

CYIENT

CYIENT

Tax Transparency Report
2023

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1. MESSAGE FROM THE CFO

Further to our commitment to the Environment Social and Governance ('ESG') framework and adhering to our Values FIRST, I am pleased to share another edition of Cyient's Tax Transparency Report to give deeper insight into our business and the contributions made by us in the geographies in which we operate.

Our sustainability framework is built on the pillar of 'Accountability' which guides us to operate with integrity and transparency at all times. Led by our commitment to ethical business conduct, *Transparency* is the bedrock in all our dealings, whether internal or external. We have maintained a high level of transparency with our stakeholders through our disclosures. Further, we have consistently been equitable to all stakeholders with a commitment to work towards maximizing their returns.

This report covers an overview of our contribution to taxes, duties and levies around the world including the collections and contributions of our acquisitions. We have performed appropriate tax due diligence and are setting processes to seamlessly integrate the compliances of our acquired entities.

In 2022-23, through our presence in countries with over 16,000+ employees / associates, we contributed INR 2,796 millions in taxes (including direct and indirect taxes, and employee taxes globally). Additionally, we collected and paid INR 9,052 millions to governments on behalf of others. We continue to focus on strong internal controls, compliances, audit process and an overall responsible tax behavior.

The voluntary disclosures through this report demonstrate that we strive to uphold the highest standards of tax transparency and drive governance as a habit, not just compliance. We are committed to complying with tax laws, paying and reporting our taxes on time, and having an open and constructive conversation with stakeholders, including governments and tax authorities which helps us to gather valuable insights and feedback. Such inputs are integrated into our decision making processes, allowing us to align our business imperatives with the critical needs of our stakeholders and the broader society.



Prabhakar Atla

President & Chief Financial Officer

2. ABOUT CYIENT

Cyient (Estd: 1991, NSE: CYIENT) is a leading consulting-led, industry-centric, global technology solutions company. We pioneered outsourcing engineering services from India and successfully created the brand “Engineered in India.” We provide engineering, manufacturing, geospatial, network, and operations management services to global industry leaders and serve a global customer base in the United States (US), United Kingdom (UK), Germany, Japan, Australia, Singapore, and India. During the year, Cyient has expanded its capabilities in new markets with the acquisition of Citec and Celfinet group entities. Citec was the largest outbound acquisition by an Indian engineering services company and Cyient’s largest acquisition to date, demonstrating our ambition to proactively address the sustainability market. Citec specialises in Plant and Product engineering services with customers across the energy, process, oil, gas, and manufacturing industries, decarbonisation and sustainable technologies. The combined portfolio will position Cyient as one of the largest independent plant engineering firms globally while reinforcing its commitment to customer’s ESG goals. The acquisition of Celfinet strengthens our position to be a technology partner with the world’s leading Communication Services Providers (CSP) with end-to-end network planning in the rollout of 5G.

We deliver innovative solutions that add value to businesses through the deployment of robust processes and state-of-the-art technology. We enable our customers to apply technology imaginatively across their value chain to solve problems that matter. We are committed to designing tomorrow together with our stakeholders and being a culturally inclusive, socially responsible, and environmentally sustainable organization.

We review our business as two operating segments – Services and Design Led Manufacturing (‘DLM’). Effective 01 April 2022, the Group has reorganized its business units within the services segment into ARC (Aerospace, Rail and Communication), MEU (Mining, Energy and Utilities) and NGA (New Growth Areas such as Hi-Tech, Automotive, Semi-conductor and Medical Technologies), while the digital, embedded solutions are across all business units. The segment is serviced out of various jurisdictions in which we operate. Our DLM segment, primarily based out of India, is engaged in providing electronic manufacturing solutions in the fields of ARC, Energy and Medical Technologies as well as Digital Services and Solutions.

Over the years, good governance and best practices built into the organization’s functioning have ensured its success and growth. Cyient believes in the power of sustainable practices to future-proof our business and value creation capabilities. In 2021, building on 30 years of progress, we have committed to a holistic environment, social, and governance framework with a vision to “Design a Sustainable Tomorrow.” The framework builds on three core pillars: Responsible, Equitable, Accountable. We strive to drive governance as a habit—not just for compliance—and focus on stakeholder engagement and regulatory compliance as part of our sustainability agenda. We have identified transparency, disclosures, and regulatory compliance as material parameters requiring sustainability interventions.

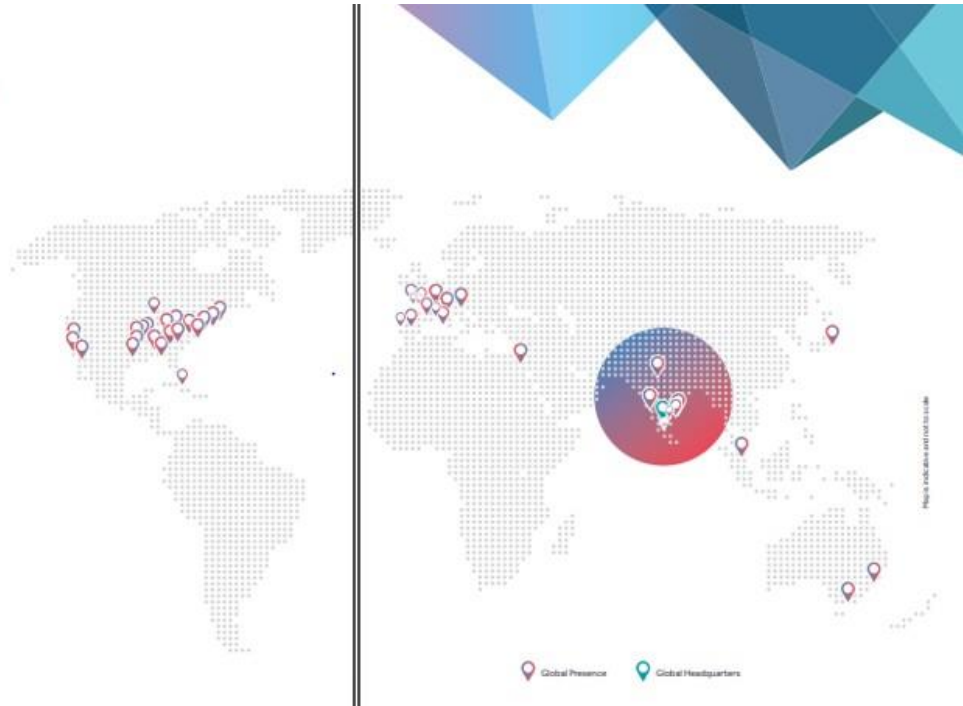
GLOBAL FOOTPRINT

At Cyient, we are committed to accelerating the convergence of Engineering and Technology to meet our customers' evolving needs. As technology disruptions reshape industries, we are focused on delivering innovative and sustainable solutions for our customers. We embrace change and continuously direct our attention to meet evolving customer and market dynamics.

16,000+
ASSOCIATES

22
COUNTRIES

250+
CUSTOMERS



Group Revenue
INR 60,159 Mn

Group PBT
INR 6,812 Mn

Group PAT
INR 5,144 Mn

Tax contribution
INR 2,796 Mn

Tax collection
INR 9,052 Mn

2.1 OUR VALUES:

The Company is guided by the values 'FIRST' across all relationships with clients, stakeholders and associates. We strongly believe that our vision can be achieved by maintaining the highest standards of corporate ethics and good governance practices keeping our core values intact. Our fundamentals are linked to our Values FIRST which stands for Fairness, Integrity, Respect, Sincerity, and Transparency. Our ValuesFIRST serves as a guiding light to direct our efforts to differentiate our Company and what we do to continuously adapt and enable our customers to succeed. These values anchor our every action in ethics and integrity, even in challenging times.

“Our value is the sum total of our values.

Dr. BVR Mohan Reddy,
Founder, Cyient



ValuesFIRST is how we navigate the business landscapes seamlessly.

This is how we **Design Tomorrow, Together.**

Valuesfirst

fairness integrity respect Sincerity transparency

Values always come first at Cyient



ValuesFIRST stands for

fairness

Unbiased in decisions and impartial in actions

integrity

Objectivity, and honesty in every transaction

respect

Recognition, and dignity when it is due

Sincerity

Realistic and reliable at all times

transparency

Open to suggestions, feedback, and ideas

2.2 KEY ACHIEVEMENTS

Recent Acquisitions: During the year, Cyient has expanded its capabilities into new markets with the acquisition of Citec and Celfinet group entities. Citec is based in Finland, specializes in Plant and Process Engineering, Decarbonization, and sustainable technologies. Celfinet, based in Portugal, specializes in Wireless Communications, end-to-end Network Planning, and Performance Optimization services. The acquisitions have reinforced the core and emerging capabilities and positioned Cyient as a strategic partner for its clients.

The EcoVadis sustainability assessment evaluates how well a company integrates sustainability and CSR principles into its business systems and management processes. Cyient was awarded a Gold EcoVadis Medal for its ethics, labour, human rights, environment, and business sustainability practices and efforts.

Received the Enrico Apex Award for its strategic contributions in scaling up and supporting Bosch Global Software Technologies globally.

Featured in the Leader quadrant (Established & Expansive) on the overall ER&D services rating from Zinnov Zones 2022.

Named as one of the Top 15 Engineering Services Providers of the Year in Everest Group's Peak Matrix.

Recognized as 'Rising Star' for Managed Services in the US region in ISG Provider Lens 2022 report on the Internet of Things – services and solutions.

Named as a 'Leader' in the ISG Provider Lens Quadrant study on Digital Engineering Services in Intelligent Operations

Certified as a "Great Place to Work" in India reinforcing our commitment to make Cyient a destination for talent and innovation.

Received the Brandon Hall Group Excellence Award in the L&D Category for 'The Best Advance in Creating a Learning Strategy'

Received an award for 'Digital Learning Transformation' at the 11th Edition Future of L&D Summit and Awards 2023

Further, we are pleased to announce that our founder and chairman Dr, B.V.R. Mohan Reddy was recognized at the recent Outlook Business Icons Awards with the 'Lifetime Achievement Award'.

Recognized in the 2021 [Zinnov Zones](#) ratings as an Expansive-Established player in Digital Engineering and ER&D Services – USA region, a newly introduced category this year. Ranked in the Leadership zone across aerospace, telecommunications, semiconductors, industrial, and medical devices verticals, including SDN-NFV.

Named as a Major Contender in the [Everest Group PEAK Matrix®](#) for 5G Engineering Services for its focused investments in partnerships and solutions that strengthen public and private 5G core and access networks.

Recognized as a Rising Star in Connected Mobility Consulting and Services in the ISG Provider Lens™ Internet of Things – Services and Solutions Quadrant Study (USA, 2021).

Ranked as a leader in digital engineering for the US region in the [ISG Provider Lens Quadrant Study](#) on Manufacturing Industry Services 2021 .

The EcoVadis sustainability assessment evaluates how well a company integrates sustainability and CSR principles into its business systems and management processes. Cyient received a bronze rating from Ecovadis in FY22 and is ranked amongst the Top 50% of companies assessed by EcoVadis.

Felicitated by CII for continued CSR contributions in the state for the sixth consecutive year. The event took place during the Haritha Haram felicitation program.

Recognized by Amazon Web Services as a Select-Tier Consulting Partner in the AWS Partner Network (APN) to accelerate tech transformation journeys for multiple customers.

Earned Partner-Level status in the John Deere Achieving Excellence (AE) Program for 2020. This is Deere & Company's highest supplier rating, awarded to companies for outstanding product and service quality performance and commitment to continuous improvement.

Won four awards at the inaugural NASSCOM Engineering and Innovation Excellence Awards 2021 for service excellence and product innovation.

Social Impact Solution of the Year: For a first-of-its-kind portable RT-PCR testing kit that enables rapid testing at scale engineered by Molbio and manufactured by Cyient.

Engineered in India Product of the Year: For Cyient's Smart Power Distribution Panel (SPDP) that provides efficient and reliable power distribution within aircraft and ensures the highest standards of safety.

Engineered in India Product of the Year: For Cyient's Software Defined Radio, an indigenously developed solution that used state-of-the-art technology to create an advanced communications solution for the Indian army.

Service Delivery Excellence of the Year: For a solution where we harnessed the power of 5G to connect 20 million individuals across urban, semi-urban, and rural Australia.

3. APPROACH TO TAX

3.1 TAX PRINCIPLES

Cyient believes that good corporate governance is vital to the development of healthy and good relations with the various stakeholders and deepening the trust reposed by them. As such, Cyient emphasizes transparency of operations. Cyient recognizes that to attract, meet, and surpass the expectations of global investors, statutory disclosures and reporting norms alone are not sufficient and voluntary adherence to best international disclosure practices is a sine qua non. These practices enable us to establish enduring relationships with all stakeholders and optimize the growth paradigm. Corporate governance at Cyient is administered with an ethos of transparency, accountability, fairness, and overall sustainability.

We will continue to publish the tax transparency report every year disclosing the taxes contributed and collected in the jurisdictions in which we operate.

Our vision for our tax function includes maintaining global visibility, insights, and control over the tax process with the objective to achieve efficiency in tax function throughput and risk management through automation and other measures.

Our tax strategy/ policy is driven by ValuesFIRST:

Fairness: Cyient adopts fairness when adhering to its tax policies and ensuring appropriate disclosures to tax authorities.

Integrity: Cyient cultivates the development of high professional standards and values in all its tax practices. Cyient is committed to its moral and ethical values and the laws of the land in its tax policies.

Respect: Cyient believes that the most productive environment is where all the stakeholders are valued, and respects the tax compliance and reporting requirements under various laws applicable to the Group across geographies.

Sincerity: Cyient is committed to establishing professionalism, dedication to quality, and speaking and acting truly about its tax policies and practices. Our tax practices are adopted in the spirit of the law.

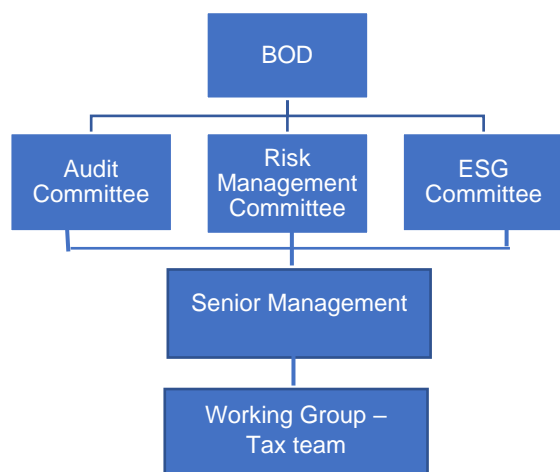
Transparency: Cyient aims to live up to the highest standard of governance beyond compliance. Cyient believes that fair and open communication of tax practices and principles is the key to create value.

All arrangements at Cyient including complex and non-routine transactions are commercially driven based on business requirements. Tax due diligence is carried out in all complex and non-routine business transactions such as mergers, acquisitions etc.

Cyient undertakes its tax planning within the framework of law. Setting up of overseas subsidiaries is driven on the basis of substance and business requirements. Cyient does not use sheltered jurisdictions or tax havens for tax avoidance. Most tax planning is by way of utilization of available tax reliefs, credits, tax exemptions and deductions pursuant to satisfaction of prescribed conditions for claiming such benefits.

3.2 GOVERNANCE STRUCTURE AND FRAMEWORK

Cyient is guided by our experienced and mindful of Directors, who are responsible for meeting our objectives while adhering to best practices in corporate governance.



Cyient has a standard operating procedure in place for evaluating all tax positions and decisions to be adopted. It follows a preparer-reviewer-approver approach for all tax positions.

The tax function works in coordination with the other business functions to ensure that tax considerations are duly factored in business decision-making. Cyient endeavors to structure the commercial transactions in full compliance with the law.

Cyient has a professionally qualified tax team reporting to the CFO who is responsible for advising management and business of appropriate tax implications on business decisions. In case of material, complex, or non-routine business transactions, the tax team proposes the tax positions, analyses the tax considerations, and engages with external consultants where required.

The senior management evaluates such positions and decisions principally and thereafter, the Committees of the Board or the Board of Directors are consulted on critical positions and decisions. This consultation includes assessment of outcomes with impact on cash flows, compliance with respective tax

laws, adherence to internal tax policies, and implementational challenges.

Appropriate training and knowledge-sharing sessions are organized to keep the working group updated. With the workforce returning to office post the pandemic, Cyient recognizes the importance of the workforce participating in collaborative knowledge-sharing sessions and is committed to organizing such sessions on a periodic basis to improve quality and reduce risk in its decision-making process.

The ESG committee provides oversight on the overall reporting and governance of ESG matters. These matters would now also include disclosures with respect to governance of the tax function. Cyient has put in place a Whistle Blower Policy for reporting and addressing unethical behavior and other concerns raised by the stakeholders.

3.3 RISK MANAGEMENT STRATEGIES

The organization-wide ERM framework based on best-in-class standards, amongst other things, covers compliance/ litigation risks. The ERM framework is reviewed periodically by our internal auditor, and a report on the mitigation status of risks is presented to the Risk Committee. Cyient also has an internal Risk Management Committee that periodically reviews the risk management process.

The in-house compliance team continuously monitors the tax laws/policies in its jurisdictions and adopts all the relevant tax positions basis the applicable jurisdictional statutory law and jurisprudence. In certain circumstances, Cyient aims to resolve disputes primarily through consultations before litigating through formal appeals or other proceedings.

Cyient seeks advice from professional consultants or legal advisors whenever there is uncertainty involved in interpretation of law or deeper clarity is necessitated when adopting any tax position. All the advice/ opinions sought from external consultants are documented for future communications with tax authorities.

Uncertainty is inherent to tax positions due to the interpretation of law. Therefore, Cyient adopts certain strategies and practices to manage and mitigate the operational and technical risks:

CYIENT

- Continuous monitoring of the changes in tax law or legislation globally
- Overseeing of all categories of risks by the Risk Management Committee
- Periodic evaluation of internal control efficiencies by the internal audit team to manage operational risks
- Analysis of industry best practices and trends and continuous striving to adopt the same
- Undertaking of consultations with governments, tax experts, and legal counsels on material and complex transactions or to seek guidance on aspects that are unclear



3.4 TAX POLICY

A. Compliance with financial and tax reporting norms

Cyient adheres to the tax policy, reporting requirements and disclosures applicable in each jurisdiction of operation. The in-house tax team monitors global compliances. The team receives updates on changes in regulations from specialist consultants and circulates them internally. Further, we maintain a compliance calendar that tracks and records the compliances of Cyient and ensures that all the compliances are met in a timely manner. We have also implemented digital tools to build efficiencies and reduce run time in our compliance processes.

Further, for certain compliances, Cyient engages third-party service providers who assist with undertaking the compliance and tracking such compliances on a real-time basis.

For acquisitions undertaken by Cyient, the requirement of compliance is assessed and integrated into our own compliance process in accordance with the requirements of the law.

Commensurate to our growth promise, we are continuously monitoring the developments and discussions in the international tax arena on OECD Pillar 2 norms and assess our readiness for implementation.

B. Transfer pricing

Cyient has transfer pricing policy guidelines for transactions undertaken by the group entity with its related party. The policies are set to ensure that the entities are compensated commensurate with the functions undertaken, assets employed and risk assumed with reference to the transaction.

Cyient also ensures that these policies are followed in letter and spirit by all the group entities. We will not transfer created value to jurisdictions with low taxation.

All the transfer pricing arrangements of the group are consistent with local transfer pricing regulations or OECD guidelines, as may be applicable and follow the arm's length principle.

The arm's length principle can be defined as follows: companies within the same group must act as if they were independent enterprises and deriving rewards similar to an independent enterprise performing comparable functions, deploying similar assets, bearing economical risks in a comparable contractual arrangement, and operating in the same geographical/regulatory environment.

The group substantiates the arm's length principle with respect to its intragroup transactions based on its functional and economic analysis and reports which include robust demonstration of intragroup transactions

satisfying and adhering to the arm's length principle.

The group has designed and implemented governance practices to specifically address, monitor, and evaluate policies and procedures established with respect to intragroup transactions to achieve constant adherence to the arm's length principle in each intragroup transaction.

Adequate systems are in place for identification to completion of compliances and providing tax authorities with required disclosures emerging as a result of intragroup transactions.

C. Relationships with government /tax administration

Cyient ensures compliance with the relevant tax laws and all communications with tax authorities are open, timely, adequate, and conducted in a proactive manner.

Cyient collaborates with the tax authorities based on mutual respect and always aims for a professional and sustainable relationship.

Cyient also appoints/employs advisors and consultants to represent it before tax authorities.

Dispute resolution:

In case of any disagreement with the tax authorities, Cyient seeks to resolve the same in a timely manner through constructive dialogue and where necessary, through appeals and other options for resolution provided under the law. In case of matters before higher appellate authorities or matters involving high complexity/materiality, we engage/seek guidance from senior counsels.

We have also opted for the tax amnesty schemes introduced by the Government of India to settle outstanding litigation in tax matters based on eligibility and materiality assessments.

D. Advocating reforms and participation in formal consultation

The tax team of Cyient continuously monitors the changes in tax policies and its impact on the business.

Where relevant, Cyient provides inputs to tax policy makers through industry trade bodies and forums such as NASSCOM in India.

4. GLOBAL TAX AND OTHER CONTRIBUTIONS AND COLLECTIONS

Global Tax Contribution refers to taxes paid directly by Cyient to the government on the profits of the group and other contributions include social security contributions made by Cyient in the respective jurisdictions.

Taxes	Amount (in INR Million)
Corporate Tax	986
Customs Duty/VAT/CST	48
Social Security Contributions	1,536
Other Taxes	226
Total	2,796

Global Tax Collections refer to the taxes that are collected by Cyient from vendors, employees, etc. on behalf of the governments in respective jurisdictions and the same are deposited with the governments in a timely manner.

Taxes	Amount (in INR Million)
Output VAT/GST	3,553
Withholding taxes	
- Payroll taxes	3,454
- Vendors	446
- Shareholders	316
Social Security Contributions	1,281
Other Taxes	2
Total	9,052

A. REGION—INDIA

Taxes Contributed:

Taxes	Amount (in INR Million)
Corporate Tax	413
Customs Duty/VAT/CST	48
Social Security Contributions	565
Other Taxes	86
Total	1,112

Taxes collected.

Taxes	Amount (in INR Million)
Output VAT/GST	1,146
Withholding taxes	
- Payroll taxes	1,089
- Vendors	446
- Shareholders	316
Social Security Contributions	524
Other Taxes	2
Total	3,523

B. REGION—APAC

Taxes Contributed:

Taxes	Amount (in INR Million)
Corporate Tax	322
Social Security Contributions	160
Other Taxes	3
Total	485

Taxes	Amount (in INR Million)
Output VAT/GST	466
Withholding taxes	
- Payroll taxes	495
Total	961

C. REGION—NAM

Taxes Contributed:

Taxes	Amount (in INR Million)
Corporate Tax	168
Social Security Contributions	630
Other Taxes	36
Total	834

Taxes Collected:

Taxes	Amount (in INR Million)
Output VAT/GST	114
Withholding taxes	
- Payroll taxes	1,293
Social Security Contributions	611
Total	2,018

D. REGION—EMEA

Taxes Contributed:

Taxes	Amount (in INR Million)
Corporate Tax	83
Social Security Contributions	181
Other taxes	101
Total	365

Taxes Collected:

Taxes	Amount (in INR Million)
Output VAT/GST	1,827
Withholding taxes	
- Payroll taxes	577
Social Security Contributions	146
Total	2,550

E. Key Financial Information

Amount in INR Million

Tax Jurisdiction	Related Party Revenue	Unrelated Party Revenue	Total Revenue	Profit/(Loss) before Income Tax	Corporate Income Taxes Accrued	Corporate Income Tax (Cash basis)	Stated Capital	Accumulated Earnings	Tangible Assets	Number of employees
India	11,976	18,250	30,226	4,822	1,298	413	1,104	24,111	5,558	14,050
USA	155	20,100	20,255	397	196	168	1,769	2,211	837	1,213
Canada	0	1,495	1,495	63	10	0	5	827	2	82
Australia	0	5,377	5,377	440	231	322	0	768	47	310
UK	1	4,312	4,313	-164	1	70	387	948	178	143
Germany	417	1,689	2,106	84	27	21	56	1,113	183	131
Finland	796	2,124	2,919	223	-24	-8	11	6,182	288	399

Note: To be read along with the basis of preparation

5. AGREED-UPON PROCEDURES REPORT ON GLOBAL TAX AND OTHER CONTRIBUTIONS AND COLLECTIONS

To,
The Board of Cyient Limited

PURPOSE OF THIS AGREED-UPON PROCEDURES REPORT AND RESTRICTION ON USE AND DISTRIBUTION

Our report is solely for the purpose of assisting Cyient Limited in preparing its statement on “Global Tax and Other Contributions and Collections” and may not be suitable for another purpose. This report is intended solely for Cyient Limited, and should not be used by, or distributed to, any other parties.

RESPONSIBILITIES OF THE COMPANY

Cyient Limited has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement and is responsible for the subject matter on which the agreed-upon procedures are performed.

OUR RESPONSIBILITIES

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with Cyient Limited, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in the Code of Ethics published by International Ethics Standards Board for Accountants (IESBA) and there are no independence requirements with which we are required to comply.

Our firm applies International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PROCEDURES AND FINDINGS

We have performed the procedures described below, which were agreed upon with Cyient Limited in the terms of engagement dated 16 March 2023.

S. No.	Procedures	Findings
1	<p>Trace the taxes paid on sample basis as provided below:</p> <p>India - Trace the taxes to tax paid challans, Form 26AS, Annual Information Statements (AIS), Taxpayer Information Summary (TIS), Bill of entries, tax returns, correspondence to and from tax authorities.</p> <p>NAM - Trace the taxes to tax returns, statement of deposits and filings.</p> <p>APAC - Trace the taxes to Australian Tax Statements and Records.</p> <p>EMEA - Trace the taxes to tax returns and bank statements.</p>	<p>The taxes paid are as per the underlying documents traced.</p>
2	<p>Trace the accrued corporate taxes as disclosed in Table E “Key Financial Information” in Global Tax & Other Contributions and Collections to consolidated financial statements.</p>	<p>The accrued corporate taxes are as per the consolidated financial statements.</p> <p>In line with the basis of preparation, the company has disclosed accrued corporate taxes and taxes paid details for the countries having more than 2% of the total group revenue. Therefore, to compare the accrued corporate taxes with the taxes disclosed in consolidated financial statements, accrued corporate taxes pertaining to countries having less than 2% of the total revenue are excluded.</p>

For BDO India LLP

Place: Hyderabad

Date: 12th July 2023

6. BASIS OF PREPARATION

- This Basis of Preparation documents the scope and methodology for the collection and reporting of data on the Global Tax & Other Contributions made directly or indirectly to the government. Such data is reported in the section “Global Tax & Other Contributions and Collections”.
- The data reported is for the period April 01, 2022 to March 31, 2023 and is based on the data used in preparation of the Annual Report.
- We have reported the information with reference to our operations in those countries which have contributed more than 2% share in the total group revenue.
- We have reported Global Tax & Other Contributions under cash basis.
- We have categorized the Global Tax and Other Contributions into two parts:
 - Taxes Contributed (tax contributed by Cyient directly)
 - Taxes Collected (tax collected by Cyient on behalf of and paid to governments)

In addition to the above, we have also provided the “Key Financial Information” for better understanding of our tax contributions and our scale of operations in each region.

- Each type of tax and other contributions are provided in detail below:

1. Taxes Contributed:

- a. Corporate Tax:** These represent the actual taxes paid directly on the taxable profits of the group operations during the year, net of tax refunds, including the amounts of taxes withheld by third parties while making payment to Cyient i.e., taxes withheld by customers/collected by vendors.

Since these are reported on cash basis, it may also include the tax paid on account of assessment by the jurisdictional government for the previous years or self-assessment either in the year in which the profits were made or up to one year later, depending on the tax laws of the respective countries.

- b. Indirect Taxes:** This includes customs duties paid by us on import of goods across border and for sale of goods from SEZ to non-SEZ, tax demand paid under VAT and CST
- c. Social security contributions:** Social security contributions are compulsory payments to the government that entitle employees to receive a future social benefit such as Provident Fund, Super Annuation Fund, Employee Pension Scheme, Employee State Insurance/National Insurance, Medicare, etc. which are solely for the benefit of employees. The social security contributions forming part of “Taxes Contributed” reflect the employer’s contribution to social security funds for the benefit of the employees.
- d. Other taxes:** Includes property tax, municipal tax, use tax or any other taxes paid by Cyient on its operations.

2. Taxes Collected:

- a. Output VAT/GST:** Output VAT/GST represents the tax billed and collected by Cyient on customers and eventually paid to the respective jurisdictional governments without excluding the credit of taxes available to Cyient on contribution through its vendors. Further, the output tax is adjusted with the tax refunds received during the year.

b. Withholding Taxes:

- i. Payroll Taxes:** These represent professional taxes and taxes withheld on salary payments to employees and deposited by Cyient with the government.
 - ii. Vendors:** These represent taxes withheld by Cyient on payments made to suppliers and deposited with the government.
 - iii. Dividends:** These represent the taxes withheld on the dividends distributed to the shareholders and deposited with the government.
- c. Social security contribution:** The social security contributions forming part of "Taxes Collected" represent employees' individual contribution to social security funds.
- d. Other taxes:** Includes taxes collected at source and any other taxes collected on behalf of others and paid to the governments.

The amounts reported as tax contribution and collections are based on the periodic forms or returns or challans or any other documents filed with the government authorities. The group of taxes under the heads of "taxes contributed" and "taxes collected" is based on our understanding of nature of taxes and its payment mechanism.

An effort has been made to report all types of taxes, duties and levies. Any omission or exclusion, other than that specifically mentioned, is unintentional and not expected to have any material impact on the disclosures.

3. Reporting for newly acquired entities:

"Taxes contributed" and "taxes collected" details for the newly acquired entities viz Citec and Celfinet are considered from the date of acquisition.

4. Key Financial Information:

- a. Revenue:** Revenue is split between unrelated and related-party revenues. Unrelated revenue consists of all forms of revenue flowing from entities which are not controlled by Cyient Limited. Related-party revenues include revenues from dealing with the related entities which are in other tax jurisdictions. Further, revenues on account of transaction between our group entities in the same tax jurisdiction and inter-company dividends are excluded.
- b. PBT:** The profit or loss before taxes in respective country is calculated based on the figures used for preparing consolidated financial statements in India.
- c. Corporate income taxes accrued:** The amount of corporate income tax accruing on the business operations during the reporting period as per the books of accounts. It may or may not be the same as corporate income taxes paid in the relevant reporting period. These exclude the amount of deferred tax in accordance with the guidance provided under GRI 207 and Guidance on Country-by-Country Reporting: BEPS Action 13.
- d. Stated capital:** This refers to the amount of capital invested in the group entities.
- e. Accumulated earnings:** Accumulated earnings reports the sum of the total of profit and loss balance and general reserves (reserves freely available) and excludes capital reserves, revaluation reserves, or reserves of like nature which are not freely available for distribution of dividends, as at the end of the year.

- f. Employees:** The number of employees indicates the number of employees employed with Cyient as at the year ended March 31, 2023, based on the normal work jurisdiction of the employee.

The tax and other contributions disclosed in this report are in INR and are rounded off to the nearest millions. The results and financial position of foreign operations that have functional currency different from INR is translated as follows:

- Assets and liabilities are translated at the closing rate at the date of balance sheet.
- Income and expense are translated at average exchange rates.

ABBREVIATIONS

Abbreviation	Full form
APAC	Asia-Pacific
BOD	Board of Directors
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
CST	Central Sales Tax
EMEA	Europe, the Middle East, and Africa
ERM	Enterprise Risk Management
ESG	Environment, Social, and Governance
FIRST	Fairness, Integrity, Respect, Sincerity, Transparency
FY	Financial Year
GRI	Global Reporting Initiative
GST	Goods and Services Tax
INR	Indian Rupee
NAM	North America
NGO	Non-Governmental Organization
NSE	National Stock Exchange
OECD	Organization for Economic Cooperation and Development
PAT	Profit after Taxes
PBIT	Profit before Interest and Tax
PBT	Profit before Tax
R&D	Research and Development
RT-PCR	Reverse Transcription-Polymerase Chain Reaction
SEZ	Special Economic Zone
TDS	Tax Deducted at Source
VAT	Value-Added Tax
WHT	Withholding Tax