--------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2019-20 | % | 2018-19 | % | 2017-18 | % | 2016-17 | % |
| INCOME | | | | | | | | |
| Revenue from operations | 44,274 | 96.5% | 46,175 | 97.2% | 39,175 | 96.3% | 36,065 | 97.5% |
| Other income | 1,583 | 3.5% | 1,340 | 2.8% | 1,519 | 3.7% | 932 | 2.5% |
| Total Income | 45,857 | 100.0% | 47,515 | 100.0% | 40,694 | 100.0% | 36,997 | 100.0% |
| EXPENSES | | | | | | | | |
| Employee benefits expense | 24,776 | 54.0% | 25,469 | 53.6% | 21,877 | 53.8% | 20,490 | 55.4% |
| Cost of materials consumed | 4,066 | 8.9% | 3,936 | 8.3% | 3,272 | 8.0% | 2,852 | 7.7% |
| Purchases of stock-in-trade | - | - | 108 | 0.2% | - | - | - | - |
| Changes in inventories of finished goods, stock-in-trade and work in progress | (144) | (0.3%) | 141 | 0.3% | (201) | (0.5%) | (110) | -0.3% |
| Excise duty | - | - | - | - | 36 | 0.1% | 207 | 0.6% |
| Operating, administration and other expenses | 9,683 | 21.1% | 10,193 | 21.5% | 8,837 | 21.7% | 7,854 | 21.2% |
| Finance costs | 486 | 1.1% | 326 | 0.7% | 204 | 0.5% | 172 | 0.5% |
| Depreciation, amortisation and impairment expense | 2,282 | 5.0% | 1,114 | 2.3% | 1,052 | 2.6% | 953 | 2.6% |
| Total expenses | 41,149 | 89.7% | 41,287 | 86.9% | 35,077 | 86.2% | 32,418 | 87.6% |
| Profit before exceptional item, share of (loss)/profit from joint venture and associate and tax | 4,708 | 10.3% | 6,228 | 13.1% | 5,617 | 13.8% | 4,579 | 12.4% |
| Exceptional item | - | - | 35 | 0.1% | 50 | 0.1% | 261 | 0.7% |
| Profit before share of (loss)/profit from joint venture and associate and tax | 4,708 | 10.3% | 6,193 | 13.0% | 5,567 | 13.7% | 4,318 | 11.7% |
| Provision for income tax | 1,181 | 2.6% | 1,512 | 3.2% | 1,493 | 3.7% | 927 | 2.5% |
| Deferred tax | 89 | 0.2% | (85) | (0.2%) | (113) | -0.3% | 118 | 0.3% |
| Profit before share of (loss)/profit from associate and joint venture | 3,438 | 7.5% | 4,766 | 10.0% | 4,187 | 10.3% | 3,273 | 8.8% |
| Share of (loss)/profit in associate company and joint venture | (26) | (0.1%) | 5 | 0.0% | (156) | (0.4%) | 123 | 0.3% |
| Non-controlling interest | 13 | 0.0% | 14 | 0.0% | 23 | 0.1% | 42 | 0.1% |
| Profit for the year | 3,425 | 7.5% | 4,785 | 10.1% | 4,054 | 10.0% | 3,438 | 9.3% |
| Total other comprehensive income, net of tax | 133 | 0.3% | 329 | 0.7% | 82 | 0.2% | (33) | (0.1%) |
| Total comprehensive income for the year | 3,558 | 7.8% | 5,114 | 10.8% | 4,136 | 10.2% | 3,405 | 9.2% |
| | | | | | | | 3,268 | 10.2% |

Ratio Analysis - Standalone

| Ratio analysis for the year ended March 31 | IND AS | | | | | I GAAP |
|--------------------------------------------------------|---------|--------|--------|--------|---------|--------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Ratio - Financial Performance | | | | | | |
| Revenue from operations / Total revenue (%) | 92.3% | 90.9% | 88.2% | 94.1% | 91.6% | 92.6% |
| Other Income / Total revenue (%) | 7.7% | 9.1% | 11.8% | 5.9% | 8.4% | 7.4% |
| Employee cost / Total revenue (%) | 46.5% | 42.5% | 41.4% | 47.5% | 46.3% | 46.1% |
| Administration expenses / Total revenue (%) | 24.5% | 24.1% | 23.8% | 26.2% | 26.9% | 24.9% |
| Operating expenses / Total revenue (%)** | 71.0% | 66.6% | 65.3% | 73.7% | 73.2% | 71.0% |
| Depreciation & Amortisation / Total revenue (%) | 7.9% | 2.9% | 3.1% | 3.9% | 5.0% | 4.4% |
| Finance charges / Total revenue (%) | 0.9% | 0.06% | 0.04% | 0.04% | 0.02% | 0.04% |
| Tax / Total revenue (%) | 5.2% | 5.7% | 7.6% | 4.4% | 4.5% | 5.1% |
| Tax / PBT (%) | 25.8% | 18.6% | 23.6% | 17.5% | 18.9% | 20.6% |
| EBIDTA / Total revenue (%) | 31.5% | 36.7% | 35.4% | 24.9% | 26.2% | 29.0% |
| Net Profit (PAT) / Total revenue (%) | 15.0% | 24.8% | 24.6% | 17.2% | 17.2% | 19.4% |
| Net Profit (PAT) / Average net worth (%) | 11.4% | 20.5% | 20.4% | 13.3% | 14.3% | 18.3% |
| ROCE (EBIT / Average capital employed*) (%) | 16.1% | 25.2% | 26.2% | 17.3% | 17.7% | 23.2% |
| Ratios- Balance sheet | | | | | | |
| Debt-equity ratio | - | - | - | - | - | - |
| Debtors turnover (Days) | 136 | 115 | 105 | 83 | 82 | 84 |
| Current ratio | 3.62 | 6.07 | 5.56 | 5.85 | 5.46 | 4.56 |
| Cash & cash equivalents / Total assets (%) | 21.8% | 27.1% | 30.0% | 30.1% | 25.6% | 24.0% |
| Cash & cash equivalents / Total revenue (%) | 38.3% | 43.3% | 50.0% | 50.4% | 39.5% | 31.7% |
| Depreciation & Amortisation / Average gross block (%) | 9.2% | 5.8% | 6.5% | 6.7% | 8.8% | 8.2% |
| Total Revenue / Average net fixed assets**** | 3.57 | 6.20 | 5.39 | 5.21 | 4.78 | 4.45 |
| Total Revenue / Average total assets | 0.58 | 0.65 | 0.63 | 0.67 | 0.72 | 0.81 |
| Ratios - Growth | | | | | | |
| Revenue from Operations (%) | (5.7%) | 12.2% | 11.4% | 3.7% | (3.7%) | 5.7% |
| Total Income (%) | (7.2%) | 8.9% | 18.8% | 1.1% | (2.7%) | 9.4% |
| Operating expenses (%)** | (1.1%) | 11.2% | 5.2% | 1.7% | 0.4% | 12.7% |
| EBIDTA (%) | (19.2%) | 4.6% | 69.0% | (4.2%) | (12.0%) | 2.2% |
| Net Profit (%) | (43.7%) | 9.7% | 69.6% | 1.5% | (13.9%) | 6.3% |
| Per Share Data | | | | | | |
| Basic earnings per share (₹) | 22.56 | 39.07 | 35.69 | 21.05 | 20.77 | 24.17 |
| Cash Earnings per share (₹) | 34.38 | 44.50 | 40.21 | 25.84 | 26.84 | 29.63 |
| Book value (₹) | 190.80 | 202.45 | 183.12 | 167.21 | 149.13 | 140.67 |
| Price / Earning, end of year | 10.18 | 16.62 | 19.47 | 22.21 | 20.54 | 20.86 |
| Price / Cash Earning, end of year | 6.68 | 14.59 | 17.38 | 18.09 | 15.90 | 17.02 |
| Price / Book value, end of year | 1.20 | 3.21 | 3.82 | 2.80 | 2.86 | 3.58 |
| Share price as on March 31 (National Stock Exchange) | 229.65 | 649.45 | 698.85 | 467.50 | 426.70 | 504.27 |
| No. of Share Outstanding as on March 31, (in Millions) | 109.97 | 110.47 | 112.57 | 112.57 | 112.48 | 112.36 |
| Dividend Per Share (₹) | 15 | 15 | 13 | 10.50 | 7.00 | 8.00 |
| Dividend (%) | 300% | 300% | 260% | 210% | 140% | 160% |

* Capital employed is defined as total equity excluding long term and short term borrowings.

** Operating expenses included employee cost and administration expenses

*** Total revenue includes other income

**** Net fixed assets excludes capital work-in-progress and intangible assets under development.

Ratio Analysis - Consolidated

| Ratio analysis for the year ended March 31 | IND AS | | | | | I GAAP |
|---------------------------------------------------------|---------|--------|--------|--------|--------|--------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Ratio - Financial Performance | | | | | | |
| Other Income / Total Revenue (%) | 3.5% | 2.8% | 3.7% | 2.5% | 3.4% | 4.3% |
| Employee cost / Total Revenue (%) | 54.0% | 53.6% | 53.8% | 55.4% | 56.5% | 58.6% |
| Operating & Administration expenses / Total Revenue (%) | 21.1% | 21.5% | 21.7% | 21.2% | 21.1% | 21.5% |
| Depreciation & Amortization / Total Revenue (%)**** | 5.0% | 2.3% | 2.6% | 2.6% | 2.8% | 2.5% |
| Finance Charges / Total Revenue (%) | 1.1% | 0.7% | 0.5% | 0.5% | 0.5% | 0.2% |
| Tax expense / PBT (%) | 27.1% | 23.0% | 25.7% | 23.5% | 24.0% | 24.6% |
| EBIDTA / Total Revenue (%) | 13.5% | 14.0% | 14.0% | 14.7% | 16.0% | 18.3% |
| Net Profit / Total Revenue (%) | 7.5% | 10.1% | 10.0% | 9.3% | 10.1% | 12.4% |
| Net Profit / Average Net Worth (%) | 13.4% | 19.5% | 18.2% | 17.4% | 17.8% | 20.6% |
| ROCE (EBIT / Average capital employed) (%)** | 20.3% | 26.6% | 25.9% | 22.7% | 23.3% | 26.3% |
| Ratios- Balance sheet | | | | | | |
| Debt-equity ratio | 0.16 | 0.15 | 0.13 | 0.10 | 0.04 | 0.03 |
| Debtors turnover (Days) | 95 | 88 | 80 | 74 | 79 | 83 |
| Current ratio | 2.21 | 2.61 | 2.72 | 2.50 | 2.69 | 2.57 |
| Cash & Cash Equivalents / Total Assets (%) | 21.5% | 23.4% | 28.0% | 27.3% | 25.0% | 24.2% |
| Cash & Cash Equivalents / Total Revenue (%) | 19.6% | 19.1% | 23.6% | 23.1% | 21.3% | 21.8% |
| Depreciation & Amortization / Average gross block (%)* | 14.52% | 8.75% | 6.9% | 6.8% | 6.7% | 6.7% |
| Revenue / Average Net Fixed Assets*** | 3.40 | 5.20 | 4.60 | 4.99 | 4.27 | 6.84 |
| Revenue / Average Total Assets | 1.10 | 1.30 | 1.24 | 1.23 | 1.17 | 1.21 |
| Ratios - Growth* | | | | | | |
| Operating Revenue (%) | (4.1%) | 17.9% | 8.6% | 16.3% | 0.9% | 24.0% |
| Operating Expenses (%) | (3.7%) | 17.8% | 8.1% | 16.4% | 15.1% | 28.1% |
| EBIDTA (%) | (8.5%) | 17.3% | 13.3% | 15.7% | 4.4% | 22.3% |
| Net Profit (%) | (28.4%) | 18.0% | 16.1% | 5.6% | -18.0% | 32.8% |
| Per Share Data | | | | | | |
| Basic earnings per share (₹) | 31.14 | 42.43 | 36.00 | 30.55 | 28.95 | 31.48 |
| Cash Earnings per share (₹) | 51.90 | 53.40 | 45.36 | 39.01 | 36.83 | 37.78 |
| Book value (₹) | 232.58 | 231.93 | 208.24 | 188.09 | 162.74 | 164.12 |
| Price / Earning, end of year | 7.37 | 15.31 | 19.41 | 15.30 | 14.74 | 16.02 |
| Price / Cash Earning, end of year | 4.43 | 12.16 | 15.41 | 11.98 | 11.59 | 13.35 |
| Price / Book value, end of year | 0.99 | 2.80 | 3.36 | 2.49 | 2.62 | 3.07 |
| Share price as on March 31 (National Stock Exchange) | 229.65 | 649.45 | 698.85 | 467.5 | 426.7 | 504.27 |
| No. of Share Outstanding as on March 31, (in Millions) | 109.97 | 110.47 | 112.57 | 112.57 | 112.48 | 112.36 |
| Dividend Per Share (₹) | 15 | 15 | 13 | 10.5 | 7.00 | 8.00 |
| Dividend (%) | 300% | 300% | 260% | 210% | 140% | 160% |

* Includes one-time impairment expense of ₹ 404 Mn for FY 19-20

** Capital employed is defined as total equity excluding long term and short term borrowings.

*** Net fixed assets excludes capital work-in-progress and intangible assets under development.

**** Total revenue includes other income

Significant Milestones in the History of the Company

| | | |
|-------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1991 | August | Infotech Enterprises was incorporated as a private limited company |
| 1995 | August | The company received its first ISO 9002 certification from BVQi London for its conversion services |
| 1997 | March | Re-organized as a public limited company; IPO of Equity shares at ₹ 20 per share and listed in all major stock exchanges in India |
| | April | Acquisition of SRG Infotech, a 16-year-old local software company providing software services in Oracle and Visual basic client server environments. The acquisition brought into the company the assets, customers, technologies, employees and over 500 person years of expertise |
| | October | Partner in Development with IBM for developing Enterprise wide Information System. Infotech Enterprises diversifies into Business software development by adding 50 developers, creating an independent profit centre |
| | 1998 | December Infotech Enterprises signs a break-through contract to provide GIS conversion, Consulting and Mapping services worth US\$ 5.5 million to Analytical Surveys, Inc. (ASI) |
| 1999 | January | Infotech Enterprises enters into an agreement with Navionics Italy the world leader in seamless marine electronic charts for digitization and Conversion services |
| | June | Infotech and ASI sign a long term contract for ASI to source US\$ 33 million in conversion and software services from Infotech Enterprises |
| | July | Infotech Enterprises establishes a wholly owned subsidiary Infotech Software Solutions Inc. in the United states of America in the state of California. The Corporation is primarily engaged in the business of supplying computer software and related services |
| | August | Infotech Enterprises announces acquisition of Europe based GIS software solution company-Dataview Solutions Limited. The company acquired Dataview with an upfront cash payment of US \$ 1.80 million and issue of stock of Infotech for US \$1.80 million over the next two years |
| | September | Infotech Enterprises acquires Cartographic Sciences Pvt. Mumbai- India from Analytical Surveys Inc. |
| | September | Infotech Enterprises receives an ISO 9001 for its software development services |
| | September | Infotech Enterprises earned the coveted Fast Track Award from Smallworld Pte. Ltd. U.K. for completion of a prestigious GIS project at Bharti Telenet Limited in a record time of five months |
| | November | Infotech Enterprises signed a shareholder agreement with Walden Nikko and GE Capital for issue of equity/optionally convertible debentures aggregating to 11,50,000 equity shares of ₹ 10 each at a price of ₹ 350 each |
| | 2000 | |
| 2000 | January | Inauguration of the state-of-the-art software development centre spread across 130,000 sq.ft. area in Infocity - Hyderabad. The state-of-the-art development centre built at an approximate cost of ₹ 12 crore and can accommodate 4,000 software engineers |
| | April | Merger of Cartographic Sciences with the company |
| | May | Infotech Enterprises enters into a Master Services Agreement with Pratt & Whitney, a division of United Technologies Corporation, a Fortune 100 company |
| | October | Infotech Enterprises announces the acquisition of a German company, Advanced Graphics Software GmbH (AGS). AGS is nine-year-old mechanical engineering software and services company specializing in 3D CAD/CAM |
| | November | Infotech Enterprises wins a multimillion dollar GIS project from the Dutch multi-national group, FUGRO |
| 2001 | April | Infotech Europe acquires European GIS distributor Map Centric - a leading independent GIS distributor in Europe |
| | May | Infotech Enterprises bags a contract worth US \$ 7 million to provide Photogrammetry service to Triathlon, a leading full fledged geomatics company in Canada |
| | May | Infotech Enterprises ranks 5th among Top Ten Exporters from Andhra Pradesh for the Year 2000-2001 |
| | June | Infotech Enterprises acquires 10-acres of land to set up a software development campus at Manikonda, Hyderabad. |
| | July | Infotech Enterprises achieves the ISO 9001:2000 from BVQi and joins the list of top few companies in India and the first company in the GIS sector |
| 2001 | August | Infotech Enterprises attains the coveted SEI CMM LEVEL 4 certification for its software development centre at Infocity, Hyderabad |
| | November | Infotech Enterprises receives ISO 9001:2000 for Software and Engineering Services lines of business by BVQi London |
| | December | Infotech Enterprises announces the opening of the state-of-the-art Engineering services facility in Bangalore, India |

| | | |
|-------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2002 | February | Infotech Enterprises Announces strategic business relationship with Pratt & Whitney Division of UTC. Pratt & Whitney to participate with up to ~18% equity stake in Infotech, demonstrating long term partnering intent and endorsing Infotech Business competence |
| | April | Infotech Enterprises achieves SEI CMM Level 5 for its Software Development & Services Division |
| | April | Infotech Enterprises' board recommends issue of Bonus Shares at 1:1 ratio |
| | August | Infotech Enterprises bags a major GIS contract from KPN Telecom, the largest telecommunications company in the Netherlands, to provide spatial data management services. |
| | September | Company bags the Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI) Award for Best Information Technology (IT) Company in the state of Andhra Pradesh (2001-2002) |
| 2003 | April | Infotech Enterprises attains the best process improvement model-"The Level 5 of the CMMi Version 1.1 for the SW/SE/SS disciplines" |
| | September | Infotech Enterprises announces the inauguration of a new development center in Puerto Rico to provide engineering design services |
| | September | Infotech Enterprises signs long term outsourcing contact with Bombardier Transportation to provide Engineering Services in India |
| 2004 | January | Infotech Enterprises acquires VARGIS - a GIS Company in the US |
| | July | Change in Business Model. Verticalization brought into place |
| | September | Infotech Enterprises divests 51% of its stake in Infotech Aerospace Services Inc. in favour of United Technologies Corporation |
| | September | Infotech Enterprises conferred with BS 7799 standards |
| 2005 | March | Infotech Enterprises acquires Tele Atlas India Pvt. Ltd. Tele Atlas (Netherlands) joins as a strategic partner with preferential allotment of shares |
| | March | Infotech Enterprises opens branch office in Singapore |
| | April | Infotech Enterprises opens branch office in Melbourne, Australia |
| | May | Inaugurated Geospatial production facility at Frostburg, Maryland, USA |
| | July | Infotech Enterprises opens branch office in Dubai |
| | September | Wins a landmark GIS contract from KPN Telecom and also signs a 5-year major Engineering Design Agreement with Alstom Transport |
| | October | Completed 5 years of relationship with Pratt & Whitney |
| 2006 | March | Signs a major GIS contract with GE for Swisscom |
| | December | Infotech Enterprises opens branch office at Canada |
| 2007 | June | Acquires 74% stake in Geospatial Integra and renamed the company as Infotech Geospatial (India) Limited |
| | July | Preferential allotment of shares to GA Global Investments Limited & Carrier International Mauritius Limited |
| | August | Set up Infotech HAL Limited, a Joint Venture Company with HAL, a Navaratna PSU under the Ministry of Defence, at Bangalore |
| 2008 | October | Acquired TTM (India) Private Limited and TTM Inc. made foray into Hitech Vertical |
| | December | Established wholly owned subsidiary in Japan |
| 2009 | December | Infotech Enterprises opens branch office in Malaysia |
| 2010 | January | Infotech Enterprises signs a long term engineering services contract with Hamilton Sundstrand |
| | January | Acquired Daxcon Engineering Inc., USA (Step down subsidiary) |
| | August | Acquired Wellsco Inc., USA (Step down subsidiary) |
| 2011 | May | Awarded 'Supplier of the year' by Boeing |
| | November | IGIL becomes a wholly owned subsidiary |
| 2012 | October | Set up branch in South Korea |
| | October | Won Golden Peacock Award for excellence in Corporate Governance |
| 2013 | January | Inaugurated New Development Centre in SEZ at Kakinada |
| | April | Opened office in Silicon Valley |
| | September | Set up branch in Taiwan |
| | November | Set up branch in South Africa |

| | | |
|-------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2014 | March | Acquired Softential Inc., |
| | March | Commenced process for name change and re-branding |
| | April | Mr. Krishna Bodanapu appointed Managing Director & CEO |
| | May | Re-branding completed, new logo launched and Company's name changed to Cyient |
| | August | Acquired 51% stake in Invati Insights Pvt. Ltd., Hyderabad |
| | October | Set up a subsidiary in Australia |
| | December | Won the 14 th ICSI National Award for Excellence in Corporate Governance |
| 2015 | January | Acquired 74% stake in Rangsons Electronics Pvt. Ltd., Mysore |
| | April | Mr. B.V.R. Mohan Reddy elected Chairman of National Association of Software Services Companies (NASSCOM) |
| | July | Acquired Pratt & Whitney Global Services Engineering Asia, Singapore |
| | August | Divested entire stake in Infotech Enterprises Information Technology Services Private Limited, a wholly owned subsidiary Launched National Digital Literacy Mission Centre |
| | September | R&D Unit recognised by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India |
| | October | Set up step down subsidiary in Czech republic |
| | December | Established state of the art development centre in Warangal, Telangana |
| 2016 | February | 'Lifetime Achievement Award' conferred on Mr. B.V.R. Mohan Reddy by Hyderabad Management Association |
| | March | Set up a subsidiary in China |
| | May | Awarded 2015 Supplier of the Year by Boeing |
| | June | Inaugurated Global Design Center in Bengaluru for SMEC |
| | July | Set up subsidiary in Israel |
| | August | Marked its 25 th Anniversary by enabling large scale inclusive 'Digital Literacy' Mission |
| | October | Mr. B.V.R. Mohan Reddy appointed as the Honorary Consul of the Federal Republic of Germany |
| | November | Cyient Europe Limited acquired 100% stake in Blom Aerofilms Limited, UK |
| | December | Zinnov Zones 2016 Rates Cyient in the Leadership Zone in Four Industry Verticals |
| | December | Secured Prestigious Pratt & Whitney 2016 Supplier Innovation and Productivity Savings Awards |
| 2017 | January | Cyient Inc. acquired 100% stake in Certon Software Inc, a Florida based company |
| | February | Mr. B.V.R. Mohan Reddy awarded the Padma Shri Award, 2017 for distinguished and exceptional achievement in Trade & Industry |
| | March | New facility set up at Pune, Maharashtra |
| | April | Incorporated Cyient Solutions and Systems Private Limited |
| | September | Acquired B&F Design Inc. through US subsidiary |
| | November | Recognised as one of 'India's most innovative organisations' by CII |
| | December | Divested company's stake in Infotech Aerospace Services Inc., Puerto Rico |
| | December | Voluntarily obtained a rating of CGR 2+ from ICRA for corporate governance practices |
| | December | Won Pratt & Whitney awards for supplier innovation and productivity savings |
| | December | Adopted a new set of Articles of Association |
| 2018 | February | Non-resident shareholding in the company limited to 49% |
| | March | Acquisition of AnSem NV, Belgium through Cyient Europe Limited |
| | April | Cyient Insights becomes wholly owned subsidiary |
| | May | Incorporated Cyient Urban Micro Skill Centre Foundation, a section 8 company |
| | October | Cyient DLM becomes wholly owned subsidiary |
| 2019 | January | Company commences first ever buyback of its shares |
| | February | Dissolved Cyient Insight LLC, USA, a step down subsidiary of the company |
| | March | Completion of buyback of company shares |
| | April | |
| | July | New Technology Precision Machining Co., Inc was merged with Cyient Defense Services Inc. |

Shareholders' Handbook

When was the company founded?

The company was incorporated as Infotech Enterprises Private Limited - a Private Limited company on August 28th, 1991 under the Companies Act, 1956. The Company was converted into a Public Limited company vide resolution dated 21 April 1995. In May 2014 the company changed its name to Cyient Limited.

What is the company's area of operations?

Cyient is an acknowledged leader in geospatial services, engineering design services, design-led manufacturing, networks and operations, data transformation, and analytics. We collaborate with our clients to help them achieve more and together shape a better future. We call it Designing Tomorrow Together.

Our industry focus includes Aerospace & Defense, rail transportation, off-highway & industrial, power generation, mining, oil & gas, communications, utilities, infrastructure, geospatial and Navigation, semiconductor and medical technology & Healthcare. We align closely with the business needs, goals, culture, and core values of our clients. This reflects in the deep, long-standing relationships we have developed and sustained with some of the leading names in these industries.

We employ over 14,000 people across 48 locations in North America, Europe, and the Asia-Pacific region. Our stock is publicly traded, and we have a sound track record of growth and profitability. We are committed to developing a sustainable society and actively promote education and inclusive growth initiatives in communities around us.

Who are the founder members of the company?

The founder members of the company are: Mr. B.V.R. Mohan Reddy, Mrs. B. Sucharitha, and Mr. K. Rajan Babu.

When did the Company have its Initial Public Offer (IPO) and at what price?

The company made its maiden public offer in March 1997 at a price of ₹ 10 each for cash at a premium of ₹ 10 per share. The issue was lead managed by Industrial Development Bank of India (IDBI), Madras. The issue was oversubscribed by 1.56 times.

What is the Vision Statement of the company?

Designing Tomorrow Together. This is our vision and the basis of our brand promise. Three simple words that describe our unique approach of working with you to improve your business and the lives of your customers.

What are the values of the company?

In our relationships with our clients, stakeholders, and associates, we are guided by our Values FIRST - Fairness, Integrity, Respect, Sincerity and Transparency.

What is the Quality Policy of the company?

"At Cyient, we are committed to delight our Clients by consistently providing sustainable solutions, complying with the applicable requirements and continually improving the processes to improve human lives. Cyient focuses on exceeding our Clients' expectations and failure prevention.

We at Cyient understand and are committed to live up to our brand promise of "Designing Tomorrow Together".

We at Cyient communicate the Quality Policy within the Organization as well as to interested Parties."

What are the Quality Objectives of the company?

Aspire to achieve best-in-class levels of Client, Quality and Delivery performance metrics for the industries we serve as per the respective roadmaps

Improve or sustain stakeholder's engagement scores

Focus on building skills and capabilities to keep abreast with the demands of the changing business

Where is the company located?

The company is headquartered in Hyderabad, India and has a global presence across 47 locations. Full details of the locations are published elsewhere in this Annual Report.

What is the address of the company's registered office?

The registered office of the company is located at
 4th Floor, 'A' Wing
 Plot No. 11, Software Units Layout,
 Infocity, Madhapur, Hyderabad - 500 081, Telangana

What is the company's financial year?

The Company follows a financial year that begins on April 1 and ends on March 31.

Who are the company's auditors and consultants?

Auditors: S.R. Batliboi & Associates
 Secretarial Auditors: S. Chidambaram
 Internal Auditors: KPMG
 Tax advisor: G.P. Associates

Legal Counsel

Cyril Amarchand Mangaldas
 Fox Mandal & Associates
 CRS Associates

What is the history of Bonus issue of Shares at the Company?

| Year | 1994-95 | 1995-96 | 1996-97 | 2002-03 | 2006-07 | 2010-11 |
|-------------------|---------|---------|---------|---------|---------|---------|
| Bonus issue ratio | 7 : 5 | 1 : 1 | 1 : 1 | 1 : 1 | 1 : 2 | 1 : 1 |

What is the Dividend History of the Company for last five years?

| Year | 2016 | | 2017 | | | 2018 | | | 2019 | | 2020 | |
|----------|-------------|-------------|-----------------|-------------|-------|-------------|-------------|-------|---------|-------|--------------|--------------|
| Dividend | 1st Interim | 2nd Interim | Special Interim | 1st Interim | Final | 1st Interim | 2nd Interim | Final | Interim | Final | ^1st Interim | #2nd Interim |
| % | 60 | 80 | 50 | 60 | 100 | 100 | 80 | 80 | 120 | 180 | 120 | 180 |

^ On 17 October 2019, the Board of Directors declared and paid 1st Interim Dividend of ₹ 6.00 for the financial year 2019-20.

On 12 March 2020, the Board of Directors declared and paid 2nd Interim Dividend of ₹ 6.00 for the financial year 2019-20.

What is the number of shareholders in the company in the last five years?

| Year ended 31 March | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------|--------|--------|--------|--------|--------|
| No. of Shareholders | 17,756 | 20,087 | 25,385 | 34,223 | 44,011 |

What is the market capitalisation of the company for the last five years?

| Year ended 31 March | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------------------|----------|----------|----------|-----------|----------|
| Market Capitalisation (₹ Million) | 47,996.7 | 52,624.8 | 78,237.3 | 71,851.4* | 25,216.4 |

* The company undertook a buy back of its shares.

Is nomination facility available to the shareholders?

Yes. Nomination facility is available to the Shareholders. Shareholders are advised to make use of the nomination facility. For further details, investors may contact the R&T Agents of the Company.

How does a shareholder go about transferring his shares/having related correspondence?

To transfer shares in physical form and general correspondence regarding shares, shareholders may write to the Company's Registrars/the Company -

KFin Technologies Private Limited

Unit: Cyient Limited
 Karvy Selenium Tower B, Plot 31-32,
 Financial District, Gachibowli, Nanakramguda, Hyderabad - 500 032.
 Tel : +91-40-6716 1562
 Email : mohsin.mohd@kfintech.com; einward.ris@kfintech.com
 Website : www.kfintech.com

Transfer of shares in electronic form are effected through your depository participant. Please note that the Securities and Exchange Board of India has issued directives that trading in the scrip of the Company would be in compulsory demat form by all investors w.e.f. August 28, 2000.

In which stock exchanges are the company's shares listed and what are the codes?

The company's equity shares are listed in India on the National Stock Exchange (NSE: CYIENT) and the BSE Limited (BSE: 532175).

What is the company's ISIN code?

Cyient's ISIN code is INE136B01020

How many shares are outstanding?

As of March 31, 2020, the company had 109,971,221 shares outstanding.

What is the record date and payment date of the interim/final dividend?

You can find the record date/payment date for the last announced dividend in the Announcements section of the Investor page on our website. These details are also notified to the stock exchanges on the same day of the announcement of the dividend and available on the BSE and NSE websites.

When is the AGM held?

The Annual General Meeting (AGM) is typically held in mid-July. The formal announcement will be published on the Investors page of our website, closer to the event. If you are a shareholder, you will receive a formal notice of the meeting, containing details of the date, time and venue, alongside the Annual Report.

How does a person buy the company's shares?

The company's shares can be purchased in the open market in India through either a stock broker or any financial institution that provides brokerage services at the BSE or NSE.

How can a shareholder access information about the company?

Information about the company is available on its website. Further, all information that is material in nature is notified to stock exchanges and appropriate advertisements are also issued in the newspapers.

Does the company accept fixed deposits from the public?

The Company does not accept fixed deposits.

How does a shareholder record a change in the address?

For physical holdings, please send a letter, duly signed by the first holder, stating the new address and folio numbers of the shares you own to our R & T agents. An acknowledgement will be sent to your new address confirming the up-dation of the change in our records.

In the case of dematerialized holdings, please write to your Depository Participant (DP) intimating them of the change and ask for a confirmation that their records reflect the new address.

If dividend cheque is lost/was never received/has expired, how to get a fresh cheque re-issued?

Please write to our R&T Agent, with details of folio numbers (in the case of physical holdings) or the DP ID and Client ID in the case of dematerialized holdings. After verification, they will issue a fresh instrument.

To avoid this problem in the future, you can use the ECS facility in which the dividend amount is automatically credited to the bank account of your choice. To avail of this facility, give your request to our R&T agent in writing.

Also, you might consider dematerializing your holdings through a Depository Participant. This would not only eliminate the issues of storage and risk of loss of paper certificates but also ensure automatic crediting of dividends to your bank account.

How does a shareholder re-claim the shares and/or unclaimed dividend transferred to IEPF?

Such shareholders may make an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in online and send a physical copy of the same duly signed to the R&T Agent along with requisite documents enumerated in the Form No. IEPF-5.

No claims shall lie against the company in respect of the dividend/shares so transferred to the IEPF.

GLOBAL PRESENCE

Global Headquarters

Cyient Ltd.
Plot No. 11
Software Units Layout
Infocity, Madhapur
Hyderabad - 500081
Telangana, India
Tel: +91 40 6764 1000

Asia Pacific

Australia

Cyient Australia Pty Ltd.
Level 8, 350 Collins Street
Melbourne, Victoria 3000
Tel: +61 3 8605 4815

Cyient Australia Pty Ltd.
8, Freight Drive
Ravenhall
Melbourne, Victoria 3023

Cyient Australia Pty Ltd.
Lvl 4, 81 Flushcombe Rd
Blacktown NSW 2148, Sydney
Tel: +61 2 8887 8600

Cyient Australia Pty Ltd.
34, Toohey Road
Wetherill Park, NSW 2164
Sydney

Cyient Ltd.
45 Ventnor Avenue
West Perth, WA 6005
Tel: +61 8 9389 4410

New Zealand

Cyient Ltd.
PO Box 97999, Manukau 2241
Level 2, 652 Great South Road,
Manukau, Level 2, 65 Upper
Queen Street, Auckland
Tel: +64 9 277 8278

South Korea

Cyient Ltd.
21 F, Seoul Finance Center
136, Sejong-daero, Jung-gu
Seoul 04520
Tel: + 82 2 3782 4936

Taiwan

Cyient Ltd.
No. 262, Zhuangjing 6th Street
Zhubei City, Hsinchu County 30264
Tel: +886 3 668 5522

Japan

Cyient KK
Sho-Building 6F
3-14-5, Nihonbashi
Chuo-Ku, Tokyo 103-0027
Tel: +81 3 3527 9825

Malaysia

Cyient Ltd.
Level 28
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
Kuala Lumpur 59200
Tel: +60 3 2298 7321

Singapore

Cyient Ltd.
1 North Bridge Road
#19-04/05
High Street Center
Singapore 179 094
Tel: +65 6 337 2472

Cyient Singapore Pte Ltd.
61, Seletar Aerospace View
Singapore 797560

India

Cyient Ltd.
Cyient IT Park
Plot No- 110A & 110 B
Phase 1, Electronics City
Hosur Road
Bangalore - 560100
Tel: +91 80 2852 2341

Cyient Ltd.
Plot No. 2, IT Park
Nanakramguda
Gachibowli
Hyderabad - 500032
Telangana
Tel: +91 40 6748 9100

Cyient Ltd.
Lanco Hills SEZ
Manikonda
Hyderabad 500089
Telangana
Tel: +91 40 6748 9100

Cyient Ltd.
NSL SEZ
Block No. 1
Plot No. 6, Survey No. 1
IT/TES SEZ, IDA Uppal
Hyderabad - 500039
Telangana
Tel: +91 40 6704 3434

Cyient Ltd.
Plot No: 1, 2, 3, 4 & 5A
IT SEZ, Sarpavaram
Kakinada - 533005
Andhra Pradesh
Tel: +91 884 232 6700

Cyient Ltd.
Survey No: 410
Plot No: 14, SEZ Unit
Hill No: 3
Madhurawada(V)

Rushikonda, Vizag - 530045
Andhra Pradesh
Tel: +91 891 669 3100

Cyient Ltd.
Plot No. 1
IT Incubation center,
TSIIC, Industrial estate
Madikonda (SEZ),
Kazipet (M)
Warangal-506142
Telangana
Tel: +91 870 336 0900

Cyient DLM Pvt. Ltd.
Plot No. 347 - D1 & D2
KIADB
Electronics City
Hebbal Indl. Area
Mysore - 570 016
Karnataka
Tel: +91 821 428 0000

Cyient Ltd.
602, 6th Floor
79/1-Zero One Building
Mundhwa Road, Pingle Wasti
Pune - 411036
Maharashtra
Tel: +91 20 3005 8000

Cyient Ltd.
B-11, Sector 63
Noida - 201307
Uttar Pradesh
Tel: +91 120 669 1000

Cyient Ltd.
Plot No. 7, NSEZ, Phase-2
Noida - 201305
Uttar Pradesh

Europe, Middle East, and Africa

Belgium

AnSem NV
Researchpark Haasrode 1113
Esperantolaan 9
3001 Heverlee, Leuven
Tel: +32 16 38 65 00

England

Cyient Europe Ltd.
The Space Holborn,
235 High Holborn,
London WC1V 7LE,
United Kingdom

Cyient Europe Ltd.
Apex, Forbury Road,
Reading RG1 1AX,
United Kingdom

Cyient Europe Ltd.
43/44 Martingale Way
Marine View Office Park
Portishead, Bristol, BS20 7AW
Tel: +44 14 5480 9700

Cyient Europe Ltd.
The Astrolabe
Cheddar Business Park
Wedmore Road
Cheddar, Somerset
BS27 3EB
Tel: +44 (0) 1934 311 000

Switzerland

Cyient Schweiz GmbH
C/o AAA services Meier
Franzelli
Güterstrasse 22, 3008 Bern
Tel: +41 31 382 5082

The Netherlands

Cyient BV Minervum 7491
4817 ZP Breda Oost, Breda
Tel: +31 76 572 2966

AnSem BV
Hengelsestraat 565 7521
AG Enschede
Netherlands
Tel: +31 53 203 2500

Germany

Cyient GmbH
Industriestrasse 23
Stuttgart 70565
Tel: +49 711 414402 0

France

Cyient GmbH France
18, Rue Saint Vincent, 78100
Saint-Germain-en-Laye
Tel: +33 130 611673

Prague, Czech Republic

Cyient s.r.o
Classic 7 Business Park
Jankovcova 1603 / 47a
170 00 Prague 7
Czech Republic
Tel: +420 277 008 200

South Africa

Cyient
255 Anna Wilson Street
Kilnerpark, Pretoria - 0186

UAE

Cyient Ltd.
Dubai Airport Free Zone
Authority (DAFZA)
P.O. Box 54713, Dubai
Tel: +971 50 686 7045

Israel

Cyient Israel India Ltd.
David Ben-Gurion 1, Bnei Brak
Tel: +972 54 811 0200

North America

United States of America

Cyient Inc.
5301 Linwood Drive
Suite C-J Paragould
AR 72450, USA
Tel: +1 870 239 9020

Cyient Inc.
510 East Foothill Blvd Suite 201
San Dimas, CA 91773 USA
Tel: +1 909 321 3760

Cyient Inc.
275 East Hillcrest Dr
Thousand Oaks
CA 91360

Cyient Inc.
800 West Cummings Park
Suite 6250, Woburn
MA 01801

Cyient Inc.
14440 Cherry Lane Court
Suite 201, Laurel
MD 20707

Cyient Inc.
6115 Coca Cola Blvd.
Columbus, GA 31909

Cyient Inc.
Peoria Heights Executive Plaza
4541 N. Prospect Rd, Suite 200
Peoria Heights
IL 61616

Cyient Inc.
211 N Williamsburg Dr Suite D
Bloomington, IL 61704
Tel: +1 309 664 6991

Cyient Inc.
1935 South Alpine Rd
Rockford, IL 61108

Cyient Inc.
7609 West Jefferson Blvd
Fort Wayne, IN 46804

Cyient Inc.
800 Washington Ave N
Suite 503, Minneapolis
MN 55401
Tel: +1 909 321 3760

Cyient Inc.
43-32 22nd Street, 2nd floor
#200 - #201
Long Island City
NY 11101

Cyient Inc.
2141 EBCO Drive
Suite B, Erie
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Cyient Heroes



Making a Difference Where It Counts

Chinmay Das and Team

COVID-19 led to a staggering humanitarian crisis, but also triggered enormous pro-social behaviors. Chinmay Das and his colleagues from the RRSTP team came together to distribute bottles of water, lemon juice, buttermilk, soft drinks, and biscuits to countless Indian migrant workers who were caught in the crosshairs of the pandemic, to alleviate some of their hardships.



Taking the River Route to Receive a Laptop

Raju Bandhela

Raju Bandhela, one of our telecom engineers, found some of the most action-packed ways to collect his laptop during the lockdown. The laptop ended up making four stops before reaching its final destination, and had to travel by land and water before Raju could get his hands on it. Even during challenging circumstances, Raju went the extra mile to ensure business continuity for our customers.



Parenting in the Times of a Pandemic

Cris Green

Cris Green, our associate from Minnesota, worked with other parents from her community to come up with exciting ideas to keep bored children busy during the lockdown. These include fun indoor projects, regulated activities around the neighborhood, and even a Facebook group with more than 20K members to discuss daily schedules, educational activities, resources to help children cope, fun meal ideas, work-from-home tips, and anything positive. Cris not only helped many parents keep the tireless energies of their children in check, but her ideas also assisted many parents in juggling their work, daily chores, and running after their little ones all at once.



Unusual, but Not Alone

Barbara Ranno

Our associate Barbara Ranno runs a campaign to raise awareness about people living with rare and often chronic conditions. With a rare condition of her own, Barbara strives to increase awareness about these conditions so that diagnosis, treatment, support options, research, and funding into rare diseases become readily available. For Barbara, networking with others who also have a rare condition has been particularly helpful in learning from each other, gaining support, and finding the inspiration to go on.



Breaking Stereotypes

Paul Evans

Our associate Paul Evans, a middle-aged accountant, who comes from a generation that has only been exposed to different facets that aim to heighten prejudice against anyone who is "different," is proactively breaking stereotypes, and learning to appreciate the breadth of cultural differences that people bring to an organization. Paul acknowledges that diversity and inclusion for him is like life itself, a journey, and a constant learning process. Paul is learning that diversity brings strength, not weakness, and an inclusive workplace will only enhance that strength. While everyone unknowingly brings their own unconscious bias to work, Paul is playing an active role in celebrating the richness of color, sexuality, gender, faith, and other differences at Cyient.



Warangal Warriors: Being Brave by Being Selfless

Rajesh Sandela

To be kind is to be brave enough not to take the easy route. Rajesh Sandela and his team from Warangal took it upon themselves to provide food to 75 families in need for 15 days during the lockdown. They also rallied together to offer fruits to more than 75 brave police officers who were tirelessly taking care of the community. This little act of kindness only reaffirms our faith that extraordinary things happen when people do something with integrity and selflessness.



Our Very Own Frontline Soldiers

Cyient BCP Teams

Real champions emerge in the face of adversity. This was reflected in our enabling teams whose concerted efforts enabled 90% of our associates to work from home within a very short span of time. From our Procurement team, IT team, and different executives and vendors, to Marketing and Communications, HR, and Finance, each team put in concerted efforts to keep the lights on both for our customers and for Cyient.

The Facilities team continued to work from the office premises to ensure the transportation of IT resources to the residences of our associates under the strict lockdown condition, as well as sanitation and safety at work. At the same time, our design-led manufacturing (DLM) unit in Mysore, South India, displayed immense grit and determination to continue manufacturing vital medical material and ensure business as usual.

These unsung heroes have selflessly put themselves on the frontline to ensure that business is not affected. Their commitment to helping the company navigate a crisis of this magnitude deserves the highest praise.



Designing Tomorrow Together



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