

26 May 2021

The BSE Limited  
PJ Towers, 25<sup>th</sup> Floor,  
Dalal Street  
Mumbai 400001.  
Scrip Code: 532175

The National Stock Exchange of India Ltd  
Exchange Plaza,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai-400 051.  
Scrip Code: CYIENT

Dear Sir/ Madam,

Sub: Annual Report for Financial Year 2020-21

This is to inform you that the 30<sup>th</sup> Annual General Meeting ('AGM') of the shareholders of the Company will be held on Thursday, 17 June 2021, at 4.00 p.m. (IST) through Video Conferencing ('VC') facility or other audio visual means ('OAVM').

Pursuant to Section 108 of the Companies Act, 2013 and Regulations 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing the annual report of the company of financial year 2020 -21.

The aforesaid documents are available on the website of the Company at <https://www.cyient.com>, and are being sent to all the members of the company whose email IDs are registered with the Company/Depositories.

Thanking you  
Foe Cyient limited



Ravi Kumar Nukala  
Dy. Company Secretary

# CYIENT



**DESIGNING TOMORROW TOGETHER**

Annual Report 2020-21

CELEBRATING

30

YEARS OF  
EXCELLENCE

DESIGNING TOMORROW TOGETHER

## 30 years of...

Empowering customers to build disruptive, cutting-edge solutions.

Innovation and delivering pioneering work.

Enabling people to live better lives every day.

Grit, resilience, and enduring commitment.

Of designing and empowering tomorrow together.

# 30 YEARS OF CYIENT

1

> Chose the road less traveled by the Indian IT industry by deciding to offer GIS mapping and digitization services in **1991**

2

> Went public in **1997**—listed on the National and Bombay stock exchanges

3

> Signed breakthrough contract with Analytical Surveys, Inc. in **1998** and became their exclusive offshore partner for GIS conversion services; acquired ASI's Mumbai captive in **1999**

4

> Executed the first major GIS implementation project in India for Bharti Telenet (now Airtel) in **1999**; won Fast Track award from technology partner, Smallworld plc, UK

5

> Established a global footprint by acquiring DataView Solutions, UK, in **1999**, Advanced Graphics Software, Germany, in **2000**, and VARGIS, US, in **2004**

6

> Broke into the ER&D space by signing major outsourcing contracts with two of the biggest names in their respective industries: Pratt & Whitney in **2000** and Bombardier Transportation in **2002**

7

> Established the Infotech (now Cyient) Foundation in **2002** that has over the years enabled high-impact CSR initiatives in education, digital literacy, community development, and social innovation

8

> Created a joint venture with United Technologies Corporation in Puerto Rico in **2003** as a near-shore facility for export-controlled engineering design services

9

> Infotech Enterprise acquired a new visual identity (the "digital bird") and a brand promise ("creating business impact") in **2004**

10

> Acquired Tele Atlas's Noida captive in **2005**, becoming their largest partner for the production of digital maps and location content

11

> Won landmark GIS contract from KPN Telecom, one of the largest single-vendor contracts awarded by the global telecom industry in **2005**

12

> Strengthened presence in the hi-tech/semiconductor space in **2008** by acquiring Time to Market, Inc. with operations in San Jose and Bangalore

13

> Commenced operations in Australia (**2005**) and Japan (**2008**), creating new growth markets in the Asia-Pacific and East Asia regions

14

> Expanded US presence and engagements in the communications (AT&T, Verizon) and off-highway (Caterpillar) sectors by respectively acquiring Wellsco and Daxcon in **2010**

15

> Won the first of four "Supplier of the Year" awards from The Boeing Company in **2010**

16

> Infotech Enterprises changed its name to Cyient in **2014**, launching a new brand globally with the distinctive brand promise of "Designing Tomorrow Together"

## The most memorable moments of designing tomorrow together

17

- > Launched S3 growth strategy in **2014**, articulating a Design-Build-Maintain value proposition for customers across product and networks industries

18

- > Inaugurated the Cyient Innovation Hub in **2014** to encourage new ideas and entrepreneurship, laying the foundation for the New Business Accelerator

19

- > Expanded capabilities in service assurance, data sciences, and test automation through the acquisitions of Softential, Invati Insights, and Certon between **2014-17**

20

- > Acquired Rangsons Electronics in **2015** to create a "design-led manufacturing" value proposition for customers in the aerospace, defense, industrial, medical, and telecom verticals

21

- > Acquired GSE Asia, based in Singapore, from Pratt & Whitney in **2015** to grow aerospace aftermarket services in the region

22

- > Established engineering center in Prague, Czech Republic, as a near-shore facility for European customers

23

- > Founder and Chairman Dr. BVR Mohan Reddy awarded the Padma Shri in **2017** for contributions to trade and industry, the only recipient in the category that year

24

- > Acquired AnSem, Belgium, in **2018**, a well-known name in the design of analog and mixed-signal ASICs, to strengthen semiconductor and digital presence

25

- > Joined India2022 business coalition enabled by advisory firm Xynteo in **2018** to lead the healthcare impact track; launched MedTechConnect to deliver healthcare innovation over the last mile

26

- > Won second place in the "Company of the Year" category and was "highly commended" at the **2019** European Diversity awards; institutionalized women mentorship and other inclusion programs

27

- > Won Pratt & Whitney's "Supplier Innovation Award" for the seventh consecutive year and the "Supplier Highest Productivity Award" for the fourth year in a row in **2020**

28

- > Attained Gold Partner status with ESRI in **2020**, enhancing a 25-year relationship of developing and delivering game-changing GIS solutions for customers across multiple industries

29

- > Acquired IG Partners, Australia, in **2020**, to strengthen digital and consulting capabilities in the engineering and mining industries

30

- > Zinnov ranked Cyient as a leader in global ER&D services for the seventh consecutive year in **2020**

**We continue to apply technology imaginatively to solve problems that matter.**

# SIGNIFICANT MILESTONES IN FY21

## Design for Circularity

Building on our vision to foster a sustainable tomorrow, we launched our **Design for Circularity (D4C)** Consulting and Engineering Practice in partnership with eolos, a Berlin-based industrial consultancy and investment firm. D4C empowers engineering-centric industries such as rail, automotive, aerospace, and medtech to embed environmental sustainability at the center of all their processes, products, and solutions.



## Rising to the Occasion to Fight the Pandemic

When the COVID-19 pandemic hit the world, we, at Cyient, empowered India and the world in fighting the virus by leveraging our rich engineering and design expertise. Cyient's Truenat solution revolutionized COVID-19 testing by creating a **first-of-its-kind portable RTPCR testing kit** for timely and accurate results. The solution had enabled testing for over 20 million people so far.





## Designing a Sustainable Tomorrow

As the world deals with increasingly severe natural calamities, including the pandemic, super storms, crippling wildfires, we are reminded of human fragility and the need to collectively implement policies and practices that minimize impact and perhaps even reverse some of the damage. For global businesses, providing innovative and sustainable solutions to customers and establishing resilient business models that integrate Sustainability/Environment and Social Governance (ESG) aspects across the value chain is the need of the hour.

Marking **Cyient's 30 years of excellence**, we are embarking on a journey that transforms our sustainability ambitions into action with a vision to **"Design a Sustainable Tomorrow."** This 360-degree approach integrates ESG principles across our value chain backed by strong leadership commitment, collaborative partnership, and an empowered ecosystem.

## Empowering Tomorrow Together

We reiterated and consolidated our commitment to being a purpose-driven brand by launching the **"Empowering Tomorrow Together"** initiative. The move is focused on expanding the impact of the Cyient Foundation's outreach programs by leveraging synergies, optimizing resources, and ensuring maximum impact across all sustainability and CSR focus areas—more so in a year that was wrought with unprecedented challenges for the society.





The cover features a large orange circle on the left side. Inside this circle, the text 'WELCOME' is written in a large, bold, white sans-serif font, and 'Annual Report 2021' is written below it in a smaller, bold, black sans-serif font. There are five small colored circles scattered around the orange circle: a green one at the top left, a purple one at the top right, a cyan one at the middle left, a pink one at the bottom left, and an orange one at the bottom right. On the right side, a circular inset with a white border shows a close-up of a metallic, spiral-shaped object, possibly a turbine or a fan, with a gradient from light to dark grey. A dark grey horizontal bar is located at the bottom right of the page.

# **WELCOME**

**Annual Report 2021**

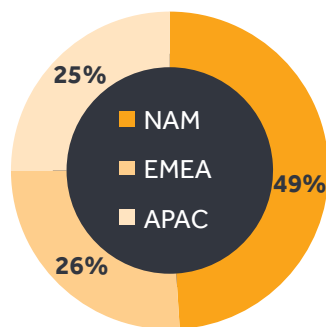
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# KEY PERFORMANCE HIGHLIGHTS FY21

Much of FY 2021 was about bouncing back from global lockdowns and focusing on maintaining business momentum, enabling work from home, and ensuring the safety of our associates and their families. Despite its many challenges, FY21 saw Cyient pay the highest ever dividend in a year to its shareholders. The communications, rail, and semiconductor businesses registered growth, with medtech seeing a marginal de-growth. The A&D business, too, saw a turnaround by the end of the year, with Q4 recording a sequential growth of 4% in services since March 2020.

To drive long-term growth, we made significant strategic investments toward workforce automation and transformation. We also introduced two new lines of business into the mix—INTELLICYIENT, our digital solutions platform, and Design for Circularity, a practice focused on supporting industries in their transition toward greater sustainability. This year, we also acquired Integrated Global Partners (IGP), a specialist Australian consulting firm, to expand our offerings for the local and regional resources sector. This financial year, we will continue to focus on areas that bolster our growth and are confident that we will emerge from this crisis stronger and more robust.



Consolidated Revenue Segmentation by Geography



Dividend Payout

**51.4%**

(Highest ever dividend of ₹17 per share in a year)

Normalized PAT

**\$50.1mn**

₹3,714 mn  
(De-growth of 0.3%)

Normalized EBIT

**\$56.3mn**

₹4,162 mn (Normalized EBIT margin at 10.1%; up by 85 bps)

Services Revenue

**\$461.3mn**

(De-growth of 16.2%)

DLM Revenue

**\$95.6mn**

(Growth of 28.3%)

Free Cash Flow

**₹7,609mn**

(Highest ever; Conversion at 113.5%)

# GLOBAL FOOTPRINT

At Cyient, we are committed to leveraging knowledge and expertise to minimize business risks for customers and address their most pressing needs. As new technologies reshape industries, making this an exciting time for business, we embrace change and continuously align our focus to meet evolving customer and market dynamics.



**12,000+**  
ASSOCIATES

**14**  
COUNTRIES


**300+**  
CUSTOMERS

# AWARDS AND ACCOLADES



## Thales Supplier Performance Award 2020

We received the award at the Thales Virtual Annual Supplier Conference for achieving **"on-conformity delivery performance"** excellence. The award demonstrates Cyient's dedication and consistent commitment to delivering value to our business partners and customers. We also achieved a **"Class A"** rating for our **"on-time delivery performance."**



## Silver Boeing Performance Excellence Award

The Boeing Company issues the award annually to recognize suppliers who have achieved superior performance. Cyient maintained a Silver composite performance rating for each month of the 12-month performance period. **The award recognizes Cyient's dedication and consistent commitment to delivering value** to our business partners across the A&D value chain.



## Zinnov Zones Leadership Position in ER&D Services

Cyient was named as an **"established and expansive player"** in the Zinnov Zones annual ratings for overall ER&D services as well as in the digital engineering services ratings for 2020. This is the seventh consecutive year that we have been placed in the top quadrant in the overall ER&D services category. Within ER&D services, Cyient maintained our **"leadership"** position in the aerospace, industrial, medical devices, telecom, and the software-defined network-NFV verticals. We were also placed in the **"established and niche player"** quadrant for IoT services. This leadership positioning is a testimony to Cyient's capabilities, domain knowledge, and perseverance in creating value for customers in the digital engineering R&D and IoT services space.



Chairman, **BVR Mohan Reddy**, receives the prestigious **Padma Shri Award** from the President of India, **Shri Pranab Mukherjee**  
*March 30, 2017*

# 30 YEARS OF OUR CHAIRMAN'S SUCCESS

**Celebrating a Legend**









**BVR Mohan Reddy**  
Founder and Executive Chairman

# MESSAGE FROM THE CHAIRMAN

## Dear Shareholders,

With great pride and joy, I write my last message to you as Executive Chairman. I have had the privilege of writing this message for 30 consecutive years—sharing my thoughts on industry directions, your company’s progress, and our vision for its future. After providing leadership for the company in executive roles for 30 years, I now step back to give way to fresh thinking, competent leadership, and a future full of promise. As I pen this last note with a medley of emotions in my heart, I am reminded of our aspirations as a start-up, frustrations of day-to-day struggles, delight over small and big successes, and contentment over building and leaving a lasting and sustainable institution.

## An Institution Built to Last

I am a first-generation entrepreneur. My dream was to create an institution—not just a profit-making enterprise. I consciously put efforts into building an organization that outlasts me. We took several steps to make it happen. First, we insisted on creating a culture driven by values—Fairness, Integrity, Respect, Sincerity, and Transparency—and propelled by a mindset of ambition, prudence, and customer-centricity. We built a team that lived by these values and perpetuated them within the organization with due attention to diversity and inclusion. We facilitated an environment devoid of politics and bureaucracy, and nurtured meritocracy.

We recruited associates for their competency and skill. We created an environment that allowed them to grow—through project-specific training, upskilling, soft skilling, mentoring, and coaching—and develop their highest potential. They gave their best and delighted customers. I know of many instances where they put commitment to work ahead of their personal needs and safety. We did our best to acknowledge and value our people—and were equitable with

compensation, benefits, and rewards commensurate with individual performance. We created meaningful livelihoods for thousands of professionals, several of whom continue to be associated with us for over 25 years.

We built systems and processes to deliver consistent quality, on time, at an affordable price. We nurtured a collective mindset that embraced curiosity and innovation. This helped infuse long-term competitiveness into the company in product, process, and business models.

Our frontline obsession made us attract, delight, and retain reputed global customers. Our every nerve and fiber pulsed with zeal to create customer value consistently and win their confidence. Our associates helped us scale customer accounts—in some cases, far beyond expectations. This enabled us to bring continuity into the business and lay the foundation for a sustainable organization.

This year, we celebrate 30 years of our monumental success. The average lifespan of a company listed on the S&P 500 index has decreased from 67 years in the 1920s to just about 15 years today, according to Yale Professor Richard Foster. Yet, Cyient has successfully lasted for 30 years and continues to flourish. I always wanted to see Cyient as an institution that outlasts me, and I have fulfilled that mission.

## Shareholder Value

We have been growing revenues year after year (except for one pre-pandemic and one pandemic year), and have been profitable quarter after quarter since inception. We went public in 1997. This helped Infotech Enterprises, as it then was, take a leadership position in providing CAD/GIS solutions, with customers in all five continents. We invested in sales, marketing,

and infrastructure to build an engineering services business. We made two overseas acquisitions, gained a new geographical footprint, and expanded operations. Infotech's IPO augured well for the company as it marked the beginning of a long-lasting growth phase.

Whether funds came through an IPO or private equity, I always saw new capital as increased responsibility toward investors. I believed the company belongs to all the shareholders, and I was only a custodian of public wealth. We used the financial comfort brought about by these funds as a lever to leapfrog business to higher levels of growth. It gave us the opportunity and improved the risk-taking ability to build the business. We were frugal, prioritized profitability, preserved cash, and continuously invested retained earnings into the business.

We balanced long-term value creation with short-term performance. Quarter-on-quarter, we posted good revenue and profits. We maintained high levels of transparency with investors through our disclosures. Our stock had a fantastic run. An investment of INR 100 in Cyient stock in the 1997 IPO is worth INR 35,600 as of May 4, 2021. The future looks even more promising, and I am confident the leadership team will capitalize on new opportunities and provide you attractive rewards in the years to come.

### Corporate Governance

We were sticklers for good corporate governance and had laid down processes to ensure all statutory and legal compliances in every customer contract and in all our transactions. We adopted a well-balanced corporate compliance program to reduce risk, improve transparency, and build trust and a positive reputation among associates, customers, shareholders, and the public. Our commitment to compliance became our competitive advantage.

From the early years, we ensured we had an eminent, credible, and diverse Board. While constituting the Board, we looked for integrity, complementary skills, and influence that would help us build an enduring institution.

The Board ensured accountability and fairness to stakeholders and transparency in operations. From time to time, it brought new perspectives to the management. Healthy board discussions and debates helped the executive team take highly effective and rational decisions. They enabled us to balance the immediate fundamentals while keeping an eye on the long term.

We reconstituted the Board periodically to infuse fresh thinking and distinct points of view. We inducted Ramesh Abhishek, retired IAS officer, as an independent director in August 2020. We also inducted Karthik Natarajan, COO, and Ajay Aggarwal, CFO, as executive directors. With two executive directors and the managing director on the Board, we have an extremely strong team to take this company to new heights in the coming years. We saw the leadership move swiftly and decisively to maintain profitability during the pandemic year FY20-21.

### Corporate Social Responsibility (CSR)

Our commitment to society evolved into a well-established and highly-appreciated CSR activity engaged in education, skill development, healthcare, and community development. The Cyient Foundation initiated its "adopt a school" program in 2007-08 to create a replicable, scalable, conducive, and superior learning model within the existing framework of school education. We implemented it with passion and commitment, motivated our associates to volunteer, and together made a lasting difference. We launched the program with two government schools and 850 children and have scaled it to support 28 government schools with around 20,000 children across India today.

Right through the pandemic, Cyient ensured continuous access to quality education for underprivileged children in our adopted government schools by providing access to its digital learning centers. This secured over 88% student attendance for online classes during these challenging times.

Tailoring students at the Cyient Urban Micro Skill Center (CUMSC) stitched over 700,000 three-ply

cotton masks and distributed them free of cost to underprivileged people living in and around the skill center. CUMSC stitched personal protective equipment (PPE) suits and distributed them to government health workers and sanitation and municipal corporation staff working relentlessly in the containment zones. CUMSC also trained bedside healthcare assistants and mapped them to hospitals for COVID-19 care.

The Cyient Foundation extended large funding assistance to remote government district hospitals for creating COVID-19 care infrastructure for patients from rural and underserved communities. We fine-tuned our CSR program to make lives safer and better amid the unprecedented health crisis.

### Exciting and Promising Future

We have built a robust technology company, and our future looks promising. We live in a world where technology is accelerating at a pace never seen before. Today, no company can make, deliver, or market its products efficiently without technology. Technology has become all-pervasive, and digital will soon be the byword for every industry.

It is imperative that organizations develop service offerings for the digital transformation of customers and execute them digitally. It impels enterprises to develop core digital skills, modernize commercial processes, redesign the customer journey, and disrupt channels to compete globally. The agile, tech-savvy, and innovative mindsets of digital natives will do well while scaling from pilots to large projects. Combining digital activity with a futuristic vision and strong leadership will enable enterprises to offer mature digital transformation solutions.

Our customers aspire to keep pace with these changes and are relying on partners such as Cyient to join their digital transformation journeys. They are seeking innovation, domain knowledge, and upskilled engineers who have competencies in 21st-century technologies. We will see the biggest innovations and important

societal solutions this decade and beyond through technologies such as next-gen AI, data sciences, AR/VR, quantum computing, synthetic biology, nanotechnology, and battery storage.

Industries such as semiconductors, medical devices, communications equipment, and electronics hold strong growth prospects. They are drawing large investments in research, intellectual property, design, software, and other intangibles, underpinning innovation and competitiveness. We continue to make investments in these technologies and industry domains. These industry verticals are areas of focus for Cyient.

Flexible and customizable activities (seen in aerospace parts and medical devices) increasingly use digital production technologies to reduce the scale necessary to be profitable, making it possible to produce smaller lot sizes. This paves the way for new business models built around customization, distributed production, rapid order fulfilment, and after-sales services. This is the precise focus of the DLM (Design-Led Manufacturing) group at Cyient.

I believe the challenges today's leaders face are more complex and dynamic than those encountered by my generation. As I step back from the executive role as part of a well thought out succession plan, I am confident I am leaving Cyient in the safe hands of the highly competent and progressive leadership of Krishna Bodanapu and his outstanding team.

I am convinced M. M. Murugappan, who has been serving Cyient as a lead independent director since the IPO and later as non-executive director, will provide sage guidance and mentorship to the executive team.

I am certain that Cyient, with its younger, passionate, and agile leadership, and its unwavering commitment to values, will scale newer heights in this technology-driven digital world.

## Test of Resilience

Since the beginning of FY21, the COVID-19 pandemic disrupted and challenged organizations, lives, livelihoods, and economies worldwide. As the situation unfolded, our teams responded swiftly and ensured the safety of our associates by rapidly enabling work-from-home options to over 95% of our associates across geographies. This ensured business continuity and uninterrupted services to our customers. Our customers were highly appreciative of our actions that ensured their businesses run without interruption. I salute the agility, fighting spirit, and resilience displayed by Cyient's leadership and associates across functions. We continue to be optimistic that we will emerge stronger at the end of this pandemic.

## Sign Off

I often ask myself, "What is the purpose of life?" Coming into this world and leaving it is not in my control. But what I do between these two significant dates is certainly in my power. I believed the most fitting way to leave a rich legacy for the benefit of future generations was to apply my entrepreneurial instincts to build a sustainable institution. After all, the greatest use of life is to spend it on something that will outlast it.

**The Rig Veda says,**

**॥ Samānaṃ manaḥ sahadittameṣāṃ  
samānaṃ mantramabhimantraye vaḥ  
samānena vo haviṣā juhomi ॥**

*(May our purpose be the same; may we all be of one mind.  
In order for such unity to form, I offer a common prayer)*

Today's Cyient is a culmination of the dreams, sweat, and toil of thousands of people who believed in and came together for the common purpose of building a lasting institution. Without calling out names, I would like to pay my tribute and express gratitude to each of these Cyientists for their relentless efforts since the company's inception. I thank the past and present directors on the Board for guiding our company in good times and bad, and encouraging us to perform. I acknowledge and thank the local, state, and central governments and the local communities around our facilities for supporting our business continuity and success. Above all, we owe our success to our customers who believed in us, rallied around us, and nudged us to succeed—my deepest gratitude to all our customers.

We built Cyient on the sound principles of Values FIRST. Humility and curiosity defined our actions. Being equitable to all stakeholders with commitment put us on the firm ground of sustainable growth. While doing so, we created a brand for this nation: Engineered in India. The journey was challenging and rewarding as much as it was satisfactory. There was never a dull moment and days were full of free roller-coaster rides with excitement and challenges in ample measure. While treasuring those memories, I will continue on the company's Board and contribute my best in the onward journey.



**BVR Mohan Reddy**

Founder and Executive Chairman

# CORPORATE INFORMATION

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## Registered Office

### **Cyient Limited**

4<sup>th</sup> 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**

Flat No. 603, 6th Floor  
'Cyber Heights', Plot No. 13  
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**

4<sup>th</sup> 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



# EMPOWERING TOMORROW TOGETHER



*Moving forward on the path to establishing Collective Social Responsibility as a fundamental pillar of the ethos at Cyient, we continue to leverage our CSR platform to promote holistic community development. As the pandemic disrupted lives and livelihoods for millions of people, we stepped up, working round-the-clock, to support the community, country, and the world in combating the crisis. This, while the Cyient Foundation continued to support its initiatives around education, skill development, business-aligned social innovation, and environmental development projects.*

## EDUCATION INITIATIVES

The Cyient Foundation has adopted several government schools in and around Cyient's facilities across India to provide an equitable education to children from the pre-primary to high school levels.

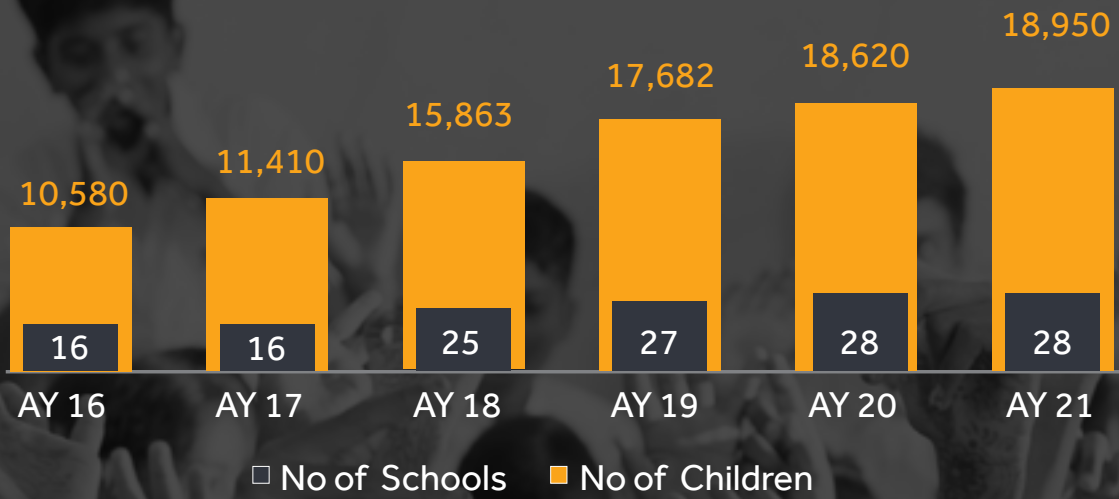
### Key Highlights for FY20-21

- Cyient's education initiatives in FY20-21 provided quality education to **18,900** children studying in **28** government schools.
- Smart classrooms and digital libraries were set up in our adopted schools to facilitate online classes for children that do not have access to devices.
- We used ICT and IoT through **70** Cyient Digital Centers (CDC) to ensure learning continuity for **5,865** underprivileged children in our adopted schools during the pandemic.
- Our adopted schools recorded **88%** attendance in online classes.
- Girl child literacy is a focus area for the Cyient Foundation. In communities around our adopted schools, **girl child literacy grew to 88%**, and women empowerment and involvement in **learning increased to 85%**.
- Parental communication concerning children's performance **increased to 89%**.

### Education and Literacy Initiatives: Covid-19 Response

Using ICT and IoT, the Cyient Foundation ensured continuity in providing access to education for underprivileged children in Cyient-adopted government schools during the pandemic. Around 1,092 Cyient CSR volunteers and 70 Cyient CDC staff spent 21,802 hours to train 5,075 government school teachers using online and in-person sessions.

## Number of Schools vs. Children over the years



**28**

Schools Supported

**18k+**

Children Enrolled

**70**

Cyient Digital Centers

**30k+**

People Have Access to IT Education



# IT AND DIGITAL LITERACY INITIATIVES

As a technology company, we believe in the transformative power of technology to improve the quality of life. With this belief, we set up Cyient Digital Centers (CDCs) in our adopted schools to digitally empower neighborhoods and communities. These CDCs help us provide digital literacy access to more than 30,000 citizens living around the centers.



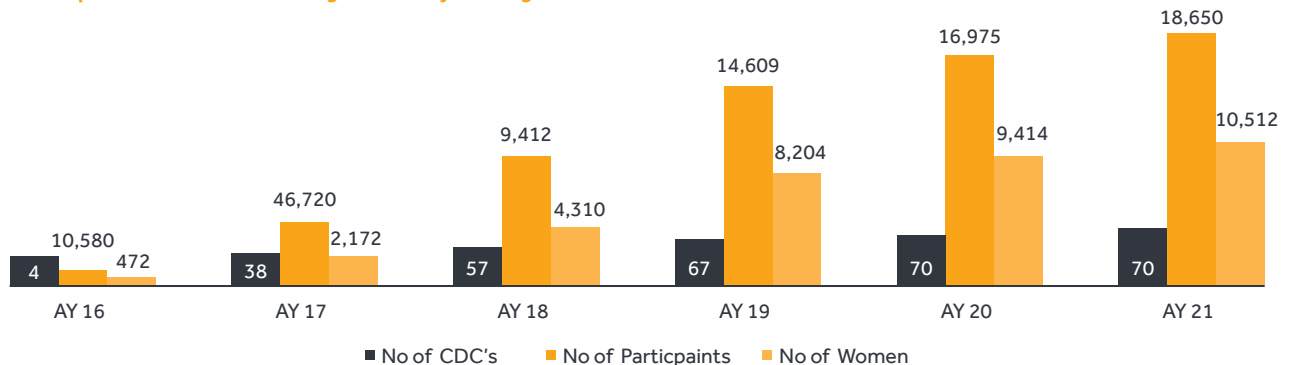
## Highlights

- 70 CDCs and over 18,500 adults (men and women, age 16 to 60 years) are successfully certified L1 and L2 IT literates
- 10,500+ adult women participated in our CDC L1 certification program
- Both school children and their parents have access to unique learning methodologies at our CDCs

## Achievements

- 85% of adults/students believe that the IT education helped them successfully access e-governance
- 55% of non-IT literate adult women participated in IT literacy training
- In the last five years, overall women's participation increased from 45% to 55%
- Overall L1 certification increased from 51% to 80% in the last five years
- Overall L2 certification grew from 47% to 80% in the last five years

Social Impact and Returns: Adult Digital Literacy Training



## IT AND DIGITAL LITERACY INITIATIVES: COVID-19 RESPONSE

Cyient engaged a third-party agency to conduct a study on the ICT skills of 954 teachers in government schools located in Hyderabad, Ranga Reddy, and Malkajgiri districts. Only 45% of government teachers had the ICT skills to take online classes. The Confederation of Indian Industry, Telangana, and Cyient initiated a program to enhance the digital skills of government teachers. Toward this objective, 1,092 Cyient CSR volunteers and 70 Cyient CDC staff spent 21,802 training hours to train 5,075 government school teachers using online and in-person sessions.

# SKILL DEVELOPMENT INITIATIVES

We set up Cyient Urban Micro Skill Centers (CUMSCs) to impart essential skills that enhance the employability of people in urban and rural communities. CUMSCs use a public-private partnership model and are an innovative and direct response to poverty alleviation.



## Highlights

- Offered training in bakery and confectionery, beauty and wellness, tailoring, retailing, food processing, and bedside care assistance, empowering participants to be self-reliant
- Provided crèche services and access to the Digital Literacy Center to support underprivileged women during their work hours

## Achievements

- Increased monthly earnings of BPL communities by at least INR 5,000
- Improved the participation of young girls and women in community-driven activities
- Helped women gain an independent income through employment and entrepreneurship
- Overall L1 certification increased from 51% to 80% in the last five years
- Increased awareness on better hygiene and sanitation practices

- CUMSC trained 300 unemployed youth and women in tailoring, baking, beauty and wellness, retailing, and bedside assistance skills
- Cyient IT/ITES Skill Center trained 400 Telangana rural unemployed diploma holders and graduates (non-engineering) in IT skills
- Cyient supported Telangana State Aviation Academy to establish a Drone Piloting Skills Lab, which trained 50 unemployed youth to be drone pilots

- CUMSC introduced bedside care training, which provided the trainees with livelihood and helped hospitals provide patients with post-discharge care
- 194 candidates were provided with livelihood opportunities with an average income of INR 8,000 per month



## SKILL DEVELOPMENT INITIATIVES: COVID-19 RESPONSE

CUMSCs continue to assist the State Government of Telangana, Ministry of Healthcare, and the Greater Hyderabad Municipal Corporation in combating the COVID-19 pandemic.

- Tailoring students stitched and distributed 659,317 three-ply cotton masks
- Masks were distributed to Telangana State Medical Infrastructure Development Corporation, underprivileged people living in and around the skill center, children, teachers, and support staff in government schools
- Tailoring students stitched 5,092 full PPE suits and distributed them to government health workers, sanitation staff, and municipal corporation workers working in the containment zones in Serilingampally Mandal, Telangana

# HEALTHCARE AND COMMUNITY SERVICES

As a 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 the role of a catalyst between the government and its various healthcare schemes and uses this public-private partnership to ensure maximum utilization of available resources for welfare activities. The Foundation adopted Mookshagundam grampanchayath and built toilets in all the schools within the entire Mandal.



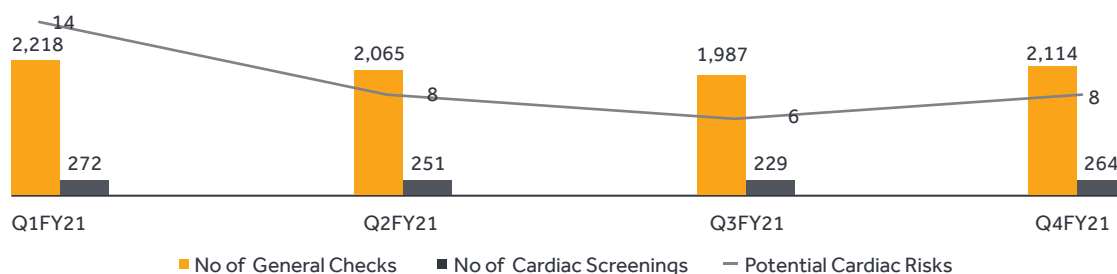
## Highlights

- Provided 3,000+ homes with access to toilets, 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 2021
- Through the existing PHC, Homeo Hospital, and periodic medical camps, over 7,500 villagers have access to affordable primary health care
- Provided wash facilities in all the government schools in Serilingampally Mandal, Telangana, as part of the Swachh Telangana-Swachh Pathashala initiative

## Achievements

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

Cardiac Screenings and General Health Checks in PHC, Cyient-Adopted Village



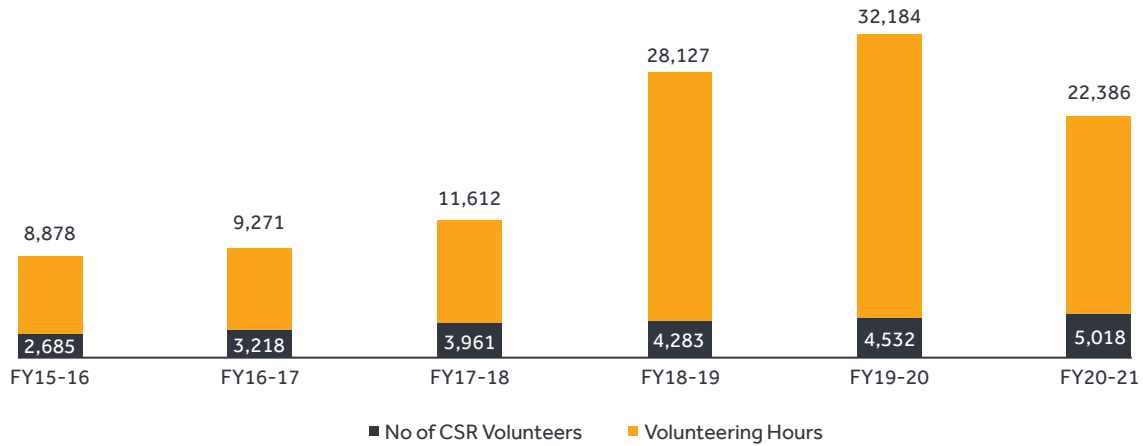
## SUCCESS INDICATORS

- Despite the threat of the COVID-19 pandemic, our healthcare initiative continued with support from Cyient volunteers in Mokshagundam; PHC staff screened over 1,000 patients using cardiac equipment and saved over 35 lives
- We are currently helping PHC doctors to conduct ECG screenings for 10 to 20 patients every week day and generate reports at no cost
  - The response to the PHC cardiac screening services continues to be good from the surrounding villages; we are also promoting health awareness on diet and lifestyle for preventing heart attacks



**TREE PLANTATION DRIVE:** Cyient planted over **15,000** saplings between July 2020 and August 2020.

**Cardiac Screenings and General Health Checks in PHC, Cyient-Adopted Village**



**MAKING A DIFFERENCE**

- Over 1,000 CSR volunteers and their family members contributed over 21,000 training hours to upskill government school teachers
- Associate volunteers helped:
  - distribute grocery kits in the community
  - conduct COVID-19 awareness sessions for school children and their parents
  - ensure school children participate in online sessions; boost online attendance by monitoring their participation



The Cyient Foundation awarded for COVID-19 relief and rehabilitation work in Telangana for FY20-21



Cyient won the coveted **"Inspiring People Practices"** award under the CSR and wellbeing category instituted by the CII Telangana NHRD Network India



CII Telangana recognized our effort and support provided to Telangana Harithaharam Program for FY20-21

# 30 YEARS OF EMPOWERING TOMORROW TOGETHER

- 1** 2007-08, Cyient initiated the school adoption program with the objective of developing a system conducive to learning. We began with two government schools and 850 children. Today, the Cyient Foundation supports 28 government schools with 18,956 children across four states in India.
- 2** Since inception, Cyient has helped over 1.2 lakh children gain access to quality education by providing various teaching aids, school infrastructure, health and nutrition, and ICT/IoT facilities in our adopted schools.
- 3** Cyient's interventions in the past 12 years improved girl child enrolment in our adopted schools from 20% to 56%.
- 4** The overall SSC pass percentage in Cyient-adopted schools increased from 30% to 88%.
- 5** We also achieved 0% open defecation in all the government schools in Serilingampally Mandal, Rangareddy District, Telangana, through our Cyient Swachh Telangana—Swachh Pathashala initiative. Cyient built and continues to maintain sanitation facilities in all the government schools in Serilingampally Mandal as part of this initiative. Over 10,000 girl students gained access to clean sanitation facilities by 2020.
- 6** Interventions in the Cyient-adopted school Rajbhavan earned us the National Award from CII—the "Indian Green Building Council (IGBC) Silver" award. IGBC appreciated the support extended to Cyient-adopted schools, particularly as we are the only government school competing with private/corporate schools to receive this award, assessed on 25 green parameters.
- 7** Another landmark achievement was upgrading in class infrastructure from traditional school blackboards to digital screens and setting up full-fledged smart classrooms. We developed ICT Infrastructure and online courseware in the Cyient-adopted high schools with 24/7 electricity and Internet connectivity.
- 8** We kicked off the Cyient Digital Center (CDC) initiative with four National Digital Literacy Mission Centers in 2014. Today, 70 Cyient Digital Centers operate in the states of Telangana and Andhra Pradesh.
- 9** Through these centers, 19,860 adults (men and women) from 16 to 60 years are successfully certified for L1 and L2 IT literacy as part of the Digital India Initiative.
- 10** During the pandemic, Cyient ensured continuous access to quality education for underprivileged children through the use of ICT and IoT. We enabled over 5,600 children with no access to online classes to attend online classes through our CDCs. Our CDCs ensured over 88% student attendance across our adopted schools during the pandemic.
- 11** Cyient-adopted Mokshagundam village in Prakasam District, Andhra Pradesh, in 2015, and transformed it into a smart village by 2019. For this, Cyient received the "State Level Best Partner" award from the Hon'ble Chief Minister of Andhra Pradesh in January 2019.
- 12** Recognizing our efforts, the AP state government ranked us top among 400+ corporate partners on the five major parameters of health, education and IT literacy, sanitation, water, and infrastructure facilities in the village.
- 13** Cyient achieved 0% malnutrition, 0% open defecation, and 100% literacy in our Cyient-adopted grampanchayath. As per the Smart AP Foundation, over 3,000 homes have been provided with access to toilets, running water, and safe drinking water.
- 14** In the Cyient-adopted village of Mokshagundam, Andhra Pradesh, there were zero school dropouts among boys and girls up to Class 8. All children 6-14 years of age have been attending school.
- 15** Despite challenges posed by the pandemic, Cyient continued to support Mokshagundam village with healthcare initiatives. We conducted 2,046 cardiac health checkups helping protect 69 lives from cardiac risks.

## Key Highlights from Our CSR Program over the Years

- 16** Cyient assisted the primary health center and homeo hospital in Mokshagundam and held periodic medical camps, helping 7,500+ villagers receive primary healthcare at low cost.
- 17** As a part of its social innovation initiatives, Cyient used the Folding Phorofter eye-testing device in Cyient-adopted schools, conducted free eye checkups for 18,256 children, and provided free spectacles as needed. Health specialists from LVPEI conducted the screening. The Folding Phorofter is an easy-to-use device, and the LVPEI staff trained 280 teachers to use it for eye screening.
- 18** The Cyient Urban Micro Skill Center (CUMSC) has trained 2,090 unemployed youth and women in tailoring, baking, beauty courses, retailing, and bedside assistance skills. It provided 100% placement assistance and helped in sustainable livelihood generation.
- 19** The Cyient IT/ITES Skill Center has trained 1,015 rural unemployed diploma holders and graduates (non-engineering) in IT skills in Telangana and provided 100% placement assistance with certification.
- 20** CUMSC tailoring students have stitched and distributed more than 6.5 lakh 3-ply cotton masks. They also distributed free masks to the Telangana State Medical Infrastructure Development Corporation, underprivileged people living in and around the skill center, and to children, teaching, and support staff in government schools.
- 21** CUMSC women tailors stitched 5,092 PPE kits and distributed these to government health workers, sanitation staff, and municipal corporation workers working relentlessly in the containment zones in Serilingampally Mandal, Telangana.
- 22** Cyient distributed over 10,850 dry ration kits to daily wage laborers and low-income workers in the surrounding community as a part of COVID-19 relief and rehabilitation initiatives.
- 23** In FY20-21, 1,092 Cyient CSR volunteers and 70 CDC staffers had spent 21,802 hours to train 5,075 government school teachers on ICT use in teaching. Cyient received an award from the IT Minister of Telangana for this initiative at the CII annual meeting.
- 24** To date, we have trained 3,545 unemployed youth and community women through CUMSC, Cyient IT/ITES Skills Center, and Drone Piloting Skills Academy, helping them to earn an independent income and a sustainable livelihood.
- 25** Cyient has been the first IT/engineering services company to assist the Telangana State Aviation Academy (TSAA) in providing equipment, materials, and technical assistance to establish a drone piloting skill center. Our support will enhance the skills of the students aspiring for an aviation career.
- 26** CUMSC trained over 100 bedside care assistants during the pandemic and mapped them to hospitals for COVID-19 care centers.
- 27** As a part of the Telangana Harithaharam (Go Green) initiative, we planted 108,400 plant saplings with an 81% survival rate over the last six years. This was done with support from Cyient CSR volunteers, Cyient-adopted school children, CDC students, and Cyient Skill Center trainees.
- 28** Since 2008, Cyient associates have put in over 128,139 volunteering hours in various Cyient CSR interventions. Cyient was recognized as one of India's Top 5 Volunteering IT Organizations through the Self4Society (i2we) initiative.
- 29** Cyient earned appreciation from MeitY for our associate volunteering initiatives on Self4Society (<https://self4society.mygov.in/>) for the year 2019-20.
- 30** In the last five years, Cyient has received six state-level recognition (awards/accolades) and four national-level recognition from media houses, independent organizations, and the Government.



**Krishna Bodanapu**  
Managing Director & CEO

# MESSAGE FROM THE MANAGING DIRECTOR

## Dear Shareholders,

As I reflect on the year gone by, what stands out are the unique challenges we faced both personally and professionally. We all have been impacted by the pandemic and my heart goes out to those who have lost their loved ones. In the face of these challenges, I came to admire the focus and resilience shown by our customers to meet the needs of their industries and end-customers. I have been impressed by the professionalism and dedication of our associates who came together in unprecedented ways to ensure business continuity and our wellbeing. I am deeply grateful to you, our shareholders, for your unwavering faith in the company and its growth strategy.

Despite the difficulties and disruption caused by the pandemic, I remain confident about your company's growth and future. Accelerated technology adoption, especially digital technologies, will define the post-pandemic world and we are actively responding to these new growth opportunities.

## FY21 Recap: The Year in Review

Much of our focus in FY21 was on rebounding from the sudden global lockdown, enabling business continuity, ensuring the safety of our associates, and the welfare of our communities. The pandemic impacted most of the industries we focus on with aerospace experiencing the most disruption. This had a considerable impact on our business during the first half of the year.

For FY21, we recorded revenues of INR 41,324 million, lower by 6.7% compared to the previous year. I am happy to report that the design-led manufacturing (DLM) business witnessed a growth of 33.9% YoY and recorded its highest-ever revenue of

INR 7,072 million. DLM's performance validates our strategy of investing in this area to offer a distinctive design and manufacturing value proposition to our customers. While the aerospace business affected our performance through the year, it delivered a sequential growth of 4% in Q4. We expect this growth momentum to continue into the next financial year. We saw growth in the communications business supported by major deals in the areas of fiber, wireless, system integration, and 5G rollout. We continue to benefit from the accelerated deployment of 5G networks, which now represents about 10% of our revenue. The rail transportation business grew on the back of recovery in key accounts and ramp-up of new engagements. Overall, this sector is seeing increased infrastructure projects that are creating demand across the engineering segment. The semiconductor business also witnessed strong growth.

The EBIT margin at 10.1% was higher by 85 bps compared to the previous year. Normalized EBIT stood at INR 4,162 million which represents a 2% Y-o-Y increase. As a result, EPS was INR 33.8 per share, which was in line with the previous year. This year we also delivered the highest ever Free Cash Flow (FCF) at INR 7,609 million primarily due to improved profitability, reduction in DSO, and better capital expenditure management. Notwithstanding the challenges in FY21, I am happy to report that Cyient paid out the highest-ever annual dividend of ₹17 per share to our shareholders.

## S3 Strategy in Action: Driving Growth through Strategic Investments and Partnerships

As we continue to execute our S3 strategy, we have been strengthening our capabilities in key growth areas. We implemented a new organization structure to ensure better focus on key sectors and capabilities



such as digital, embedded software, and geospatial. We have also reinforced leadership across these areas. Digital is an important pillar of our growth strategy and we continue to strengthen our capabilities in this space. We recently launched INTELLICYIENT, a suite of Industry 4.0 solutions that supports digital industrial transformation for asset-heavy enterprises. With six digital solutions, powered by the interplay of nine technology studios and complemented by a robust partner ecosystem, INTELLICYIENT will help enterprises globally achieve the full potential of digital transformation with IT-OT convergence.

This year we also signed a number of strategic partnerships that are enabling us to address new growth areas. This includes a collaboration with German consultancy firm, eolos that focuses on “design for circularity” consulting and engineering services. Our solutions in areas like traceability, materials engineering, obsolescence management, and supply chain management are helping customers address the needs of the emerging circular economy by building greater sustainability into their products and services. We see this as a timely intervention as companies increasingly seek to reduce their carbon footprint and integrate more sustainable practices across their value chain.

Your company has a well thought out M&A strategy that focuses on expanding core capabilities and complementing growth in new areas. In line with this strategy, we acquired Integrated Global Partners (IGP), a specialist Australian consulting firm, to expand our offerings for the local and regional resources sector. Mining remains a focus industry and Australia presents a strategic growth region. As the mining industry transforms with the convergence of digital technologies, the synergy between Cyient’s digital execution capabilities and IGP’s advisory expertise creates a unique value proposition for our customers.

M&A is a key element of our growth strategy and we will continue to leverage the cash available in the business to focus on strategic and tactical acquisitions.

We remain committed to investing in capabilities and infrastructure to support our growth.

FY21 also saw Cyient record the company’s highest-ever CSAT (Customer Satisfaction) score of 64.2, a jump of 4.5 points over the previous year. We were appreciated for customer-centricity, domain experience, and people capability, which enabled us to support our customers well despite the challenges of the pandemic. We received multiple endorsements for delivery excellence from key customers. Cyient won the Boeing Performance Excellence Award (Silver), given annually to recognize suppliers who have achieved superior performance. We received the Thales Supplier Performance Award for delivery excellence. We also retained the leadership position in engineering and R&D services in the Zinnov Zones annual industry ratings for the seventh consecutive year.

### **Living Our Purpose: Driving Change at Cyient and in Society**

Along with financial success, another aspect that we are deeply passionate about is making Cyient a better place to work and contributing to the betterment of society at large. Our CSR initiatives this year were focused toward COVID-19 relief and rehabilitation. We also concentrated our efforts on ensuring continuity of education in Cyient-adopted schools by enabling online access for children. This ensured that children could continue learning through the lockdown. We see this as a significant area of CSR focus especially when a lot of children are expected to drop out of schools permanently due to lack of access to technology.

Your company’s CSR efforts were recognized with Cyient being awarded the coveted “Inspiring People Practices” award under the CSR and wellbeing category instituted by CII Telangana, India.

Cyient is committed to improving diversity and inclusion (D&I) in the workplace. We executed a number of initiatives that have helped us move the needle on gender mix and significantly increase our women-

hiring pipeline during the year. We will continue to focus on these initiatives as we look to strengthen the organization and society at large.

### The Year Ahead

I feel very optimistic about the future and expect your company to bounce back strongly in FY22 by executing our strategy and scaling growth across our key customers. Next year, we expect growth to come from verticals like rail transportation, communications, semiconductor, and mining. The aerospace industry is on a recovery path and we expect it will gain momentum next year. Our DLM business is also poised for robust growth. We will continue to focus on operational efficiency and cash management and expect cash conversion to continue in-line with the current year.

As I sign off, I would once again like to thank you, our shareholders, for continuing to place your faith in our capabilities even in the most testing times. We will continue to focus on areas that put us on the path to recovery and drive the next phase of growth. I am excited about the future and confident that we will emerge from this crisis a much stronger company.



**Krishna Bodanapu**  
Managing Director & Chief Executive Officer





# IN THE MEDIA



## Cyient Signs MoU with Decipher for Cloud Mining Platform

Under the MoU, Cyient will support Australia-based Decipher with the global rollout of their cloud mining platform for tailings and rehabilitation monitoring. Decipher's end-to-end solution and deep understanding of tailing storage facility monitoring and governance, combined with Cyient's technical depth and global reach, will bring immense value to our mining customers. This partnership will also allow us to make a positive environmental and safety impact on communities engaged in mining operations worldwide.



## Cyient Collaborates with Agappe to Bring World-Class Diagnostics to Rural India

The manufacturing partnership will help deliver Mispa Count X, an indigenously designed and developed three-part hematology analyzer by Agappe, making India self-reliant in hematology and enabling the setup of well-equipped labs in rural locations. This partnership will enable Agappe to deliver high-quality, affordable, 100% made-in-India products by taking advantage of Cyient's ultra-modern manufacturing facilities to make critical components of Mispa Count X, reducing time-to-market and lowering operating costs.



## Cyient Acquires IG Partners to Strengthen Digital Capabilities in Energy and Mining

At Cyient, we acquired the specialist Australian consulting firm to expand our end-to-end offerings for the local and regional resources sector. The acquisition will enable customers to take advantage of the growing convergence of operational and information technologies by leveraging the synergies between Cyient's proven ability in operational efficiency, asset optimization, and digital transformation and IG Partners' value creation and transformation in asset and capital-intensive industries.



## Cyient Attains Gold Status in the Esri Partner Network

We received the recognition for our robust and continued investment in achieving Esri's ArcGIS Online, Release Ready, and Utility Network Management Specialties. With this designation, Cyient is now part of an exclusive list of companies that have this status globally. Cyient has a strong, 25-year relationship with Esri, and together, we have developed and delivered critical, game-changing geospatial solutions for customers. This enhanced partnership will accelerate a new level of collaboration between the two companies to work together more closely and provide value-added experience to global customers while building a stronger GIS community worldwide.



**DESIGNING  
TOMORROW  
TOGETHER**

A tomorrow that is  
**Culturally Inclusive, Socially Responsible,**  
and **Environmentally Sustainable.**



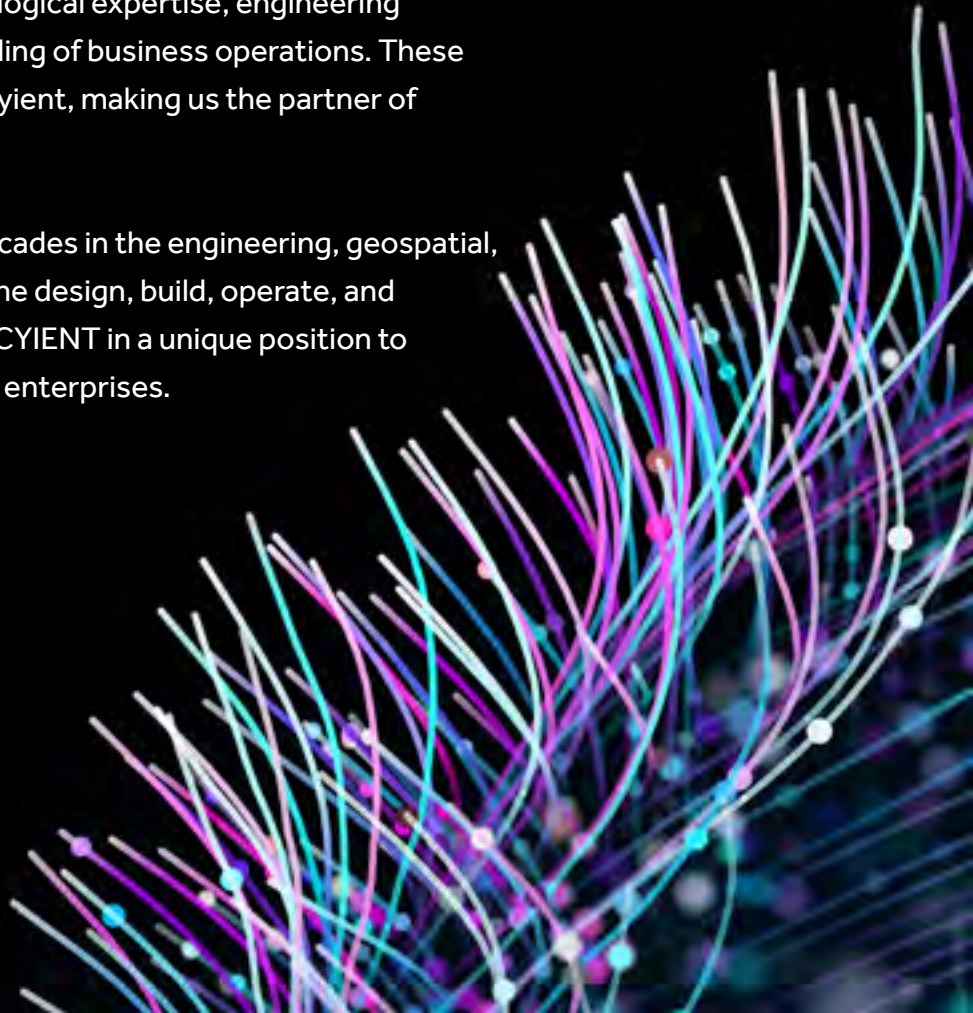
# INTELLICYIENT

**Accelerate Digital Industrial  
Transformation with  
Industry 4.0 Solutions**

Our newly launched **INTELLICYIENT** platform draws from Cyient's long-standing expertise in the engineering space to create tailored digital solutions that deliver sustainable business impact with digital at its core. INTELLICYIENT is a suite of six Digital Solutions that will accelerate digital transformation with Industry 4.0 technologies for sectors that draw significant value from their assets, including manufacturing, industrial, aerospace, utilities, mining, and natural resources.

The most successful Industry 4.0 solutions are the ones that bring domain knowledge, depth of technological expertise, engineering excellence, and in-depth understanding of business operations. These have been the unique strengths of Cyient, making us the partner of choice for our customers globally.

Cyient's experience of over three decades in the engineering, geospatial, data, and technology space across the design, build, operate, and maintain value chain places INTELLICYIENT in a unique position to enable a **SUSTAINABLE FUTURE** for enterprises.







## POWERING MEDTECH WITH MOLBIO TRUNAT

The Trunat solution developed by Molbio Diagnostics with Cyient as the manufacturing partner is an entirely indigenous RTPCR solution that bridges the gap between timely diagnosis and treatment of COVID-19 and an additional 25 diseases. Laboratory-independent, reliable, and affordable, the Trunat testing platform provides an early and accurate diagnosis of infectious diseases at the point of care, driving better care and faster recovery. This innovation has far-reaching implications for populous and developing nations like India that have long struggled to access quality healthcare services.



## ENABLING 5G IMPLEMENTATION IN AUSTRALIA

While the telecom industry has seen significant growth over the past few decades, few developments have delivered the impact that 5G promises. Our customer, a leading CSP in Australia, is at the forefront of 5G implementation across the region with a mission to bring 5G to 75% of the population in Australia. To achieve this, the customer is required to build new infrastructure while ensuring minimal electromagnetic emission impact on users in heavily populated areas making the engineering and design of macrocell networks that much more complex. Leveraging Cyient's expertise in accelerating 5G rollouts in some of the world's densest areas, the customer has made significant progress toward their objective by securing 100% first-time approvals, rating Cyient second amongst seven service providers.



## DESIGNED AND BUILT A KEY COMPONENT FOR A TOP US SPACE PROGRAM

Our manufacturing facilities in the US helped design and manufacture a rotor laser inspection system and grinding machine systems for a leading US space program as part of a Design-to-Build project. The first of these machines was made nearly two decades ago, and we recently upgraded it with a new controller and software for enhanced performance.



## UPGRADING SIGNALING SYSTEMS FOR THE LONDON UNDERGROUND

Given that railways are vital to a nation's economy, our customer, a mass transit operator in the UK, was looking for a partner to upgrade its legacy signaling system built in the 1930s to a modern CBTC technology-based one. The upgrade would cover four lines for 113 stations and mechanical design work for non-sighted assets for 48 stations. Cyient supported the customer by undertaking critical deliverables for the project and delivering the project without disruption and at 40% lower engineering costs. The new system streamlines operations to operate 32 trains per hour during peak hours and carry 1.3 million passengers every day with a 33% increase in capacity.



## ENABLING A TOP UTILITY TO IMPROVE CUSTOMER EXPERIENCE

One of our top utility customers was looking to improve efficiency and productivity by quickly responding to network disruptions, enhancing customer service levels, and standardizing systems across the organization. Toward this, they needed to upgrade their current GIS, design estimation tools, and outage management systems with an enterprise GIS, EAM, design estimation tool, and an advanced distribution management system for increased efficiency and productivity. The complexity was significant given that simultaneous changes across 37 different operating companies, three different commodities, and enterprise systems were needed. Cyient implemented a robust, cloud-based solution for the management of utility network data modeling that enhanced accessibility and connectivity.



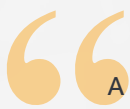
# DELIVERING SERVICE EXCELLENCE TO MAKE THE WORLD'S MOST EFFICIENT AIRCRAFT ENGINE

We helped a leading aircraft OEM to design, develop, certify, and deliver next-gen aircraft engines. We have designed and manufactured highly complex components providing productivity savings worth \$68 million in the last decade and worth \$29 million over the past three years. As a key partner to the customer, Cyient helped make a turbofan engine that achieved a 16% reduction in fuel consumption, 75% reduction in noise footprint, and 50% reduction in nitrogen oxide emissions. Our engineers delivered 5 million+ hours of engineering services in component and systems engineering, test and validation, avionics software V&V, manufacturing engineering, aftermarket services, cost and weight reduction programs, performance and durability improvement programs, and support to operations.

A hand is shown placing a small white block with a happy face on a surface. In the background, another block with a sad face is visible. The image is framed by a large orange arc on the right side. There are several colored circles (orange, teal, green, red, blue) scattered across the image.

# DELIVERING OUR PROMISE ON CUSTOMER EXPERIENCE

**We at Cyient registered our highest-ever customer satisfaction (CSAT) score with the highest participation from key decision-makers in a year marked by unprecedented disruption. Our teams continue to go above and beyond to support customers in the crisis and ensure the highest-ever levels of customer delight, making us key strategic partners for innovation and digital transformation.**



A key benefit to using Cyient's LiDAR and Vegetation Management services is reliability for all of my data needs. As a LiDAR specialist at Southern California Edison, I wanted to acquire aerial imagery and LiDAR for addressing vegetation risk management across our Transmission network. By collaborating with other SCE departments, we developed additional use cases for the LiDAR data and reduced SCE's overall spend to maximize business value. Cyient managed the data acquisition process, delivered PLS-CADD models and Planimetry for our Transmission Line Engineering group, vegetation models for me, and developed wetlands delineation for our Environmental group.

Working with a knowledgeable partner like Cyient who understands the vegetation process made the entire project easier to coordinate with less iterations. I think Cyient's depth and breadth of GIS capabilities and proven delivery model can add value to any Utility dealing with vegetation, asset, or environmental management.

### **Seth Reid**

Vegetation Management Quality Control Advisor – LiDAR SME, SCE




Cyient has been one of our trusted partners for several key initiatives including design engineering, manufacturing, and our "Go-to-India" programme. A successful partnership must adhere to the highest delivery standards and ensure performance excellence. We congratulate the Cyient team on achieving this distinction especially during the challenging times. Together we shall continue to contribute to the prestigious 'Make in India' initiative of the Indian government.

### **Roque Carmona**

Senior Vice-President, Group Chief Procurement Officer, Thales, on Cyient receiving the Thales Supplier Performance Award 2020





# DESIGNING A SUSTAINABLE TOMORROW

**Today, the world is in the grip of multiple crises:** ecological, human, economic, and more. Many businesses have been forced to down shutters for reasons ranging from national policy to mitigating impact on people and infrastructure. There is a growing demand globally for businesses and products/services that do not harm natural systems and resources and preserve the planet's ecological balance—businesses that respect sustainability.

For establishing a resilient business model, it is essential to integrate Sustainability/Environment, Social, and Governance (ESG) aspects across the value chain. Sustainability has evolved over the years from being a mere response to social and/or environmental crises to a value addition enabler and a future-proofing coefficient to the business ecosystem. Today, sustainability is something that stakeholders across the spectrum demand, expect, and value.

Since our inception, we at Cyient take pride in delivering the highest safety, reliability, and performance standards. This year, marking our 30th year in the business, we embark on a journey of transforming goals into action with a holistic ESG framework shaped by a vision to “Design a Sustainable Tomorrow.” This will be a 360-degree approach, integrating ESG aspects across the value chain with strong leadership commitment, collaborative partnership, and an empowered ecosystem enabling long-term sustainable value generation.

## Framework

In defining the ESG framework, we analyzed mega trends, industry drivers, global frameworks, and the national agenda and engaged with external and internal stakeholder groups emphasizing emerging sustainability/ESG risks and opportunities.

**The framework is based on three pillars: Responsible—Equitable—Accountable.** There are 13 focus areas distributed across these pillars, as depicted in the illustration below.

The objective of the **Responsible Pillar** is to become an environmentally sustainable corporate citizen by applying the **reduce-switch-innovate-offset** mantra across carbon, water, and waste focus areas. That is, to commit to increase the share of renewable energy and adopt low emission technology, thereby reducing the dependency on fossil fuel. We also aim to focus on reducing our energy and water footprints through resource and process optimization. Furthermore, we have chosen the path of transforming from **linear to circular business models**, focusing on re-designing products, processes, and solutions to ensure optimal use of resources and minimal waste generation. At Cyient, we have adopted a collaborative approach

through continuous supplier engagement **to build a sustainable supply chain.**

Our success as an organization is associated mainly with our people, internal and external. We aspire to continue our legacy as a **people-centric** organization providing **opportunities to all.** The **Equitable Pillar** focuses on diversity and inclusion, empowering communities, ensuring our people’s health, safety, wellbeing, and initiatives that build a conducive work environment.

The **Accountable Pillar** spotlights the need for **ethical and effective governance and business practices** across the organization. It focuses on the **collaborative approach** businesses should establish to deliver long-term value. It also focuses on establishing effective governance beyond compliance requirements, enhancing data privacy and security standards, and continuous innovation to maintain competitive advantage.

Given that sustainability-integrated business models will be the driving force for organizations, it will be our constant endeavor to embed sustainability practices to **“design a sustainable tomorrow together.”**



# DIVERSITY MATTERS ONE CYIENT

## Diversity Wins: How We Continue to be Inclusive

We continue to invest and focus on creating an inclusive workplace where every associate can contribute to the best of their abilities, and where backgrounds and experiences help to create a culture of innovation, empathy, and continuous learning.



### Inclusion Ambassador Program

We launched the Inclusion Ambassador Program 2.0 to increase global collaboration and continue to focus on local opportunities. The group was instrumental in creating and implementing multiple nudges to help associates manage both work and personal challenges due to COVID-19.



### DIEL 2.0

DIEL (Diversity, Inclusivity, Equity-driven Leadership) is our mentorship program to foster a strong leadership pipeline within Cyient. DIEL 2.0 was launched with 50 mentor/mentee pairings and will continue over 12 months. The focus is on developing women leaders, but we have included both genders in the mentee population.



### Parental Leave

We are very excited to have launched a comprehensive parental leave policy that provides time off for both primary and secondary caregivers.



## Unbiased Recruitment

We have extended our partnership with DataPeople (previously Tap Recruit) to ensure that we are attracting diverse talent by having unbiased job descriptions. Last year we saw a **250% increase** in female applicants from the previous year.



## COVID-19 Support

The D&I teams continue to focus on how best to support all of Cyient's stakeholders as we navigate the pandemic.



## D&I Metrics

We have launched our D&I dashboards to track minority representation at all levels in the company. These metrics will be reviewed by the Board of Directors, Senior Leadership, and the D&I Council to track progress and trends. The teams will determine necessary interventions to ensure that we are building a diverse and inclusive workforce to power our growth.



## Social Learning

We are creating an inclusive workplace by leveraging our social learning platform to harness the collective knowledge of all our associates to bring attention to a multitude of diversity and inclusion topics. Our social learning channel enables all Cyient associates to participate and develop their individual understanding of D&I terms and concepts in a safe and collaborative environment. We believe that by enhancing each individual's understanding of D&I, we are contributing to the creation of a more diverse and inclusive Cyient, society, and world.

# BUILDING A BETTER WORKPLACE

## BUILDING A BETTER WORKPLACE

Cyient constantly strives to be the employer of choice for our associates. Our people function is closely aligned with our vision and the S3 strategy as we work toward talent acquisition, retention, and development. We endeavor to incorporate healthy, innovative HR practices for a balanced workplace.

2020 was a challenging year. Associate safety, enablement, and engagement were our top priorities. Our focus was to ensure associate safety all through the phases of this pandemic. We also adapted our processes and policies to enable better hiring, onboarding, and development and engagement initiatives. We will continue to focus on strengthening our HR practices and leveraging strategic initiatives to drive our business objectives. We also have made significant progress on our strategic initiatives and are well aligned to achieve them.



## EMERGING LEADER PROGRAM

We have all had to change the way we work due to COVID-19 and delivering leadership programs is no different. The Emerging Leader Program (ELP) was launched in the second week of October 2020 with a weeklong virtual Leadership Immersion Workshop. The virtual program was designed to maximize interaction, participation, and to provide our managers with the environment to both learn and to collaborate with fellow managers across Cyient. We had 48 participants from various BUs and geographies. The workshop was divided into two cohorts to accommodate all time zones.

The Business Canvas model provided participants with a framework for describing, creating, and assessing business models, helping them to identify and provide the rationale on how we can work with our customers to create, deliver, and capture value. This was followed with Innovation Mindset, and culminated with exploring and developing Leadership Styles. The program will conclude in July '21 and will enable participants to gain leadership skills and excel in their chosen field.



## BUSINESS LEADER PROGRAM

The Business Leader Program (BLP) was launched in the second week of March 2021 with a weeklong virtual Leadership Immersion Workshop. The virtual program was designed to maximize interaction, participation, and collaboration. We had 25 participants from various BUs and geographies. The workshop was conducted considering all time zones.

We explored various leadership styles required to be a successful leader, providing insights into participants' own leadership styles and how to flex their styles to engage, enable, and empower associates to drive performance. This was followed by Systems Thinking, where participants worked on exploring and providing solutions to complex problems. Next came Strategic Thinking, bringing an understanding of the strategic drivers, values, and motivational factors that drive growth as well as the factors that can hinder it. The program culminated in exploring influence and negotiation skills. An integral part of this program are the Action Learning Projects, where participants work on real problems bringing the skills they have learnt to work, which subsequently greatly benefits Cyient. The results of these projects will be presented in the final workshop.



## MANAGING@ CYIENT

Managing@Cyient is a global development program for all managers. It builds an understanding of the role of a manager and what it takes to excel as a manager at Cyient.

This program provides the skills needed for managing self, managing teams, delivering business value, and leading change. The workshops, whilst virtual, have been designed to be interactive and participatory. During the learning journey, participants are given the opportunity to both develop and put their skills into practice in the workshops, the learning challenges, as well as coaching sessions. This year we trained 235 managers globally.

As an extension to the global job structure framework created in FY20, we created a competency dictionary for **25 roles** covering **75%** of our associates. This details the technical progression journey of each of the competencies. This framework allows us to identify competency gaps and build individual development plans.



## CAREER AND COMPETENCY PROGRESSION PROGRAM



# 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 we meet our objectives and achieve 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**  
Founder Chairman & Board Member



**MM MURUGAPPAN**  
Non-Executive Chairman



**KRISHNA BODANAPU**  
Managing Director &  
Chief Executive Officer



**KARTHIKEYAN NATARAJAN**  
Executive Director &  
Chief Operating Officer



**AJAY AGGARWAL**  
Executive Director &  
Chief Financial Officer



**ALAIN DE TAEVE**  
Non-Executive Director



**SOM MITTAL**  
Independent Director



**VINAI THUMMALAPALLY**  
Independent Director



**VIKAS SEHGAL**  
Independent Director



**VIVEK GOUR**  
Independent Director



**MATANGI GOWRISHANKAR**  
Independent Director



**RAMESH ABHISHEK**  
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 &  
Chief Executive Officer



**KARTHIKEYAN NATARAJAN**  
Executive Director &  
Chief Operating Officer



**AJAY AGGARWAL**  
Executive Director &  
Chief Financial Officer



**DR. PNSV NARASIMHAM**  
President &  
Chief Human Resources Officer



**NJ JOSEPH**  
Senior Vice President -  
Corporate Strategy



**TOM EDWARDS**  
President - North America



**JOHN RENARD**  
President - Europe

## Notice of Annual General Meeting

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of the shareholders of the company will be held on Thursday, 17 June 2021 at 4:00 p.m. (IST) through Video Conference (VC) or Other Audio Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. the audited financial statements of the company for the financial year ended 31 March 2021 together with the reports of the board of directors and the auditors thereon
  - b. the audited consolidated financial statements of the company for the financial year ended 31 March 2021, together with the report of the auditors thereon.
2. To declare the final dividend on equity shares for the financial year 2020-21.
3. To appoint a Director in place of Mr. Alain De Taeye (DIN: 03015749), who retires by rotation and being eligible, offers himself for re-appointment as a Director liable to retire by rotation.

### SPECIAL BUSINESS

4. Appointment of Mr. Ramesh Abhishek (DIN: 07452293) as a Director of the Company:

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 Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Ramesh Abhishek (DIN: 07452293) who was appointed as an Additional Director of the Company on 12 August 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Ramesh Abhishek's candidacy, be and is hereby appointed as Independent Director of the Company not subject to retirement by rotation, for a term from 12 August 2020 to 11 August 2023.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. Appointment of Mr. Karthikeyan Natarajan (DIN: 03099771) as a Director of the Company:

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 Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Karthikeyan Natarajan (DIN: 03099771) who was appointed as an Additional Director of the Company in the meeting of the Board of Directors held on 22 April 2021 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Karthikeyan Natarajan's candidacy, be and is hereby appointed as Director of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. Appointment of Mr. Ajay Aggarwal (DIN: 02565242) as a Director of the Company:

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 Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Ajay Aggarwal (DIN: 02565242) who was appointed as an Additional Director of the Company in the meeting of the Board of Directors held on 22 April 2021 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Ajay Aggarwal's candidacy, be and is hereby appointed as Director of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

7. Appointment of Mr. Karthikeyan Natarajan (DIN: 03099771) as Executive Director & Chief Operating Officer of the Company:

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 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, and pursuant to the recommendation of Leadership, Nomination and Remuneration Committee, approval of members be and is hereby accorded to appoint Mr. Karthikeyan Natarajan (DIN 03099771) as Executive Director & Chief Operating Officer for a period that is the earlier of 3 years from 22 April 2021 or the attainment of the age of 60 years, at a remuneration as detailed below:

- I. **Salary** – ₹ 2,62,00,000 per year. Yearly increase can be up to 15% upon MD’s recommendation
- II. **Commission** – ₹ 6,00,00,000 per year on achieving 100% target. On exceeding targets there is an accelerator plan for senior management that will be used based on the company’s EBIT achievement. The scheme will be capped at 200% payout. The yearly increase in on-target commission will be in-line with the budgeted increase in EBIT compared to the previous year.
- III. **Perquisites and Benefits**  
Medical Reimbursement, Leave Travel Concession / allowance, Provident Fund, Pension Fund & Superannuation Fund, Gratuity, Associate Stock Options, Company Car and Telephone/Broadband – as per Rules of the Company and subject to applicable tax laws

IV. **Overall Remuneration**

That the total remuneration (i.e., salary, perquisites, including stock options, commission and allowances) in any one financial year shall not exceed the limits prescribed from time to time under sections 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. 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 Leadership, Nomination & Remuneration committee of directors. Further, within the overall remuneration, the individual components may be changed as desired by the Director and accepted by the Leadership, Nomination & Remuneration committee.

V. **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.

VI. **Termination**

Six months’ notice shall be required, on either side for termination of service.

8. Appointment of Mr. Ajay Aggarwal (DIN 02565242) as Executive Director & Chief Financial Officer of the Company:

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 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, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to the recommendation of Leadership, Nomination and Remuneration Committee, approval of members be and is hereby accorded to appoint Mr. Ajay Aggarwal (DIN 02565242) as Executive Director & Chief Financial Officer for a period that is the earlier of 3 years from 22 April 2021 or the attainment of the age of 60 years, at a remuneration as detailed below:

- I. **Salary** – ₹ 1,90,00,000 per year. Yearly increase can be up to 15% upon MD’s recommendation
- II. **Commission** – ₹ 1,20,00,000 per year on achieving 100% target. On exceeding targets there is an accelerator plan for senior management that will be used based on the company’s EBIT achievement. The scheme will be capped at 200% payout. The yearly increase in on-target commission will be in-line with the budgeted increase in EBIT compared to the previous year.
- III. **Perquisites and Benefits**  
Medical Reimbursement, Leave Travel Concession / allowance, Provident Fund, Pension Fund & Superannuation Fund, Gratuity, Associate Stock Options, Company Car and Telephone/Broadband – as per Rules of the Company and subject to applicable tax laws

IV. **Overall Remuneration**

That the total remuneration (i.e., salary, perquisites, including stock options, commission and allowances) in any one financial year shall not exceed the limits prescribed from time to time

under sections 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. 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 Leadership, Nomination & Remuneration committee of directors. Further, within the overall remuneration, the individual components may be changed as desired by the Director and accepted by the Leadership, Nomination & Remuneration committee.

#### V. 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.

#### VI. Termination

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

9. Re-appointment of Mr. Vikas Sehgal (DIN: 05218876) as an Independent Director for a second term of five consecutive years.

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 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Leadership, Nomination & Remuneration Committee and the Board of Directors, Mr. Vikas Sehgal (DIN: 05218876) who holds office of Independent Director up to 16 October 2021 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Vikas Sehgal's candidacy for the office of Director, be and is hereby re-

appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 17 October 2021 up to 16 October 2026."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

10. To approve the amount of annual remuneration of Mr. B.V.R. Mohan Reddy (DIN 00058215), Non-Executive Director:

To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), as amended from time to time, read with the Companies (Meetings of Board and its Powers) Rules, 2014 and pursuant to the recommendations of the Leadership, Nomination & Remuneration Committee and the Board of Directors and pursuant to the provisions of Regulation 17(6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval of the members be and is hereby accorded for payment of annual remuneration of ₹ 2,00,00,000/- (Indian Rupees Two Crores only) for the financial year 2021-22 to Mr. B.V.R. Mohan Reddy (DIN 00058215), Non-Executive Director of the company, being an amount exceeding fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the company."

By Order of the Board

Place: Hyderabad  
Date: 22 April 2021

**Sudheendra Putty**  
Company Secretary  
M. No. F5689

#### Registered Office

4<sup>th</sup> 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 Register of Members and the Share Transfer Books of the company will remain closed from 7 June 2021 to 17 June 2021 (both days inclusive) in connection with the AGM and for the purpose of dividend.
3. Final dividend of ₹ 17/- per share, i.e., at the rate of 340% on face value of ₹ 5/- each for the year ended 31 March 2021, as recommended by the board, if declared at the AGM, will be payable to those persons whose names appear in the Register of Members of the company as at the close of business hours on 4 June 2021. Dividend will be paid within 30 days from the date of AGM.
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 appointments/re-appointments under Item Nos. 3,4,5,6& 9 above are 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 COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
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 certificates from the auditors of the company under SEBI (Share Based Employee Benefit) Regulations, 2014, as amended, will be available for inspection by the shareholders at the AGM.

**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 2020-21, is available on the website of the company at www.cyient.com on the website of Stock Exchanges i.e. The 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 14 June 2021 (09:00 am IST) and ends on 16 June 2021 (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 10 June 2021, 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:
  1. *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 10 June 2021 (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.

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in **Demat mode** are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

NSDL	CDSL
<p><b>1. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Click on the "Beneficial Owner" icon under 'IDeAS' section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol>	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with user id and password.</li> <li>IV. Option will be made available to reach e-Voting page without any further authentication.</li> <li>V. Click on e-Voting service provider name to cast your vote.</li> </ol>
<p><b>2. User not registered for IDeAS e-Services</b></p> <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Select "Register Online for IDeAS"</li> <li>III. Proceed with completing the required fields.</li> </ol>	<p><b>2. User not registered for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields.</li> </ol>
<p><b>3. User not registered for IDeAS e-Services</b></p> <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>ii. Proceed with completing the required fields.</li> </ol>	<p><b>3. By visiting the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.</li> </ol>
<p><b>4. By visiting the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>	

**Individual Shareholders (holding securities in demat mode) login through their depository participants.**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will

be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Important note:**

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

**Instructions for remote e-voting are as under- For Physical cases (Shares held in Physical Mode)**

- I. Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- II. Enter the login credentials provided in the email and click on Login.
- III. Password change menu appears when you login for the first time with default password . You will be required to mandatorily change the default password.
- IV. The new password should 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.,).
- V. Update your contact details like mobile number, email address, etc. if prompted. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- VI. Login again with the new credentials.
- VII. On successful login, the system will prompt you to select the "EVENT" i.e. "Cyient Ltd."
- VIII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned above. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- IX. Members holding multiple folios may choose to vote differently for each folio / demat account.
- X. You may then cast your vote by selecting an appropriate option and click on "Submit. A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking "SUBMIT".
- XI. 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 Scrutiniser through email at [schid285@gmail.com](mailto: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 'IEL EVENT No'
- XII. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at <https://evoting.kfintech.com/public/Faq.aspx> or call KFin on 1-800-309-4001 (toll free).

**Those members who have not yet registered their email addresses are requested to get their email addresses registered with KFin, by following the procedure mentioned below:**

**AGM/EGM – Mobile & Email Registration**

- I. Visit the link : <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
- II. Select the company name i.e. Cyient Ltd.
- III. Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical

- IV. Enter DPID – Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and PAN.
- V. If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.
- VI. In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
- VII. Enter the email address and mobile number.
- VIII. System will validate DP ID – Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send the OTP at the registered Mobile number as well as email address for validation.
- IX. Enter the OTPs received by SMS and email to complete the validation process. OTPs validity will be for 5 minutes only.
- X. The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
- XI. Alternatively, members may send an email request addressed to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFin to register their email address and to provide them the Notice and the e-voting instructions along with the User ID and Password.
- XII. Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.
- XIII. In case of queries, members are requested to write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or call at the toll free number 1-800- 309-4001

2. *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 14 June 2021 (9.00 a.m.) upto 16 June 2021 (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 e-AGM can contact KFin at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 345 4001.

3. General Instructions:

- i. The Board of Directors has appointed Mr. S.Chidambaram, Practising Company Secretary (FCSNo. 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.
20. 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 voting results declared along with the Scrutineer's Report will be placed on the company's website [www.cyient.com](http://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

Place: Hyderabad  
Date: 22 April 2021

**Sudheendra Putty**  
Company Secretary  
M. No. F5689

**Registered Office**  
4<sup>th</sup> Floor, A Wing, Plot No.11,  
Software Units Layout, Infocity,  
Madhapur, Hyderabad 500 081  
Telangana  
CIN: L72200TG1991PLC013134  
Email: [company.secretary@cyient.com](mailto:company.secretary@cyient.com)  
Website: [www.cyient.com](http://www.cyient.com)

# Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

## Item No.4:

### Appointment of Mr. Ramesh Abhishek as Independent Director

The Board of Directors (based on the recommendation of Leadership, Nomination and Remuneration Committee) had appointed Mr. Ramesh Abhishek (DIN: 07452293) as an Additional Director from 12 August 2020.

In terms of Section 161(1) of the Companies Act, 2013 read with Article 78 of the Articles of Association of the Company, Mr. Ramesh Abhishek holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting. Mr. Ramesh Abhishek, being eligible has offered himself for appointment as a Director. The Company has received a notice from a Member signifying his intention to propose the candidacy of Mr. Ramesh Abhishek for the office of Director of the Company under Section 160 of the Companies Act, 2013.

Mr. Abhishek has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that he fulfils the conditions specified in the Act for appointment as an Independent Director.

Mr. Abhishek is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time.

A copy of the draft letter for the appointment of Mr. Ramesh Abhishek as Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and the same has also been uploaded on the Company website <https://www.cyient.com>.

The other details including the shareholding, names of companies and the committees in which he is a member are published elsewhere in the Annual Report.

The other details of Mr. Ramesh Abhishek in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 are annexed to this Notice. The Board of Directors is of the opinion that Mr. Ramesh Abhishek's vast knowledge and varied experience will be of great value to the Company.

Your Directors recommend the Ordinary Resolution set forth in Item No. 4 of the Notice for approval of the members.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Ramesh Abhishek himself and his relatives may be deemed to be concerned or interested in the resolution.

## Item No.5 & 7:

### Appointment and payment of remuneration to Mr. Karthikeyan Natarajan (DIN 03099771) as Executive Director and Chief Operating Officer of the Company.

The Leadership, Nomination and Remuneration Committee, in its meeting held on 21 April 2021 recommended and the Board of Directors, in its meeting held on the following day, approved the appointment of Mr. Karthikeyan Natarajan (DIN: 03099771) as Executive Director & Chief Operating Officer of the Company.

The Company has received a notice from a Member signifying his intention to propose the candidacy of Mr. Karthikeyan Natarajan for the office of Director of the Company under Section 160 of the Companies Act, 2013.

Mr. Karthikeyan Natarajan was appointed as Chief Operating Officer of the Company in March 2020 and has provided excellent leadership for the Operations of the Company during the last year. Mr. Natarajan will have overall responsibility of Operations, Delivery, Sales and Business Development for all the company businesses. He will report to the Managing Director & CEO and will focus on developing business opportunities and executing them towards the goals and objectives of the company.

Mr. Karthikeyan Natarajan satisfies all the conditions as set out in section 196(3) of the Companies Act, 2013 and the applicable Schedule for being eligible for his appointment. This explanatory statement may be considered as the requisite abstract under section 190 of the Companies Act, 2013 setting out the terms and conditions of the appointment.

Your Directors recommend the Ordinary Resolutions set forth in Item No. 5 & 7 respectively of the Notice for approval of the members.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Karthikeyan Natarajan himself and his relatives may be deemed to be concerned or interested in the resolutions.

## Item No.6 & 8:

### Appointment and payment of remuneration to Mr. Ajay Aggarwal (DIN: DIN 02565242) as Executive Director and Chief Financial Officer of the Company.

Mr. Ajay Aggarwal (DIN: DIN 02565242) was appointed as an Additional Director of the Company with effect from 22 April 2021 in accordance with the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above Director holds office only up to the date of ensuing Annual General Meeting of the Company.

The Company has received a notice from a Member signifying his intention to propose the candidacy of Mr. Ajay Aggarwal for the office of Director of the Company under Section 160 of the Companies Act, 2013.

Mr. Ajay Aggarwal joined the company in 2011 as the CFO and at present leads teams across corporate finance, audit, reporting, M&A, corporate venturing, investor relations, procurement, infrastructure and facilities management, financial planning and analysis, information technology and corporate secretarial, legal, compliances and contract management. His focus areas include driving financial and operational efficiency, corporate governance, business partnering, cost management, inorganic growth process improvement, risk management, cash conversion and margin improvement to accelerate the company's growth and create value for its shareholders. He will report to the Managing Director & CEO.

Mr. Ajay Aggarwal satisfies all the conditions as set out in section 196(3) of the Companies Act, 2013 and the applicable Schedule for being eligible for his appointment. This explanatory statement may be considered as the requisite abstract under section 190 of the Companies Act, 2013 setting out the terms and conditions of the appointment.

Your Directors recommend the Ordinary and Special Resolutions set forth in Item No. 6 & 8 respectively of the Notice for approval of the members.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Ajay Aggarwal himself and his relatives may be deemed to be concerned or interested in the resolutions.

#### **Item No. 9:**

##### **Appointment of Mr. Vikas Sehgal as Independent Director for a second term of five years:**

Mr. Vikas Sehgal was appointed as Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the Annual General Meeting held on 6 June 2019 to hold office up to 16 October 2021 (first term), as per the explanation to Section 149(10) and 149(11) of the Act.

The Leadership, Nomination & Remuneration Committee at its Meeting held on 21 April 2021 after taking into account the performance of Mr. Sehgal during the first term of three years and considering the substantial contribution made by him during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association of the said Director as an Independent Director would be in the interest of the Company. Based on the above, the Leadership, Nomination & Remuneration Committee and the Board has recommended the re-appointment of Mr. Vikas Sehgal on the Board of the Company, to hold office for the second term of five consecutive years commencing from 17<sup>th</sup>

October 2021 upto 16 October 2026, without being liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidacy of Mr. Vikas Sehgal, for his appointment to the office of Independent Director.

Mr. Sehgal has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Vikas Sehgal, fulfils the conditions specified in the Act for appointment as an Independent Director.

Mr. Vikas Sehgal is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time.

A copy of the draft letter for the appointment of Mr. Sehgal as Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and the same has also been uploaded on the Company website <https://www.cyient.com>.

The other details including the shareholding, names of companies and the committees in which he is a member are published elsewhere in the Annual Report.

The Board recommend the Special Resolution for re-appointment of the Mr. Vikas Sehgal at Item No. 9 of this notice for your approval.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Vikas Sehgal himself and his relatives may be deemed to be concerned or interested in the resolution.

#### **Item No. 10:**

##### **Approval of payment of remuneration to Mr. B.V.R. Mohan Reddy, Founder Chairman & Non-Executive Director**

On the recommendation of Leadership, Nomination & Remuneration Committee, the Board of Directors of the company at its meeting held on 22 April 2021 approved an annual remuneration of INR 2,00,00,000/- (Indian Rupees Two Crores only) including perquisites payable to Mr. B.V.R. Mohan Reddy, Non-Executive Director of the company for the financial year 2021-22.

Mr. Mohan Reddy is the Founder-Chairman of the Company. He founded the Company (Infotech Enterprises Limited) in 1991, with the vision of providing engineering services to global markets. He established the "Engineered in India" brand and led the Company to contribute more than \$5 billion in cumulative exports to several international customers, including many Fortune 100 companies. As Founder

Chairman, Mr. Mohan Reddy contributes to the organization's global brand and purpose. He acts as a sounding board, mentor, and critic in the spirit of enabling sustainable growth, especially in matters related to strategy, values, policy, CSR and government relations. Mr. Reddy promotes the highest standards of integrity and corporate governance, particularly at the board level. After providing leadership for the company in executive roles for 30 years (as Chairman & Managing Director until April 2014 and as Executive Chairman thereafter), he stepped back in April 2021 to give way to fresh thinking, competent leadership and a future full of promise. However, Mr. Reddy will continue as a Non-Executive and Non-Independent Director on the Board of the Company. In accordance with the Amendments to the SEBI (LODR) Regulations, 2015, Mr. Mohan Reddy has stepped down as Executive Chairman. As such, the Chairman of the Company will be Non- Executive ( Mr. M.M. Murugappan) and not related to the Managing Director & CEO.

The Board deems it appropriate to recognize Mr. Reddy's contribution and compensate such amount as remuneration as it deems fair and appropriate. Pursuant to the terms of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval

of shareholders by special resolution is required for payment of remuneration in excess of 50% of the total annual remuneration payable to all the Non-Executive Directors. The aggregate remuneration payable to all the Non-Executive Directors shall be within the limits prescribed by law and subject to the terms of approval granted by the members in this behalf vide postal ballot notice dated 25 September 2014 and passed on 30 October 2014.

Mr. Krishna Bodanapu, Managing Director & CEO is the son of Mr. B.V.R. Mohan Reddy.

The above information may be considered as the compliance of Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014.

The Board recommends the passing of the resolution as set out in Item No. 10 of the Notice for approval of the Members as a Special Resolution.

Except Mr. B.V.R. Mohan Reddy and Mr. Krishna Bodanapu, Managing Director & CEO of the Company, none of the other directors, key managerial personnel of the company or their respective relatives, may be deemed to be concerned or interested in the resolution.



### ANNEXURE TO ITEMS. 3, 4, 5, 6 & 9 OF THE NOTICE:

[Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Alain De Taeye	Ramesh Abhishek	Karthikeyan Natarajan	Ajay Aggarwal	Vikas Seghal
<b>Director Identification Number (DIN)</b>	03015749	07452293	03099771	02565242	05218876
<b>Nationality</b>	Belgium	Indian	Indian	Indian	Indian
<b>Date of Birth</b>	19-03-1957	03-07-1959	26-06-1972	02-03-1963	23-05-1974
<b>Qualification</b>	Graduate in Civil Engineering & Architecture	Master Degree in public administration and master's in international politics	Graduate in Mechanical Engineering & MBA	Graduate in engineering and a member of ICSI and the ICMAI	B.E Mechanical, MS – Medical and MBA
<b>Experience and expertise</b>	Informatics & Management Consulting	Public Administration & Governance	Engineering and technology services & Management	Finance, Investor relations, M&A and Corporate Governance	Engineering, advisory and technology policy planning
<b>Date of first Appointment on the Board of the Company</b>	21-04-2010	12-08-2020	22-04-2021	22-04-2021	17-10-2018
<b>Shareholding in the Company</b>	0	0	21,500	25,226	8,42,100
<b>List of Directorship held in other companies</b>	Provided in the Report on Corporate Governance				
<b>Membership / Chairmanship in Committees of other companies as on date</b>					
<b>Relationships between Directors inter-se</b>	No relationship with any Director	No relationship with any Director	No relationship with any Director	No relationship with any Director	No relationship with any Director

None of the directors being appointed/re-appointed above is disqualified from being appointed/re-appointed as such. Each of them has provided their consent in regard to the appointment/re-appointment

## BRIEF PROFILES OF DIRECTORS BEING APPOINTED/RE-APPOINTED

### **Mr. Alain De Taeye – Non-Executive Director**

A leading light in the field of GIS and mapping, Mr. Alain De Taeye is renowned for his pioneering efforts in the digitization and commercialization of geospatial content. He also serves on the board of TomTom, where he is steering their geospatial strategy to offer innovative location technologies for a variety of applications, including autonomous driving.

Mr. De Taeye started his career with the founding of Informatics & Management Consultants (I&M), specializing in digital map databases and routing, which was integrated into Tele Atlas in 1989. In 2000, he successfully introduced Tele Atlas to the stock market. Mr. De Taeye served as the CEO of Tele Atlas until 2008 when TomTom acquired the company, and he joined their management board.

Mr. De Taeye is a civil engineer and architect by training from the Ghent University, Belgium.

### **Mr. Ramesh Abhishek – Independent Director:**

An IAS officer with decades of valuable experience as a bureaucrat, his last role was Secretary to the Government of India in the Department for Promotion of Industry and Internal Trade (DPIIT) till 2019. Mr. Abhishek is an eminent reformer and brings expertise in governance, policy design and implementation, competitiveness and investment promotion, and intellectual property rights to his role. He also serves as Director at the US-India Business Council.

In his 37-year tenure with the Indian Administrative Service, Mr. Abhishek spearheaded a number of key government initiatives such as Make in India, Start-up India, and Ease of Doing Business. He played a crucial role in driving the Invest India initiative to strengthen investment promotion and usher in FDI. He also oversaw the implementation of the National IPR Policy 2016 and launched the Global Innovation Index in India in 2019 in conjunction with the World Intellectual Property Organization.

Mr. Abhishek holds a master's degree in public administration from the Harvard Kennedy School, an MBA from Sikkim Manipal University, and a master's in international politics from Jawaharlal Nehru University.

### **Mr. Karthikeyan Natarajan – Executive Director**

Mr. Karthikeyan Natarajan is responsible for global business operations, including sales, delivery and business development. His focus areas include strengthening the

services business, building strong solutions capabilities with keen attention to digital transformation, and consolidating our design-led manufacturing expertise.

He has over 28 years of experience in the engineering industry with a strong focus on product development, digital transformation and R&D. He has been instrumental in implementing engineering strategies for many Fortune 500 companies. Before joining Cyient, Karthik led the global integrated engineering services business at Tech Mahindra and successfully built it into a billion-dollar business.

Mr. Natarajan is widely recognized as a thought leader on Digital and Engineering Services and solutions. He is chair of the ER&D Council at NASSCOM, and is an elected member of the prestigious Executive Council of NASSCOM. He is an advisor to the VIT University Incubation Cell. As a mentor to several startups, Karthik is an ardent evangelist of sustainability and the circularity of businesses.

He holds a degree in mechanical engineering from the University of Madras and an MBA from Symbiosis Institute of Business Management, Pune. Karthik has also completed multiple Executive Leadership and other programs at IMD, Ross School of Business, Singularity University, and the Harvard Business School.

### **Mr. Ajay Aggarwal – Executive Director**

Mr. Ajay Aggarwal joined Cyient in 2011 as the CFO and at present leads teams across corporate finance, audit, reporting, M&A, corporate venturing, investor relations, procurement, infrastructure and facilities management, financial planning and analysis, information technology, corporate secretarial, legal, compliances and contract management.

Mr. Aggarwal's focus areas include driving financial and operational efficiency, corporate governance, business partnering, cost management, inorganic growth process improvement, risk management, cash conversion, and margin improvement to accelerate Cyient's growth and create value for its shareholders. Ajay has held various leadership positions at global, multi-product organizations such as Tata Chemicals, Reliance Industries, Kirby Building Systems, P T Polysindo, and J K Synthetics across his extensive career of 35+ years.

He was ranked third among the Best CFOs under the sell-side category of investor relations for Technology/IT Services and Software, among 77 nominations across Asia (2018). He was recognized as the "CFO of the Year" and received a team award for "Excellence in FP&A" at the CFO Leadership Summit organized by Kamikaze Events in 2018. In 2017, Cyient earned the

Golden Peacock Award for Risk Management under his leadership for developing a robust risk management process based on industry and proven best practices.

He also serves as the Steering Committee member of CFO Forum of the Confederation of Indian Industry (CII), Telangana. He is an active member of other CFO forums such as the IMA and Business World. He contributes immensely to the finance community in the capacity of speaker and panelist at various discussion forums. He has also been guest speaker at educational institutes including ISB and the IITs.

He is a graduate in engineering and an illustrious alumnus of BITS Pilani, India. He is a member of the Institute of Company Secretaries of India and the Institute of Cost Accountants of India. He has completed the corporate finance program at Euromoney, UK, and the full, on-campus Advanced Management Program at INSEAD, France.

**Mr. Vikas Sehgal - Independent Director:**

Mr. Vikas Sehgal is a Global Partner, Executive Vice Chairman, and the Global Head of Automotive at financial advisory group Rothschild & Co. Mr. Sehgal has been an advisor to the Government of India since 2016 and works closely with the Ministry of Heavy Industries on automotive and industrial policy and with the Ministry of Trade and Commerce for the Invest India initiative. He is former Chairman of the World Economic Forum's (WEF) Global Agenda Council for Automotive and Transportation and was a member

of its Global Future Council for Mobility. Some of his past associations and engagements include Booz Allen Hamilton, Peugeot Citroen (PSA Groupe), and Houghton International.

Mr. Sehgal is a mechanical engineer from the Delhi College of Engineering. He holds an MS in industrial engineering from the University of Florida, an MS in mechanical engineering and technology policy planning from the Massachusetts Institute of Technology, and an MBA in finance and international business from the University of Chicago. Mr. Sehgal is also a published author and with over 20 papers and articles to his credit in leading global journals.

By Order of the Board

Place: Hyderabad  
Date: 22 April 2021

**Sudheendra Putty**  
Company Secretary  
M. No. F5689

**Registered Office**

4<sup>th</sup> Floor, A Wing, Plot No.11,  
Software Units Layout, Infocity,  
Madhapur, Hyderabad 500 081  
Telangana  
CIN: L72200TG1991PLC013134  
Email: [company.secretary@cyient.com](mailto:company.secretary@cyient.com)  
Website: [www.cyient.com](http://www.cyient.com)

# Directors' Report

Dear Members,

Your directors have pleasure in presenting the 30<sup>th</sup> Directors' Report on the business and operations of your company, for the financial year ended 31 March 2021.

## 1. FINANCIAL HIGHLIGHTS

(Amount in ₹ Million)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Revenue	41,324	44,274	13,799	15,231
Other Income	1,399	1,583	1,198	1,267
<b>Total Income</b>	<b>42,723</b>	<b>45,857</b>	<b>14,997</b>	<b>16,498</b>
<b>Expenses</b>				
Operating Expenditure	35,300	38,381	10,255	11,706
Depreciation and amortization expense	1,945	1,878	962	990
Impairment of non-current assets	274	404	114	311
<b>Total Expenses</b>	<b>37,519</b>	<b>40,663</b>	<b>11,331</b>	<b>13,007</b>
Profit before finance cost, tax and share of profit from Joint Venture	5,204	5,194	3,666	3,491
Finance Cost	433	486	146	148
Share of (loss) / profit from joint venture	-	(26)	-	-
Exceptional item	-	-	-	-
<b>Profit before tax (PBT)</b>	<b>4,771</b>	<b>4,682</b>	<b>3,520</b>	<b>3,343</b>
Current tax	1,351	1,181	755	743
Deferred tax	(218)	89	(16)	120
<b>Profit after Tax (PAT)</b>	<b>3,638</b>	<b>3,412</b>	<b>2,781</b>	<b>2,480</b>
Non- controlling Interest	-	(13)	-	-
<b>Profit attributable to Shareholders of the Company</b>	<b>3,638</b>	<b>3,425</b>	<b>2,781</b>	<b>2,480</b>
Other Comprehensive Income attributable to owners of the Company	231	133	120	(328)
Non-Controlling Interest	-	-	-	-
Basic EPS	33.08	31.14	25.29	22.56
Diluted EPS	33.06	31.14	25.27	22.56
Paid up share capital	550	550	550	550
Retained Earnings	28,991	25,027	23,429	20,433

## 2. STATE OF AFFAIRS / COMPANY'S PERFORMANCE

Your company is a global engineering and technology solutions company. It engages with customers across their value chain helping to design, build, operate and maintain the products and services that make them leaders and respected brands in their industries and markets. Customers draw on the company's expertise in engineering, manufacturing, and digital technology to deliver and support their next-generation solutions that meet the highest standards of safety, reliability and 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 2021 stood at Rs. 41,324 Mn against Rs. 44,274 Mn over the last year. The profit for the year attributable to shareholders and non-controlling interests was Rs. 3,638 Mn, recording an

increase of Rs. 213 Mn over FY 2020, 6.2% higher than that of the previous year.

On a standalone basis, the revenue from operations for FY 2021 at Rs. 13,799 Mn, was lower by 9.40% over the last year Rs. 15,231 Mn in FY 2020. The profit for the year was Rs. 2,781 Mn, registering a growth of 12.15% over the previous year.

### 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](http://www.cyient.com/investors/corporate-governance)). Details of dividend declared and paid by the company during FY 2021 are as follows:

	Fiscal 2021		Fiscal 2020	
	Dividend per share (in ₹)	Dividend %	Dividend per share (in ₹)	Dividend %
Interim dividend - I	Nil	Nil	6	120
Interim dividend - II	Nil	Nil	9	180
Final dividend	17	340	Nil	Nil
<b>Total dividend</b>	<b>17</b>	<b>340</b>	15	300

### 4. EARNINGS PER SHARE (EPS)

The Basic EPS of our Company stood at Rs. 25.29 at standalone level and Rs. 33.08 at the consolidated level.

The Diluted EPS of our Company stood at Rs. 25.27 at standalone level and Rs. 33.06 at the consolidated level.

### 5. TRANSFER TO RESERVES

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

### 6. LIQUIDITY

Your company continues to be debt-free and maintains sufficient cash reserves to meet its operations and strategic objectives. As at 31 March 2021, Your Company had liquid assets of Rs.11,543 million as against Rs.5,837 million at the previous year end. These funds have been invested in short term deposits with scheduled banks, financial institutions.

### 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, investments, 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 under review.

### 9. SHARE CAPITAL

Your company has allotted 58,591 equity shares of ₹5.00 each 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 Stock Option Schemes of the company.

Pursuant to the allotment of shares as above, as on 31 March 2021, the paid up capital of the Company was Rs. 550,149,060/- consisting of 110,029,812 equity shares of Rs.5.00 each.

### 10. SUBSIDIARIES

The details of the subsidiaries and joint venture company have been provided as part of the financial statements. During the year, there has been no material change in the nature of the business of the subsidiaries and JV. Further, effective December 01, 2020, Cyient Engineering (Beijing) Limited (CEBL), a wholly owned subsidiary has been deregistered.

### 11. QUALITY

Cyient is committed to creating and delivering engineering services and solutions that exceed customer expectations and enhance the level of business profitability. Our quality implementation efforts are all pervasive, beginning with a stated goal.

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 6.2/R 5.7 V, ISO 14001:2015, ISO 45001-2015, ISO 20000-1: 2011 and CMMI-DEV Version 2.0 Level 5. Cyient is the 8<sup>th</sup> company in India and 12<sup>th</sup> company in the world to have been appraised at Level 5 on CMMI DEV 2.0 Version.

### 12. BUSINESS RESPONSIBILITY REPORT

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

### 13. 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'.

#### 14. BOARD OF DIRECTORS & 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. The 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 is published elsewhere in the Annual Report.

##### Appointments/Re-appointments

##### Inductions

Based on the recommendations of the Leadership, Nomination and Remuneration (LNR) Committee, the Board appointed Mr. Ramesh Abhishek, as an additional director on 12 August 2020. He is being appointed as Director of the Company in the ensuing AGM. He would be categorised as an Independent Director.

Mr. Karthikeyan Natarajan, Chief Operating Officer and Mr. Ajay Aggarwal, Chief Financial Officer were appointed as additional directors on 22 April 2021. Further, each of them were also appointed as Whole Time Director at the said meeting subject to approval of the shareholders in the ensuing AGM.

##### Re-appointments

Mr. Alain De Taeye retires by rotation and being eligible, offers himself for re-appointment. Mr. Vikas Sehgal was appointed as Independent Director until 16 October 2021. Taking into account his performance and considering the substantial value add provided by him during his first term, the LNR Committee has recommended his appointment for a second term of five years until 16 October 2026. A special resolution proposing the re-appointment is included in the Notice of the 30<sup>th</sup> AGM.

Effective 22 April 2021, Mr. B.V.R. Mohan Reddy stepped down as Executive Chairman and would continue as Non-Executive Director. Mr. M.M. Murugappan was appointed as Non-Executive Chairman.

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 director

proposed to be appointed/ re-appointed are provided as an annexure to the notice convening the AGM.

##### Key Managerial Personnel

Mr. B.V.R. Mohan Reddy, Executive Chairman; Mr. Krishna Bodanapu, Managing Director & CEO; Mr. Ajay Aggarwal, President & CFO and Mr. Sudheendra 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 under review.

#### 15. 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.

#### 16. 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.

#### 17. 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 also improves.

In order to facilitate the same, the board undertook a formal board assessment and evaluation process during 2020-21. 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. The Leadership, Nomination & Remuneration Committee has overall stewardship for the process. The evaluation process covers the following aspects:

- Peer and self-evaluation 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.

## 18. 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.

## 19. 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.

## 20. AUDITORS

### A) Statutory Auditors

At the 28<sup>th</sup> 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 33<sup>rd</sup> 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.

### B) Secretarial Auditors

The Board has appointed Mr. S. Chidambaram as Secretarial Auditors for the financial year ended 31 March 2021. The Secretarial Audit Report for the financial year ended 31 March 2021 is annexed as Annexure 'C' to this report.

## 21. 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.

## 22. 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.

## 23. EMPLOYEE STOCK OPTION PLANS

During the year, the company had granted options 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'.

## 24. 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.

## 25. 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'.

## 26. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b. 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;
- c. 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;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively;
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 27. 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 Statements. (Refer Note No. 5, 6, 23 and 24 to the Standalone Financial Statements).

## 28. 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'.

## 29. EXTRACT OF ANNUAL RETURN (MGT 9)

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website - [www.cyient.com/investors](http://www.cyient.com/investors)

## 30. 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:

- a. **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	84.00
Krishna Bodanapu	159.86

Non - Executive / Independent Directors	
M.M. Murugappan	2.03
Som Mittal	2.03
Ramesh Abhishek (effective 12 August 2020)	1.35
Vikas Seghal	5.02
Vivek Gour	2.03
Matangi Gowrishankar	2.03
Vinai Thummalapally	5.02

- b. **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	3.3%
Krishna Bodanapu	42.2%
Ajay Aggarwal	-14.3%
Sudheendra Putty	14.13%



- c. **The percentage increase in the median remuneration of employees in the financial year:** 4.01%
- d. **The number of permanent employees on the rolls of Company:** 9,325
- e. **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 4.47% and the average annual increase managerial personnel 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 particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) 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 at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

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

The year 2020 -21 has been challenging for many with lot of changes in policies and practices based on the prevailing situations. With majority of work force Working from home , Organization had reworked on the POSH connect initiatives and ensured Virtual connects every month with associates to build awareness among them .

#### List of Initiatives under POSH for 2020-21

1. Posh Panel connect every quarter to ensure all the complaints registered are duly discussed with improved approach on building awareness.
2. Digital compliance of POSH-100% in the portal
3. Awareness sessions to associates through Virtual platforms and also through other business monthly meetings

4. Awareness worked out creatively through "Theater Play" and Musical Platforms making it more interesting for associates to watch and understand in the digitally
5. POSH panel have been nominated for training in various national and state level forums (NHRD , NASSCOM and CII)

During the year, no cases were registered. There are no pending complaints either at the beginning or at end of the financial year.

### 32. 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:

- a) Identify risks and opportunities
- b) assess risk and performance for key processes
- c) evaluate the risk impact across business operations
- d) develop mitigation plan for the risks identified and
- e) 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.

### 33. CORPORATE GOVERNANCE

The 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 'H'.

### 34. DISCLOSURE REQUIREMENTS

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

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

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.

### 35. 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 'I'.

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'.

### 36. 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.

Note: Except as otherwise stated, all the numbers in the Directors' Report are on standalone basis.

For and on behalf of the Board

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

Place: Hyderabad  
Date: 22 April 2021

# BUSINESS RESPONSIBILITY REPORT

Annexure-A

Cyient is committed to 'Design a Sustainable Tomorrow Together'. At Cyient, we are focused to integrate Environment Social Governance (ESG) aspects across the entire value chain, from our own operations to our suppliers, clients and also communities we operate.

Under the aegis of our Chairman's vision, we have developed our 'Design a Sustainable Tomorrow Together' programme, to design a roadmap that will align with the business level policies, international frameworks, .

*We are committed to 'design a sustainable tomorrow together', focusing on circularity, designing utilities for tomorrow and creating social value that shall deliver a long-term sustainable value to the ecosystem.*

We present our Business Responsibility Report (BRR) in line with the National Guidelines on Responsible Business Conduct (NGRBC) as notified by the Ministry of Corporate Affairs (MCA), Government of India in, 2019. This Report is prepared as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the Circular Bearing Ref. No. CIR/CFD/CMD/10/2015, dated November 4, 2015, issued by the Securities and Exchange Board of India (SEBI), and showcases the sustainability efforts taken by the Company during the financial year 2020-21.

## Section A: General Information about the Company

S.No.	Company Details	
1	Corporate Identity Number (CIN)	: L72200TG1991PLC013134
2	Name of the Company	: Cyient Limited
3	Registered Address	: 4th Floor, 'A' Wing, Plot .11, Software, Units Layout, Infocity, Madhapur Hyderabad, Telangana - 500 081
4	Website	: www.cyient.com
5	E-mail ID	: company.secretary@cyient.com
6	Financial Year reported	: 2020-2021
<b>Products &amp; Services</b>		
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	: 62099 – Other information technology & computer service activities
8	Goods manufactured/services provided (top three by revenue)	<ul style="list-style-type: none"> <li>• Engineering services addressing engineering solutions manufacturing and infrastructure verticals in mechanical, plant, manufacturing, electrical engineering etc.</li> <li>• Design led manufacturing in mechanical and electronic domain along with semi-conductor design services, engineering application software development &amp; IP, and allied services</li> <li>• Geospatial services like photogrammetry, remote sensing navigational data mapping, location-based services to the utilities and telecom sectors</li> <li>• 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 &amp; product realization</li> </ul>
<b>Operations</b>		
9	Total number of locations where business activity is undertaken by the Company	
a	Number of International Locations (provide details of major five)	East Hartford - USA; London -UK; Leonberg -Germany; Melbourne -Australia; Singapore – Singapore
b	National Locations	Full list part of this Annual Report
10	Markets served by the Company: State, National, International	International – Across 14 countries

## Section B: Financial Details of the Company

1. Paid-up Capital (₹): 550 Million
2. Total Turnover (₹): 13,799 Million
3. Total Profit After Taxes (₹): 2,781 Million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax: 3.7% (₹ 102 Million)
5. List of Activities in which expenditure (in point 4, above) has been incurred:
  1. Education Initiatives: To enhance the quality of education imparted to underprivileged children through the adoption of various government schools
    - Key Highlights:
      - i. Currently supporting 28 government schools and over 18,900 school children
      - ii. Overall dropout rate reduced to 4% and girl child dropout rate decreased to 3%
    - Achievements:
      - i. Girl child literacy around the school communities grew to 88%
      - ii. Women empowerment and involvement in learning increased to 85%
      - iii. 100% utilization of Cyient Digital Centers and the courseware
      - iv. Parental communication with respect to children's performance increased to 89%
  2. IT & Digital Literacy Initiatives: To provide digital literacy to non-IT literates in the community through Cyient Digital Centers (CDCs)
    - Key Highlights:
      - i. 70 Digital Centers; and over 18,500 adults (men and women, age 16 to 60 years) are successfully certified L1 and L2 IT literates
      - ii. 10,500+ adult women participated in our CDC L1 certification program
      - iii. Both school children and their parents have access to unique learning methodologies at our CDCs
    - Achievements:
      - i. 85% of adults/students believe that the IT education helped them successfully access e-governance
      - ii. The CDCs have recorded 85% of community utilization
      - iii. 55% of non-IT literate adult women participated in IT literacy training
  3. Skill Development Initiatives: To teach and impart employability skills to unemployed urban and rural communities
    - Key Highlights:
      - i. Offered training in bakery and confectionery, beauty and wellness, tailoring, retailing, food processing, and bedside care assistance.
      - ii. Imparted skills and empowered participants to be self-reliant.
      - iii. Provided crèche services and access to the Digital Literacy Center to support underprivileged women during their work hours.
    - Achievements:
      - i. Increased monthly earnings of BPL communities by at least ₹ 5000.
      - ii. Improved the participation of young girls and women in community-driven activities.
      - iii. Helped women gain an independent income through employment and entrepreneurship.
      - iv. Increased awareness on better hygiene and sanitation practices.
  4. Healthcare & Community Services: To develop rural and urban communities through the adoption of villages—providing healthcare and sanitation facilities.
    - Key Highlights:
      - i. Provided 3,000+ homes with access to toilet, safe drinking water, and usage water in the grampanchayath
      - ii. Built toilets in all the government schools located within Serilingampally Mandal—over 10,000+ girls gained access to clean sanitation facilities in 2021

- iii. Through the existing PHC, Homeo Hospital, and periodic medical camps, over 7,500 villagers have access to affordable primary health care
- Achievements:
  - i. Built toilets in every house (100% availability of toilets), resulting in 0% open defecation in the adopted villages
  - ii. 0% dropout rates for both boys and girls up to grade 8 (all children aged 6-14 years are attending school)
  - iii. 0% malnutrition for children below 5 years of age and 0% rates of preventable infant deaths in the grampanchayath

### Section C: Other Details

1. Does the Company have any subsidiary company/companies?

Yes, 11 subsidiaries and 1 joint venture

Cyient, Inc.[CI],	Cyient Israel India Limited (CIIL)
Cyient Europe Limited [CEL]	Cyient DLM Private Limited (CDLMPL)
Cyient GmbH (CG)	Cyient Insights Private Limited (CIPL)
Cyient Australia Pty Limited (CAPL)	Cyient Urban Micro Skill Centre Foundation (CUMSCF)
Cyient KK [CKK]	Cyient Solutions and Systems Private Limited (CSSPL)
Cyient Singapore Pte Limited (CSPL)	Infotech HAL Limited (IHL)

2. Do the subsidiary company/companies participate in the BR initiatives of the parent Company?

Yes, Cyient DLM Private Limited

3. Do any other entity/entities that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

**30% - 60%**

### Section D: BR Information

1. Details of Director/Directors responsible for BR

- a) Details of the Director/Directors responsible for implementation of the BR policy/policies

**DIN Number** : 00058215  
**Name** : BVR Mohan Reddy  
**Designation** : Executive Chairman

- b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	02565242
2	Name	Ajay Aggarwal
3	Designation	President & Chief Financial Officer
4	Telephone Number	+91-40-67641000
5	E-mail ID	<a href="mailto:ajay.aggarwal@cyient.com">ajay.aggarwal@cyient.com</a>

## 2. Principle-wise (as per NVGs) BR policy/policies:

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, Sustainability 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, Sustainability 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, Sustainability 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, Sustainability Policy	Human Rights, CSR vision and objective, CSR governance structure, CSR committee, Monitoring and Reporting framework, Planning, Major CSR initiatives, Volunteering,
Principle 6	Business should respect and make efforts to protect and restore the environment.	EOHS Policy, Sustainability 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, Sustainability Policy	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, Sustainability 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, Sustainability Policy	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

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

## 3. Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N):

### a) Details of compliance (Reply in Y/N)

Sl. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sl. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
3.	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board / Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	<u>Codes of Conduct (Directors &amp; Non-Executive Directors, Vendors), Whistle Blower policy</u>	<u>EOHS, Information Security policy, Sustainability Policy</u>	<u>POSH, EOHS, Maternity, Medical and Leave policy, Sustainability Policy</u>	<u>CSR Policy, Sustainability Policy</u>	<u>POSH &amp; CSR Policy, Sustainability Policy</u>	<u>EOHS Policy, Sustainability Policy</u>	<u>Codes of Conduct (Directors &amp; Non-Executive Directors, Vendors), Anti-bribery / Anti-fraud, Sustainability Policy</u>	<u>Modern Slavery Statement, Diversity and Inclusion policy, Sustainability Policy</u>	<u>Procurement Guidelines, Sustainability Policy</u>
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2 options)

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 principle									
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 the next six months									
5	It is planned to be done within the next one year									
6	Any other reasons (please specify)									

#### 4. Governance Related to BR:

i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company - within 3 months, 3-6 months, annually, more than 1 year:

**The BR performance of the company is assessed every 3-6 months and also the company publishes the Business Responsibility Report annually in the Annual Report (<https://www.cyient.com/investors/financial-information>). The company is in the process of adopting sustainability reporting guidelines.**

ii. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

**The company is in progress of publishing the Sustainability Report for FY 2020-21 in accordance with GRI Standard.**

### Section E: Principle-wise Performance

#### Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

Cyient Limited continues to uphold the true spirit of Corporate Governance, by implementing best industry practices to deliver value to all stakeholders. Our Corporate governance framework echoes the evolution of a system through which our values, principles, management policies and procedures are inculcated. Cyient 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 senior management and every employee to conduct business with utmost integrity, commitment and high ethical and moral standards. The company is committed to make a difference to the industry it serves, and the long-term interests of stakeholders. The senior management continuously strive to lead the company into the next phase of growth and business excellence.

#### Our Values

Cyient Limited is guided by the values 'FIRST' (Fairness, Integrity, Respect, Sincerity and Transparency) across all our relationships with clients, stakeholders and associates. We strongly believe that our vision of 'Designing Tomorrow Together' can be achieved by maintaining highest standards of corporate ethics and good governance practices keeping our core values intact.

#### Code of Conduct

The Company has adopted 'Code of Conduct' for its Board of Directors and senior management personnel in order to strengthen the corporate governance practices. The company has several policies guided by the 'Code of Conduct' which includes code of conduct for Directors and Senior Management, code of conduct for prevention of insider trading, code of practices and procedures for fair disclosure of unpublished price sensitive information. Other policies including our Board Diversity policy, policy for determination of materiality, policy on related party transactions etc. strengthen our corporate governance system.

#### Vigil Mechanism

##### Anti-Corruption Policy

Anti-corruption policy provides a detailed guidance on the business ethics, values, policies and procedures to prevent bribery in all the activities and business dealings of Cyient Limited. It sets forth the policy of zero tolerance of bribery applicable to the organisation and its subsidiaries who have an obligation to have adequate procedures for monitoring, detecting, preventing and punishing any violations of the Anti-bribery laws and other anti-corruption laws.

Cyient Limited also provides a platform for employees, employee's representatives and other stakeholders to submit their suggestions and feedback to the legal cell of the Company at the designated e-mail.



## Whistle Blower Policy

The policy provides the associates, clients, vendors an avenue to raise their concerns in line with Cyient's commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. Moreover, to provide necessary safeguards for protection of associates, clients and vendors from reprisals or victimization, for whistle blowing in good faith.

## Data Privacy

We acknowledge the needs of the client in protecting their personal and confidential data during their dealing with us. The Company endeavours to preserve the confidentiality of un-published price sensitive information and prevent its misuse. We lay emphasis on process improvements and deploy additional tools to enhance information and cyber security controls. We have deployed 'Data Leak Prevention (DLP) tool to protect the organisation and customer intellectual property. We have a robust policy in place "Code of practices and procedures for fair disclosure of unpublished price sensitive information" to maintain uniformity, transparency and fairness in dealing with all its stakeholders.

## Grievance Mechanism

Cyient Limited has a transparent grievance mechanism and details of the investor complaints and disposals are discussed in the company's Report on Corporate Governance. During the financial year, 102 complaints were received, and 102 have been solved to the satisfaction of the stakeholders.

## Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

From quieter flights and safer train rides to more reliable energy supply, we strive to provide comprehensive solutions that help our clients achieve their operational and business goals. Cyient's 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 offer complete solutions across our clients' value chains.

The following is an overview of our goods and services and how they are aligned with sustainability:

Services	Value to Our Clients	Sustainability
<b>Design:</b> <ul style="list-style-type: none"> <li>Product engineering</li> <li>Networks &amp; operations</li> </ul>	We partner with our clients to design next generation of products, networks and systems.	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
<b>Build:</b> <ul style="list-style-type: none"> <li>Electronics &amp; mechanical manufacturing</li> <li>Systems &amp; applications</li> <li>Geospatial data</li> </ul>	We offer flexible manufacturing services that enable our clients to achieve a sustainable competitive advantage. We help our Clients stay agile and competitive through our products.	Our manufacturing facilities for electronics manufacturing and mechanical manufacturing 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.
<b>Operate &amp; Maintain:</b> <ul style="list-style-type: none"> <li>Aftermarket services</li> <li>Operations support</li> <li>Asset management</li> <li>Data maintenance</li> </ul>	We enhance the quality, reliability and performance of our Client's products.	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.
<b>Digital</b> <ul style="list-style-type: none"> <li>Internet of Things</li> <li>Analytics</li> <li>Additive Manufacturing</li> <li>Mobility</li> <li>Augmented Reality</li> <li>Digital Reality</li> </ul>	Our solutions help businesses: <ul style="list-style-type: none"> <li>Build the right capabilities to garner</li> <li>Insights that enable better decisions to create value</li> <li>Convert raw and unstructured data into actionable insights</li> <li>Deploy end-to-end connected device solutions seamlessly</li> </ul>	By empowering our Clients to access more insights, we empower them to make better decisions – which may lead to increasing productivity, reducing inefficiencies and solving more problems.

## Design for Circularity:

Cyient has partnered with eolos to launch a new practice 'Design for Circularity' consulting and engineering practice to foster eco-innovation and enable long-term change of industrial processes. The new practice combine 25+ years of Industrial experience and operational expertise of the two companies to support industries in transitioning toward greater sustainability.

Design for Circularity takes forward our broader vision of building a sustainable tomorrow. The practice enables engineering-centric industries such as rail, automotive, aerospace, and medtech industries to build more sustainable practices, products, and solutions.

Please find below the solutions we offer:

Solution	Offering
Traceability	Consolidating data from manufactured products along the value chain becomes increasingly crucial for providing transparency to relevant stakeholders. We support our customers in complying with new regulations and standards by providing the right mix of solutions and digital tools
Material Engineering & Packaging Redesign	Designing out waste by going back to the start of the product value chain. Since materials are the building blocks of the final product, by rethinking the materials we select to make products and components, we can control the design in terms of safety and sustainability
Obsolescence Management	Obsolescence is inevitable and unavoidable, but forethought and careful planning can minimize its impact and its potential for high costs. Our obsolescence management program ensures customers that obsolescence is managed from the initial stages of product design development and production, to in-service support to minimize detrimental impact throughout the product life cycle
Rethinking the Supply Chain	Creating robust supply chains that meet sustainability standards

### Principle 3: Business should promote the well-being of all employees

At Cyient, people are the key to the company's aspirations and achievements. In this technology driven world, Cyient has built a dynamic work culture that attracts some of the best talent and offers them an environment to grow professionally. The company's business is service driven and eco-system is heavily dependent on the efficiency and effectiveness of its people. Individual abilities and performance of the team directly corresponds to impact of the company's financial growth and profitability.

Cyient constantly strives to be the employer of choice for our associates. The people function is very closely aligned to its vision and the S3 strategy that drives talent acquisition, retention approaches and developing next in line of leaders. The company's headcount as on 31 March 2021 was 9,325. Cyient incorporates innovative HR practices that provides it an edge over its competition.

Cyient Limited focuses on creating a work environment that provides new learning and growth opportunities to our talent along with ensuring their health and safety at workplace. We provide our associates with clean and hygienic workspaces with a well-defined access control system. We regularly organise 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 strengthens our internal security for ensuring employee-safety at workplace.

The company's focus has been on innovative ways to recruit fresh talent into the organization that gives it an edge over our competition. Every year, Cyient approaches selected colleges across India for its campus hiring program. However, this year, it moved to a different model to expand the talent pool. The company launched a digital campaign to hire campus pass outs. As part of this initiative, it received 30,000 profiles. After evaluating the profiles, shortlisted candidates were assessed online. The assessment was conducted across India at nodal centers identified by Cyient. Currently, the shortlisted candidates are going through the interview process. This initiative helped expanded the reach of its hiring efforts beyond the regular campus hiring.

We promote diversity and inclusion within the organisation by building awareness among associates on various parameters like generational diversity, gender know your brand, self-dependence etc. Cyient is committed to creating more opportunities for employment and growth of women talent. Its current ratio of hiring women stands at 23%. The company has formulated a robust Diversity & Inclusion council headed by Katie Cook, Sr. Vice President. Meanwhile, more than 50 young women leaders are being coached by leadership under DIEL programme (Diversity, Inclusion, Equity Leadership) to build a strong pipeline of women leadership talent. It already has four women on the Board and part of senior management.

### Initiatives carried out for employees focusing on well-being during COVID-19

**Well Being Wednesday:** Sessions, webinars with specialist, doctors and experts in Health field. (Gynaecologist, Psychiatrist, Paediatrician, Dermatologist and many wellbeing bytes)

**Other Programs:** Online Yoga, Zumba, Fun Fitness, Home Workout and Workout with Cyient Celebrity, Fitness Challenges, Walking Challenge, Travel Diaries.

**Webinars Session:** Strengthening Emotional Bonds, Live Cooking, Work from Home – Ergonomics, Skin, haircare and hydration, Managing Sleep while WFH, Positive Parenting, Embracing Calmness, Managing Financial Stress.

**Wellness Bytes:** Sleep patterns, nutrition and small time eating, making healthy snacks, usage of specific metal vessels during cooking and home remedies for snoring issues.

**Children's Day Special:** Specific Child psychologist in dealing with teenagers and emotional growth.

Our people strategy is completely aligned with our vision of 'Designing Tomorrow Together' which is aimed at nurturing and retaining the quality talent. We partnered with various academic institutions and consulting companies globally for training and development. We provide training to employees on various areas viz., role specific training; project group / function specific training; emerging technologies; and leadership qualities.

We have more than 2000 online courses available for associates at various levels. Besides, byte sized learning, community-based learning continues to be available online for our employees. Blended learning is the next prevalent with a combination of more than one learning methodology viz., classroom, remote delivery, online, action learning, and mentoring. Depending on geographic location of the employee and the kind of learning, methodology is identified and implemented accordingly. From safety viewpoint, we have facilities teams across all locations that drive EHS initiatives in partnership with Human resources.

Parameter	Value / Description
Total number of employees	9,325
Total number of employees hired on temporary / contractual / casual basis	675
Number of permanent women employees	2,116
Number of permanent employees with disabilities	0
Do you have an employee association that is recognized by management	NA
Percentage of your permanent employees part of recognized employee association	0%

Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, etc.:

Sr. No.	Category	No. of complaints filed during the last financial year, i.e., 2020-21	No. of complaints pending as on the end of the financial year, 31st March, 2021
1.	Child labour, forced labour, involuntary labour	NA	NA
2.	Sexual harassment	NA	NA
3.	Discriminatory employment	NA	NA

### Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Cyient Limited believes in a collaborative approach to 'Design a Sustainable tomorrow' and has always had continuous engagement through various mechanisms with all internal and external stakeholder groups. Internal stakeholder groups include our associates i.e., Leadership, Senior management & employees, whereas external stakeholder groups include community members, NGO's, investors, clients and suppliers.

Cyient ensures rigorous stakeholder engagement in order to understand and assess their requirements. We also ensure timely response to their needs in an effective manner. The company has identified four key stakeholder groups including associates, investors, customers and the society and as documented/detailed elsewhere, caters to each of their requirements.

Along with various surveys conducted every year like customer satisfaction survey, associate engagement survey and investor satisfaction survey, this year we have conducted materiality assessment to identify ESG aspects that are of relevance and significance to stakeholders.

We carry out various CSR activities through Cyient Foundation to empower the society within which we operate. The details of these initiatives have been described in Principle 8.

### Principle 5: Business should respect and promote human rights

We at Cyient abide by the true spirit of promoting human rights that all individuals must be treated with dignity and due respect. We adopted Fundamental Rights and Directive Principles of State Policy of the Indian Constitution which as our guiding framework. We strictly adhere to the human rights laws and guidelines of the International Bill of Human Rights. Some of the steps that we have taken to safeguard human rights are:

- We prohibit engagement of child / forced and compulsory labour at any of operations or facilities. As a Software service provider, none of our facilities are at risk of incidents of child labor and forced labor. It deems its suppliers to follow the same guidelines including stringent clauses to prevent child and forced labor in any form. The vendors are mandated to comply with all the applicable laws and regulations relevant to their geographies and operations related to employee management.
- Our '**Policy on Sexual Harassment**' (POSH) 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. At Cyient, we endeavour to create and provide an environment that is free from discrimination and harassment including sexual harassment. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All associates of the company are covered under this policy
- Our **Code of Business Conduct** outlines commitment to stakeholders, clients, and employees and provides a clear set of standards for all its professional endeavors. All dealings across organizations are guided by its core values: Fairness, Integrity, Respect, Sincerity, and Transparency. CEL conducts its business in accordance with the highest ethical standards and adheres to all applicable employment, health and safety, and human rights laws

### Principle 6: Business should respect, protect and make effort to restore the environment

Cyient Limited as a responsible corporate citizen since inception has been conscious about the environmental and societal impact created across the business ecosystem. This year, we have embarked on a journey to holistically integrate and strengthen Environment Social Governance (ESG) aspects with a vision to '**Design a Sustainable Tomorrow**'. As part of this journey, we adopted a framework with three key pillars i.e., Responsible – Equitable – Accountable in alignment with stakeholder perspective (materiality assessment), global frameworks (Sustainable Development Goals), sector trends and also our business objectives.

This framework shall be supported by Effective ESG Governance mechanism enabling robust governance, transparency thereby establishing a conducive environment ensuring no compromise on ethics and values amidst dynamic externalities including pandemics and natural calamities. The governance mechanism is a three-tier framework where the existing 'Board of Directors' shall act as the apex committee providing leadership on the organization's sustainability agenda and future goals, second tier shall be the 'Sustainability Committee' which shall own the sustainability goals / targets and steer the sustainability agenda of the organization and lastly the 'Working Group' which shall be responsible for overall implementation of sustainability programs / initiatives for their respective functions. The three-tier governance framework shall be well equipped with adequate and systemic implementation of corporate polices, systems and procedures.

Various initiatives have been carried in the direction of reducing environment impact which includes energy conservation measures, reducing GHG emissions through renewable energy, water consumption reduction and integrated waste management.

No show cause/legal notices have been received from CPCB/SPCB during the previous financial year.

### Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

At Cyient, we believe in collaborative approach and extensive stakeholder engagement to enable consistent dialogue. We are members of various industry bodies including 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.

### Principle 8: Business should support inclusive growth and equitable development

#### Our CSR spend was ₹ 10.21 crores

Cyient's Corporate Social Responsibility (CSR) is led by "Empowering Tomorrow Together" philosophy, endeavouring to use the transformative power of education and technology to drive a 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 have spent the last 30 years building Cyient into a robust and multifaceted company, consistently creating high value for shareholders including our communities. Our CSR initiatives are shaped by this thinking and driven by the belief that a responsible corporate citizen must focus as much on its impact on society as creating business value.

Cyient's Corporate Social Responsibility (CSR) activities are spearheaded by the Cyient Foundation and Cyient Urban Micro Skill Centre Foundation. Cyient is guided by its CSR committee and policy and vision. The Company has formed a 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.

CSR programs are focused under 4 pillars i.e., Education, Health Sanitation & Hygiene, Skill Development, IT Literacy, Disaster Relief and Rehabilitation and Associates Volunteering.

## Key Highlights for FY20-21

- Cyient Urban Micro Skill Centre (CUMSC) Tailoring Students had stitched over 6.5 Lakhs Masks and over 5 Thousand personal protection suits & distributed to the health & sanitization workers.
- Cyient had distributed over 5000 dry ration kits to the daily wages labor and low earning workers in the surrounding community.
- Cyient had ensured the continuous access to quality education for the underprivileged children, through the usage of Information and Communication Technology (ICT) and Internet of Things (IOT).
- Cyient had facilitated over 5000 children to attend online classes during the pandemic through Cyient Digital Centers (CDC's)
- Cyient had trained 5075 government teachers on ICT usage in teaching.
- In FY20-21 trained 1500 unemployed youth and community women through CUMSC, Cyient IT/ITES skills center & Drone Piloting Skills Academy, helped them to gain independent income and sustainable living.

Our key CSR initiatives for the financial year include the following

Education	Health Sanitation & Hygiene	Disaster Relief and Rehabilitation
<ul style="list-style-type: none"> <li>• Values Enriched Education</li> <li>• Language and Numeracy</li> <li>• STEM Education</li> <li>• ICT Education</li> <li>• Practical Education / Learning through LABS</li> <li>• Infrastructure for School Education</li> <li>• Teachers Trainings and Competency building</li> <li>• Computer Literacy / Coding Labs / E-Learning Labs</li> <li>• Health and Hygiene facilities in schools</li> <li>• Food / Nutritional Supplements to Children</li> <li>• Deployment of Additional Teaching and Support Staff</li> <li>• Provide basic facilities and amenities in Govt. Schools</li> <li>• Promotion of Greenery and Water harvesting</li> </ul>	<ul style="list-style-type: none"> <li>• Build and Maintain Toilets in Schools</li> <li>• Open Defecation free Villages</li> <li>• Support for WASH facilities in Educational Institutions</li> <li>• Quality Health Care to Rural Villages</li> <li>• Provide purified drinking water</li> <li>• Support the Primary Health Care Centers in Villages</li> <li>• Promotion of Hygiene Practices</li> <li>• Creating awareness on menstrual hygiene in Girls</li> <li>• Distribution of Sanitary Napkins and materials</li> <li>• Provide Eye care to school children</li> <li>• Conduct / Organize Medical Camps in Schools and Villages</li> </ul>	<ul style="list-style-type: none"> <li>• Community / environmental development projects</li> <li>• Eradicating extreme hunger and poverty</li> <li>• Disaster management, including relief, rehabilitation and reconstruction activities</li> <li>• Promotion of health care, including preventive healthcare</li> <li>• Sanitation and disaster management</li> <li>• Awareness programmes and public outreach campaigns for the covid-19 vaccination drive</li> <li>• Child safety and protection in Govt. Schools</li> </ul>
Skill Development	IT Literacy	Associates Volunteering
<ul style="list-style-type: none"> <li>• Provide Vocational Skills Trainings</li> <li>• Provide IT/ITES Skills Trainings</li> <li>• Mentorship Programme for Girls</li> <li>• Provide Employment through industry connect</li> <li>• Enhance the Digital Skills</li> </ul>	<ul style="list-style-type: none"> <li>• Provide basic IT / Digital Skills Trainings</li> <li>• Provide Computers Literacy Trainings</li> <li>• Trainings to Community on e-Governance</li> <li>• Assist the community through certification programs</li> <li>• Enhance the Digital Skills</li> </ul>	<ul style="list-style-type: none"> <li>• Associates / Employee Volunteering</li> <li>• Creating avenues for interventions</li> <li>• Promotion Green Initiatives</li> <li>• Teacher Trainings</li> <li>• Computer Literacy trainings to School Children</li> <li>• Participation community awareness programs</li> </ul>

### Principle 9: Customer value

At Cyient, since our inception we have epitomized craft of delivering highest standards of safety, reliability, and performance. We believe that customer-centricity is key to long-term business sustainability and we are 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.

All interactions with our customers are based on a strong foundation of our 'Values First' philosophy of Fairness, Integrity, Respect, Sincerity and Transparency. We carry out Customer Satisfaction Surveys on annual basis. This provides valuable feedback for the Company for providing the best possible service to customers and continuously improve our engagement with them.

There have been no complaints and none pending against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years as of March 31, 2021.

For the first time, the company is publishing a Sustainability Report for year ended March 31, 2021.

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on CSR Policy of the Company.

#### CSR Vision and Objectives

The Cyient CSR policy encompasses the company's philosophy for delineating its responsibilities as a Responsible Corporate Citizen. It lays down the guidelines and mechanism for undertaking socially useful program for welfare and sustainable development of the community at large. The policy is titled "CYIENT CSR Policy" ("CSR Policy").

This policy is applicable to all CSR initiatives and activities taken up at the various offices and global locations of Cyient, for the benefit of the society—a key stakeholder of the company.

This policy and the operational guidelines are framed with subject to and pursuant to the provisions of the Companies Act, 2013 (Act) and the rules and regulations made thereunder

#### CSR Objective, Vision and Mission Statements

Cyient believes in the philosophy of returning to 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.

#### The Company's CSR vision

- To help underprivileged children to access the quality education ; up skill the unemployed youth and women for sustainable living.
- To participate in projects with business aligned innovation; responsive to the community needs. Support extends to the community development programs by participating in disaster management.

#### The Company's CSR mission

Achieving long-term, holistic development of the community around us by being committed to create and support programs that bring about sustainable changes through education, environment, and healthcare systems.

#### Undertaking CSR Activities

Cyient will undertake its CSR activities, approved by the CSR Committee, through the Cyient Foundation or such other entity/organization as approved by the CSR Committee.

The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company.

### 2. Composition of CSR Committee:

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Vinai Thummalapally	Chairman of the Committee	1	1
2	BVR Mohan Reddy	Member	1	1
3	Krishna Bodanapu	Member	1	1

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

[https://www.cyient.com/hubfs/2021/CSR/Cyient\\_CSR\\_Policy\\_3.1.pdf](https://www.cyient.com/hubfs/2021/CSR/Cyient_CSR_Policy_3.1.pdf)

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Impact assessment was conducted on Education and Literacy initiatives, attached the impact assessment document link [https://www.cyient.com/hubfs/2021/CSR/ImpactAssessmentReport\\_Cyient\\_Education\\_and\\_Literacy\\_Initiatives\\_FY20-21.pdf](https://www.cyient.com/hubfs/2021/CSR/ImpactAssessmentReport_Cyient_Education_and_Literacy_Initiatives_FY20-21.pdf)

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	FY20-21	NA	NA
2.	FY19-20	NA	NA
3.	FY18-19	NA	NA

6. Average net profit of the company as per section 135(5).

CSR Computation for FY 20 - 21			(in ₹)
Particulars	FY 2017 - 18	FY 2018 - 19	FY 2019 - 20
Net profit for deciding the CSR criteria	4,322,414,393	4,992,548,030	3,737,342,785
<b>Average Profit for preceding 3 years</b>			4,350,768,403
<b>CSR @2%</b>			87,015,368

7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 87,015,368  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NA  
 (c) Amount required to be set off for the financial year, if any NA  
 (d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 87,015,368
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
<b>Rs. 10,20,58,504</b>	NA	NA	NA	NA	NA

- (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹)
				State.	District.		
1.	Community Development Initiatives	(i) Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation	Yes	Telangana , Ranga Reddy District		Ongoing – Long term	1,20,00,000
2.	Education and Skills Initiatives	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, youth, women and elderly, livelihood enhancement projects.	Yes	Telangana – Hyderabad, Ranga Reddy & Warangal Andhra Pradesh – Kak-inada, Visakhapatnam, Prakasam & Nellore Karnataka – Bangalore & Mysore Uttar Pradesh - Noida		Ongoing – Long term	2,50,00,000



(1)	(2)	(3)	(4)	(5)		(6)	(7)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹)
				State.	District.		
3	Rural Development	(x) rural development projects] 3[(xi) slum area development.	Yes	Andhra Pradesh – Prakasam Telangana – Ranga Reddy & Wanaparthy		Ongoing – Long term	40,00,000
Total							<b>4,10,00,000</b>

(1)	(8)	(9)	(10)	(11)	
Sl. No.	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Direct (Yes/No).	Mode of Implementation – Through Implementing Agency	
				Name	CSR Registration number.
1.	1,36,94,697	NA	Yes	Cyient Foundation	CSR00004617
2.	2,90,31,680	NA	Yes	Cyient Foundation	CSR00004617
3.	41,95,190	NA	Yes	Cyient Foundation	CSR00004617
<b>4,69,21,567</b>		NA			

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation – Direct (Yes/No).	Mode of implementation – Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Environmental & Animal Welfare	(iv) ensuring environmental sustainability, ecological balance and animal welfare	Yes	Telangana – Hyderabad & Rural Areas		18,19,411	Yes	Cyient Foundation	CSR00004617
2.	Research and development in the Technology	(ix) (b) Contributions to public funded Universities; Indian Institute of Technology (IITs) engaged in conducting research in science & technology	Yes	Telangana – Hyderabad, Sangareddy		75,00,000	Yes	Cyient Foundation	CSR00004617
3.	National Heritage and development.	(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance	Yes	Uttar Pradesh – Rural Districts, Ayodhya		2,00,00,000	Yes	Cyient Foundation	CSR00004617

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation – Direct (Yes/No).	Mode of implementation – Through implementing agency.	
				State.	Dist- trict.			Name.	CSR registra- tion number.
4.	Covid19 Relief and Rehabilitation	(xii) disaster management, including relief, rehabilitation and reconstruction activities.	Yes	Telangana – Ranga Reddy, Hyderabad & Siricilla		2,26,78,354	Yes	Cyient Founda- tion	CSR00004617
<b>Total</b>						<b>5,19,97,764</b>			

(d) Amount spent in Administrative Overheads	₹ 31,39,173
(e) Amount spent on Impact Assessment, if applicable	NA
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 10,20,58,504
(g) Excess amount for set off, if any	NA

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	87,015,368
(ii)	Total amount spent for the Financial Year	<b>10,20,58,504</b>
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,50,43,136
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	FY20-21	NA	NA	NA	NA	NA	NA
2.	FY19-20	NA	NA	NA	NA	NA	NA
3.	FY18-19	NA	NA	NA	NA	NA	NA
	<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
-----	-----	-----	-----	-----	-----	-----	-----	-----

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project – Completed / Ongoing
1	NA	NA	NA	NA	NA	NA	NA	NA
	<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

**(asset-wise details).**

- (a) Date of creation or acquisition of the capital asset(s). NA
- (b) Amount of CSR spent for creation or acquisition of capital asset. NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

**Krishna Bodanapu**  
(Managing Director & CEO)

**Vinai Thummalapally**  
(Chairman of CSR Committee)

# SECRETARIAL AUDIT REPORT

Annexure-C

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

[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: F003935C000120491

Place: Hyderabad  
Date : 17.04.2021

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: F003935C000120491

Place : Hyderabad  
Date : 17.04.2021

## DETAILS OF STOCK OPTIONS PURSUANT TO SEBI REGULATIONS

Annexure-D

Sl. No.	Description	Associate Stock Option Plan 2008	Associate Stock Option Plan 2015	Associate Restricted Stock Units Scheme 2020
1.	Number of options outstanding at the beginning of the period	2,04,750	7,01,434	10,50,000*
2.	Options granted during the year	Nil	3,16,240	1,93,030
3.	Pricing formula	Market price as defined in SEBI (Share Based Employee Benefits) Regulations, 2014		Grant price is the face value of the equity shares of the Company, i.e., ₹ 5.00
4.	Options vested	1,21,000	2,38,262	0
5.	Options exercised	37,750	20,841	0
6.	Total no. of shares arising as a result of exercise of options	37,750	20,841	0
7.	Options lapsed	46,000	141,365	6,830
8.	Variation of terms of options	Nil	Nil	Nil
9.	Money realized by exercise of Options (₹)	1,94,33,000	1,10,16,066	NA
10.	Total no. of options outstanding at the end of the period	1,21,000	8,55,468	1,86,200
11.	Total no. of options exercisable at the end of the period	121,000	195,363	Nil
12.	Employee wise details of options granted to			
	i) Senior Managerial Personnel and KMP:			
	Karthik Natarajan	Nil	20,000	115,740
	Ajay Aggarwal	Nil	20,000	16,500
	Anand Parmeswaran	Nil	10,000	Nil
	N J Joseph	Nil	5,000	1,830
	Tom Edward	Nil	5,000	Nil
	PNSV Narasimham	Nil	15,000	4,650
	Prabhakar Atla	Nil	10,000	3,970
	Rajendra Velagapudi	Nil	10,000	3,960
	John Renard	Nil	5,000	5,090
	Meenu Bagla	Nil	5,000	Nil
	Sudheendhra Putty	Nil	2,490	Nil
	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	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	Nil

Sl. No.	Description	Associate Stock Option Plan 2008	Associate Stock Option Plan 2015	Associate Restricted Stock Units Scheme 2020
13.	Diluted EPS	₹ 25.27		
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		

\*In- principle approval received from BSE on 09 June 2020 and NSE 01 June 2020

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
30/03/17	5.00	455.40	474.35
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	453.00	447.40
16/10/19	456.00	456.00	455.30
15/01/20	450.00	453.90	449.40
06/05/20	222.00	221.20	234.80
16/07/20	269.00	215.40	268.85
16/07/20	5.00	215.40	268.85
14/10/20	378.00	379.85	376.90
21/01/21	490.00	505.45	501.80

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

Particulars	Stock Options	ASRSUs
Risk free interest rate (%)	4.49 - 8.4	4.49 to 4.91
Expected life of options from the date(s) of grant	3-4 years	3-4 Year
Expected volatility (%)	28.66 - 65.53	34.7 to 37.1
Dividend yield (%)	1.53 - 2.64	2.5

On behalf of the Board of Directors

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

Place : Hyderabad  
Date : 22 April 2021



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

Annexure-E

## 1. Conservation of Energy

Cyient accords highest Priority for Energy Conservation and takes Pro – active measures to implement best optimization techniques in the areas of Energy Conservation. Some of the Major contributions implemented during the year are:

- Analyzed critical power back up requirements at Madhapur Data Centre and Consolidated UPS systems to save energy that is lost in Power and Energy used to cool the Equipment as well.
- Installed Cooling Pads in Chillers, EC Fans In Place of AHU motors, Old Coils Replacement in AC machines in all Possible locations resulted efficiency in HVAC operations.
- Facility Lighting controls by Motion sensors installation in all common areas and Rest Rooms at Kakinada, Vizag and Warangal Locations resulted power savings.
- Strictly followed COVID 19 guidelines in revision of Setpoints in HVAC System, Optimizing the lighting controls in Un Occupied areas in all offices locations.
- Merging of 11 KV power supply at Madhapur locations and reduced the Transformer No load losses resulted power savings.
- Aerators fixed to Most of water taps in Rest rooms to reduce water consumption in majority of Cyient office locations in India.
- Created Awareness to associates through various channels of communication on importance of support of Energy conservation plan and involve them into participate in conservation measures.
- Spaces consolidation/ Surrounding resulted power savings.
- Majority of the systems WFH resulted power savings.

These measures have resulted in Estimated savings of 48 lakh units as compared to Previous year. In addition to these measures, other initiatives are under consideration of Energy conservations are:

- Exploring the possibilities to install Roof Top solar power at Warangal, Kakinada, & Vizag locations..
- As a part of Waste to Wealth, E waste (UPS Batteries, Generator Engine oil, Old systems, Hard disks, Printers etc..) related assets sold to PCB approved/Recycling Vendors.

## 2. Research & Development and Benefits thereon

Our customers' confidence is at an all-time high on our ability to support through unforeseen crises, seeing us a value provider and a strategic partner for innovation and digital transformation. To meet the high expectations of our customers, we have scaled up our capabilities by investing in talent, solutions for specific use-cases, ecosystem partnerships, and built the relevant infrastructure of labs and centers of excellence.

Chasing this endeavor, we rallied behind a larger cause by using power of technology for the greater good. From deployment of UAVs that made lockdown compliance management simpler, to supporting the design and mass production of RT-PCR testing kits for COVID-19 and developing an ASIC that helps detect intraocular pressure peaks in glaucoma patients, we pushed the limits to battle the current circumstances.

We are transforming as a technology solutions provider by developing integrated solutions and systems and focusing on five pillars – Digital, Embedded, Geospatial, VLSI and Networks.

(₹ in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Capital Expenditure	2	32
Revenue Expenditure	238	481
Total R&D Expenditure	240	513
R&D Expenditure as percentage of Total Revenue	1.74%	3.37%

## 3. Technology Absorption, Adaptation and Innovation

FY20 was marked with several new initiatives in Cyient's digital transformation & automation journey with increased impetus on data & cybersecurity . However, the most remarkable milestone was the seamless work from home(WFH) enablement for over 95% of the organization globally with zero impact to productivity. IT was at the centre stage of rapidly implementing multiple tools & technologies and making thousands of laptops WFH ready . This included deployment of VPN/remote connectivity solutions, upgrade of network infrastructure, implementation of enhanced security via multifactor authentication etc to ensure secure remote connectivity for everyone . In addition, there were multiple processes

automated in areas of finance, procurement, delivery, HR which helped in improving application integration , employee efficiency & data reliability.

To improve the decision making, we are also empowering our associates with data dashboards that provide quick access to key financial & operational metrics.

We are also upgrading our computing infrastructure by adopting state of the art technologies and cloud based solutions to provide high availability of application services with improved performance to global workforce.

#### 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 83% 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, 2021	Year ended March 31, 2020
Foreign Exchange Earning	11,180	13,280
Foreign Exchange Outgo	540	950

On behalf of the Board of Directors

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

Place : Hyderabad  
Date : 22 April 2021

## Global Economic Outlook

The COVID-19 pandemic continues to have significant implications on the global economy. Industry estimates suggest that the global economy contracted by more than 3% in 2020 but is expected to see a growth of more than 5% this year. Despite this, the growth projections are far short of pre-pandemic levels. However, this growth depends heavily on how rapidly countries can manage further waves of the pandemic through wide scale vaccination programs and continued adherence to COVID-19 guidelines.

Nations worldwide were forced to inject significant stimulus packages, including favorable fiscal policies, to keep their economies afloat. If nations fall short on the promise to curb the pandemic by vaccinating large portions of their population or contain waves and slow down COVID-19 transmission, the impact on the economy could be severe with increased financial stress and much slower growth.

## Engineering and R&D (ER&D) Outlook

While the ER&D industry registered a 4% drop in 2020, global spend on ER&D is expected to touch pre-pandemic levels by the end of 2021. However, this recovery is not expected to be broad based. Industries such as Semiconductor, Communications, Medical Devices, and Consumer Electronics are expected to recover faster than sectors such as Aerospace, Industrial, Energy, and Automotive.

The pandemic accelerated the digital journeys of enterprises in unprecedented new ways. Digital engineering will continue to drive ER&D spending as enterprises across verticals focus on developing new-age digital products and services. The key themes for digital transformation will continue to be cloud enablement, remote connectivity, operations improvement, products and services innovation, and improving user experience.

Additionally, Environment, Sustainability, Inclusiveness, and Governance (ESIG) is emerging as an area of focus across the industry as more and more companies become conscious about reducing their environmental impact and carbon footprint and building a circular economy.

## Accelerating S3 Execution

Over the years, we have crafted our S3 strategy that has allowed us to expand beyond the core and across multiple industries, build deeper client engagements and realize synergy through acquisitions. However, our next leap of growth will require us to go beyond to succeed through the disruption. We have an immense opportunity in front of us to use this as an inflection point to reimagine our vision and pivot our business. To advance our strategy we restructured our business to take advantage of the changing business scenario.

The new business structure will allow us to achieve the below key points:

- **Growth:** Accelerate growth across key growth industries
- **Agility:** Transformation of execution process with an integrated delivery structure
- **Focus:** Enhance our focus on key growth vectors such as Digital and Design led Manufacturing

As part of the new organization we realigned ourselves into two vertical business units – Transportation and Communications & Utilities (C&U); six growth industries - Automotive & Off-Highway, Energy, Industrial & Plant Engineering (IPE), Mining & Natural Resources (MNR), Medical Technology & Healthcare (MTH), Geospatial and Semiconductor; Two horizontal business units - Design Led Manufacturing and Digital.

Our vertical BU's are our large BU's where we have sizable presence and strong capabilities and work with some of the leading clients across the industries. As part of our vertical BU's we focus on four key industries: Aerospace & Defense, Rail, and Communications & Utilities. Our outlook across each of these is as follows:

### Transportation

The Transportation business at Cyient focuses on two key industries Aerospace & Defense and Rail Transportation. Both the industries witnessed considerable impact due to the pandemic.

### Aerospace and Defense

The Aerospace and Defense industry is expected to be on a slow recovery mode in 2021 with global air travel expected to recover to 2019 levels by 2024. The commercial aerospace sector has been significantly affected by the COVID-19 pandemic, which has led to a dramatic reduction in passenger traffic, in turn affecting aircraft demand. This sector will remain challenged in FY 22. While the defense sector is expected to remain stable in 2021, as most countries have not significantly reduced defense budgets and remain committed to sustaining their military capabilities. The Industry is focussing on transforming supply chains into more resilient and dynamic networks. The aftermarket parts and services market could remain muted with lower expected aircraft utilization rates. The technological developments, such as advanced air mobility, electric propulsions, hypersonic and hydrogen powered aircraft are likely to drive future growth.

The Aerospace & Defense (A&D) sector witnessed a decline YoY, we witnessed a marginally increase of 3.9% QoQ in the last quarter of the year. This was the first quarter to witness a sequential growth led by growth in some of our key customers. The recovery in commercial aviation should commence with the increase in air traffic. We expect demand to improve in the latter half of the year with aftermarket expected to show the

fastest recovery. We are focusing on digital and automation investments and expect growth to be led by these two segments.

### Rail

The Rail Transportation industry continues to grow despite a drop in transportation volumes due to the pandemic. Investments by governments are expected to enable growth in Asia and Europe. Rail control and infrastructure are forecasted to show the strongest growth while rolling stock and services are likely to remain the most significant segments. Adoption of technologies such as autonomous trains, IoT, AI, decarbonization, digital communication platforms, automatic train controls, drones, and sensors for inspecting tracks are expected to gain traction in the coming years.

Rail Transportation BU witnessed a de-growth as a result of the COVID-19 pandemic that led to restrictive containment measures and closure of commercial activities resulting in operational challenges, delayed discussions with prospective customers and delayed project deliveries for key accounts especially in the services segment. Right shift of key rail programs and delays in new project awards/ commencements further accentuated this de-growth. New client wins in the signaling business partially compensated for the drop in the revenues. Additionally, the BU witnessed a strong growth momentum across some of its key emerging customers and continued to partner with one of its strategic customers on a multi-year cost reduction initiative. In FY'22, strategy execution will continue to be a key focus area with investments earmarked to exploit opportunities across segments.

### Communications

The communications industry was a key factor in enabling the response to the pandemic including work from home, ecommerce adoption and digital payments. The industry has performed well during this time and we continue to see increased opportunities. 5G rollout is seen as a big growth focus for telecom providers and device manufacturers in the coming years. Telecom capex is expected to remain high in 2021 to support 5G roll-outs and FTTH (Fiber-to-the-home). Investments in digital technologies with focus on analytics, AI and ML will continue and companies will invest in areas such as fiber-network expansion and network virtualization to meet new demands.

Our Communications segment delivered a strong growth through the year with key wins across six major deals in the areas of fiber, wireless, system integration, and 5G rollout. We continue to benefit from the accelerated deployment of 5G networks which account for close to 10% of our business. We rolled out a strategic transformation program that includes a conscious choice to invest and develop capabilities in growth hotspots such as digital transformation of network design and deployment, network virtualization and cloudification, and enterprise network transformation. These areas have started to contribute significantly to our growth momentum. The

outlook for this segment in FY22 remains positive, supported by favorable industry trends, and enabled by our strategic transformation program.

### Utilities

The Utilities industry was significantly affected by the pandemic. The global energy demand is expected to rebound to its pre-crisis levels by only early 2023. Investments in renewable and carbon-free technologies is likely to accelerate, as a part of global efforts towards climate change. Additional investments are set to increase in 2021 for implementation of technologies like digitization and smart grids, batteries, energy storage and green hydrogen networks.

The Utility segment, was impacted due to the pandemic and witnessed a decline through the year. Some of our key client's projects slowed down impacting our outlook for the BU. We witnessed growth through the year with robust deal pipeline that provides good growth visibility for FY22. Our approach to focus on technology-led transformational programs has helped us build a strong pipeline of deals along with our partners, which we believe will translate into a differentiated positioning for our Utility segment.

Apart from two vertical BU's we focus on growth sectors across six industries. The sectors are our growth hotspots for the future and we will continue to make significant investments in these sectors to drive growth through organic and inorganic investments.

The sectors that we focus on are as follows:

### Geospatial

The global geospatial market is expected to double over the next five years, with growth driven by the increased adoption of geospatial services in commercial sectors and the advancement in geospatial-specific technologies. The commercial sector growth will specifically be driven by increased adoption and applications of satellite imagery, geo-enabled mobile applications, and location analytics in the commercial sector. North America is set to witness the highest growth, with geospatial technology-focused countries such as the USA and Canada holding the maximum market share, followed by Europe and APAC.

In FY 21, we witnessed a drop in the demand driven by reduction in customer requirements and de growth across our key clients business. Our outlook for FY22 is positive, with expected growth across industries like Mining, Communications, Utilities, and Automotive. Our horizontal strategy continues to evolve with the development of six new solutions (Pipeline Monitoring, 5GIP, Vegetation Management System, Virtual Assets Management System, Virtual Walkout, and Road Health Analytics) to drive growth across the Utilities, Communications, and Energy industries.

## Semiconductor

Advancements across the semiconductor industry are continuously evolving along with increased investments in devices and associated semiconductor components. The continued development of IoT and artificial intelligence (AI), along with the proliferation of advanced electronics, are driving the high-end application segment across the industrial, medical, and automotive industries. The market growth for AI chips will drive evolutionary features for some companies and enable disruption for others. Companies are expected to offer more comprehensive solutions based on their chips as a go-to-market strategy.

In FY 21, the Semiconductor industry was significantly impacted by the pandemic with reduced spend in consumer electronics and automotive impacting the outlook for the industry in the first half of FY 21. We witnessed a modest decline in the semiconductor segment driven by delay in ASIC projects and uncertainty in the engineering services business. However, we are witnessing signs of recovery across both ASIC solutions and engineering design capabilities and we expect the trend to continue through the year. Our outlook for FY22 remains strong with growth expected across key clients. We will continue to strengthen our capabilities in ASIC solutions and focus on talent acquisition to meet future demands.

## Energy, Industrial and Plant Engineering (EIP)

The Energy, Industrial Plant Engineering (EIP) sector provides end-to-end capabilities across the energy value chain for oil and gas, industrial systems, and plant engineering.

The energy industry is expected to witness recovery with oil prices rising to a sustainable level and margin pressures finally seeing some relief after a historically low market in 2020. Normalcy is expected to return as upstream oil production returns to \$60 per barrel mark. However, it will take some time for the off-shore operators to stabilize and recover from the liquidity challenges faced in 2020. The capital investments in new technologies such as intelligent remote maintenance in oil fields, drilling operations analytics, and logistics monitoring has expanded through the year and is expected to have a significant impact on the operating environment.

Our Outlook for FY22 is positive as production levels in the largest markets of North America, EU, and China continue to meet or exceed pre-pandemic levels. Pending investment by the US government in much-needed infrastructure repairs, replacement, and improvement will drive growth for the business. EIP segment is well-positioned to take advantage of the long-term transition to a decarbonized future for energy and manufacturing through our capabilities in renewable energy, broader scale electrification, and environmentally aligned plant design and construction.

## Medical Technology and Healthcare (MTH)

The Medical Devices market is expected to rebound in 2021, after a contraction in 2020. Technological advances

such as wireless technology, miniaturization, and increased computing power used in connected medical devices are revolutionizing the medical technology industry. The Internet of Medical Things (IoMT), Software as a Medical Device (SaMD), Robotics, and Cybersecurity present new opportunities for medical device companies. Additionally, digital technologies are expected to play a substantial role in medical technology as the global health system becomes more consumer-centric and wellness-oriented with increasing AR/VR and AI deployment.

Medical Technology and Healthcare (MTH) business unit experienced a marginal de-growth was driven by the right shifting of recently won services projects and a slowdown in manufacturing production for one of our top DLM clients due to supply chain impact during the pandemic. The outlook for this sector for FY22 remains positive as we continue to execute and ramp up on recent contracts while strengthening our pipeline focused on digital transformation, embedded software, and design-led manufacturing services.

## Automotive and Off-highway

The Automotive and the off-highway segment was significantly impacted due to the pandemic. The automotive segment faced significant short-term impact with a sudden steep decline in demand and significant challenges on the supply chain side. The midterm outlook for the automotive segment from a demand perspective looks positive, although significantly changed spent pattern with respect to volume, technologies, and the geographic split is expected.

The Off-Highway segment faced significant uncertainties in the global demand and supply chain throughout the year and, to a certain extent, continues to experience that in FY22. As an outcome, investments across Industry 4.0 and digitalization initiatives have accelerated and are expected to reduce some of the impacts and provide new business opportunities for this segment.

The business sector witnessed a decline driven by low revenue contribution in the off highway segment, especially in North America. However, the automotive segment witnessed growth primarily in the second half of FY21, which we expect will continue in FY22. We won several new projects across areas like digitalization & embedded systems. We remain committed to developing long-term collaboration with our customers and strengthening our capability across the segment.

Our outlook for FY22 remains positive. We expect growth to be driven by increase demand for software and digital capabilities in the automotive segment. Focus on digitization in the Off highway segment will continue to drive growth through the coming year. We will continue to focus on acquiring new clients and strengthening our capabilities and offering in embedded software.

## Mining and Natural Resources (MNR)

There is a growing consensus that the mining sector globally sits on the cusp of a super cycle return. The recovered buoyancy is sustained by coincident large-scale government spending on infrastructure and new pools of demand for minerals and metals driven by the intensifying pace of energy transition to mitigate climate change through decarbonization. All of this has been positive in markets for copper, steel, nickel, a suite of specialist battery materials, and increasingly, the products of rare earths.

The balance of supply and demand in most materials has reached the tipping point of sensitivity, which means any interruption to normal production flows will drive material price increases. Conversely, we are seeing a focus on containing cost pressures due to shortage of skilled labor and stressed logistics and supply chains.

We witnessed a positive growth in the segment with growth in key clients. Our recent acquisition of IG Partners in Australia has significantly strengthening our capabilities in the segment. IG partner come with a strong suite of consulting capability in digital for energy and mining clients. The acquisition will enable Cyient take advantage of synergies between our proven capabilities in operational efficiency, asset optimization and IG partners capabilities in value creation and digital transformation. Our outlook for the segment remains positive we expect growth to be driven by growth across key clients.

Our horizontal BU's are the capabilities that we will leverage across the Industries and sectors to drive growth. The two horizontal BU's we focus on are Digital and Design Led Manufacturing (DLM).

## Digital

Digital operations have become more critical than ever, with many transformative changes accelerating over the past year. Emerging technologies such as IoT, AR, VR, AI, and cybersecurity are expected to find their place within business solutions. Consumer data platforms, analytics platforms, data warehouses, and visualization tools are experiencing an explosion aided by investments from global tech giants. These digital technologies are likely to be widely adopted by governments and industries such as Automotive, Manufacturing, E-Commerce, Semiconductor, ICT, and Medical technology.

Digital technologies will be strategic to our growth focus across industries we operate. We will continue to make disproportionate amount of investment in the segment to drive growth for the future. We recently introduced INTELLICYIENT, our digital solutions platform. The INTELLICYIENT suite of Industry 4.0 solutions drives digital transformation for asset-heavy industries, including manufacturing, industrial, aerospace, automotive and off-highway, utilities, and mining and natural resources. We

leveraged our investments in advanced digital tech and our nearly 30 years of engineering and geospatial experience to enable asset-intensive industries to design the solution portfolio. With six digital solutions, powered by the interplay of nine technology studios, and our robust partner ecosystem, INTELLICYIENT will help enterprises globally achieve the full potential of digital transformation with IT-OT convergence. Our focus initially will be on the four key themes of smart automation, intelligent supply chain, end-to-end visibility of workflows and assets, and next-gen workforce solutions driving Industry 4.0 adoption.

## Design Led Manufacturing

The Indian EMS industry is projected to record robust growth of 45% in the next five years. This is driven largely by two factors; one, the government's measures to boost domestic manufacturing: production linked incentives (PLI) scheme, scheme for promotion of manufacturing of electronic components and semiconductors (SPECS) and modified electronic manufacturing cluster (EMC) are some of the policy changes coming into effect. Secondly, the push of many global companies to diversify supply chains from China will lead to increased interest and investment into India. With our Design to Build strategy, Cyient is specifically well positioned to address the build requirements of customers across sectors, including transportation, medical, industrial, and communications.

The Design Led Manufacturing (DLM) business saw a significant growth through the year. We recorded our highest ever revenue this year. The growth in the business was driven by our efforts in localizing parts, inventory management, material cost reductions, and automation that has led to a significant improvement in overall business metrics. A strong order pipeline coupled with an order backlog gives us good visibility for growth in FY22. We continue to see opportunities as more and more businesses move out of China and the focus on "Make in India." Additionally, the automobile sector driven by increased electrification of vehicles is expected to drive growth. The Energy sector, too, will contribute to DLM's growth riding on steady fuel prices. We also expect to attract new customers in the Communication and MTH industries for new technologies.

## Business Outlook

The outlook for the market continues to be strong driven by increased demand for integrating the latest technologies in the product and solutions offerings, and the growing need to shorten product lifecycles and cutting costs. The growth in the future will be largely driven by spend on innovation and adoption of digital technologies. With focus on new delivery models and broader engagement portfolio, the role of outsourcing partners is expected to increase in the future.

In this environment, we are very well positioned to deliver accelerated growth with an integrated portfolio that enables us to address the design, build and maintain value chains

for clients across industries. While the company has faced certain internal and external headwinds in the last 2 years, we have significantly enhanced our ability to address new opportunities that are now emerging. This has happened through investments in people, technology, training, and innovation.

### Enterprise Risk Management (ERM)

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

The company also has an internal risk committee that 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 the workforce due to the pandemic, stress due to lockdowns, and transition to work-from-home mode. Demand for services may also be impacted in select industries.	<ul style="list-style-type: none"> <li>- Monitoring and review at management council levels</li> <li>- Rigorous implementation of Business Continuity Plans</li> <li>- Regular communication with customers and vendors</li> <li>- Setting up of work from home infrastructure</li> <li>- Mandating appropriate health and safety norms and advisories</li> </ul>
Travel restrictions	Restrictions in key markets and legislations that restrict the movement of professionals may lead to delays in projects and an increase in costs. The Covid-19 situation may further restrict such movement.	<ul style="list-style-type: none"> <li>- Monitoring of global environment</li> <li>- Focusing on strengthening onsite readiness-local hiring and increased customer interface.</li> </ul>
Attrition Risk	Risk of losing talent across levels in the organization	Focus on employee engagement initiatives Actions around retention and salary corrections Focus on hiring
Global Delivery	Need to strengthen global delivery with a view to have sizable delivery closer to client base	Strengthen onsite presence with nearshore centers
Vendor consolidation Demand for discounts and volume discounts 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 a severe impact on margins due to pricing pressures	There is a focus on providing higher value and differentiated services and also venturing into new business models.
Compliance risks	Being a global company, we are exposed to the laws and regulations of multiple countries	The company has an in-house compliance team that monitors global compliances. The team receives updates on changes in regulations from specialist consultants and circulates the same internally.
Data privacy and cybersecurity	In a connected world, businesses are highly vulnerable to cyber-attacks, leading to loss of data and damage to reputation	The company has a stringent cybersecurity policy that ensures the timely resolution of incidents.

### Internal Controls and adequacy

The company's global presence across multiple countries and sizeable associate strength make it imperative for us to have a robust internal controls framework. The company has adequate systems of internal control commensurate with its size and the nature of its 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. The company has a well-defined manual for delegation of authority, for approving revenue and expenditure. The company uses SAP system globally to

record data for accounting, consolidation, and management information purposes, connecting to different locations for the exchange of information.

Cyient has appointed M/s KPMG as internal auditors for the financial year 2020-2021. KPMG carried out the internal audit based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors (M/s S.R. Batliboi & Associates LLP) and 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.

The company 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 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 company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the company and keeps the board of directors informed of its key observations from time to time.

The statutory auditors have also independently audited the internal financial controls over financial reporting as of March 31, 2021. They have opined that adequate internal controls over financial reporting exist and that such controls were operating effectively.

### Investor Engagement

The Company 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 as timely and reliable financial performance. We engage multiple communication channels for this purpose. The company's dedicated investor relations department and the company's senior management team participate in various roadshows and investor conferences. The company hosts an annual Investor Day. The company also engages an external agency to carry out an independent Investor Satisfaction Survey, and the results of the survey are analyzed and improvements implemented.

### Whistleblower Policy

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

### Shareholder Value Creation

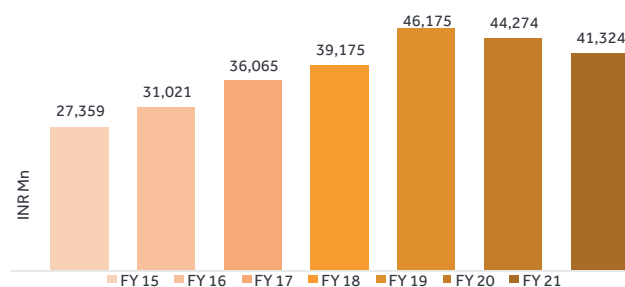
As a result of our significant growth in revenue and profit over the last five years:

- The market capitalization witnessed significant growth and increased from ₹ 25,216 Mn at the end of FY 20 to ₹ 71,239 Mn at the end of FY 21.
- Dividend payout has substantially improved from 25% in FY 14 to 58% in FY 20 and 51% in FY 21.
- The company has achieved significant growth in free cash flow (FCF) generation capabilities of the business with an increased focus on receivables management, working capital management, and tax optimization and generated the highest ever FCF at ₹7,609 Mn in FY 21.

### Revenue Growth

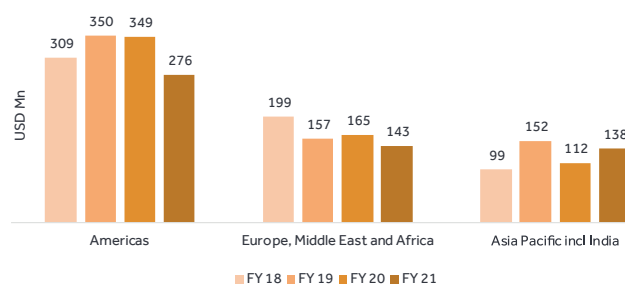
During the year, revenue declined by 10.9% in US \$ terms. The services segment has witnessed de-growth of 16.2% in US \$ terms, primarily in A&D and Energy and Utilities business units. DLM segment has seen a growth of 28.3% in US \$ terms.

Over the last seven years, the company has sustained robust revenue growth momentum with an impressive compounded annual growth rate (CAGR) of 7%. The revenue for the company is driven by focus on a well-diversified business and geography portfolio.



### Revenue by Geography

During FY21, the company delivered 23.6% YoY growth in the Asia Pacific incl India region, with a de-growth of 21% in the North America region and a de-growth of 13% in the EMEA region in \$ terms. De-growth was primarily driven by A&D and Energy and Utilities business units. Over the years, Asia Pacific incl India witnessed significant revenue growth.



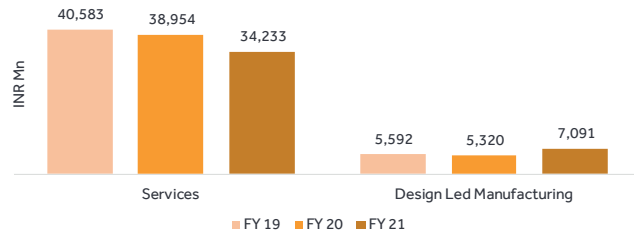
### Revenue by Operating Segments

The Company's Chief Operating Decision Maker (CODM) reviews the business as two operating segments - 'Services' and 'Design led Manufacturing' (DLM).

The 'Services' segment comprises the company's service and solutions offerings across the Aerospace & Defense, 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, defense and aerospace applications, including manufacture and machining of components for aerospace, automotive, and defense industries.



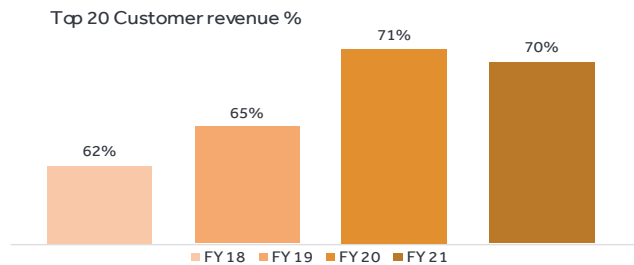
During the year, the Services segment has witnessed a de-growth of 16.2% in US \$ terms. DLM segment has seen a growth of 28.3% in US \$ terms.



### Better Client Mining

The Company continues to stress on improving revenue per customer by focusing on strategic customers and generating more up-sell and cross-sell opportunities.

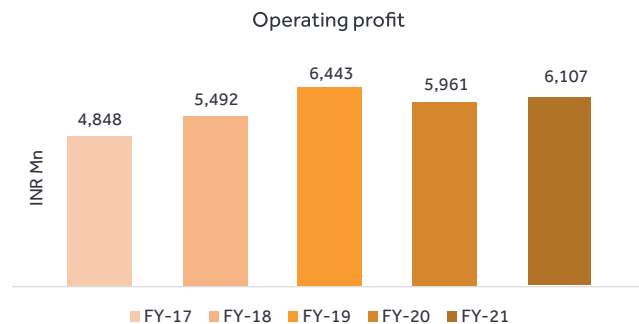
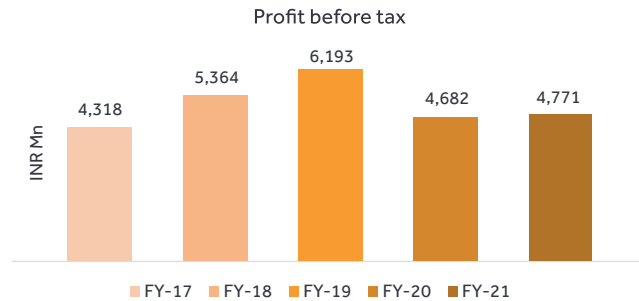
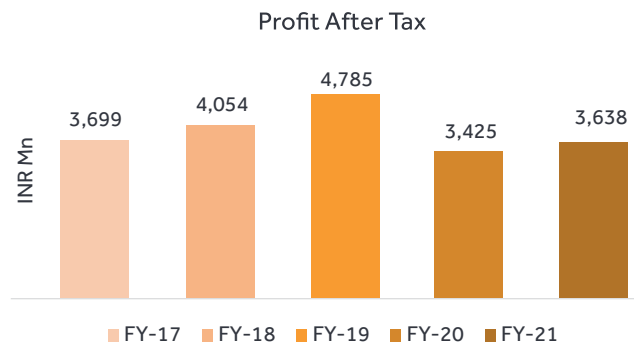
Below chart depicts the contribution of revenue from the top 20 customers over the last four financial years in the services segment:



### Profits Trend

During the year, profits have increased due to:

- Increase in Services EBIT primarily driven by improvement in operational metrics, positive fx impact, the positive impact of volume on SG&A partly offset by wage hikes, changes in revenue mix, and depreciation impact.
- Increase in DLM margin driven by better revenue mix and higher volume.



### Free Cash Flow (FCF) Generation

The company has achieved significant improvement in the free cash flow (FCF) generation business capabilities in the last three years.

In FY21, the company generated the highest ever FCF at ₹7,609 Mn as against FCF generated in FY20 at ₹3,686 Mn. The Company's FCF to EBITDA conversion increased from 55% in FY'20 to 113% in FY21, due to improved working capital management, optimizing the capital expenditure, and efficient tax management.

### Days Sales Outstanding

The company has delivered consistent improvement in Days Sales Outstanding (DSO) owing to a focus on better collection cycle management. Total DSO stands at 84 days in FY21 compared to 95 days in FY20, a reduction of 11 days primarily due to increased efficiency in collections.

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

### Tax Rate

The effective tax rate has decreased from 27% in FY20 to 23.7% in FY21.

FY20 had a 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 the settlement of past litigations under the Vivad Se Vishwas Scheme 2020.

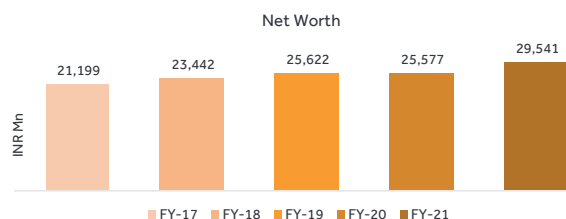
Excluding this one-off impact, the effective tax rate is 22.8% in FY20, marginally increased by 90 bps in FY21.

### CAPEX

The company ended FY21 with a capital expenditure of ₹949 mn, which is 2.3% of the total revenue.

### Net Worth

The net worth of the Company has grown at 9% CAGR in the last five years from ₹21,199 Mn to ₹29,541 Mn. It is mainly attributed to the profitable growth over the years, driven by organic and inorganic initiatives.



### Return to investors

Dividend payment trend for the company has improved substantially in last 5 years.

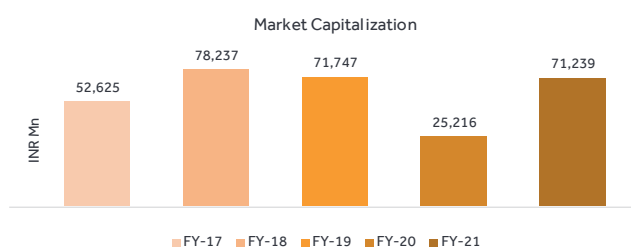
Highest ever dividend of ₹ 17 per share was declared in FY 21. Dividend of ₹ 15 per share was declared in FY 20.

The dividend payout for the company stands at 51% in FY21 (FY 20: 58%)

### Market Capitalization

The company's market capitalization has grown from ₹52,625 Mn in FY17 to ₹71,239 Mn in FY21.

Market capitalization has significantly increased over the last financial year from ₹25,216 Mn to ₹71,239 Mn.



### Financial Performance for the Year 2020-21 (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. This part of the Management Discussion and Analysis refers 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, 2021.

### Consolidated Financial Results

Particulars	31-Mar-21		31-Mar-20	
	₹ Mn	% of Revenue	₹ Mn	% of Revenue
<b>Income</b>				
Revenue from operations	41,324	100%	44,274	100%
Other income	1,399	3.4%	1,583	3.6%
<b>Total income</b>	<b>42,723</b>		<b>45,857</b>	
<b>Expenses</b>				
Employee benefits expense	21,611	52.3%	24,776	56%
Cost of materials consumed	5,165	12.5%	4,066	9.2%
Changes in inventories of finished goods, stock-in-trade and work in progress	98	0.2%	(144)	(0.3)%
Operating, administration and other expenses	8,426	20.4%	9,683	21.9%
Impairment of non-current assets	274	0.7%	404	0.9%
Finance costs	433	1.0%	486	1.1%
Depreciation and amortisation expense	1,945	4.7%	1,878	4.2%
<b>Total expenses</b>	<b>37,952</b>	<b>91.8%</b>	<b>41,149</b>	<b>92.9%</b>
<b>Profit before tax and share of profit from joint venture</b>	<b>4,771</b>	<b>11.5%</b>	<b>4,708</b>	<b>10.6%</b>
Tax expense	1,133	2.7%	1,270	2.9%
<b>Profit before share of profit from JV and non-controlling interest</b>	<b>3,638</b>	<b>8.8%</b>	<b>3,438</b>	<b>7.7%</b>
Share of loss from Joint Venture	-	-	(26)	(0.06)%
Share of non-controlling interest	-	-	13	0.03%
<b>Net Profit attributable to the shareholders</b>	<b>3,638</b>	<b>8.8%</b>	<b>3,425</b>	<b>7.7%</b>

### ANALYSIS

#### Revenue

Revenue declined by 6.7% in rupee terms and by 10.9% in US \$ terms. The services segment has witnessed a de-growth of 16.2% in US \$ terms. DLM segment has witnessed a growth of 28.3% in US \$ terms.

#### Other income

Other income for FY21 was ₹1,399 Mn as compared to ₹1,583 Mn in FY20.

Decrease in other income is primarily on account of forward contract loss of ₹180 Mn on EUR, GBP, and AUD contracts compensated with an increase in export incentives recognized during the year of ₹566 Mn.

Gain of ₹343 Mn was recognized on reversal of contingent consideration payable on past acquisitions which are not contractually payable.

The movement of the Rupee against major currencies was as follows:

	YE March 2021		YE March 2020	
	Closing	Average	Closing	Average
USD	73.43	74.31	75.39	70.97
EUR	86.1	86.68	83.18	78.89
GBP	100.95	97.15	93.35	90.23
AUD	55.89	53.37	46.59	48.37

### Employee benefits expense

Employee benefits expense includes salaries that have fixed and variable components, contribution to retirement and other funds, and staff welfare expenses.

Employee benefits expense as a percentage of the revenue from operations stands at 52.3% for FY21 compared to 56% in FY20. On value terms, employee benefits expense has decreased in FY21 compared to FY20 due to operational efficiencies and a decrease in headcount globally.

### Operating, Administration, and other Expenses

	YE March 2021		YE March 2020	
	₹ Million	% of Revenue	₹ Million	% of Revenue
Rent	170	0.4%	233	0.5%
Travel	416	1.0%	1,195	2.7%
Subcontracting charges	3,286	8.0%	3,348	7.6%
Repairs and maintenance	1,298	3.1%	1,271	2.9%
Others	3,256	7.9%	3,636	8.2%
<b>Total</b>	<b>8,426</b>	<b>20.4%</b>	<b>9,683</b>	<b>21.9%</b>

Subcontracting charges marginally increased as a percentage of revenue, in line with the change in the revenue mix during the year.

Travel expense significantly reduced as a percentage of revenue due to Covid-19 pandemic and cost operational measures.

Repairs and maintenance expense is in line with business requirements.

### Finance costs

Finance costs is constant at 1% as a percentage of revenue in FY21 and FY20. Decrease in value terms is on account of a decrease in the finance cost of borrowings due to repayments of borrowings.

### Depreciation and amortization expense

Depreciation and amortization expense for FY21 was ₹1,945 Mn (4.7% of revenue) compared to ₹1,878 Mn (4.2% of revenue) in FY20. Marginal increase in depreciation is on

account of additional capital expenditure incurred during the year of ₹949 Mn.

### Tax expense

The effective tax rate has decreased from 27% in FY20 to 23.7% in FY21.

FY 20 had a 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 the settlement of past litigations under the Vivad Se Vishwas Scheme 2020.

Excluding this one-off impact, the effective tax rate is 22.8% in FY20, marginally increased by 90 bps in FY21.

### Net profit attributable to the shareholders

The net profit stands at ₹3,638 Mn for FY21 as compared to ₹3,425 Mn. Reasons for the increase in the net profit during the year are:

- Increase in Services EBIT primarily driven by improvement in operational metrics, positive fx impact, the positive impact of volume on SG&A partly offset by wage hikes, changes in revenue mix, and depreciation impact.
- Increase in DLM margin driven by better revenue mix and higher volume.

### Consolidated Balance Sheet as at March 31, 2021

	₹ Million	
	31 Mar 21	31 Mar 20
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
- Share capital	550	550
- Reserves and surplus	28,991	25,027
<b>Total - Shareholders' funds</b>	<b>29,541</b>	<b>25,577</b>
<b>Non-current liabilities</b>		
- Long-term borrowings and liabilities	2,827	3,556
- Long-term provisions	1,288	1,151
- Deferred tax liabilities (net)	182	378
<b>Total - Non-current liabilities</b>	<b>4,297</b>	<b>5,085</b>
<b>Current liabilities</b>		
- Short-term borrowings	2,302	2,879
- Trade payables	4,532	3,729
- Other current liabilities	3,576	3,822
- Short-term provisions	680	705
<b>Total - Current liabilities</b>	<b>11,090</b>	<b>11,135</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>44,928</b>	<b>41,797</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
- Property, plant and equipment	8,655	9,135

	₹ Million	
	31 Mar 21	31 Mar 20
- Goodwill	5,830	5,374
- Non-current investments	344	414
- Deferred tax assets (net)	319	396
- Other non-current assets	1,262	1,560
<b>Total - Non-current assets</b>	<b>16,410</b>	<b>16,879</b>
<b>Current assets</b>		
- Inventories	1,586	2,267
- Trade receivables	8,026	7,262
- Cash and cash equivalents	14,650	9,518
- Other current assets	4,256	5,871
<b>Total - Current assets</b>	<b>28,518</b>	<b>24,918</b>
<b>TOTAL ASSETS</b>	<b>44,928</b>	<b>41,797</b>

### Share capital

The company 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.

### Reserves and Surplus

Reserves and surplus increased from ₹25,027 Mn as of March 31, 2020, to ₹28,991 Mn as of March 31, 2021, primarily due to profit generated during the FY21 of ₹3,638 Mn.

### Borrowings

The long-term borrowings decreased from ₹1,270 Mn as of March 31, 2020, to ₹882 Mn as of March 31, 2021, due to repayment of the borrowings.

The short-term borrowings decreased from ₹2,879 Mn as of March 31, 2020, to ₹2,302 Mn as of March 31, 2021, due to repayment of the borrowings.

### Trade payables

Trade payables consist of payables towards the purchase of goods and services and stood at ₹4,532 Mn as of March 31, 2021, (₹3,729 Mn as of March 31, 2020).

### Property, plant, and equipment

Decrease of ₹480 Mn in property, plant, and equipment in FY21 is primarily attributable to the following:

- Capital expenditure incurred during FY21 of ₹949 Mn
- Intangible assets recognized on the acquisition of Integrated Global Partners Pty Limited of ₹163 Mn
- Depreciation and amortization of ₹1,945 Mn

### Goodwill

Goodwill represents the excess of purchase consideration over net assets of acquired subsidiaries. Increase in Goodwill of ₹456 Mn during FY21 is attributable to the following reasons:

- ₹603 Mn recognized on Integrated Global Partners Pty Limited acquisition.

- One-time charge of ₹309 Mn of goodwill relating to semiconductor business considering the business forecasts and long term outlook of the business

### Non-current investments

Non-current investments have decreased from ₹414 Mn as of March 31, 2020 to ₹344 Mn as of March 31, 2021, due to loss of ₹110 Mn recognized on a decrease in fair value of an investment.

### Cash and bank balances

Total cash and bank balances consists of:

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Cash and bank balances	14,650	9,518
<b>Total</b>	<b>14,650</b>	<b>9,518</b>

During the year, the company generated FCF from operations of ₹7,609 Mn, comprising Services FCF of ₹7,526 Mn and DLM FCF of ₹84 Mn. The company deploys its surplus funds in fixed deposits in line with an approved policy.

### Trade receivables

The trade receivables have increased from ₹7,262 Mn as of March 31, 2020, to ₹8,026 Mn as of March 31, 2021. The company regularly monitors unbilled revenue, separately as well as collectively, along with trade receivables. DSO (accounts receivables in days) has decreased from 95 days as of March 31, 2020 to 84 days as of March 31, 2021.

### Other current assets

Other current assets have decreased from ₹5,871 Mn as of March 31, 2020 from ₹4,256 Mn as of March 31, 2021, primarily due to a decrease in unbilled receivables by ₹1,756 Mn.

### Financial Ratios

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

Sl. No	Ratio description	March 31, 2021	March 31, 2020	Variance	Explanation
1	Debtors turnover (in days)	84	95	(12)%	
2	Inventory turnover (in days)	83	159	(48)%	Note (i)
3	Interest coverage ratio	12	10.7	13%	

Sl. No	Ratio description	March 31, 2021	March 31, 2020	Variance	Explanation
4	Current ratio	2.57	2.21	16%	
5	Debt equity ratio	0.11	0.16	(33)%	Note (ii)
6	Operating margin (%)	14.8%	13.5%	9%	
7	Net profit margin (%)	9%	8%	14%	
8	Return on net worth (%)	13.2%	13.4%	(1.2)%	

- (i) Decrease in inventory turnover days is primarily attributable to revenue growth in DLM business of 28.3% in US \$ terms and significant reduction of inventory.
- (ii) Decrease in 'debt equity ratio' is due to a reduction in borrowings compared to the previous financial year.

### 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. We constantly try to incorporate healthy and innovative HR practices that provide us an edge over our competition.

Last year has been a challenging year due to the Covid 19 Pandemic. Associates safety, enablement and engagement have been our top priority. We have ensured that all through the different phases of this pandemic our associates are safe. We also adapted our processes and policies to enable various activities from hiring, on boarding, developing & engaging our associates. 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.

We also have 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:

### DIEL

DIEL (Diversity, Inclusion, and Equity Leadership) is a structured mentorship program to support high potential mid-level manager's work towards their career goals. In DIEL 1.0, we focused on female high potential associates, and in DIEL 2.0 we have included both genders. The program is structured over 10 months and gives the mentees opportunities to explore their career goals, leverage the experience of their mentor, and gain extended visibility in the company and amongst the leadership team, and to network and share with other mentees. Since DIEL 1.0, we have had multiple

mentees who grabbed new opportunities. We will be tracking the progress of the mentees as they move throughout their careers and will continue to evolve the program to adjust to the changing business environment. One of the unexpected benefits of the program is that the mentors have also learned a lot from the mentees. It has opened their minds to newer perspectives and helped them become better leaders.

### D&I TAKE 5:

The "TAKE 5" was born from the thought that diversity and inclusion is not just a human resources goal. We came up with a concept to distribute inclusive leader tips along with a self-engagement activity, in a non-intrusive self-determining manner, at a regular frequency. The goal of the TAKE 5 series is to drive inclusive behaviors along with a keen awareness to diversity through to the heart of the organization; while maintaining the leaders' ability to choose the right time for them to absorb the content. To date, we have released 12 issues of the TAKE 5 series that explored the topics of burnout, biases, ally ship, psychological safety, and reflecting on and measuring your own inclusivity as a leader. Our series reaches 1000+ people leaders, across all of our global operations, at Cyient. Further, it is available to all of our associates so that they can read what their leaders are reading and engage them in challenging and thoughtful conversations. At Cyient, we become more inclusive by taking five.

### Social Learning:

We are creating an inclusive workplace by leveraging our social learning platform to harness the collective knowledge of all of our associates to bring attention to a multitude of diversity and inclusion topics. Our social learning channel enables all of the associates at Cyient to participate and develop their individual understanding of D&I terms and concept in a safe and collaborative environment. We believe that by amplifying each individuals understanding of D&I we are contributing to the creation of a more diverse and inclusive Cyient, society, and world. To date, our D&I channel has 59 posts, over 200 views, and receives high traffic.

### ELP

We all rose to the challenge of changing the way we work due to COVID-19 and delivering leadership programs is no different. The Emerging Leader Program was launched in the second week of October 2020 with a week-long virtual Leadership Immersion Workshop. The virtual program was designed to maximize interaction, participation, and to provide our managers with the environment to both learn and to collaborate with fellow managers across Cyient. We had 48 participants from various BUs and geographies. The workshop was divided in to two cohorts to accommodate all time zones. The program will conclude in July 21 and will enable them to gain leadership Skills and excel in their chosen field.

## BLP

The Business Leader Program (BLP) was launched in the second week of March 2021 with a week-long virtual Leadership Immersion Workshop. The virtual program was designed to maximize interaction, participation, and collaboration. We had 25 participants from various BUs and geographies. The workshop was conducted across time zones. We explored various Leadership Styles needed to be a successful Leader, providing insights into their own leadership styles and how to flex their styles to engage, enable and empower our associates to drive performance. This was followed by Systems Thinking, where participants experienced how to explore and provide solutions to complex problems, and Strategic Thinking, understanding the strategic drivers, values and motivational factors that drive growth as well as the factors that can hinder it. It culminated by exploring influence and negotiations skills. An integral part of this program is the Action Learning Projects, where participants work on real problems by putting their skills into action that will benefit them in their roles and holistically. The results of these projects will be presented in the final workshop in November 2021.

## Managing@Cyient

Managing@Cyient is a globally consistent development program for all Managers. It builds an understanding of the role of a Manager and what it takes to excel as a Manager at Cyient. This program provides the skills needed for managing self, managing teams, delivering business value, and leading change. The workshops have been designed to be interactive

and participatory. During the learning journey participants are given the opportunity to both develop and put your skills into practice both via the workshops and the learning challenges and coaching sessions. This year we trained 235 Managers Globally.

## Career and Competency Progression Program

As an extension to a global job structure framework created in FY20, we worked on creating competency dictionary for 25 roles covering 75% of our associates. We have detailed the technical progression journey on each of the competencies. This framework would allow us to identify competency gaps and build individual development plans.

## Parental Leave Policy

Cyient recognizes that it is important for our associates to care for our families and loved ones. In that spirit, the company has launched a new parental leave policy effective April 1, 2021. Cyient offers anyone (regardless of gender) who has been at Cyient for three months and completed a probationary period (if applicable) during the first year of parenthood up to 12 weeks of 100% paid time off for primary caregiver and 2 weeks of 100% paid time off for secondary caregiver.

This includes associate who becomes a parent through childbirth or adoption. The parental leave balance is per birth or adoption event. If associate lives in a country where a statutory parental leave benefit is available, then associate will be required to claim statutory parental leave pay and Cyient will supplement gaps if there is any.

(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 2020-21.

**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.	Entity	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.	Cyient GmbH	Subsidiary
11.	Cyient AB	Step down subsidiary
12.	Cyient KK	Subsidiary
13.	Cyient Insights Private Limited	Subsidiary
14.	Cyient DLM Private Limited	Subsidiary
15.	Cyient Australia Pty Limited	Subsidiary
16.	Integrated Global Partners Pty Limited, Australia	Step down subsidiary
17.	Integrated Global Partners Pte. Limited, Singapore	Step down subsidiary
18.	Integrated Global Partners SpA, Chile	Step down subsidiary
19.	IG Partners South Africa (Pty) Ltd, South Africa	Step down subsidiary
20.	Cyient Singapore Private Limited	Subsidiary
21.	Cyient Israel India Limited	Subsidiary
22.	Cyient Engineering (Beijing) Limited	Subsidiary (until December 01, 2020)
23.	Cyient Solutions and Systems Private Limited	Subsidiary
24.	Cyient Urban Microskill Centre Foundation	Subsidiary
25.	Infotech HAL Limited	Joint Venture
26.	Cyient Associate Stock Option Scheme 2021 Trust	Entity with common KMP
27.	Cyient Foundation	Entity with common KMP
28.	Infotech ESOP Trust	Entity with common KMP
29.	B. Ashok Reddy	Relative of Executive Chairman (until March 31, 2021)

**(b) Nature of contracts/arrangements/transactions**

IT Enabled Engineering Services & Geospatial Services.

**(c) Duration of the contracts/arrangements/transactions**

Intercompany agreements entered into with subsidiary companies, as amended and ongoing.

From 1 April 2020 to 31 March 2021

**(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 intercompany agreements entered with the respective subsidiaries.

**(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

Place : Hyderabad  
Date : 22 April 2021

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

### **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, 2021 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 (Revised 2016) 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, 2021 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, 2020 to March 31, 2021:
    - (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
    - (g) Corporate social responsibility Committee.
  - 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 and 8 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, 2021, 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: 21093649AAAABC3674

Place of Signature: Mumbai

Date: April 22, 2021

## CEO 's Declaration

**Annexure-I**

I, Krishna Bodanapu, Managing Director & CEO do hereby declare that pursuant to the provisions of Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) 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 2021.

For Cyient Limited

Place: Hyderabad

Date : 22 April 2021

**Krishna Bodanapu**

Managing Director & CEO

(DIN-05301037)

# CEO/CFO CERTIFICATION PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Annexure-J

The Board of Directors  
Cyient Limited  
Hyderabad.

12 April 2021

This is to certify that

- a. We have reviewed financial statements and the cash flow statement for the year 2020-21 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. 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
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. 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  
(DIN-05301037)

**Ajay Aggarwal**  
Chief Financial Officer

# Report on Corporate Governance

## Company's Philosophy on Corporate Governance

Corporate governance is about internalizing and manifesting a firm commitment to the adoption of ethical practices across the company to deliver value in all of its dealings with a wide group of stakeholders encompassing associates, customers, vendors, regulators and shareholders at all times. It is the evolution of a system by which the values, principles, management policies and procedures of the company are inculcated and manifested.

It is in this background that the company whole heartedly embraces and imbibes good governance practices. The company believes that corporate governance is an integral means for the existence of the company. It ensures adherence to the moral and ethical values, legal and regulatory framework and the adoption of good practices beyond the realms of law.

Good corporate governance is an intrinsic part of the company's fiduciary responsibility as a responsible citizen. 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 a sine qua non. 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

Corporate governance is intertwined with the business of the company and the principles are dovetailed into its activities. 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 constantly raises the benchmark in its relentless pursuit of corporate and business excellence. As such, it adopts, adapts and implements - voluntarily - some of the most robust and laudable good governance practices across the board. These include:

- Paperless and interactive communication amongst the directors through a customized web based portal - a sustainability initiative that helps in ease and pace of decision-making
- Following all 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 conducted 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
- Designation of lead independent director and 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
- 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 payment policy
- Criteria of Payment of Remuneration to Non-Executive Directors of the Company
- 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/corporategovernance](http://www.cyient.com/investors/corporategovernance)).

#### Global compliance initiatives

In order to meet the requirements of General Data Protection Regulations (GDPR), the company has been working diligently to 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.

#### 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 so as to achieve the following avowed objectives.

#### The rights of shareholders

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

- Right to participate in, and to be sufficiently informed of, decisions concerning fundamental corporate changes.
- Opportunity to participate effectively and vote in general meetings.
- Being informed of the rules, including voting procedures that govern general meetings.
- 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.
- Exercise of ownership rights by all shareholders, including institutional investors.
- Adequate mechanism to address the grievances of the shareholders.
- 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:

- All shareholders of the same series are treated equally.
- 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 recognises 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 listed entity, 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 longer 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 are as follows:

Nature of Directorship	Name of the Director
Promoter	1) B.V.R. Mohan Reddy 2) Krishna Bodanapu
Independent	1) Som Mittal 2) Vikas Sehgal 3) Vivek N Gour 4) Matangi Gowrishankar 5) Vinai Thummalapally 6) Ramesh Abhishek*
Non-Executive	1) M.M. Murugappan 2) Alain De Taeye

\*The board of directors appointed Mr. Ramesh Abhishek as an additional director on 12 August 2020.

Mr. Krishna Bodanapu is the son of Mr. B.V.R. Mohan Reddy. None of the other directors are 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 2021, the board has 10 directors, comprising (i) 6 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 on:

- 6 April 2020;
- 7 May 2020;
- 16 July 2020;
- 20 August 2020;
- 15 October 2020 &
- 21 January 2021.

The Board meets at least four times a year with a maximum gap of one hundred and twenty days between any two meetings. Additional meetings are held, whenever necessary.

B. The names and categories, inter personal relationship of the Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting (AGM), as also the number of Directorships in other Companies and Committee membership/chairpersonship held by them are given below:

S No.	Name of the Director	Designation	DIN	No. of Equity shares held	Attendance on Meetings held on						Attendance at last AGM on 31-07-2020
					06/04/2020	07/05/2020	16/07/2020	20/08/2020	15/10/2020	21/01/2021	
1	B.V.R. Mohan Reddy	Promoter, Executive Chairman	00058215	3,73,820	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Krishna Bodanapu	Promoter, MD & CEO	00605187	19,13,260	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	M.M. Murugappan	Independent, Non-Executive	00170478	30,000	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Alain De Taeye	Non - Independent, Non-Executive	03015749	Nil	Yes	Yes	Yes	No	Yes	Yes	No
5	Som Mittal	Independent, Non-Executive	00074842	5,000	Yes	Yes	Yes	Yes	Yes	Yes	No
6	Vikas Sehgal	Independent, Non-Executive	05218876	8,42,100	Yes	Yes	Yes	Yes	Yes	Yes	No
7	Vivek N Gour	Independent, Non-Executive	00254383	5,000	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Matangi Gowrishankar	Independent, Non-Executive	01518137	Nil	Yes	Yes	Yes	Yes	Yes	Yes	No
9	Vinai Thummalapally	Independent, Non-Executive	07797921	Nil	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Ramesh Abhishek*	Independent, Non-Executive	07452293	Nil	NA	NA	NA	Yes	Yes	Yes	NA

\* The board of directors appointed Mr. Ramesh Abhishek as an additional director on 12 August 2020.

Following are the details of composition of statutory committees as on 31 March 2021.

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

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

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.

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	M.M. Murugappan	Audit & Governance
4	Alain De Taeye	Technology & Entrepreneurship
5	Som Mittal	Technology & Industrial Affairs
6	Vikas Sehgal	Investment Banking
7	Vivek N Gour	Audit, Governance & Aviation
8	Matangi Gowrishankar	People Management
9	Vinai Thummalapally	Government Affairs
10	Ramesh Abhishek	Public Administration and Governance

The above is 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 Membership / Chairmanship					
	Board #				Committee**	
	Chairmanship		Directorships*		Chairmanship	Membership
	Public Companies	Other Companies	Public Companies	Other Companies		
B.V.R. Mohan Reddy	-	-	1	6	-	-
Krishna Bodanapu	-	-	-	4	-	-
M.M. Murugappan	3	1	1	6	2	-
Alain De Taeye	-	-	-	3	-	-
Som Mittal	-	1	2	2	2	1
Vikas Sehgal	-	-	-	1	-	-
Vivek Gour	-	-	3	1	3	-
Matangi Gowrishankar	-	-	4	4	1	4
Vinai Thummalapally	-	-	-	1	-	-
Ramesh Abhishek	-	-	3	-	-	-

\* 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:

SI. No	Name of the Director	Names of the listed entity	Category
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1	B.V.R Mohan Reddy	Nil	
2.	Krishna Bodanapu	NIL	-
3	M.M. Murugappan	Cholamandalam Financial Holdings Limited Carborundum Universal Limited	Non-Executive, Non- Independent Chairman Non-Executive Non- Independent Chairman
4	Alain de Taeye	-	-
5	Som Mittal	Sheela Foam Limited	Independent Director
6	Vikas Sehgal	-	-
7	Vivek Gour	Indiamart Intermesh Limited Affle (India) Limited	Independent Director Independent Director
8	Matangi Gowrishankar	Greenlam Industries Limited Gabriel India Limited	Independent Director Independent Director
9	Vinai Thummalapally	Nil	-
10	Ramesh Abhishek	Nil	-

### 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 2020-21, the Board met 6 times on the following dates:

Quarter	Date of meeting
First Quarter (1 April 2020 to 30 June 2020)	6 April 2020 & 7 May 2020
Second Quarter (1 July 2020 to 30 September 2020)	16 July 2020 & 20 August 2020
Third Quarter (1 October 2020 to 31 December 2020)	15 October 2020
Fourth Quarter (1 January 2021 to 31 March 2021)	21 January 2021

The necessary quorum was present at all the meetings.

Two resolutions were passed by circulation during the year.

Mr. S Chidambaram, a Company Secretary in practice has certified that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/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.

- a) Annual operating plans and budgets, capital budgets, updates and all variances;
- b) Quarterly, Half yearly, Nine months and Annual results of the company and its subsidiaries;
- c) Detailed presentations on the business performance of the company, its BUs and its material subsidiaries;
- d) Minutes of meetings of the Audit Committee and other committees;
- e) Contract in which Directors and Senior Management Personnel are interested, if any;
- f) Update on the significant legal cases of the Company;
- g) Subsidiary company's minutes, financial statements and significant investments;
- h) Reviews the compliance reports of all laws applicable to the Company;
- i) Evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices; and j) 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 Senior Management. 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 executive directors are appointed by the shareholders 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 are expected not to 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;

- (a) nature of the industry in which the company operates;
- (b) business model of the company;
- (c) roles, rights, responsibilities of independent directors; and
- (d) any other relevant information.

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 centres 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 2020-21, 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 Directors
- Evaluation of the performance and effectiveness of the board
- Evaluation of the performance and effectiveness of Board Committees
- Feedback from the Non-Executive Directors to the Chairman, 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 centres of the company.

#### **Frequency of meetings**

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

#### **Board agenda**

It strikes a fine balance between the reviews of the past performance and forward looking issues. 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 chair 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 behaviours, 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 chair 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 chair and executive directors in the embedding of the appropriate culture, values and behaviours 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 chair, CEO or in special circumstances, the lead independent director. 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 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 2020-21, 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 the opinion of the board, 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 once, 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 five of them mandatory (M) and two 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. Strategy & Client Engagement Committee (NM)
7. 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 entirely 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 2020-21, the Committee met four times. All the members of the audit committee are financially literate. The Chairman attended the last annual general meeting to answer shareholders' 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 on Meetings held on			
			06/05/2020	15/07/2020	14/10/2020	20/01/2021
1.	Vivek Gour	Chairman, Independent Director	Yes	Yes	Yes	Yes
2.	Som Mittal	Member, Independent Director	Yes	Yes	Yes	Yes
3.	M.M. Murugappan	Member, Non-Executive, Non-Independent Director	Yes	Yes	Yes	Yes

The specific charter of the Committee is:

#### 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 un-resolved 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 Committee 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 basic, 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.

Total fees for all services paid by the listed entity 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 (Rs. 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	40
Other fees paid to S.R. Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part	27
<b>Total Fee</b>	<b>67</b>

### Risk Management Committee

The Board has constituted Risk Management Committee 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"> <li>• To identify and assess all the risks that the organization faces and establish a risk management framework capable of addressing those risks.</li> <li>• To oversee in conjunction with the board risks such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks.</li> <li>• Approving the Company's enterprise wide risk management framework.</li> </ul>
Objective	<ul style="list-style-type: none"> <li>• To provide an oversight for all categories of risk</li> <li>• To promulgate risk culture in the organization</li> <li>• To adopt leading risk management practices in the industry</li> <li>• To manage risk proactively at organization level.</li> </ul>



Terms of Reference	Risk Management Committee
Responsibility	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Provide input to management regarding the enterprise's risk appetite and tolerance and, ultimately, approve risk appetite.</li> <li>• Monitor the organization's risk - its on-going and potential exposure to risks of various types.</li> <li>• Approve the risk management plan. The risk management plan should include: <ul style="list-style-type: none"> <li>✓ The Company's risk management structure</li> <li>✓ The risk management framework</li> <li>✓ The standards and methodology adopted – this refers to the measurable milestones such as tolerances, intervals, frequencies, frequency rates etc.,</li> <li>✓ Risk management guidelines</li> <li>✓ Details of the assurance and review of the risk management process</li> </ul> </li> <li>• Define risk review activities and prioritize them prior to being sent to the board's attention.</li> <li>• Review and confirm that all responsibilities outlined in the charter have been carried out.</li> <li>• Oversee the risk framework and interactions with management risk committee.</li> <li>• 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.</li> <li>• 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.</li> <li>• Continually obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.</li> <li>• Deliberate with the management risk committee regarding risk governance and oversight.</li> <li>• 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.</li> <li>• Review and assess the effectiveness of the company's ERM framework and recommend improvements, where appropriate</li> </ul>

The composition of the Risk Management committee is as follows:

SI. No.	Name of the Director	Designation
1	Vivek Gour	Chairman, Independent Director
2	M.M. Murugappan	Member, Non-Executive Director
3	Som Mittal	Member, Independent Director

During the year 2020-21, the committee met once.

#### Leadership, Nomination & Remuneration Committee

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 2020-21, the Committee met four times. The below table gives the composition and attendance record of the Committee.

Sl. No.	Name of the Director	Designation	Attendance on Meetings held on			
			06/05/2020	15/07/2020	14/10/2020	20/01/2021
1.	Matangi Gowrishankar	Chairperson, Independent Director	Yes	Yes	Yes	Yes
2.	Vinai Thummalapally	Member Independent Director	Yes	Yes	Yes	Yes
3.	M.M. Murugappan	Member, Non-executive & Non-Independent Director	Yes	Yes	Yes	Yes

### 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

- a. 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.
- b. 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 so as to enable the board to discharge its function and duties effectively.
- c. 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.
- d. The committee shall consider 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 shall not be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the board / committee meetings and commission. The independent directors of the company shall not be 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 stand-alone net profits of the company.

### Criteria for selection/appointment of CEO, CFO & Managing Director

For the purpose of selection of the CEO/CFO & Managing Director, the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee also ensure 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 CEO, CFO & Managing Director

- i. 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;
- ii. The remuneration shall be subject to the approval of the members of the company in General Meeting;
- iii. The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits. The variable component comprises performance bonus; as mutually agreed.

- iv. 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 Executive Committee Members) the Committee shall ensure / consider the following:

- i. clarity on the relationship of remuneration and performance benchmark;
- ii. 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;
- iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- iv. 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 bud get 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 ₹)

Sl. No.	Name of the Director	Salary	Commission	PF	Superannuation	Total
1	B.V.R. Mohan Reddy	0	4,96,36,911	0	0	4,96,36,911
2	Krishna Bodanapu	1,44,05,464	9,92,73,822	17,28,000	21,60,000	11,75,67,286

- (a) None of the directors have exercised/ been granted stock options/RsUs during the year.
- (b) 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 and 31 July 2020. An amount of ₹ 2,50,96,154 is towards gratuity for Mr. Mohan Reddy who stepped down as an Executive effective 31 March 2021.
- (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 shareholders (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 (for FY 2020-21 payable in FY 2021-22)
M.M. Murugappan	15,00,000
Alain De Taeye <sup>@</sup>	15,00,000
Som Mittal	15,00,000
Vikas Sehgal	37,06,706
Vivek N Gour	15,00,000
Matangi Gowrishankar	15,00,000
Vinai Thummalapally	37,06,706
Ramesh Abhishek	10,00,000

<sup>@</sup> 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. It primarily focuses on:

- 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;
- Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- Provide guidance and make recommendations to improve investor service levels for the investors.

The Stakeholders' Engagement Committee met on 6 May 2020 and all the members were present for the meeting.

The below table gives the composition of the Committee

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

#### Status of Investor Complaints as on 31 March 2021 and reported under Regulation 13(3) of the Listing Regulations is as under:

Particulars	Opening	Received	Resolved	Pending
Dividend / Annual Report related / Others	0	102	102	0

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 also 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  
 Plot No. 11, Software Units Layout, Infocity,  
 Madhapur, Hyderabad-500 081, India.  
 Telephone No: 040-67641322  
 E-mail: company.secretary@cyient.com

**Corporate Social Responsibility Committee**

The Company has set up a CSR committee to, inter alia

- (a) 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
- (b) recommend the amount of expenditure to be incurred on the activities specified and
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

The Committee met on 6 May 2020 and all the members were present for the meeting. Composition of the committee during the year 2020-21 is as follows:

SI.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.

**Strategy & Client Engagement Committee**

During the financial year 2020-2021, the Strategy and Client Engagement committee reviewed the strategy and execution progress at both an organization and business unit level. It provided guidance and feedback on the overall growth plan, organization structure, and strategies for individual business units. It reviewed the impact of the pandemic and also the measures the company introduced to mitigate the risk to company performance and growth.

The committee reviewed the current processes for inorganic investment, including M&A and Corporate Venturing, provided recommendations on how to make the processes more robust. The committee provided feedback on 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.

The committee also monitored Client Engagement activities; 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 view of the ongoing pandemic, the regular strategy offsite that is held in January has been postponed and will be held virtually in July 2021. The strategy offsite is attended by the full board of directors and focuses on Cyient's overall strategic vision and status of the execution. The director's feedback and recommendations are incorporated into the overall execution plan.

The composition of the Strategy & Client Engagement Committee as on 31 March 2021 is as follows:

Name of the Director	Position
Som Mittal	Chairman
Alain De Taeye	Member
Vivek Gour	Member
Ramesh Abhishek	Member

The committee met four times during the year.

**Diversity & Inclusion Committee**

The committee continues to invest and focus on creating an inclusive workplace where every associate can contribute to the

best of their abilities, where diverse backgrounds and experiences help to create a culture of innovation, empathy and continuous learning. The committee oversaw the following during the year:

*Inclusions Ambassador Program:*

We launched the Inclusion Ambassador Program 2.0 with the objective to both increase global collaboration and to continue to focus on local opportunities. The group was instrumental in creating and implementing multiple nudges to help associates manage through both work and personal challenges due to COVID.

*DIEL 2.0:*

DIEL (Diversity, Inclusivity, Equity driven Leadership) is our mentorship program to help develop a strong leadership pipeline within Cyient. DIEL 2.0 was launched with 50 mentor / mentee pairings and will continue over 12 months. This year we continue to focus on developing female leadership, but we have included both genders in the mentee population.

*D&I Metrics:*

We have launched out D&I dashboards to track minority representation at all levels in the company. These metrics will be reviewed by the Board of Directors, Senior Leadership and the D&I Council to track progress and trends. The teams will determine necessary interventions to ensure that we are building a diverse and inclusive workforce to power our growth.

*Unbiased Recruitment:*

We have extended our partnership with Data People (previously Tap Recruit) to ensure that we are attracting diverse talent by having unbiased job descriptions. Last year we saw 250% increase in female applicants from the previous year.

*Parental Leave:*

We are very excited to have launched a comprehensive parental leave policy that provides time off for both primary and secondary caregivers.

*COVID 19 Support:*

The D&I teams will continue to be focused on how best to support all of the company's stakeholders as we continue to navigate the COVID 19 Pandemic.

The composition of the Diversity & Inclusion Committee as on 31 March 2021 is as follows:

Name of the Member	Position
Matangi Gowrishankar	Chairman
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 were 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 put up on the Company's website and can be accessed at <https://www.cyient.com/investors/corporate-governance/>.

### General Body Meetings

#### (a) Annual General Meeting:

Year(s)	Date of AGM	Time	Venue	No. of special resolutions passed
2019-20	31 July 2020	4:00 PM	through Video Conference (VC) or Other Audio Visual Means (OAVM)	02
2018-19	6 June 2019	3:00 PM	L&D Centre (company's campus), Plot No. 2, IT Park, Manikonda, Hyderabad- 500032, Telangana	04
2017-18	12 July 2018	3:00 PM	L&D Centre (company's campus), Plot No. 2, IT Park, Manikonda, Hyderabad- 500032, Telangana	Nil

#### (b) Extraordinary General Meeting

No Extra-ordinary General Meeting of the shareholders was held during the year.

#### (c) Postal Ballot

During the year, the Company has approached shareholders through postal ballot to pass four special resolutions:

Description	Type of resolution	No. of votes polled	Votes cast in favour	Votes cast against
<b>Resolutions dated 23 February 2021</b>				
Approval for the issue of stock options to the associates of the Company.	Special Resolution	7,19,40,887	6,41,55,742	77,85,145
Approval for the issue of stock options to the associates of the Subsidiary Companies.	Special Resolution	7,19,40,885	6,41,55,080	77,85,805
Approval of secondary acquisition of shares through the trust for implementation of the scheme	Special Resolution	7,19,40,890	6,41,76,135	77,64,755
Approval for provision of money by the company for the acquisition of shares by the trust	Special Resolution	7,19,40,890	6,41,76,146	77,64,744

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.

**(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. 32 of the consolidated 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. 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 Whistleblower Policy is available on the website of the Company i.e. [www.cyient.com](http://www.cyient.com). The company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements), 2015. 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 2020-21 to the Board of Directors at their meeting held on 22 April 2021, 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 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 results of the company are available on the website of the company i.e. [www.cyient.com](http://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](http://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](http://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.

### (i) 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	:	17 June 2021
Time	:	4:00 PM (IST)
Venue	:	through Video Conference (VC) or Other Audio Visual Means (OAVM)

### Financial Calendar

Financial Year - 1 April 2021 to 31 March 2022

#### Tentative calendar for declaration of financial results in financial year 2021-22

Results for the quarter ended	On or before
30 June 2021	15 July 2021
30 September 2021	14 October 2021
31 December 2021	20 January 2022
31 March 2022	21 April 2022

#### Book Closure dates

The dates for book closure are from 7 June 2021 to 17 June 2021 (both days inclusive).

#### Date of Payment of Dividend

Your Directors have recommended a final dividend of 17/- per equity share of ₹5.00 (340%) each for the financial year ended March 31, 2021. Subject to the approval of the shareholders, the dividend will be paid within 30 days from the date of AGM.

### 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 from time to time. 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 under review, 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](http://www.cyient.com). Company Secretary of the Company is 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 2021-22 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 2021 are as under:

(in ₹)

Month	NSE		BSE	
	High	Low	High	Low
Apr-2020	244.75	200.20	241.85	200.05
May-2020	244.00	184.00	243.90	184.15
Jun-2020	286.35	201.50	286.00	201.05
Jul-2020	337.75	248.00	337.60	247.90
Aug-2020	430.95	322.60	430.25	322.55
Sep-2020	442.45	367.10	442.00	367.35
Oct-2020	443.00	365.00	442.80	365.25
Nov-2020	513.00	394.80	493.90	391.10
Dec-2020	562.75	442.10	562.50	443.50
Jan-2021	678.20	478.65	678.00	478.45
Feb-2021	689.00	590.00	689.05	590.35
Mar-2021	708.35	621.25	707.95	625.00

## 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 2020	231.55	8,253.80	232.70	28,265.31
As on 31 March 2021	647.45	14,690.70	648.60	49,509.15
Changes (%)	179.61	77.99	178.73	75.16

### 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:

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, 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](mailto:company.secretary@cyient.com) / [Mayur.Maniyar@cyient.com](mailto:Mayur.Maniyar@cyient.com).

### Secretarial Audit

Secretarial audit for the financial year 2020-21 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 Practicing 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. Kfin 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 2021, 99.43% of the total shares have been dematerialized.

Total equity share capital as on 31 March 2021 was ₹ 55,01,49,060 comprising of 11,00,29,812 equity shares (previous year ₹ 54,98,56,105 comprising of 10,99,71,221 equity shares) of ₹ 5/- each.

Particulars	No. of Shares	% of Share Capital
National Securities Depository Limited (NSDL)	10,46,71,334	95.13
Central Depository Services (India) Limited (CDSL)	47,33,273	4.30
Physical Shares	6,25,205	0.57
<b>Total</b>	<b>11,00,29,812</b>	<b>100.00</b>

#### Distribution Schedule as on 31 March 2021

No. of shares	No. of Shareholders	% of total shareholders	No. of shares	% to Total Capital
Upto – 5000	56,819	99.13	84,86,971	7.71
5001 - 10000	176	0.31	12,76,698	1.16
10001 - 20000	97	0.17	14,13,547	1.28
20001 - 30000	41	0.07	10,15,765	0.92
30001 - 40000	20	0.03	7,02,475	0.64
40001 - 50000	16	0.03	7,00,673	0.64
50001 - 100000	40	0.07	29,19,419	2.65
100001 and above	107	0.19	9,35,14,264	84.99
<b>Total</b>	<b>57,316</b>	<b>100.00</b>	<b>11,00,29,812</b>	<b>100.00</b>

#### Distribution of Shareholding on the basis of ownership as on 31 March 2021

Category	No. of Holders	Total Shares	% to Equity
Foreign Portfolio Investors	185	4,23,23,655	38.47
Promoters	12	2,58,18,588	23.48
Mutual Funds	19	2,08,13,907	18.92
Bodies Corporates	420	6,79,658	0.62
Resident Individuals	55,496	1,13,02,915	10.27
Non Resident Indians	565	31,46,204	2.86
Non Resident Indian Non-Repatriable	465	13,93,628	1.27
Foreign Collaborators	1	15,00,000	1.36
Financial Institutions / Banks	1	85	0.00
Foreign Nationals	22	2,77,292	0.25
Trusts	9	1,63,553	0.15
Alternative Investment Fund	9	2,41,313	0.22
Clearing Members	105	2,38,234	0.22
Insurance Companies	3	10,57,541	0.96
Qualified Institutional Buyer	3	9,87,748	0.90
IEPF	1	85,491	0.08
<b>Total</b>	<b>57,316</b>	<b>11,00,29,812</b>	<b>100.00</b>

#### Shareholders of the company, having more than 1% shareholding as on 31 March 2021

Name of the shareholder	No. of shares	% of holding	Category
Vineyard Point Software Private Limited	1,40,00,000	12.73	PRO
Amansa Holding Private Limited	95,68,296	8.70	FPI
Infocad Enterprises Private Limited	70,00,000	6.37	PRO
Nippon Life India Trustee Ltd-A/C Nippon India Etfdividend Opportunities	45,72,890	4.16	MUT

Name of the shareholder	No. of shares	% of holding	Category
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund	45,37,848	4.12	MUT
ICICI Prudential Technology Fund	40,35,512	3.67	MUT
Templeton India Equity Income Fund	30,07,094	2.73	MUT
RBC Emerging Markets Small-Cap Equity Fund	23,11,185	2.10	FPI
Aberdeen Standard Asia Focus Plc	18,28,680	1.66	FPI
Tele Atlas Data 'S Hertogenbosch B V	15,00,000	1.36	FC
Fidelity Investment Trust Fidelity Internationals	14,65,166	1.33	FPI
Fidelity Global Intrinsic Value Investment Trust	12,50,000	1.14	FPI
Fidelity Rutland Square Trust li Strategic Adviser	12,50,000	1.14	FPI

Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

### 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 listed 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.

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 2021 (₹.)	Date of Declaration of Dividend	Last date for claiming un-paid dividends by Investors	Due date for transfer to IEPF
2013-14 (Final)	60%	1,414,413.00	July 17, 2014	August 23, 2021	September 22, 2021
2014-15 (Interim)	60%	26,60,580.00	September 29, 2014	October 28, 2021	November 27, 2021
2014-15 (Final)	100%	19,29,800.00	July 16, 2015	August 22, 2022	September 21, 2022
2015-16 (1 <sup>st</sup> interim)	60%	5,99,011.00	October 15, 2015	November 21, 2022	December 20, 2022
2015-16 (2 <sup>nd</sup> Interim)	80%	6,61,632.00	March 17, 2016	April 23, 2023	May 22, 2023
2016-17(Special)	50%	6,97,188.00	August 29, 2016	October 5, 2023	November 4, 2023
2016- 17(Interim)	60%	7,23,843.00	October 13, 2016	November 19, 2023	December 18, 2023
2016-17 (Final)	100%	9,47,730.00	July 13, 2017	August 19, 2024	September 18, 2024

Financial Year	Rate of Dividend	Amount of unclaimed dividend outstanding as on 31 March 2021 (₹.)	Date of Declaration of Dividend	Last date for claiming un-paid dividends by Investors	Due date for transfer to IEPF
2017-18 (1 <sup>st</sup> Interim)	100%	16,54,900.00	October 12, 2017	November 15, 2024	December 14, 2024
2017-18 (2 <sup>nd</sup> Interim)	80%	13,44,996.00	January 18, 2018	February 21, 2025	March 20, 2025
2017-18 (Final)	80%	11,36,512.00	July 12, 2018	August 18, 2025	September 17, 2025
2018-19 (Interim)	120%	15,40,302.00	October 17, 2018	November 20, 2025	December 19, 2025
2018-19 (Final)	180%	14,40,873.00	June 6, 2019	July 9, 2026	August 8, 2026
2019-20 (1st Interim)	120%	7,31,850.00	October 17, 2019	November 20, 2026	December 19, 2026
2019-20 (2nd Interim)	180%	20,45,925.00	March 12, 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 Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 April 2020	26	19,443
Shareholders who approached the company for transfer of shares from suspense account during the year	0	0
Shareholders to whom shares were transferred from suspense account during the year	0	0
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, 2021	26	19,443

The voting rights on the shares outstanding in the suspense account as on 31 March 2021 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](http://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,  
4<sup>th</sup>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, 2021 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.

Sl. No.	Name of Director	Designation	DIN	Date of appointment in Company
1	Venkat Rama Mohan Reddy Bodanapu	Executive Chairman	00058215	28/08/1991
2	Ganesh Venkat Krishna Bodanapu	Managing Director & CEO	05301037	24/04/2014
3	Murugappan Murugappan Muthiah	Non-executive & Non independent Director	00170478	10/08/1997
4	Som Mittal	Independent Director	00074842	24/04/2014
5	Vinai Kumar Thummalapally	Independent Director	07797921	20/04/2017
6	Vikas Sehgal	Independent Director	05218876	17/10/2018
7	Alain A De Taeye	Non-executive & Non independent Director	03015749	21/04/2010
8	Matangi Gowrishankar	Independent Director	01518137	25/04/2019
9	Vivek Narayan Gour	Independent Director	00254383	25/04/2019
10	Ramesh Abhishek	Independent Director	07452293	12/08/2020

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: 17.04.2021

**S. Chidambaram**  
Practicing Company Secretary:  
FCS No. 3935  
C P No: 2286  
UDIN: F003935C000120535

# INDEPENDENT AUDITOR'S REPORT

To the Members of Cyient Limited

Report on the Audit of the Standalone Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of Cyient Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, 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, 2021, 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, 2021. 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
<b>Impairment assessment of Investments and Intangible assets under development</b> (as described in note 5 and 4 respectively of the Standalone Financial Statements)	
<p>As at March 31, 2021, the Company has investments of ₹ 5,008 mn and intangible assets under development of ₹ 734 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.</p> <p>The inputs to the impairment testing model include:</p> <ul style="list-style-type: none"><li>• Projected revenue growth, operating margins, operating cash-flows and capex during the periods relating to explicit forecasts;</li><li>• Stable long-term growth rates beyond explicit forecast period and in perpetuity; and</li><li>• Discount rates that represent the current market assessment of the risks specific to the cash generating unit / intangible under development, taking into consideration the time value of money.</li></ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• We tested the design and operative effectiveness of management's key internal controls over impairment assessments;</li><li>• 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;</li><li>• With the assistance of specialists, we assessed the assumptions on 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;</li></ul>



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"> <li>• 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;</li> <li>• We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used;</li> <li>• We tested the arithmetical accuracy of the models;</li> <li>• We assessed the adequacy of the related disclosures in note 4 and 5 to the Standalone Financial Statements.</li> </ul>
<p><b>Accuracy of recognition, measurement, presentation and disclosure of Revenues</b> (as described in note 2 and 17 of the Standalone Financial Statements)</p>	
<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 judgements, we regard this as a key audit matter.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the design and operating effectiveness of management’s key internal controls over revenue recognition;</li> <li>• Tested relevant information technology systems’ controls relating to contracts and related information used in recording and disclosing revenue;</li> <li>• Substantive testing of sample revenue contracts and performed the following procedures to assess management analysis of compliance with Ind AS 115: <ul style="list-style-type: none"> <li>o Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>o Compared these performance obligations with that identified and recorded by the Company.</li> <li>o Considered the terms of the contracts and assessed the transaction price including any variable consideration to test revenue.</li> </ul> </li> <li>• 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 invoices;</li> <li>• 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;</li> <li>• We assessed the adequacy of the related disclosures made pursuant to Ind AS 115.</li> </ul>
<p><b>Allowance for credit losses for trade receivables including unbilled revenue</b> (as described in note 2 and 9 of the Standalone Financial Statements)</p>	
<p>As at March 31, 2021, the Company has outstanding trade receivables and unbilled revenue of ₹ 4,297 mn and ₹ 782 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"> <li>• We tested the design and operative effectiveness of management’s key internal controls over allowance for credit losses;</li> <li>• 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;</li> <li>• We performed analysis of ageing of receivables, tested the mathematical accuracy and computation of the allowance for credit losses;</li> <li>• We assessed the allowance for expected credit loss made by management including the possible effect from the pandemic relating to COVID-19.</li> </ul>

## 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, 2021 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.

#### 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to 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, 2021 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 23 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

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**per Vikas Pansari**

Partner

Membership Number: 093649

UDIN: 21093649AAAABB9933

Place of Signature: Mumbai

Date: April 22, 2021

## ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF 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, 2021 (₹ in million)	Net Block as at March 31, 2021 (₹ 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 Companies Act, 2013 ("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 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	182	0.1
		Customs, Excise and Service Tax Appellate Tribunal	April 2013 to June 2017	50	-
		Commissioner Audit (Central Excise and Service tax)	Apr'2006 to Mar'2010	137	-
		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
		Commissioner of Income Tax (Appeals)	2014-15, 2016-17 to 2017-18	47*	43
		Income Tax Appellate Tribunal	2009-10, 2012-13, 2013-14	29*	29

(\* excluding interest and penalty)

- 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

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**per Vikas Pansari**

Partner

Membership Number: 093649

UDIN: 21093649AAAABB9933

Place of Signature: Mumbai

Date: April 22, 2021

# ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF 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 with reference to the standalone financial statements of Cyient Limited ("the Company") as of March 31, 2021 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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 with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with 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, both issued by ICAI. 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 with reference to 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to 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 Company's internal financial controls with reference to Standalone Financial Statements.

### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to 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 with reference to 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 with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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**per Vikas Pansari**

Partner

Membership Number: 093649

UDIN: 21093649AAAABB9933

Place of Signature: Mumbai

Date: April 22, 2021

## Balance Sheet as at March 31, 2021

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

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	2,636	2,852
Right of use assets	3B	909	1,221
Capital work-in-progress		36	14
Other intangible assets	4	178	282
Intangible assets under development	4	734	613
Financial assets			
(a) Investments	5	5,008	5,107
(b) Loans and deposits	6	984	1,002
Deferred tax assets (net)	16 (d)	204	274
Income tax assets (net)	16 (f)	771	807
Other non-current assets	8	125	210
<b>Total non-current assets</b>		<b>11,585</b>	<b>12,382</b>
<b>Current assets</b>			
Financial assets			
(a) Trade receivables	9	4,297	5,658
(b) Cash and cash equivalents	10A	11,541	5,836
(c) Other bank balances	10B	2	1
(d) Loans and deposits	6	671	436
(e) Other financial assets	7	1,470	1,566
Other current assets	8	823	848
<b>Total current assets</b>		<b>18,804</b>	<b>14,345</b>
<b>Total assets</b>		<b>30,389</b>	<b>26,727</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	11A	550	550
Other equity	11B	23,429	20,433
<b>Total equity</b>		<b>23,979</b>	<b>20,983</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions	12	956	834
Financial liabilities			
(a) Lease liabilities	3B	769	1,014
(b) Other financial liabilities	14	51	-
<b>Total non-current liabilities</b>		<b>1,776</b>	<b>1,848</b>

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>Current liabilities</b>			
Financial liabilities			
(a) Trade payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		11	13
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,741	2,571
(b) Lease liabilities	3B	272	347
(c) Other financial liabilities	14	84	331
Income tax liabilities (net)	16 (f)	97	134
Provisions	12	200	163
Other current liabilities	15	1,229	337
<b>Total current liabilities</b>		<b>4,634</b>	<b>3,896</b>
<b>Total liabilities</b>		<b>6,410</b>	<b>5,744</b>
<b>Total equity and liabilities</b>		<b>30,389</b>	<b>26,727</b>
Corporate information and significant accounting policies Accompanying notes form an integral part of the financial statements	1 & 2		

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 : April 22, 2021

For and on behalf of the Board of Directors  
**Cyient Limited**

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

**Ajay Aggarwal**  
Executive Director and  
Chief Financial Officer  
(DIN-02565242)

Place : Hyderabad  
Date : April 22, 2021

**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, 2021

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

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>INCOME</b>			
Revenue from operations	17	13,799	15,231
Other income	18	1,198	1,267
<b>Total income</b>		<b>14,997</b>	<b>16,498</b>
<b>EXPENSES</b>			
Employee benefits expense	19	7,235	7,672
Finance costs	20	146	148
Depreciation and amortisation expense	21	962	990
Impairment of non-current assets	24	114	311
Other expenses	22	3,020	4,034
<b>Total expenses</b>		<b>11,477</b>	<b>13,155</b>
<b>Profit before tax</b>		<b>3,520</b>	<b>3,343</b>
<b>Tax expense</b>			
Current tax	16 (a)	755	743
Deferred tax (credit)/charge		(16)	120
<b>Total tax expense</b>		<b>739</b>	<b>863</b>
<b>Profit for the year</b>		<b>2,781</b>	<b>2,480</b>
<b>Other comprehensive income (OCI)</b>			
(a) Items that will not be reclassified subsequently to statement of profit and loss:			
(i) Remeasurements of the net defined benefit liability	12	(104)	26
(ii) Equity instruments through other comprehensive income		-	4
(iii) Income tax relating to items that will not be reclassified to statement of profit and loss	16 (b)	22	(6)
(b) Items that will be reclassified subsequently to statement of profit and loss:			
(i) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge	11B	311	(541)
(ii) Income tax on items that may be reclassified to statement of profit and loss	16 (b)	(109)	189
<b>Total other comprehensive income</b>		<b>120</b>	<b>(328)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>2,901</b>	<b>2,152</b>

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Earnings per equity share (par value of ₹ 5 each)</b>	<b>25</b>		
Basic (₹)		25.29	22.56
Diluted (₹)		25.27	22.56
Corporate information and significant accounting policies Accompanying notes form an integral part of the financial statements	1 & 2		

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 : April 22, 2021

For and on behalf of the Board of Directors  
**Cyient Limited**

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

**Ajay Aggarwal**  
Executive Director and  
Chief Financial Officer  
(DIN-02565242)

Place : Hyderabad  
Date : April 22, 2021

**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, 2021

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

### a. Equity share capital

Particulars	Notes	Amount
<b>Balance as at April 1, 2019</b>		552
Issue of shares during the year	1	1
Shares bought back and extinguished during the year	11A	(3)
<b>Balance as at March 31, 2020</b>		<b>550</b>
Issue of shares during the year*	11A	-
<b>Balance as at March 31, 2021</b>		<b>550</b>

\* During the year, the Company allotted 58,591 equity shares of ₹ 5 each valuing ₹ 0.29 (rounded off), consequent to the exercise of the stock options by the associates of the Company under the Associate Stock Option Plan.

### 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	Share application money pending allotment	Cash flow hedge reserve	Equity instruments through OCI	
<b>Balance as at April 1, 2019</b>		13	2,380	5,276	71	13,716	-	274	2	21,732
Profit for the year		-	-	-	-	2,480	-	-	-	2,480
Other comprehensive income		-	-	-	-	20	-	(352)	4	(328)
<b>Total comprehensive income for the year</b>		-	-	-	-	2,500	-	(352)	4	2,152
Issue of shares under the Company's associate stock option plan	11B	-	23	-	(7)	-	-	-	-	16
Share-based payments expense	11B	-	-	-	42	-	-	-	-	42
Dividends paid (including dividend distribution tax)	31	-	-	-	-	(3,181)	-	-	-	(3,181)
Buyback of equity shares	11A	-	(328)	-	-	-	-	-	-	(328)
Amount transferred to capital redemption reserve upon Buyback	11A	3	-	(3)	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>		<b>16</b>	<b>2,075</b>	<b>5,273</b>	<b>106</b>	<b>13,035</b>	<b>-</b>	<b>(78)</b>	<b>6</b>	<b>20,433</b>

Particulars	Notes	Reserves and surplus						Items of other comprehensive income			Total other equity	
		Capital Redemption Reserve	Securities premium reserve	General reserve	Share based payments reserve	Retained earnings	Share application money pending allotment	Cash flow hedge reserve	Equity instruments through OCI			
Profit for the year		-	-	-	-	2,781	-	-	-	-	-	2,781
Other Comprehensive Income		-	-	-	-	(82)	-	202	-	-	-	120
<b>Total comprehensive income for the year</b>		-	-	-	-	<b>2,699</b>	-	<b>202</b>	-	-	-	<b>2,901</b>
Issue of shares under the Company's associate stock option plan	11B	-	36	-	(5)	-	7	-	-	-	-	38
Share-based payments expense	11B	-	-	-	57	-	-	-	-	-	-	57
<b>Balance as at March 31, 2021</b>		<b>16</b>	<b>2,111</b>	<b>5,273</b>	<b>158</b>	<b>15,734</b>	<b>7</b>	<b>124</b>	<b>6</b>	<b>23,429</b>		

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)

**Krishna Bodanapu**

Managing Director and CEO  
(DIN - 00605187)

**Ajay Aggarwal**

Executive Director and  
Chief Financial Officer  
(DIN-02565242)

**Sudheendhra Putty**

Company Secretary  
(M.No. - F5689)

Place : Mumbai

Date : April 22, 2021

Place : Hyderabad

Date : April 22, 2021

## Cash Flow Statement for the year ended March 31, 2021

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit for the year</b>	<b>2,781</b>	<b>2,480</b>
<i>Adjustments for:</i>		
Tax expense	739	863
Depreciation and amortisation expense	962	990
Profit on sale of property, plant and equipment and termination of leases, (net)	(16)	(3)
Finance costs	146	148
Share-based payments expense	42	25
Impairment of non-current assets	114	311
Interest income	(544)	(495)
Dividend from mutual funds	-	(29)
Liabilities no longer required written back	(7)	(4)
Gain on fair valuation of financial instrument	-	(2)
Provision for expected credit loss, (net)	39	107
Unrealised forex gain, net	(9)	(62)
<b>Operating profit before working capital changes</b>	<b>4,247</b>	<b>4,329</b>
<i>Changes in working capital:</i>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Trade receivables	1,406	(756)
Other financial assets	426	(163)
Other assets	2	602
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	219	509
Other current liabilities	886	5
Other financial liabilities	-	(25)
Provisions	55	63
<b>Cash generated from operations</b>	<b>7,241</b>	<b>4,564</b>
Net income taxes paid	(756)	(1,144)
<b>Net cash flow from operating activities (A)</b>	<b>6,485</b>	<b>3,420</b>



Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment towards purchase of property, plant and equipment and intangible assets	(457)	(844)
Proceeds from sale of property, plant and equipment	7	8
Payments to acquire financial assets - mutual funds	-	(5,901)
Proceeds from sale of financial assets - mutual funds	-	6,179
Loans given to subsidiaries	(530)	(940)
Loans repaid by subsidiaries	300	204
Interest received	358	608
Payments to acquire financial assets		
- Investment in non current investments	(15)	-
Dividend received		
- Mutual funds	-	29
Movement in other bank balances	(1)	104
<b>Net cash used in investing activities (B)</b>	<b>(338)</b>	<b>(553)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment towards buyback including transaction cost	-	(395)
Proceeds from issue of equity shares (includes share application money)	37	17
Repayment of lease liabilities	(505)	(509)
Proceeds from sale and leaseback of assets	51	-
Interest paid	(9)	(13)
Dividends paid (includes transfer to investor education and protection fund)	(10)	(2,627)
Dividend distribution tax	-	(542)
<b>Net cash used in financing activities (C)</b>	<b>(436)</b>	<b>(4,069)</b>
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	5,711	(1,202)
Cash and cash equivalents at the beginning of the year	5,836	7,022
Exchange differences on translation of foreign currency cash and cash equivalents	(6)	16
<b>Cash and cash equivalents at the end of the year (refer note (i) below)</b>	<b>11,541</b>	<b>5,836</b>

Notes:

(i) Cash and cash equivalents comprises of (refer note 10A):

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balances with banks		
in current accounts	885	337
in deposit accounts	10,632	2,373
Deposits with financial institutions	-	2,993
Unpaid dividend	24	34
Remittances in transit	-	99
	<b>11,541</b>	<b>5,836</b>

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 : April 22, 2021

For and on behalf of the Board of Directors  
**Cyient Limited**

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Place : Hyderabad  
Date : April 22, 2021

**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 00605187)

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

# Notes forming part of the financial statements for the year ended March 31, 2021

(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 April 22, 2021.

## 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

- Derivative financial instruments and
- 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. 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, investments 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.

#### **iv. 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.

#### **v. 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.

#### vi. 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 is 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.

#### vii. 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
Leasehold 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.

### **viii. 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.

### **ix. 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.

## x. 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 and 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.

## xi. 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.

## xii. 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.

### xiii. 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.

### xiv. 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.

### xv. 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.



#### xvi. 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.

#### xvii. 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.

#### xviii. 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. 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.

#### xix. 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, 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.

#### xx. 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.

#### xxi. 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 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.

**xxii. 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'.

**xxiii. 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.

**xxiv. New and amended standards**

**(A) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019.

**(B) Amendments to Ind AS 103 Business Combinations**

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period.

### (C) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020.

### (D) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships. The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020.

These amendments are not expected to have a significant impact on the Company's financial statements.

### 3A. Property, plant and equipment

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Freehold land	16	16
Leasehold land	-	-
Buildings	1,377	1,435
Leasehold improvements	-	-
Computers	326	377
Plant and equipment	413	440
Office equipment	122	151
Furniture and fixtures	207	233
Electrical installations	164	183
Vehicles	11	17
<b>Total</b>	<b>2,636</b>	<b>2,852</b>

**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 [refer note (e) below]	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
<b>I. Cost</b>											
<b>Balance as at April 1, 2019</b>	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 note 3B)	-	(9)	-	-	-	-	-	-	-	-	(9)
Disposals	-	-	-	-	(300)	(1)	(6)	(3)	(1)	-	(311)
<b>Balance as at March 31, 2020</b>	16	-	2,175	4	1,577	1,153	453	625	548	41	6,592
Additions	-	-	20	-	130	51	34	10	13	-	258
Disposals	-	-	-	-	(2)	(9)	(11)	(18)	(12)	(4)	(56)
<b>Balance as at March 31, 2021</b>	16	-	2,195	4	1,705	1,194	476	617	549	37	6,793
<b>II. Accumulated depreciation</b>											
<b>Balance as at April 1, 2019</b>	-	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 note 3B)	-	(9)	-	-	-	-	-	-	-	-	(9)
Disposals	-	-	-	-	(299)	(1)	(5)	(1)	-	-	(306)
<b>Balance as at March 31, 2020</b>	-	-	740	4	1,200	713	302	392	365	24	3,740
Depreciation charge for the year	-	-	78	-	181	73	59	35	31	4	461
Disposals	-	-	-	-	(2)	(5)	(7)	(17)	(11)	(2)	(44)
<b>Balance as at March 31, 2021</b>	-	-	818	4	1,379	781	354	410	385	26	4,157
<b>III. Carrying amounts (I-II)</b>											
<b>Net book value as at March 31, 2020</b>	16	-	1,435	-	377	440	151	233	183	17	2,852
<b>Net book value as at March 31, 2021</b>	16	-	1,377	-	326	413	122	207	164	11	2,636

b. Includes ₹ 4 (March 31, 2020 - ₹ 4) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

c. Includes ₹ 9 (March 31, 2020 - ₹ 9) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

d. Includes ₹ 930 (March 31, 2020 - ₹ 922) relating to building constructed on leasehold land.

e. During the year, the Company has entered into sale and leaseback transaction for sale of computers for a consideration of ₹ 57. As the transaction has not met conditions specified under Ind AS 115, these assets continued to be recognised under property, plant and equipment and financial liability equivalent to the sale consideration has been recognised in other financial liabilities. As at March 31, 2021, closing balance of the financial liability, net of repayment is ₹ 51 (refer note 14).

### 3B. Leases

#### Transition

Effective April 1, 2019, the Company had 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 had applied modified retrospective approach for all leases existing at the date of initial application and the cumulative effect of applying Ind AS 116 had 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 was not material on the profit for the previous year.

#### a) Right of use assets:

Movement in the carrying amount of right of use assets is as below:

Particulars	Category of ROU assets			
	Leasehold land	Buildings	Computers	Total
<b>Balance as at April 1, 2019</b>	<b>41</b>	<b>1,031</b>	<b>445</b>	<b>1,517</b>
Additions	6	97	47	150
Depreciation	(4)	(198)	(244)	(446)
<b>Balance as at March 31, 2020</b>	<b>43</b>	<b>930</b>	<b>248</b>	<b>1,221</b>
Additions	-	51	112	163
Deletions	-	(94)	-	(94)
Depreciation	(4)	(187)	(190)	(381)
<b>Balance as at March 31, 2021</b>	<b>39</b>	<b>700</b>	<b>170</b>	<b>909</b>

#### b) Current and non current lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	272	347
Non-current lease liabilities	769	1,014
<b>Total</b>	<b>1,041</b>	<b>1,361</b>

The following is the movement in lease liabilities during the year ended:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balance at the beginning of the year</b>	<b>1,361</b>	<b>1,591</b>
Additions	163	144
Deletions	(115)	-
Finance cost accrued during the year	137	135
Payment of lease liabilities	(505)	(509)
<b>Balance at the end of the year</b>	<b>1,041</b>	<b>1,361</b>

The table below provides details regarding contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	451	468
One to five years	898	814
More than five years	1,159	669
<b>Total</b>	<b>2,508</b>	<b>1,951</b>

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 ₹ 23 (March 31, 2020: ₹ 38) included under other expenses in the statement of profit and loss (refer note 22).

#### 4. Other intangible assets

Particulars	As at March 31, 2021	As at March 31, 2020
Computer software	178	282
Other intangible assets	-	-
Total	178	282
<b>Intangible assets under development [refer note (a) below]</b>	<b>734</b>	<b>613</b>

#### Notes:

- a. In 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 ₹ 734 (March 31, 2020: ₹ 613) have been classified under 'Intangible asset under development'. During the year, the Company has sublicensed the technology license to its wholly owned subsidiary, Cyient DLM Private Limited, for a consideration based on royalty from future sale of the products. No financial impact has been recognised for this transaction.

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 six years, with one year transition period, discount rate of 25% and terminal growth rate of 5%.

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

Particulars	Computer Software	Other Intangible assets	Total
<b>I. Cost:</b>			
<b>Balance as at April 1, 2019</b>	<b>2,741</b>	<b>147</b>	<b>2,888</b>
Additions	246	-	246
<b>Balance as at March 31, 2020</b>	<b>2,987</b>	<b>147</b>	<b>3,134</b>
Additions	16	-	16
<b>Balance as at March 31, 2021</b>	<b>3,003</b>	<b>147</b>	<b>3,150</b>
<b>II. Accumulated amortisation:</b>			
<b>Balance as at April 1, 2019</b>	<b>2,537</b>	<b>147</b>	<b>2,684</b>
Amortisation for the year	168	-	168
<b>Balance as at March 31, 2020</b>	<b>2,705</b>	<b>147</b>	<b>2,852</b>
Amortisation for the year	120	-	120
<b>Balance as at March 31, 2021</b>	<b>2,825</b>	<b>147</b>	<b>2,972</b>
<b>Carrying Amounts (I - II):</b>			
<b>Net book value as at March 31, 2020</b>	<b>282</b>	<b>-</b>	<b>282</b>
<b>Net book value as at March 31, 2021</b>	<b>178</b>	<b>-</b>	<b>178</b>



## 5. Investments

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current (unquoted) (refer note 1 below)</b>		
<b>Investment carried at cost:</b>		
(i) Equity instruments of subsidiary companies	4,957	5,051
(ii) Equity instruments of joint venture company	-	20
	<b>4,957</b>	<b>5,071</b>
<b>Investment carried at fair value through other comprehensive income:</b>		
Equity instruments of other entities (unquoted)	39	24
<b>Investment carried at fair value through profit and loss:</b>		
Compulsorily convertible preference shares of other entities (unquoted)	12	12
<b>Total non-current investments</b>	<b>5,008</b>	<b>5,107</b>

### Note 1: Details of investments-non-current (unquoted)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
<b>Equity instruments of subsidiary companies (fully paid-up):</b>				
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 24A(i))	900	5	900	5
Cyient Singapore Private Limited, Singapore @ 3	3,599,977	144	3,599,977	238
Cyient Australia Pty Limited, Australia @ 1	1,000	-	1,000	-
Cyient Insights Private Limited, India	1,999,478	122	1,999,478	122
Cyient DLM Private Limited, India	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	10,200	-	10,200	-
		<b>4,957</b>		<b>5,051</b>
<b>Equity instruments of joint venture company (fully paid-up):</b>				
Infotech HAL Limited, India @ 4	2,000,000	-	2,000,000	20
<b>Equity instruments of other entities (fully paid-up):</b>				
Cardiac Design Labs Private Limited, India	6,036	24	6,036	24
Qunu Labs Private Limited	67,437	15	-	-
<b>Compulsorily convertible preference shares of other entities (fully paid-up):</b>				
Cardiac Design Labs Private Limited, India	3,048	12	3,048	12
<b>Total</b>		<b>5,008</b>		<b>5,107</b>

@1. Investment value is ₹ 0.05 (March 31, 2020: ₹ 0.05), rounded off.

@2. Investment value is ₹ 0.1 (March 31, 2020: ₹ 0.1), rounded off.

@3. During the year, the Company has impaired the carrying value of investment in its subsidiary company, Cyient Singapore Private Limited by ₹ 94, based on the business forecasts and long term outlook of the business.

@4. During the year, the Company has impaired the carrying value of its investment in joint venture company, Infotech HAL Limited, India of ₹ 20, based on the long term outlook of the business.

**Note 2: Carrying values:**

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate amount of unquoted investments	5,008	5,107
Aggregate amount of investments carried at fair value through other comprehensive income	39	24
Aggregate amount of investments (current and non-current) carried at fair value through profit and loss	12	12

**6. Loans and deposits**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(at amortised cost)</b>		
<b>Non-current:</b>		
Security deposits		
Considered good	182	201
Considered doubtful	16	16
Less: Allowance for doubtful deposits	(16)	(16)
Loan to subsidiaries (refer note (i) below and 24)		
Considered good	802	801
Considered doubtful	311	311
Less: Impairment (refer note (ii) below)	(311)	(311)
<b>Total non-current loans and deposits</b>	<b>984</b>	<b>1,002</b>
<b>Current:</b>		
Loan to subsidiaries (refer note (i) below and 24)	671	434
Loan to employees	-	2
<b>Total current loans</b>	<b>671</b>	<b>436</b>
<b>Total loans and deposits</b>	<b>1,655</b>	<b>1,438</b>

**Notes:**

- i) Loans to subsidiaries have been utilized for meeting their general and corporate purposes.
- ii) In the previous 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 for FY 20 (refer note 24). During the year, CSS has recovered ₹ 35 against aforesaid impairment of non-current assets. (refer note 24)

## 7. Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current:</b>		
<b>(at amortised cost)</b>		
Unbilled revenue (refer note below)	782	1,174
Interest accrued on deposit accounts	265	149
Interest accrued on loan given to subsidiaries (refer note 24)	71	7
Other receivables (refer note below)	115	114
<b>(at FVTOCI)</b>		
Derivative instruments designated in a hedging relationship	237	122
<b>Total Other current financial assets</b>	<b>1,470</b>	<b>1,566</b>

**Note:** Includes amounts to related parties (refer note 24)

## 8. Other assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(at amortised cost)</b>		
<b>Non-current:</b>		
Capital advances	11	12
Prepaid expenses	14	5
Deferred contract costs	100	193
<b>Total Other non-current assets</b>	<b>125</b>	<b>210</b>
<b>Current:</b>		
Prepaid expenses	353	399
Deferred contract costs	57	71
Advances to suppliers and service providers (refer note below)	202	137
Balance with government authorities	211	241
<b>Total Other current assets</b>	<b>823</b>	<b>848</b>
<b>Total Other assets</b>	<b>948</b>	<b>1,058</b>

**Note:** Includes amounts to related parties (refer note 24)

## 9. Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - Unsecured*	4,297	5,658
Trade receivables - credit impaired	67	92
Expected credit loss allowance	(67)	(92)
<b>Total</b>	<b>4,297</b>	<b>5,658</b>

\* Includes dues from related parties (refer note 24)

### **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, 2021	As at March 31, 2020
Within the credit period	2,570	3,067
1-90 days past due	1,581	1,095
91-180 days past due	90	139
181-365 days past due	56	680
More than 365 days past due	67	769
<b>Balance at the end of the year</b>	<b>4,364</b>	<b>5,750</b>

Movement in the expected credit loss allowance	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	92	99
Provision made during the year	53	85
Reversal of provision on account of collection of bad debts	(7)	(4)
Bad debts written-off	(71)	(88)
<b>Balance at the end of the year</b>	<b>67</b>	<b>92</b>

## 10. Cash and Bank Balances

### 10A. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
in current accounts	885	337
in deposit accounts (refer note 1)	10,632	2,373
Cash on hand (refer note 2)	-	-
Deposits with financial institutions (refer note 1)	-	2,993
Unpaid dividend	24	34
Remittances in transit	-	99
<b>Total</b>	<b>11,541</b>	<b>5,836</b>

#### Notes:

- 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 ₹ 0.50 (As at March 31, 2020: ₹ 0.49).

### 10B. Other bank balances

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits held as margin money/security for bank guarantees	2	1
<b>Total</b>	<b>2</b>	<b>1</b>

### Reconciliation of liabilities arising from financing activities for the year end March 31, 2021:

Particulars	As at March 31, 2020	Additions/ deletions	Repayment	As at March 31, 2021
Lease liabilities	1,361	185	(505)	1,041
<b>Total liabilities from financing activities</b>	<b>1,361</b>	<b>185</b>	<b>(505)</b>	<b>1,041</b>

### 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
<b>Total liabilities from financing activities</b>	<b>-</b>	<b>1,870</b>	<b>(509)</b>	<b>1,361</b>

### 11A. Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised share capital:</b>		
280,000,000 equity shares of ₹ 5 each (March 31, 2020 : 280,000,000)	1,400	1,400
<b>Issued and subscribed capital:</b>		
110,029,812 fully paid-up equity shares of ₹ 5 each (March 31, 2020 : 109,971,221)	550	550
<b>Total</b>	<b>550</b>	<b>550</b>

#### Notes:

#### 1. Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Opening balance	109,971,221	550	110,474,173	552
Add: Issue of shares during the year (refer note below)	58,591	-	50,493	1
Less: Shares bought back and extinguished during the year (refer note 4 below)	-	-	(553,445)	(3)
<b>Closing Balance</b>	<b>110,029,812</b>	<b>550</b>	<b>109,971,221</b>	<b>550</b>

**Note:** During the year, the Company allotted 58,591 equity shares of ₹ 5 each valuing ₹ 0.29 (rounded off), consequent to the exercise of the stock options by the associates of the Company under the Associate Stock Option Plan.

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

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid up equity shares</b>				
Vineyard Point Software Private Limited	14,000,000	12.72%	13,256,634	12.05%
Amansa Holdings Private Limited	9,568,296	8.70%	7,768,358	7.06%
Infocad Enterprises Private Limited	7,000,000	6.36%	5,628,317	5.12%

### 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:

Aggregate number of equity shares bought back during the period of previous five years : 3,123,963 (March 31, 2020: 3,123,963).

### 5. Details of shares allotted under Associate Stock Option Plans:

- (i) 1,078,568 (March 31, 2020: 1,040,818) 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)
- (ii) 20,841 (March 31, 2020: Nil) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2008 (ASOP - 2015)

### 6. Details of shares reserved for issue:

- (i) Shares aggregating 121,000 and 204,750 as at March 31, 2021 and March 31, 2020 respectively, reserved for issue under ASOP 2008 scheme.
- (ii) Shares aggregating 855,468 and 701,434 as at March 31, 2021 and March 31, 2020 respectively, reserved for issue under ASOP 2015 scheme.
- (iii) Shares aggregating 186,200 (March 31, 2020: Nil), reserved for issue under RSU scheme 2020.

### 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, 2021		For the year ended March 31, 2020	
	No. of Options	Weighted average exercise price	No. of Options	Weighted average exercise price
Options outstanding at the beginning of the year	204,750	522	297,746	482
Forfeited	(46,000)	547	(42,503)	466
Exercised	(37,750)	515	(50,493)	335
<b>Options outstanding at the end of year</b>	<b>121,000</b>	<b>510</b>	<b>204,750</b>	<b>522</b>

Out of the total outstanding options, 47,503 (March 31, 2020: 65,003) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2021, 1,078,568 (March 31, 2020: 1,040,818) 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 121,000 (March 31, 2020: 204,750) are outstanding as at March 31, 2021.

### 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, 2021		For the year ended March 31, 2020	
	No. of Options	Weighted average exercise price	No. of Options	Weighted average exercise price
Options outstanding at the beginning of the year	701,434	551	396,320	655
Granted	316,240	467	375,270	456
Forfeited	(141,365)	545	(70,156)	628
Exercised	(20,841)	529	-	-
<b>Options outstanding at the end of year</b>	<b>855,468</b>	<b>522</b>	<b>701,434</b>	<b>551</b>

Out of the total outstanding options, 365,080 (March 31, 2020: 257,080) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2021, 20,841 (March 31, 2020: 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 855,468 (March 31, 2020: 701,434) are outstanding as at March 31, 2021.

### 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. The RSUs will vest over a period of three years from the date of grant.

#### Movements in stock options during the year

##### ARSU 2020

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	No. of Options	Weighted average exercise price	No. of Options	Weighted average exercise price
Options outstanding at the beginning of the year	-	-	-	-
Granted	193,030	5	-	-
Forfeited	(6,830)	5	-	-
<b>Options outstanding at the end of year</b>	<b>186,200</b>	<b>5</b>	<b>-</b>	<b>-</b>

Out of the total outstanding options 13,210 (March 31, 2020: Nil) options pertain to options granted to the associates of subsidiary companies.

Options (net of cancellations) for a total number of 186,200 (March 31, 2020: Nil) are outstanding as at March 31, 2021.

## ii. Fair value of stock options granted during the year:

The weighted average fair value of the share options during the year is ₹ 61.69 - ₹ 256.08 (2019-20: ₹ 112.34 - ₹ 116.47). 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	March 31, 2021	March 31, 2020
<b>a) ASOP 2008</b>		
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>b) ASOP 2015</b>		
Exercise price (₹)	222 - 741	448 - 741
Grant date share price (₹)	235 - 734.95	450 - 734.95
Dividend yield (%)	1.7 - 2.5	1.7 - 1.9
Expected volatility (%)	29.8 - 38.96	29.82 - 32.2
Risk-free interest (%)	4.49 - 7.9	5.95 - 7.9
Expected term (in years)	3 to 4	3 - 4
<b>c) RSU 2020</b>		
Exercise price (₹)	5	-
Grant date share price (₹)	284.15	-
Dividend yield (%)	2.5	-
Expected volatility (%)	34.7 - 37.1	-
Risk-free interest (%)	4.49 - 4.91	-
Expected term (in years)	3 - 4	-

## iii. 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)	2020-21	37,750	March 6, 2021	630.45
Associate Stock Option Plan – 2015 (ASOP 2015)	2020-21	20,841	March 6, 2021	630.45
Associate Stock Option Plan – 2008 (ASOP 2008)*	2019-20	50,493	July to Aug	446.5 - 528.2

\* Allotment happened at various dates during that period



## 11B. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(a) Capital redemption reserve</b>		
(i) Opening balance	16	13
(ii) Appropriation from general reserve upon Buyback of equity shares	-	3
	<b>16</b>	<b>16</b>
<b>(b) Securities premium</b>		
(i) Opening balance	2,075	2,380
(ii) Options exercised	6	7
(iii) Premium received on allotment of shares	30	16
(iv) Amount paid upon for Buyback (refer note 11A(4))	-	(328)
	<b>2,111</b>	<b>2,075</b>
<b>(c) General reserve</b>		
(i) Opening balance	5,273	5,276
(ii) Transfer to capital redemption reserve upon Buyback of equity shares	-	(3)
	<b>5,273</b>	<b>5,273</b>
<b>(d) Share based payments reserve</b>		
(i) Opening balance	106	71
(ii) Share-based payments expense	57	42
(iii) Options exercised	(5)	(7)
	<b>158</b>	<b>106</b>
<b>(e) Cash flow hedge reserve</b>		
(i) Opening balance	(78)	274
(ii) Effective portion of gain/(loss) on designated portion of hedging instruments (net of tax)	202	(352)
	<b>124</b>	<b>(78)</b>
<b>(f) Retained earnings</b>		
(i) Opening balance	13,035	13,797
(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)	(82)	20
(iv) Profit for the year	2,781	2,480
	<b>15,734</b>	<b>16,216</b>
Less: Appropriations		
(a) Dividend on equity shares (refer note 31)	-	2,639
(b) Dividend distribution tax	-	542
	<b>15,734</b>	<b>13,035</b>
<b>(g) Equity instrument through other comprehensive income</b>		
(i) Opening balance	6	2
(ii) Increase in fair value of equity instruments (net of tax) (refer note 5)	-	4
	<b>6</b>	<b>6</b>

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(h) Share application money pending allotment</b>		
(i) Opening balance	-	-
(ii) Received during the year	7	-
	7	-
<b>Total</b>	<b>23,429</b>	<b>20,433</b>

**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.

**(h) Share application money pending allotment**

Represents amount received from associates on exercise of stock options, pending allotment.

## 12. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity [refer note (i) below]	882	764
Compensated absences [refer note (ii) below]	269	229
Other provisions	5	4
<b>Total</b>	<b>1,156</b>	<b>997</b>
<b>Non-current:</b>		
Gratuity	772	678
Compensated absences	184	156
<b>Total non-current provisions</b>	<b>956</b>	<b>834</b>
<b>Current:</b>		
Gratuity	110	86
Compensated absences	85	73
Other provisions	5	4
<b>Total current provisions</b>	<b>200</b>	<b>163</b>
<b>Total</b>	<b>1,156</b>	<b>997</b>

### 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, 2021	As at March 31, 2020
Discount rate (%)	5.75%	6.05%
Salary increase rate (%)	6.00% - 10.00%	6.00% - 7.00%
Attrition (%)	20%	20%
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) 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, 2021	For the year ended March 31, 2020
<b>Amounts recognised in statement of profit and loss in respect of defined benefit plans</b>		
Current service cost	97	115
Past service cost	20	-
<b>Total service cost (A)</b>	<b>117</b>	<b>115</b>
Interest expense on defined benefit obligation	46	53
Interest income on plan assets	(5)	(9)
<b>Net interest cost (B)</b>	<b>41</b>	<b>44</b>
<b>Defined benefit cost recognised in statement of profit and loss (A) + (B)</b>	<b>158</b>	<b>159</b>
<b>Remeasurement effects recognised in other comprehensive income</b>		
Actuarial loss/ (gain) due to financial assumptions change in defined benefit obligation	65	(26)
Actuarial loss/ (gain) due to experience on defined benefit obligation	36	(3)
Return on plan assets less than discount rate	3	3
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>104</b>	<b>(26)</b>
<b>Total</b>	<b>262</b>	<b>133</b>

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, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	954	844
Fair value of plan assets	(72)	(80)
<b>Net liability arising from defined benefit obligation</b>	<b>882</b>	<b>764</b>

Movement in the present value of the defined benefit obligation

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Projected benefit obligation at the beginning of the year	844	813
Current service cost	97	115
Past service cost	20	-
Interest cost	46	53
Actuarial loss/(gain) on change in experience and financial assumptions	101	(29)
Payments	(154)	(108)
<b>Defined benefit obligation at the end of the year</b>	<b>954</b>	<b>844</b>

### Change in Plan assets

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Plan assets at the beginning of the year	80	123
Return on plan assets	5	9
Employer contribution	145	59
Payments	(154)	(108)
Actuarial loss on plan assets	(3)	(3)
<b>Plan assets at the end of the year</b>	<b>72</b>	<b>80</b>

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, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(47)	34	(34)	37
Future salary growth (1% movement)	33	(47)	35	(33)

### Maturity profile of defined benefit obligation:

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Within 1 year	180	159
1-2 year	160	142
2-3 year	147	125
3-4 year	122	112
4-5 year	106	95
5-10 year	330	295

The expected contribution to the plan for the year ended March 31, 2022 is ₹ 180.

### 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, 2021	As at March 31, 2020
Discount rate (%)	5.75%	6.05%
Salary escalation (%)	6.00% - 10.00%	6.00% - 7.00%
Attrition (%)	20.00%	20.00%
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	60 years	60 years

### b) Compensated absences – Overseas branches:

Actuarial assumptions for long-term compensated absences	As at March 31, 2021	As at March 31, 2020
Discount rate (%)	1.95%	1.00% - 3.70%
Salary escalation (%)	2.00%	2.00%
Attrition (%)	5.00%	5.00%
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) 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, 2021	As at March 31, 2020
<b>(at amortised cost)</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 30)	11	13
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer notes below)	2,741	2,571
<b>Total</b>	<b>2,752</b>	<b>2,584</b>

### Notes:

- (i) Includes amount payable to its related parties (refer note 24).
- (ii) The Company normally settles trade payables in 30-60 days.

#### 14. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current:</b>		
<b>(at amortised cost)</b>		
Others (refer note 3A)	51	-
<b>Current:</b>		
<b>(at amortised cost)</b>		
Unpaid dividends	24	34
Capital creditors	14	55
<b>(at FVOCI)</b>		
Derivative instruments designated in a hedging relationship	46	242
<b>Total</b>	<b>84</b>	<b>331</b>

#### 15. Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(at amortised cost)</b>		
Unearned revenue*	185	125
Advance from customers*	843	10
Statutory remittances	187	162
Others	14	40
<b>Total</b>	<b>1,229</b>	<b>337</b>

\* Includes amount from related parties (refer note 24)

#### 16. Income taxes

##### a. Income tax expense recognized in the statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current tax:</b>		
In respect of the current year	755	627
In respect of earlier years (refer note (i) below)	-	116
	<b>755</b>	<b>743</b>
<b>Deferred tax (credit)/charge:</b>		
In respect of the current year (refer note (ii) below)	(7)	61
In respect of MAT credit	(9)	59
	<b>(16)</b>	<b>120</b>
	<b>739</b>	<b>863</b>

#### Note:

- During the previous year, 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.
- During the previous year, deferred taxes include one-time charge arising out of the estimated impact of the Taxation Laws (Amendment) Ordinance 2019 of ₹ 56).

#### b. Income tax expense/(benefit) recognised directly in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income tax expense/(benefit) recognized directly in OCI consists of:</b>		
Tax effect on effective portion of change in fair value of cash flow hedges	(109)	189
Tax effect on actuarial loss/(gain) on defined benefit obligations	22	(6)
<b>Total</b>	<b>(87)</b>	<b>183</b>
<b>Bifurcation of the income tax recognized in other comprehensive income into:</b>		
Items that will not be reclassified to statement of profit and loss	22	(6)
Items that will be reclassified to statement of profit and loss	(109)	189
<b>Total</b>	<b>(87)</b>	<b>183</b>

#### c. Reconciliation of effective tax rate

The following is the reconciliation of the Company's effective tax rate

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit before tax</b>	<b>3,520</b>	<b>3,343</b>
Enacted rate in India	34.94%	34.94%
<b>Computed expected tax expense</b>	<b>1,230</b>	<b>1,168</b>
<b>Tax effect of adjustments to reconcile expected tax expense:</b>		
Exemptions / deductions for tax purposes / tax holidays	(576)	(664)
Expenses that are not deductible in determining taxable profit	62	128
Reversal of deferred tax asset recognised in earlier years	-	56
Adjustments in respect of current income tax of previous years	-	116
Others (including MAT credit reversal)	23	59
<b>Total income tax expense</b>	<b>739</b>	<b>863</b>
<b>Effective tax rate</b>	<b>20.99%</b>	<b>25.82%</b>

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

#### 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, 2021	As at March 31, 2020
Deferred tax assets	295	364
Deferred tax liabilities	(91)	(90)
	<b>204</b>	<b>274</b>



#### e. Movement in deferred tax assets and liabilities

2020-21	Opening balance	Recognised in the statement of profit and loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets/(liabilities) in relation to :</b>				
Cash flow hedges	42	-	(109)	(67)
Property, plant and equipment and Intangible assets	(90)	(1)	-	(91)
Provision for employee benefits	220	3	22	245
Right of use assets/lease liabilities (refer note 3B)	19	27	-	46
Provision for doubtful debts	40	(22)	-	19
MAT credit entitlement	43	9	-	52
<b>Net deferred tax assets/(liabilities)</b>	<b>274</b>	<b>16</b>	<b>(87)</b>	<b>204</b>

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
<b>Deferred tax assets/(liabilities) in relation to :</b>					
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)	-	-	-
<b>Net deferred tax assets/(liabilities)</b>	<b>194</b>	<b>(120)</b>	<b>183</b>	<b>17</b>	<b>274</b>

#### 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, 2021	As at March 31, 2020
Income tax assets [net of provisions ₹ 4,592 (March 31, 2020 - ₹ 3,815)]	771	807
Income tax liabilities [net of advance tax ₹ 4,258 (March 31, 2020 - ₹ 4,259)]	97	134

## 17. Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from services	13,798	15,225
Revenue from products	1	6
<b>Total revenue from operations</b>	<b>13,799</b>	<b>15,231</b>

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, 2021	For the year ended March 31, 2020
<b>Revenues by contract type</b>		
Fixed-price	4,818	5,666
Time and material	8,963	9,547
Product sale	1	6
Others	17	12
<b>Total</b>	<b>13,799</b>	<b>15,231</b>
<b>Revenues by Geography</b>		
North America	6,465	7,599
Europe	4,638	4,714
Asia Pacific (including India)	2,696	2,918
<b>Total</b>	<b>13,799</b>	<b>15,231</b>
<b>Revenues by time of recognition</b>		
Goods and services transferred		
- At a point in time	1	6
- Over time	13,798	15,225
<b>Total</b>	<b>13,799</b>	<b>15,231</b>

### 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, 2021	As at March 31, 2020
Trade receivables	4,297	5,658
Unbilled revenue	782	1,174
Unearned revenue	185	125

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, 2021, ₹ 1,136 of contract assets as at March 31, 2020 has been reclassified to receivables on completion of performance obligation. 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.

### Contract liabilities:

During the year ended March 31, 2021 the Company has recognized revenue of ₹ 105 arising from contract liabilities as at March 31, 2020. During the year ended March 31, 2020, the Company recognized revenue of ₹ 33 arising from opening unearned revenue as at March 31, 2019.

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.

## 18. Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Interest income on financial assets carried at amortised cost:</b>		
Deposits with banks and financial institutions	458	391
Interest on loan to subsidiaries	86	104
	544	495
<b>Dividend income</b>		
Dividend from mutual funds	-	29
	-	29
<b>Other non-operating income</b>		
Operating lease rental income	5	5
Liabilities no longer required, written back (refer note 9)	7	4
Export incentives (refer note (i) below)	519	36
Miscellaneous income	90	48
	621	93
<b>Other gains and losses</b>		
Gain/(loss) on disposal of property, plant and equipment	(5)	3
Foreign exchange gain (net)	218	131
Exchange gain/(loss) on foreign currency forward contracts (net)	(180)	514
Gain on fair valuation of financial assets	-	2
	33	650
<b>Total</b>	<b>1,198</b>	<b>1,267</b>

### Notes:

- (i) During the year, the Company has recognised export incentives of ₹ 519 (2019-20: ₹ 36) aggregating under schemes defined by the Government of India, as other income upon satisfying the conditions specified in the applicable scheme and monetized ₹ 519 (2019-20: ₹ 406).

## 19. Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	6,413	6,633
Contribution to provident and other funds (refer note (i) below)	537	580
Social security and other benefits to overseas employees (refer note (ii) below)	4	9
Share based payments expense (refer note 11A)	42	25
Staff welfare expenses	279	471
Less: Capitalised (refer note 4)	(40)	(46)
<b>Total</b>	<b>7,235</b>	<b>7,672</b>

**Notes:****i. Contribution to provident fund and other funds****Provident fund:**

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the statement of profit and loss in the year they are incurred. Total expense recognised during the year aggregated ₹ 323 (2019-20: ₹ 357).

**Gratuity (funded):**

Amount recognised in statement of profit and loss in respect of gratuity: ₹ 158 (2019-20: ₹ 159). [refer note 12 (i)].

**National Pension Scheme:**

Amount recognised in statement of profit and loss in respect of national pension scheme: ₹ 12 (2019-20: ₹ 8)

**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 ₹ 24 (2019-20 - ₹ 30).

**Employees' State Insurance Scheme:**

Amount recognised in the statement of profit and loss in respect of Company's contribution to employees' state insurance scheme ₹ 20 (2019-20 - ₹ 26).

**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 ₹ 4 (2019-20 - ₹ 9).

**20. Finance costs**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on lease liabilities (refer note 3B)	137	135
Other interest expense	9	13
<b>Total</b>	<b>146</b>	<b>148</b>

**21. Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 3A)	461	376
Depreciation on right of use assets (refer note 3B)	381	446
Amortisation of intangible assets (refer note 4)	120	168
<b>Total</b>	<b>962</b>	<b>990</b>

## 22. Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent including lease rentals [refer note 3B]	58	73
Rates and taxes	24	26
Insurance	17	21
Travelling and conveyance	136	496
Sub-contracting charges	275	446
Communication	195	159
Printing and stationery	3	17
Power and fuel	136	195
Marketing and advertising expenses	18	32
Repairs and maintenance		
- Buildings	4	11
- Machinery	920	878
- Others	129	137
Non - executive directors commission	14	13
Legal and professional charges	579	890
Expenditure for corporate social responsibility [refer note (i) below]	102	83
Expected credit loss for trade receivables [refer note (ii) below]	39	107
Auditors' remuneration [refer note (iii) below]	28	16
Recruitment expenses	12	29
Training and development	25	66
Software charges	3	25
Electoral bonds [refer note (iv) below]	-	10
Miscellaneous expenses	303	304
<b>Total</b>	<b>3,020</b>	<b>4,034</b>

### 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 24). 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': ₹ 102 (2019-20 - ₹ 83).

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the Company	87	82
Actual amount spent	102	83
1. Construction / acquisition of any asset	-	-
2. On purposes other than (1) above (in cash)	102	83

## ii. Expected credit loss:

Bad debts written off during the year ended March 31, 2021 was ₹ 57 (2019-20- ₹ 110) and reversal of provision for doubtful debts was ₹ 71 (2019-20: ₹88). Provision for ECL allowance made for the year ended March 31, 2021 was ₹ 53 (2019-20: ₹ 85).

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Payment to the auditors of the Company</b>		
(a) For audit and related services of Company	8	8
(b) For audit and related services of subsidiaries	14	6
(c) For certification and other services	5	1
(d) Reimbursement of expenses	1	1
<b>Total Auditors' remuneration</b>	<b>28</b>	<b>16</b>

iv. During the previous year, the Company has purchased and issued electoral bonds for an amount of ₹ 10 in accordance with 'The Electoral Bond Scheme, 2018', notified by the Central Government vide Gazette Notification No. 20 dated January 2, 2018.

## 23. Contingent liabilities and commitments

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(A) Contingent liabilities:</b>		
Claims against the Company not acknowledged as debt (refer note (i) to (v) below)	558	406
Guarantees (refer note (vi) below)	12,480	10,799
	<b>13,038</b>	<b>11,205</b>
<b>(B) Commitments:</b>		
Contracts remaining to be executed on capital account and not provided for (net of capital advances)	140	135
	<b>140</b>	<b>135</b>
<b>Total</b>	<b>13,178</b>	<b>11,340</b>

### Notes:

- The Company disputed various demands raised by income tax authorities for the assessment years 2002-03, 2004-05, 2013-14, 2014-15, 2016-17, 2017-18 and 2018-19 (March 31, 2020: 2002-03, 2003-04, 2013-14, 2014-15, 2016-17 and 2017-18) which are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 40 (March 31, 2020 - ₹ 24). 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, 2020 - 2004-05 to 2009-10 and 2015-16 to 2017-18 (till June 2017)). The Company filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 21 (March 31, 2020 - ₹ 21). 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 disputed various demands raised by the service tax authorities for the financial years 2006-07 to 2009-10 and 2013-14 to 2017-18 (till June 2017) (March 31, 2020: 2013-14 to 2017-18 (till June 2017)). The Company filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 371 (March 31, 2020 - ₹ 234). 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 ₹ 34 (March 31, 2020 : ₹ 35) at various appellate authorities. The Company is confident that these appeals will be decided in its favour.
- (v) 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, 2020 - ₹ 92).
- (vi) Corporate guarantee has been extended to subsidiaries for availing loans from respective banks/fellow subsidiaries and the Company charges commission from subsidiaries, wherever applicable.
- (C)** The Company has certain outstanding export obligations/commitments as at March 31, 2020 and March 31, 2021. 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.

## 24. 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, 2021	March 31, 2020
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	India	100%	100%
Cyient Australia Pty Limited	Australia	100%	100%
Cyient DLM Private Limited	India	100%	100%
Cyient Singapore Private Limited	Singapore	100%	100%
Cyient Israel India Limited	Israel	100%	100%
Cyient Engineering (Beijing) Limited [refer note (ii) below]	China	-	-
Cyient Solutions and Systems Private Limited [refer note (iii) below]	India	51%	51%
Cyient Urban Micro Skill Centre Foundation	India	100%	100%

- (i) During the financial year 18-19, 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) Effective December 21, 2020 Cyient Engineering (Beijing) Limited, China has been deregistered.
- (iii) On April 11, 2018, CSSPL entered into a share purchase agreement with Bluebird Aero Systems Limited ("Bluebird"), wherein Bluebird acquired 49% shareholding in CSSPL.



Name of the Joint Venture	Country of incorporation	Extent of holding (%) as at	
		March 31, 2021	March 31, 2020
Infotech HAL Limited	India	50%	50%

#### Subsidiaries of Cyient Inc.:

Name of Subsidiaries	Country of incorporation	Extent of holding (%) as at	
		March 31, 2021	March 31, 2020
Cyient Canada Inc.	Canada	100%	100%
Cyient Defense Services Inc.	USA	100%	100%
B&F Design Inc.*	USA	-	100%

\* Effective April 01, 2020, B&F Design 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, 2021	March 31, 2020
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%

#### Subsidiary of Cyient GmbH:

Name of the Subsidiary	Country of incorporation	Extent of holding (%) as at	
		March 31, 2021	March 31, 2020
Cyient AB	Sweden	100%	100%

#### Subsidiaries of Cyient Australia Pty Limited:

Name of Subsidiaries	Country of incorporation	Extent of holding (%) as at	
		March 31, 2021	March 31, 2020
Integrated Global Partners Pty Limited	Australia	100%	-
Integrated Global Partners Pte. Limited	Singapore	100%	-
Integrated Global Partners SpA	Chile	100%	-
IG Partners South Africa (Pty) Ltd	South Africa	100%	-

Cyient Australia Pty Limited, Australia, acquired 100% of equity shares of Integrated Global Partners Pty Limited, Australia (and its wholly owned subsidiaries Integrated Global Partners Pte. Limited, Singapore; Integrated Global Partners SpA, Chile and IG Partners South Africa (Pty) Ltd, South Africa) on November 06, 2020.

#### 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
Cyient Associate stock option scheme 2021 Trust	India	Entity with common KMP

### Key Managerial Personnel (KMP):

Name	Designation
B.V.R Mohan Reddy	Executive Chairman
Krishna Bodanapu	Managing Director and CEO
Ajay Aggarwal	Executive Director and Chief Financial Officer
Karthikeyan Natarajan (effective 05 March 2020)	Executive Director and 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 Kumar Thummalapally	Independent Director
Vikas Sehgal	Independent Director
Vivek Gour (effective 25 April 2019)	Independent Director
Matangi Gowrishankar (effective 25 April 2019)	Independent Director
Ramesh Abhishek (effective 12 Aug, 2020)	Independent Director (additional director)
M.M. Murugappan	Non-Executive and Non-independent Director
Alain De Taeye	Non-Executive and Non-independent Director

### Relative of Executive Chairman and Managing Director and CEO

B. Ashok Reddy	President – Corporate Affairs & Infrastructure ( till 30 June, 2020) & Advisor to Company ( till 31 March, 2021)
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(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	For the year ended
		March 31, 2021	March 31, 2020
Revenue from operations	Cyient Inc.	3,848	4,332
	Cyient Europe Limited	891	793
	Cyient Benelux BV	534	540
	Integrated Global Partners Pty Limited	1	-
	Cyient Schweiz GmbH	212	101
	Cyient S.R.O.*	(13)	45
	Cyient GmbH	727	874
	Cyient AB	150	161
	Cyient Canada Inc.	235	184
	Cyient KK	387	426
	Cyient Australia Pty Limited	803	976
	Cyient Singapore Private Limited*	7	(26)
	Cyient DLM Private Limited	8	1
	AnSem NV	2	2

Nature of the transaction	Party name	For the year ended March 31, 2021	For the year ended March 31, 2020
Sub-contracting charges	Cyient Inc.	59	145
	Cyient Europe Limited*	(1)	17
	Integrated Global Partners Pty Limited	3	-
	Cyient GmbH	-	9
	Cyient Australia Pty Limited*	(1)	-
	Cyient Insights Private Limited	8	12
	B&F Design Inc.	-	4
	Cyient DLM Private Limited	11	38
Reimbursement of expenses (net)	Cyient Inc.	44	25
	Cyient Europe Limited	(42)	(29)
	Cyient Benelux BV	(6)	(7)
	Cyient S.R.O.	(4)	(13)
	Cyient GmbH	(34)	(43)
	Cyient AB	(10)	(2)
	Cyient Canada Inc.	(9)	(10)
	Cyient KK	(3)	(3)
	Cyient Singapore Private Limited	(1)	2
	Cyient Insights Private Limited	-	(5)
	Cyient DLM Private Limited	(37)	(44)
	Cyient Australia Pty Limited	(5)	(3)
	B&F Design Inc.	-	(1)
	Cyient Defence Servi. Inc	(1)	-
	AnSem NV	-	(1)
	Cyient Solutions and Systems Private Limited	-	(26)
Corporate guarantee given to subsidiary's bankers	Cyient DLM Private Limited	-	1,450
	Cyient Inc.	1,065	-
	Cyient GmbH	396	-
	Cyient Europe Limited	313	605
	Cyient Singapore Private Limited	-	75
	Cyient S.R.O.	-	268
	Cyient Australia Pty Limited	671	93
Corporate guarantee given to subsidiary's bankers liquidated	Cyient Inc.	497	-
	Cyient GmbH	382	-
	Cyient Singapore Private Limited	-	388
	Cyient S.R.O.	-	133
	Cyient Solutions and Systems Private Limited	-	42
	Cyient DLM Private Limited	-	2,210

Nature of the transaction	Party name	For the year ended March 31, 2021	For the year ended March 31, 2020
Other income on corporate guarantee given to subsidiary's bankers	Cyient Australia Pty Limited	5	2
	Cyient Defense Services Inc.	1	1
	Cyient Europe Limited	16	12
	Cyient GmbH	2	2
	Cyient Inc.	11	8
	Cyient S.R.O.	2	1
	Cyient Singapore Private Limited	-	1
Impairment of investments in subsidiaries	Cyient Singapore Private Limited (refer note 2 below)	(94)	-
Impairment of investments in joint venture	Infotech HAL Limited (refer note 1 below)	(20)	-
Advances given / (recovered)	Infotech HAL Limited	-	2
Advance received from customer	Cyient KK	100	10
	Cyient Inc.	734	-
Loans given	Cyient Insights Private Limited	-	11
	Cyient DLM Private Limited	530	900
	Cyient Solutions and Systems Private Limited	-	29
Loans recovered	Cyient DLM Private Limited	300	204
Interest on loans given	Cyient Insights Private Limited	9	15
	Cyient DLM Private Limited	77	61
	Cyient Solutions and Systems Private Limited	-	28
Rental income	Cyient Insights Private Limited	3	3
Impairment of loans given	Cyient Solutions and Systems Private Limited	-	311
CSR expenditure	Cyient Foundation	102	83

\* Net of revenue and sub contractor provision reversal during the year.

Compensation to Key Managerial Personnel is as follows:

Nature of the transaction	Party name	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term benefits	Executive Chairman, Managing Director & CEO and Executive Officers# 1&2	267	188
Dividend paid during the year	Executive Chairman, Managing Director & CEO and Executive Officers# 1	-	98
Commission and other benefits	Non-Executive and Independent Directors	14	13

#1 Executive officers includes Ajay Aggarwal (Executive Director and Chief Financial Officer), Sudheendhra Putty (Company Secretary), Karthikeyan Natarajan (Executive Director and 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, 2021	As at March 31, 2020
Trade receivables	Cyient Inc.	1,065	1,524
	Cyient Europe Limited	344	953
	Cyient Benelux BV	165	591
	Cyient Schweiz GmbH	72	57
	Cyient S.R.O.	174	164
	Cyient GmbH	266	30
	Cyient AB	32	52
	Cyient Canada Inc.	109	84
	Cyient KK	49	-
	Cyient Australia Pty Limited	341	473
	Cyient Insights Private Limited	27	23
	Cyient DLM Private Limited	223	110
	Integrated Global Partners Pty Limited	1	-
	Cyient Singapore Private Limited	79	56
	Cyient Israel Limited	9	10
	AnSem NV	5	3
	B&F Design Inc.	-	1
	Cyient Defense Services Inc.	4	2
Cyient Solutions and Systems Private Limited	8	45	
Unbilled revenue	Cyient Inc.	247	320
	Cyient Canada Inc.	15	24
	Cyient Europe Limited	73	109
	Cyient S.R.O.	(2)	19
	Cyient Benelux BV	18	22
	Cyient GmbH	67	169
	Cyient Schweiz GmbH	2	-
	Cyient AB	4	34
	Cyient KK	1	1
	Cyient Australia Pty Limited	71	83
	Cyient DLM Private Limited	1	1
Cyient Singapore Private Limited	6	7	

Nature of the balance	Party name	As at March 31, 2021	As at March 31, 2020	
Advance from subsidiaries	Cyient Inc.	734	-	
	Cyient KK	110	10	
Trade payables	Cyient Inc.	1,257	1,110	
	Cyient Europe Limited	38	34	
	Cyient Benelux BV	41	38	
	Cyient AB	49	45	
	Cyient Singapore Private Limited	37	55	
	Cyient S.R.O.	4	4	
	Cyient GmbH	103	96	
	Cyient KK	41	43	
	Integrated Global Partners Pty Limited	3	-	
	Cyient Insights Private Limited	20	21	
	Cyient Canada Inc.	40	37	
	Cyient Defense Services Inc.	4	-	
	B&F Design Inc.	-	4	
	Cyient Australia Pty Limited	31	139	
	Other receivables	Cyient Inc.	54	45
		Cyient Canada Inc.	1	1
Cyient Europe Limited		12	9	
Cyient Benelux BV		1	1	
Cyient GmbH		2	-	
Cyient KK		1	1	
Cyient Australia Pty Limited		11	10	
Cyient Singapore Private Limited		1	1	
Unearned revenue	Cyient Inc.	99	77	
	Cyient Europe Limited	21	8	
	Cyient Benelux BV	3	1	
	Cyient GmbH	18	8	
	Cyient KK	-	1	
	Cyient Canada Inc.	-	2	
	Cyient Australia Pty Limited	6	2	

Nature of the balance	Party name	As at	As at
		March 31, 2021	March 31, 2020
Corporate guarantee given to subsidiary's bankers (refer note 23(A))	Cyient Inc.	2,115	1,576
	Cyient Defense Services Inc.	242	249
	Cyient Europe Limited	3,647	3209
	Cyient S.R.O	290	268
	Cyient GmbH	396	383
	Cyient DLM Private Limited	4,520	4,520
	Cyient Australia Pty Limited	1,186	508
	Cyient Singapore Private Limited	73	75
	Cyient Solutions and Systems Private Limited	11	11
Advances to suppliers and service providers	Cyient KK	6	6
	Cyient DLM Private Limited	2	-
Loans outstanding	Cyient Insights Private Limited	162	154
	Cyient DLM Private Limited	1,311	1,081
	Cyient Solutions and Systems Private Limited (refer note 3 below)	-	-
Interest on loans outstanding	Cyient DLM Private Limited	71	7
Short-term benefits payable	Executive Chairman and Managing Director & CEO	136	102
Commission and other benefits payable	Non-Executive and Independent Directors	14	13

Notes:

- During the year, the Company has impaired the carrying value of its investment in joint venture company, Infotech HAL Limited, India of ₹ 20, based on the long term outlook of the business.  
During the previous year, the Company has written-off ₹ 41 towards outstanding advances and trade receivables from Infotech HAL Limited, Joint venture.
- During the year, the Company has impaired the carrying value of investment in its subsidiary company, Cyient Singapore Private Limited by ₹ 94, based on the business forecasts and long term outlook of the business.
- During the previous 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 for FY 20.  
During the year, CSS has recovered ₹ 35 against aforesaid impairment of non-current assets.
- Foreign exchange restatements have not been disclosed as transactions during the year.

## 25. Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit after tax</b>	<b>2,781</b>	<b>2,480</b>
<b>Basic:</b>		
Number of shares outstanding at the year end	110,029,812	109,971,221
Weighted average number of equity shares	109,975,395	109,961,348
<b>Earnings per share (₹)</b>	<b>25.29</b>	<b>22.56</b>
<b>Diluted:</b>		
Effect of potential equity shares on ASOPs and RSUs outstanding	59,559	2,319
Weighted average number of equity shares outstanding	110,034,954	109,963,667
<b>Earnings per share (₹)</b>	<b>25.27</b>	<b>22.56</b>

## 26. 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, 2021	As at March 31, 2020
Buildings - Freehold	29	30
Plant and Equipment - Freehold	5	5
Furniture and Fixtures	7	8
Electrical Installations	14	16
Computers	8	13
Office Equipment	5	10
<b>Total Tangible Assets</b>	<b>68</b>	<b>82</b>

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Electrical Installations	Computers	Office Equipment	Total
<b>Balance as at April 1, 2019</b>	<b>31</b>	<b>4</b>	<b>8</b>	<b>5</b>	<b>3</b>	<b>10</b>	<b>61</b>
Additions	-	2	1	13	14	2	32
Depreciation*	(1)	(1)	(1)	(2)	(4)	(2)	(11)
<b>Balance as at March 31, 2020</b>	<b>30</b>	<b>5</b>	<b>8</b>	<b>16</b>	<b>13</b>	<b>10</b>	<b>82</b>
Additions	-	1	-	-	1	-	2
Depreciation*	(1)	(1)	(1)	(2)	(6)	(2)	(13)
Deletions	-	-	-	-	-	(3)	(3)
<b>Balance as at March 31, 2021</b>	<b>29</b>	<b>5</b>	<b>7</b>	<b>14</b>	<b>8</b>	<b>5</b>	<b>68</b>

\* 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 ₹ 238 (2019-20: ₹ 481).



## 27. Financial Instruments

### 27.1 Capital management

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

### 27.2 Financial instruments by category:

Particulars	Carrying value as at March 31, 2021	Carrying value as at March 31, 2020
<b>Financial assets:</b>		
<b>Amortised cost</b>		
Loans and deposits	1,655	1,438
Trade receivables	4,297	5,658
Cash and cash equivalents	11,541	5,836
Other bank balances	2	1
Other financial assets	1,233	1,444
<b>Fair value through other comprehensive income</b>		
Investment in unquoted equity shares	39	24
Derivative instruments designated in a hedging relationship	237	122
<b>Fair value through profit and loss</b>		
Investment in unquoted Compulsorily convertible preference shares (CCPS)	12	12
<b>Total financial assets</b>	<b>19,016</b>	<b>14,535</b>
<b>Financial liabilities:</b>		
<b>Amortised cost</b>		
Trade payables	2,752	2,584
Other liabilities	38	89
Lease liabilities	1,041	1,361
Sale and lease back	51	-
<b>Fair value through other comprehensive income</b>		
Derivative instruments designated in a hedging relationship	46	242
<b>Total financial liabilities</b>	<b>3,928</b>	<b>4,276</b>

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.

## 27.3 Fair value hierarchy

### Valuation technique and key inputs

Level 1 - Quoted prices (unadjusted) in an active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

Particulars	Date of valuation	As at March 31, 2021	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
<b>Assets</b>					
Investment in unquoted equity shares (refer note 5)*	March 31, 2021	39	-	-	39
Investment in unquoted CCPS (refer note 5)*	March 31, 2021	12	-	-	12
Derivative instruments designated in a hedging relationship (refer note 7)**	March 31, 2021	237	-	237	-
<b>Liabilities</b>					
Derivative instruments designated in a hedging relationship (refer note 14)**	March 31, 2021	46	-	46	-

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, 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
<b>Assets</b>					
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	-
<b>Liabilities</b>					
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.

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 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, 2021 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, 2021 and March 31, 2020:

Particulars	Investment in unquoted equity shares	Investment in unquoted CCPS	Total
<b>As at March 31, 2019</b>	<b>20</b>	<b>10</b>	<b>30</b>
Acquisitions	-	-	-
Gains/(losses) recognised	4	2	6
<b>As at March 31, 2020</b>	<b>24</b>	<b>12</b>	<b>36</b>
Acquisitions	15	-	15
Gains/(losses) recognised	-	-	-
<b>As at March 31, 2021</b>	<b>39</b>	<b>12</b>	<b>51</b>

Valuation inputs and relationships to fair value:

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

Particulars	Fair value as at March 31, 2021	Fair value as at March 31, 2020	Significant unobservable inputs	Valuation process	Sensitivity of the inputs to fair value
Investment in unquoted equity shares and compulsorily convertible preference shares (CCPS)	51	36	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.

## 27.4 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, 2021 that were designated as effective hedges of highly probable forecast transactions, (loss)/ gain aggregating ₹124 (net of tax ₹ 67) (March 31, 2020: ₹ (78) (net of tax ₹ (42)) have been recognised under the cash flow hedge reserve.

### Derivative financial instruments:

Outstanding forward exchange contracts as on March 31, 2021:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
AUD	32	26,900,000	1,526	Sell	Rupees
CAD	25	16,900,000	1,003	Sell	Rupees
EUR	33	28,450,000	2,611	Sell	Rupees
GBP	14	6,500,000	666	Sell	Rupees
USD	64	68,000,000	5,245	Sell	Rupees

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

All outstanding forward exchange contracts as at March 31, 2021 and March 31, 2020 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 ₹ (528)/ 528 (decrease)/increase in the Company's other comprehensive income as at March 31, 2021.
- \* an approximately ₹ (530)/ 530 (decrease)/increase in the Company's other comprehensive income as at March 31, 2020.

### Foreign currency exposure unhedged

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the volatility of the Company's net financial assets (viz. which includes cash and cash equivalents, trade receivables, other financial assets, trade payables, other financial liabilities), which are denominated in various foreign currencies (USD, Euro, UK pound sterling, Aus \$, SGD, CAD, Yen etc.).

The following table analyses foreign currency risk from financial instruments as of March 31, 2021 (in ₹):

Particulars	US Dollars	EURO	United Kingdom Pound Sterling	Other currencies*	Total
Cash and cash equivalents	361	44	10	183	598
Trade receivables	1,282	610	466	855	3,213
Other financial assets	354	65	98	93	610
Trade payables	(1,758)	(181)	(48)	(167)	(2,154)
Other financial liabilities	(7)	-	-	-	(7)
<b>Net assets/(liabilities)</b>	<b>232</b>	<b>538</b>	<b>526</b>	<b>964</b>	<b>2,260</b>

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

The following table analyses foreign currency risk from financial instruments as of March 31, 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)
<b>Net assets/(liabilities)</b>	<b>1,059</b>	<b>1,007</b>	<b>1,061</b>	<b>923</b>	<b>4,050</b>

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

\*\* Represents less than ₹ 1

### Sensitivity analysis:

For the year ended March 31, 2021 and March 31, 2020, every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by ₹ 113 / ( ₹ 113) and ₹ 203 / ( ₹ 203) 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 23 (A))

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

Particulars	(in %)	
	Year ended March 31, 2021	Year ended March 31, 2020
Receivables from top customer	10.85	5.09
Receivables from top five customers	38.63	19.71

### 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, 2021 and March 31, 2020, the Company had unutilized credit limits from banks of ₹ 2,643 and ₹ 978, respectively.

As of March 31, 2021, the Company had working capital of ₹ 14,170, (March 31, 2020: ₹ 10,208) including cash and bank balances of ₹ 11,543 (March 31, 2020: ₹ 5,837)

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding lease liabilities) as at March 31, 2021:

Particulars	Less than 1 year	1-2 years	2 years and above
Trade payables	2,752	-	-
Other financial liabilities	84	51	-
<b>Total</b>	<b>2,836</b>	<b>51</b>	<b>-</b>

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	-	-
<b>Total</b>	<b>2,915</b>	<b>-</b>	<b>-</b>

Note: The Company's obligation towards payment of lease liabilities has been included in note 3B.

#### 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.

#### 28. 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.

#### 29. 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 (refer note 24):

Particulars	Relationship	Nature	As at March 31, 2021	As at March 31, 2020	Maximum amount outstanding at any time during the year ended	
					March 31, 2021	March 31, 2020
Cyient KK	Subsidiary	Advance	6	6	6	6
Cyient DLM Private Limited	Subsidiary	Advance	2	-	2	-
Infotech HAL Limited	Joint Venture	Advance	-	-	-	17
Cyient Insights Private Limited	Subsidiary	Loan	162	154	162	154
Cyient DLM Private Limited	Subsidiary	Loan	1,311	1,081	1,611	1,085
Cyient Solutions and Systems Private Limited (refer note 6)	Subsidiary	Loan	311	311	311	311
<b>Total</b>			<b>1,792</b>	<b>1,552</b>		

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	11	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	-	-

The disclosures in respect of the amounts payable to such enterprises as at March 31, 2021 and March 31, 2020 has been made in the financial statements based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier as at the balance sheet date.

### 31. Dividends distribution made and proposed

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on March 31, 2020 : ₹ Nil per share (March 31, 2019 : ₹ 9 per share)	-	990
Dividend distribution tax ("DDT") on final dividend	-	203
Interim dividend for the year ended on March 31, 2021 : ₹ Nil per share (March 31, 2020 : ₹ 15 per share)	-	1,649
DDT on Interim dividend	-	339
<b>Total#</b>	<b>-</b>	<b>3,181</b>
<b>Proposed dividends on equity shares:</b>		
Final dividend for the year ended on March 31, 2021 : ₹ 17 per share (March 31, 2020: ₹ Nil)	1,871	-
	<b>1,871</b>	<b>-</b>

# Includes unclaimed dividend amount of ₹ Nil (2019-20: ₹ 12).

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2021.

With effect from April 1, 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

**32.** The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

**33.** 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 : April 22, 2021

**For and on behalf of the Board of Directors**  
**Cyient Limited**

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

**Ajay Aggarwal**  
Executive Director and  
Chief Financial Officer  
(DIN-02565242)

Place : Hyderabad  
Date : April 22, 2021

**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 00605187)

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



# INDEPENDENT AUDITOR'S REPORT

To the Members of Cyient Limited

Report on the Audit of the Consolidated Financial Statements

## Opinion

We have audited the accompanying consolidated 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 2021, 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, 2021, 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, 2021. 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
<b>Impairment assessment of Goodwill and Intangible assets under development</b> (as described in note 4 and 5 respectively of the Consolidated Financial Statements)	
<p>As at March 31, 2021, the Group has goodwill of Rs. 5,830 mn on consolidation pertaining to historical acquisitions and intangible assets under development of Rs. 763 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"><li>Projected revenue growth, operating margins, operating cash-flows and capex during the periods relating to explicit forecasts;</li><li>Stable long-term growth rates beyond explicit forecast period and in perpetuity; and</li><li>Discount rates that represent the current market assessment of the risks specific to the cash generating unit / intangible under development, taking into consideration the time value of money.</li></ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>We tested the design and operative effectiveness of management's key internal controls over impairment assessments;</li><li>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;</li><li>With the assistance of specialists, we assessed the assumptions on 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.</li></ul>

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"> <li>• 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;</li> <li>• We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used;</li> <li>• We tested the arithmetical accuracy of the models;</li> <li>• We assessed the adequacy of the related disclosures in Note 4 and 5 to the Consolidated Financial Statements.</li> </ul>
<p><b>Accuracy of recognition, measurement, presentation and disclosure of Revenues</b> (as described in note 2 and 21 of the Consolidated Financial Statements)</p>	
<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"> <li>• Evaluated the design and operating effectiveness of management's key internal controls over revenue recognition;</li> <li>• Tested relevant information technology systems' controls relating to contracts and related information used in recording and disclosing revenue;</li> <li>• 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"> <li>o Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>o Compared these performance obligations with that identified and recorded by the Company.</li> <li>o Considered the terms of the contracts and assessed the transaction price including any variable consideration to test revenue.</li> </ul> </li> <li>• 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;</li> <li>• 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;</li> <li>• We assessed the adequacy of the related disclosures made pursuant to Ind AS 115.</li> </ul>
<p><b>Allowance for credit losses for trade receivables including unbilled revenue</b> (as described in note 2 and 10 of the Consolidated Financial Statements)</p>	
<p>As at March 31, 2021, the Group has outstanding trade receivables and unbilled revenue of Rs. 8,026 mn and Rs. 2,259 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"> <li>• We tested the design and operative effectiveness of management's key internal controls over allowance for credit losses;</li> <li>• 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;</li> <li>• We performed analysis of ageing of receivables, tested the mathematical accuracy and computation of the allowance for credit losses;</li> <li>• We assessed the allowance for expected credit loss made by management including the possible effect from the pandemic relating to COVID-19.</li> </ul>

## 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 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, 2021 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 Matter**

The accompanying Consolidated Financial Statements include the Group's share of net loss of Rs. Nil for the year ended March 31, 2021, 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.

Our opinion on the Consolidated Financial Statements is not modified in respect of this matter.

#### **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;
- 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, 2021 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, 2021 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 with reference to 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, 2021 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 note 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, 2021. 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, 2021.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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**per Vikas Pansari**

Partner

Membership Number: 093649

UDIN: 21093649AAAABA4134

Place of Signature: Mumbai

Date: April 22, 2021

# ANNEXURE-1 REFERRED TO IN OUR REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF 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 (hereinafter referred to as the “Parent Company”) as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Parent Company and its subsidiaries (the Parent Company and its subsidiaries together referred to as “the Group”), 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 companies included in the Group 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 (‘ICAI’). 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 with reference to 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to 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 with reference to Consolidated Financial Statements.

### Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company’s internal financial control with reference to 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 with reference to 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 with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to 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 with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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**per Vikas Pansari**

Partner

Membership Number: 093649

UDIN: 21093649AAAABA4134

Place of Signature: Mumbai

Date: April 22, 2021

## Consolidated Balance Sheet as at March 31, 2021

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

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	4,870	4,205
Right of use assets	3B	2,311	2,704
Capital work-in-progress		113	800
Goodwill	4	5,830	5,374
Other intangible assets	5	598	767
Intangible assets under development	5	763	659
<b>Financial assets</b>			
(a) Investments	6	344	414
(b) Loans and deposits	7A	266	299
(c) Other financial assets	7B	-	10
Deferred tax assets (net)	18.2	319	396
Income tax assets (net)	18.3	804	878
Other non-current assets	8	192	373
<b>Total non-current assets</b>		<b>16,410</b>	<b>16,879</b>
<b>Current assets</b>			
Inventories	9	1,586	2,267
<b>Financial assets</b>			
(a) Trade receivables	10	8,026	7,262
(b) Cash and cash equivalents	11A	14,408	8,995
(c) Other bank balances	11B	242	523
(d) Other financial assets	7B	2,838	4,411
Other current assets	8	1,418	1,460
<b>Total current assets</b>		<b>28,518</b>	<b>24,918</b>
<b>Total assets</b>		<b>44,928</b>	<b>41,797</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	12	550	550
Other equity	13	29,023	25,059
<b>Equity attributable to Shareholders of the Company</b>		<b>29,573</b>	<b>25,609</b>
Non-controlling interests	14	(32)	(32)
<b>Total equity</b>		<b>29,541</b>	<b>25,577</b>



Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(a) Borrowings	15	453	859
(b) Lease liabilities	3B	1,958	2,293
(c) Other financial liabilities	16	250	380
Provisions	17	1,288	1,151
Deferred tax liabilities (net)	18.2	182	378
Other non-current liabilities	19	166	24
<b>Total non-current liabilities</b>		<b>4,297</b>	<b>5,085</b>
<b>Current liabilities</b>			
Financial liabilities			
(a) Borrowings	15	2,302	2,879
(b) Trade payables	20		
(i) total outstanding dues of micro enterprises and small enterprises		72	36
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4,460	3,693
(c) Lease liabilities	3B	632	672
(d) Other financial liabilities	16	712	1,016
Income tax liabilities (net)	18.3	296	328
Provisions	17	384	377
Other current liabilities	19	2,232	2,134
<b>Total current liabilities</b>		<b>11,090</b>	<b>11,135</b>
<b>Total liabilities</b>		<b>15,387</b>	<b>16,220</b>
<b>Total equity and liabilities</b>		<b>44,928</b>	<b>41,797</b>
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

Place : Mumbai  
Date : April 22, 2021

For and on behalf of the Board of Directors  
**Cyient Limited**

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

**Ajay Aggarwal**  
Executive Director and  
Chief Financial Officer  
(DIN-02565242)

Place : Hyderabad  
Date : April 22, 2021

**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 00605187)

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

## Consolidated Statement of Profit and Loss for the year ended March 31, 2021

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

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>INCOME</b>			
Revenue from operations	21	41,324	44,274
Other income	22	1,399	1,583
<b>Total income</b>		<b>42,723</b>	<b>45,857</b>
<b>EXPENSES</b>			
Employee benefits expense	23	21,611	24,776
Cost of materials consumed	24	5,165	4,066
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	98	(144)
Finance costs	26	433	486
Depreciation and amortisation expense	27	1,945	1,878
Impairment of non-current assets	36	274	404
Other expenses	28	8,426	9,683
<b>Total expenses</b>		<b>37,952</b>	<b>41,149</b>
<b>Profit before share of loss from joint venture and tax</b>		<b>4,771</b>	<b>4,708</b>
Share of loss from joint venture	6(iii)	-	(26)
<b>Profit before tax</b>		<b>4,771</b>	<b>4,682</b>
<b>Tax expense</b>			
Current tax	18.1	1,351	1,181
Deferred tax (credit)/charge	18.1	(218)	89
<b>Total tax expense</b>		<b>1,133</b>	<b>1,270</b>
<b>Profit for the year</b>		<b>3,638</b>	<b>3,412</b>
<b>Other comprehensive income (OCI)</b>			
(a) Items that will not be reclassified subsequently to statement of profit and loss:			
(i) Remeasurements of the net defined benefit liability	17(i)	(100)	14
(ii) Equity instruments through other comprehensive income	13	-	10
(iii) Income tax relating to items that will not be reclassified to statement of profit and loss	18.1 (B)	22	(8)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
(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	105	471
(ii) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge	13	313	(544)
(iii) Income tax on items that may be reclassified to statement of profit and loss	18.1 (B)	(109)	190
<b>Total other comprehensive income for the year</b>		<b>231</b>	<b>133</b>
<b>Total comprehensive income for the year</b>		<b>3,869</b>	<b>3,545</b>
<b>Profit for the year attributable to:</b>			
- Shareholders of the Company		3,638	3,425
- Non-controlling interests		-	(13)
		<b>3,638</b>	<b>3,412</b>
<b>Other comprehensive income for the year attributable to:</b>			
- Shareholders of the Company		231	133
- Non-controlling interests		-	-
		<b>231</b>	<b>133</b>
<b>Total comprehensive income for the year attributable to:</b>			
- Shareholders of the Company		3,869	3,558
- Non-controlling interests		-	(13)
		<b>3,869</b>	<b>3,545</b>
<b>Earnings per equity share</b> (par value of ₹ 5 each)	29		
Basic (₹)		33.08	31.14
Diluted (₹)		33.06	31.14
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

Place : Mumbai  
Date : April 22, 2021

For and on behalf of the Board of Directors  
**Cyient Limited**

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

**Ajay Aggarwal**  
Executive Director and  
Chief Financial Officer  
(DIN-02565242)

Place : Hyderabad  
Date : April 22, 2021

**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 00605187)

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

## Consolidated statement of changes in equity for the year ended March 31, 2021

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

### a. Equity share capital

Particulars	Notes	Amount
<b>Balance as at April 1, 2019</b>		552
Issue of shares during the year	12A	1
Shares bought back and extinguished during the year	(3)	
<b>Balance as at March 31, 2020</b>		550
Issue of shares during the year*	12A	-
<b>Balance as at March 31, 2021</b>		550

\* During the year, the Company allotted 58,591 equity shares of ₹ 5 each valuing ₹ 0.29 (rounded off), consequent to the exercise of the stock options by the associates of the Company under the Associate Stock Option Plan.

### b. Other equity

Particulars	Notes	Attributable to shareholders of the Company						Non-controlling Interests	Total other equity				
		Reserves and surplus			Items of other comprehensive income								
		Capital Redemption Reserve	Securities premium reserve	General reserve	Share based payments reserve	Retained earnings	Share application money pending allotment	Capital reserve	Cash flow hedge reserve	Foreign currency translation Reserve	Equity instruments through OCI		
<b>Balance as at April 1, 2019</b>		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		-	-	-	-	(137)	-	-	-	-	-	-	(137)
<b>Revised Balance as at April 1, 2019</b>		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
<b>Total comprehensive income for the year</b>		-	-	-	-	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 expense	13	-	-	-	42	-	-	-	-	-	-	-	42

Particulars	Notes	Attributable to shareholders of the Company										Non-controlling Interests	Total other equity		
		Reserves and surplus					Items of other comprehensive income								
		Capital Redemption Reserve	Securities premium	General reserve	Share based payments reserve	Retained earnings	Share application money pending for allotment	Capital reserve	Cash flow hedge reserve	Foreign currency translation Reserve	Equity instruments through OCI				
Transfer of gain to retained earnings on disposal of equity instruments through OCI	13	-	-	-	-	22	-	-	-	(22)	-	-	-	-	-
Dividends paid (including dividend distribution tax)	38	-	-	-	-	(3,181)	-	-	-	-	-	-	-	-	(3,181)
<b>Balance as at March 31, 2020</b>		<b>16</b>	<b>2,075</b>	<b>5,139</b>	<b>106</b>	<b>16,652</b>	<b>-</b>	<b>35</b>	<b>(80)</b>	<b>1,111</b>	<b>5</b>	<b>(32)</b>	<b>25,027</b>		
Profit for the year		-	-	-	-	3,638	-	-	-	-	-	-	3,638		
Other comprehensive income		-	-	-	-	(78)	-	-	204	105	-	-	231		
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,560</b>	<b>-</b>	<b>-</b>	<b>204</b>	<b>105</b>	<b>-</b>	<b>-</b>	<b>3,869</b>		
Issue of shares under Company's associate stock option plan/Share application money	13	-	36	-	(5)	-	7	-	-	-	-	-	38		
Share based payments expense	13	-	-	-	57	-	-	-	-	-	-	-	57		
<b>Balance as at March 31, 2021</b>		<b>16</b>	<b>2,111</b>	<b>5,139</b>	<b>158</b>	<b>20,212</b>	<b>7</b>	<b>35</b>	<b>124</b>	<b>1,216</b>	<b>5</b>	<b>(32)</b>	<b>28,991</b>		

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

Place : Mumbai  
Date : April 22, 2021

For and on behalf of the Board of Directors  
**Cyient Limited**

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

**Ajay Aggarwal**  
Executive Director and  
Chief Financial Officer  
(DIN-02565242)

Place : Hyderabad  
Date : April 22, 2021

**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 00605187)

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

## Consolidated cash flow statement for the year ended March 31, 2021

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit for the year</b>	<b>3,638</b>	<b>3,412</b>
<i>Adjustments for:</i>		
Tax expense	1,133	1,270
Share of loss of joint venture	-	26
Depreciation and amortisation expense	1,945	1,878
Impairment of non-current assets	274	404
Profit on sale of property, plant and equipment and termination of leases (net)	(25)	(5)
Finance costs	433	486
Interest income	(497)	(439)
Dividend from mutual funds and equity instruments	-	(30)
Liabilities no longer required written back	(341)	(371)
Loss/(gain) on fair valuation of financial instruments	86	(8)
Share-based payments expense	57	42
Provision for expected credit loss, net	381	422
Unrealised forex loss/(gain), net	80	(132)
<b>Operating profit before working capital changes</b>	<b>7,164</b>	<b>6,955</b>
<i>Changes in operating assets and liabilities:</i>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Trade receivables	(900)	813
Other financial assets	1,838	(610)
Inventories	681	(430)
Other assets	120	796
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	737	49
Other financial liabilities	-	(57)
Other liabilities	194	(331)
Provisions	16	98
<b>Cash generated from operations</b>	<b>9,850</b>	<b>7,283</b>
Net income taxes paid	(1,292)	(1,459)
<b>Net cash flow from operating activities (A)</b>	<b>8,558</b>	<b>5,824</b>

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment towards purchase of property, plant and equipment and intangible assets	(985)	(2,149)
Proceeds from sale of property, plant and equipment	36	11
Proceeds from sale of financial assets		
- Investments in equity instruments classified as FVTOCI	-	46
- Mutual funds	-	6,179
Payments to acquire financial assets		
- Investments in equity instruments	(15)	(176)
- Mutual funds	-	(5,901)
Interest received	397	509
Dividend received from		
- Mutual funds and equity instruments	-	29
Net cash outflow on acquisition of subsidiary (refer note (ii) below)	(622)	-
Settlement of deferred consideration pertaining to prior year acquisitions	(99)	(204)
Movement in other bank balances	281	86
<b>Net cash flow used in investing activities (B)</b>	<b>(1,007)</b>	<b>(1,570)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment towards Buyback including transaction cost	-	(395)
Proceeds from issue of equity shares (including share application money)	37	17
Interest paid	(213)	(292)
Repayment of non-current borrowings	(394)	(419)
Movement in current borrowings (net)	(653)	742
Repayment of lease liabilities	(925)	(947)
Proceeds from sale and leaseback of assets	51	-
Dividends paid (includes transfer to investor education and protection fund)	(10)	(2,627)
Dividend distribution tax	-	(542)
<b>Net cash flow used in financing activities (C)</b>	<b>(2,107)</b>	<b>(4,463)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>5,444</b>	<b>(209)</b>
Cash and cash equivalents at the beginning of the year	8,995	9,096
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(31)	108
<b>Cash and cash equivalents at the end of the year (refer note (i) below)</b>	<b>14,408</b>	<b>8,995</b>

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Notes:</b>		
(i) Cash and cash equivalents comprises of: (refer note 11A)		
Cash on hand	1	1
Balances with banks		
in current accounts	3,667	3,169
in deposit accounts	10,633	2,993
Deposits with financial institutions	-	2,373
Cheques on hand	-	22
Unpaid dividend	24	34
Remittances in transit	83	403
	<b>14,408</b>	<b>8,995</b>

(ii) Net cash outflow on acquisition of subsidiary:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consideration paid in cash	646	-
Less: Cash and cash equivalent balances acquired on the acquisition	(24)	-
Net cash outflow on acquisition of subsidiary	<b>622</b>	-

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

Place : Mumbai  
Date : April 22, 2021

For and on behalf of the Board of Directors  
**Cyient Limited**

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

**Ajay Aggarwal**  
Executive Director and  
Chief Financial Officer  
(DIN-02565242)

Place : Hyderabad  
Date : April 22, 2021

**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 00605187)

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



# Notes Forming Part of the Consolidated Financial Statements for the Year Ended March 31, 2021

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 April 22, 2021.

## 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 consolidated financial statements.

### 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 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.

### 2.4 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

### 2.5 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.

## 2.6 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.

## 2.7 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.

## 2.8 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.

## 2.9 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.

## 2.10 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.

### 2.11 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.

### 2.12 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.

### 2.13 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.

### 2.14 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.

### 2.15 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.

### 2.16 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.

### 2.17 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.

## 2.18 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.

## 2.19 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.



## 2.20 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.

## 2.21 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.

## 2.22 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.

## 2.23 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.

## 2.24 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.

### 2.25 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.

### 2.26 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.

### 2.27 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'.

### 2.28 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.

### 2.29 New and amended standards

#### (A) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020.

#### (B) Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period.

#### (C) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020.

#### (D) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships. The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020.

The above amendments do not have a significant impact on the Group's financial statements for the year ended March 31, 2021.

### 3A. Property, plant and equipment

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Carrying amount of:</b>		
Freehold land	16	16
Leasehold land	-	-
Buildings	2,203	1,516
Leasehold improvements	88	109
Computers	458	521
Plant and equipment	1,196	1,025
Office equipment	209	268
Furniture and fixtures	404	435
Electrical installations	212	231
Vehicles	14	21
Tools and equipment	70	63
<b>Total</b>	<b>4,870</b>	<b>4,205</b>

**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 [refer note (e) below]	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Tools and equipment	Total
<b>I. Cost or deemed cost</b>												
Balance as at April 1, 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
<b>Balance as at March 31, 2020</b>	<b>16</b>	<b>-</b>	<b>2,259</b>	<b>225</b>	<b>2,094</b>	<b>2,143</b>	<b>818</b>	<b>971</b>	<b>623</b>	<b>48</b>	<b>156</b>	<b>9,353</b>
Additions	-	-	811	4	201	356	56	38	22	-	18	1,506
Disposals	-	-	-	(34)	(5)	(47)	(18)	(32)	(11)	(5)	-	(152)
Foreign currency translation adjustments	-	-	(7)	2	(38)	35	(29)	6	(1)	(2)	1	(33)
Balance as at March 31, 2021	16	-	3,063	197	2,252	2,487	827	983	633	41	175	10,674
<b>II. Accumulated depreciation</b>												
Balance as at April 1, 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
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>743</b>	<b>116</b>	<b>1,573</b>	<b>1,118</b>	<b>550</b>	<b>536</b>	<b>392</b>	<b>27</b>	<b>93</b>	<b>5,148</b>
Depreciation for the year	-	-	121	25	261	181	102	65	39	5	11	810
Disposals	-	-	-	(31)	(4)	(27)	(12)	(24)	(11)	(2)	-	(111)
Foreign currency translation adjustments	-	-	(4)	(1)	(36)	19	(22)	2	1	(3)	1	(43)
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>860</b>	<b>109</b>	<b>1,794</b>	<b>1,291</b>	<b>618</b>	<b>579</b>	<b>421</b>	<b>27</b>	<b>105</b>	<b>5,804</b>
<b>III. Carrying amounts (I-II)</b>												
Net book value as at March 31, 2020	16	-	1,516	109	521	1,025	268	435	231	21	63	4,205
<b>Net book value as at March 31, 2021</b>	<b>16</b>	<b>-</b>	<b>2,203</b>	<b>88</b>	<b>458</b>	<b>1,196</b>	<b>209</b>	<b>404</b>	<b>212</b>	<b>14</b>	<b>70</b>	<b>4,870</b>

(b). Includes ₹ 4 (March 31, 2020 - ₹ 4) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

(c). Includes ₹ 9 (March 31, 2020 - ₹ 9) in respect of which land allocation letters have been received, pending completion of legal formalities relating to conveyance.

(d). Includes ₹ 1,762 (March 31, 2020 - ₹ 1,006) relating to building constructed on leasehold land.

(e). During the year, the Company has entered into sale and leaseback transaction for sale of computers for a consideration of ₹ 57. As the transaction has not met conditions specified under Ind AS 115, these assets continued to be recognised under property, plant and equipment and financial liability equivalent to the sale consideration has been recognised in other financial liabilities. As at March 31, 2021, closing balance of the financial liability, net of repayment is ₹ 51 (refer note 16).

### 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) as at April 1, 2019. The effect of adopting this standard is not material on the profit for the previous year.

#### (a) Right of use assets:

Movement in the carrying amount of right of use assets is as below

Particulars	Category of ROU assets			
	Leasehold land	Buildings	Computers	Total
<b>Balance as at April 1, 2019</b>	469	2,292	445	<b>3,206</b>
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
<b>Balance as at March 31, 2020</b>	<b>448</b>	<b>1,980</b>	<b>276</b>	<b>2,704</b>
Additions	-	247	248	495
Deletions	-	(145)	-	(145)
Depreciation transferred to CWIP	(6)	-	-	(6)
Depreciation	(26)	(521)	(206)	(753)
Foreign currency translation adjustments	-	14	2	16
<b>Balance as at March 31, 2021</b>	<b>416</b>	<b>1,575</b>	<b>320</b>	<b>2,311</b>

#### (b) Current and non current lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	632	672
Non-current lease liabilities	1,958	2,293
<b>Total</b>	<b>2,590</b>	<b>2,965</b>

The following is the movement in lease liabilities during the year ended:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	2,965	3,408
Additions	488	309
Finance cost transferred to CWIP	9	36
Deletions	(171)	(74)
Finance cost accrued during the year	212	182
Payment of lease liabilities	(925)	(947)
Foreign currency translation adjustments	12	51
<b>Balance at the end of the year</b>	<b>2,590</b>	<b>2,965</b>



The table below provides details regarding contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	869	845
One to five years	1,772	1,773
More than five years	1,941	1,531
<b>Total</b>	<b>4,582</b>	<b>4,149</b>

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 ₹ 115 (March 31, 2020: ₹ 142) included under other expenses in the consolidated statement of profit and loss. (refer note 28)

#### 4. Goodwill

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	5,374	5,257
Additions on account of business combinations (refer note 33 A(ii))	603	-
Impairment (refer note 36 (a))	(309)	-
Foreign currency translation adjustments	162	117
<b>Balance at end of the year</b>	<b>5,830</b>	<b>5,374</b>

Goodwill of ₹ 2,951 (March 31, 2020: ₹ 2,960) 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 3%-5% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 13-16%. 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 ₹ 2,879 (March 31, 2020: ₹ 2,414) 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 1%-3% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 12.5%-17%. 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, except for the impairment provision of ₹ 309.

## 5. Other Intangible assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Carrying amount of:</b>		
Computer software	196	327
Technology/ Intellectual Property	65	88
Customer contracts	227	210
Process knowhow	17	33
Other intangible assets	93	109
<b>Total intangible assets</b>	<b>598</b>	<b>767</b>
<b>Intangible assets under development (refer note (i) below)</b>	<b>763</b>	<b>659</b>

### 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 ₹ 734 (March 31, 2020: ₹ 613) have been classified under 'intangible assets 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 six years, with one year transition period, discount rate of 25% and terminal growth rate of 5%.
- In the earlier years, 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. In the previous 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'. Reversal of impairment of ₹ 35 in the consolidated financial statements for the year ended March 31, 2021 represents recoveries against the aforesaid impairment of non-current assets. (refer note 36(b))
- 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 ₹ 29 (March 31, 2020: ₹ 46) was capitalised as 'intangible assets under development'. During the previous 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'.
- In earlier years, the Group incurred certain expenses towards development of a software towards certification process through simulation which was capitalised as 'intangible assets under development'. In the previous year, based on forecast of the underlying contracts, the Group had impaired the carrying value of the asset of ₹ 73 and recognised under 'impairment of non-current assets'. (refer note 36(c))

(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
<b>I. Cost or deemed cost</b>						
<b>Balance as at April 1, 2019</b>	<b>3,241</b>	<b>97</b>	<b>476</b>	<b>83</b>	<b>1,067</b>	<b>4,964</b>
Additions	269	34	-	-	-	303
Disposals	-	-	-	-	-	-
Foreign currency translation adjustments	12	12	10	7	23	64
<b>Balance as at March 31, 2020</b>	<b>3,522</b>	<b>143</b>	<b>486</b>	<b>90</b>	<b>1,090</b>	<b>5,331</b>
Additions	19	-	-	-	-	19
Disposals	(2)	-	-	-	-	(2)
Additions through business combination	-	-	121	-	42	163
Foreign currency translation adjustments	1	-	3	(2)	60	62
<b>Balance as at March 31, 2021</b>	<b>3,540</b>	<b>143</b>	<b>610</b>	<b>88</b>	<b>1,192</b>	<b>5,573</b>
<b>II. Accumulated amortisation</b>						
<b>Balance as at April 1, 2019</b>	<b>2,983</b>	<b>36</b>	<b>197</b>	<b>36</b>	<b>719</b>	<b>3,971</b>
Amortisation for the year	200	19	70	17	141	447
Disposals	-	-	-	-	-	-
Impairment (refer note 36d)	-	-	-	-	109	109
Foreign currency translation adjustments	12	-	9	4	12	37
<b>Balance as at March 31, 2020</b>	<b>3,195</b>	<b>55</b>	<b>276</b>	<b>57</b>	<b>981</b>	<b>4,564</b>
Amortisation for the year	151	21	90	18	102	382
Disposals	(1)	-	-	-	-	(1)
Impairment	-	-	-	-	-	-
Foreign currency translation adjustments	(1)	2	17	(4)	16	30
<b>Balance as at March 31, 2021</b>	<b>3,344</b>	<b>78</b>	<b>383</b>	<b>71</b>	<b>1,099</b>	<b>4,975</b>
<b>III. Carrying amounts (I-II)</b>						
Net book value as at March 31, 2020	327	88	210	33	109	767
Net book value as at March 31, 2021	196	65	227	17	93	598

## 6. Investments

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non-current (refer note (i) below)</b>		
<b>Investment carried at equity method of accounting</b>		
(i) Equity instruments of joint venture company (unquoted) (refer note (iii) below)	-	-
	-	-
<b>Investments carried at fair value through other comprehensive income</b>		
(i) Equity instruments of other entities (unquoted)	42	27
	<b>42</b>	<b>27</b>
<b>Investment carried at fair value through profit and loss</b>		
(i) Compulsorily convertible preference shares of other entities (unquoted)	12	12
(ii) Preferred instruments of other entities (unquoted)	175	155
(iii) Debt instruments of other entities (unquoted)	-	114
(iv) Units of Partnership fund (unquoted)	115	106
	<b>302</b>	<b>387</b>
<b>Total non-current investments</b>	<b>344</b>	<b>414</b>

Notes:

### (i) Details of investments - non-current

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Equity instruments of joint venture company (unquoted)</b>				
Infotech HAL Limited, India (refer note (iii) below)	20,00,000	-	20,00,000	-
<b>Equity instruments of other entities (unquoted)</b>				
Traffic master Plc., United Kingdom (refer note (a) below)	35,088	-	35,088	-
Cardiac Design Labs Private Limited, India	6,036	24	6,036	24
Mysore ESDM Cluster	31,93,237	3	31,93,237	3
Qunu Labs Private Limited	67,437	15	-	-
<b>Compulsorily convertible preference shares of other entities (unquoted)</b>				
Cardiac Design Labs Private Limited, India	3,048	12	3,048	12
<b>Preferred instruments of other entities (unquoted)</b>				
Jana Care Inc.	3,68,297	77	3,68,297	80
Cylus Cyber Security Ltd.	6,68,986	98	6,68,986	75
<b>Debt instruments of other entities (unquoted)</b>				
Spry Health Inc., USA	-	-	NA	114
<b>Investment in Class A units of Partnership fund (unquoted)</b>				
Vasuki 2019 SCSp, Luxembourg	NA	115	NA	106
<b>Total</b>		<b>344</b>		<b>414</b>

**Notes:**

- (a) As at March 31, 2021, carrying value of equity instruments in Traffic master Plc. was ₹ 0.11 (March 31, 2020: ₹ 0.11)
- (b) During the year, the Company has recognised a gain of ₹ 23 (March 31, 2020: ₹ Nil) on fair valuation of its investment in Cylus Cyber Security Ltd and loss of ₹ 114 (March 31, 2020: ₹ Nil) on fair valuation of its investment in Spry Health Inc.

**(ii). Carrying values:**

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate amount of unquoted investments carried at equity method of accounting	-	-
Aggregate amount of Investments carried at fair value through other comprehensive income	42	27
Aggregate amount of Investments (current and non-current) carried at fair value through profit and loss	302	387

**(iii) Investments in Joint Venture**

The Company holds 50% stake in Infotech HAL Limited, India as at March 31, 2021 (March 31, 2020: 50%). The share in profit of joint venture is accounted for using the equity method of accounting. (refer note 31).

**Summarised financial information:****Financial Position:**

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current assets	2	2
Current assets	37	20
Current liabilities	(68)	(53)
Net assets	(29)	(31)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue	32	29
Profit/(loss) for the year	2	(83)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	2	(83)
Share in profit/(loss) from Joint venture	1	(42)
Share of profit / (loss) from joint venture accounted in consolidated financial statements*	-	(26)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening net assets	(31)	52
Total comprehensive income for the year	2	(83)
Closing net assets	(29)	(31)
Group's share %	50%	50%
Group's share in net assets of Joint venture*	-	-

\* 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. Other financial assets

### 7A . Loans and deposits

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non-current:</b>		
<b>(at amortised cost)</b>		
Security deposits		
Considered good	266	299
Considered doubtful	16	16
Less : Allowance for doubtful deposits	(16)	(16)
<b>Total loans and deposits</b>	<b>266</b>	<b>299</b>

### 7B . Other financial assets

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non-current:</b>		
<b>(at amortised cost)</b>		
Retention money receivable	-	10
<b>Total other non-current financial assets</b>	<b>-</b>	<b>10</b>
<b>Current:</b>		
<b>(at amortised cost)</b>		
Unbilled revenue	2,259	4,015
Interest accrued on deposit accounts	277	177
Advance to employees	13	61
Other receivables	52	37
<b>(at FVTOCI)</b>		
Derivative instruments designated in a hedging relationship	237	121
<b>Total other current financial assets</b>	<b>2,838</b>	<b>4,411</b>
<b>Total other financial assets</b>	<b>2,838</b>	<b>4,421</b>

## 8. Other assets

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non-current:</b>		
<b>(at amortised cost)</b>		
Capital advances (net of provision)	38	152
Deferred contract costs	139	71
Prepaid expenses	15	127
Other advances	-	23
<b>Total other non-current assets</b>	<b>192</b>	<b>373</b>
<b>Current:</b>		
<b>(at amortised cost)</b>		
Prepaid expenses	655	461
Deferred contract costs	92	276
Balances with government authorities	277	315
Advances to suppliers	350	406
Other receivables	44	2
<b>Total other current assets</b>	<b>1,418</b>	<b>1,460</b>
<b>Total other assets</b>	<b>1,610</b>	<b>1,833</b>

## 9. Inventories

Particulars	As at	
	March 31, 2021	March 31, 2020
Raw materials	1,191	1,773
Work-in-progress	138	222
Finished goods	226	240
Consumables & stores	31	32
<b>Total</b>	<b>1,586</b>	<b>2,267</b>

## 10. Trade receivables

Particulars	As at	
	March 31, 2021	March 31, 2020
Trade receivables		
Trade receivables considered good - unsecured	8,026	7,262
Trade receivables-significant increase in credit risk	-	-
Trade receivables - credit impaired	439	265
Expected credit loss allowance	(439)	(265)
<b>Total</b>	<b>8,026</b>	<b>7,262</b>

### 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, 2021	March 31, 2020
Within the credit period	6,294	5,623
1-90 days past due	1,253	1,143
91-180 days past due	319	216
181-365 days past due	339	153
More than 365 days past due	260	392
<b>Balance at the end of the year</b>	<b>8,465</b>	<b>7,527</b>

Movement in the expected credit loss allowance	As at	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	265	240
Provision made during the year	369	217
Reversal of provision on account of collection	(7)	(28)
Bad debts written-off	(181)	(154)
Translation adjustment	(7)	(10)
<b>Balance at the end of the year</b>	<b>439</b>	<b>265</b>



## 11. Cash and Bank Balances

### 11A. Cash and cash equivalents

Particulars	As at	
	March 31, 2021	March 31, 2020
Cash on hand	1	1
Balances with banks		
in current accounts	3,667	3,169
in deposit accounts *	10,633	2,993
Deposits with financial institutions *	-	2,373
Cheques on hand	-	22
Remittances in transit	83	403
Unpaid dividend	24	34
<b>Total</b>	<b>14,408</b>	<b>8,995</b>

\* The deposits maintained by the Company with banks and financial institutions comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

### 11B. Other bank balances

Particulars	As at	
	March 31, 2021	March 31, 2020
Balance in escrow account (refer notes below)	-	62
Deposits held as margin money/security for bank guarantees	242	461
<b>Total</b>	<b>242</b>	<b>523</b>

#### Notes :

Balance in escrow aggregating ₹ Nil (March 31, 2020: ₹ 62) pertains to purchase consideration payable by subsidiaries to previous shareholders of acquired entities on meeting of certain obligations.

#### Reconciliation of liabilities arising from financing activities for the year ended March 31, 2021:

Particulars	As at March 31, 2020	Proceeds	Repayment	Exchange difference	As at March 31, 2021
Non-current borrowings (including current portion)	1,270	-	(394)	6	882
Current borrowings, net	2,879	-	(653)	76	2,302
Lease liabilities	2,965	538	(925)	12	2,590
<b>Total liabilities from financing activities</b>	<b>7,114</b>	<b>538</b>	<b>(1,972)</b>	<b>94</b>	<b>5,774</b>

**Reconciliation of liabilities arising from financing activities for the year ended March 31, 2020:**

Particulars	As at March 31, 2019	Proceeds	Impact on account of adoption of Ind AS 116	Repayment	Exchange difference	As at March 31, 2020
Non-current borrowings (including current portion)	1,547	-	-	(419)	142	1,270
Current borrowings, net	2,137	742	-	-	-	2,879
Lease liabilities	-	-	3,861	(947)	51	2,965
<b>Total liabilities from financing activities</b>	<b>3,684</b>	<b>742</b>	<b>3,861</b>	<b>(1,366)</b>	<b>193</b>	<b>7,114</b>

**12. Equity share capital**

Particulars	As at	
	March 31, 2021	March 31, 2020
Authorised share capital:		
280,000,000 fully paid up equity shares of ₹ 5 each (March 31, 2020 : 280,000,000)	1,400	1,400
Issued and subscribed capital:		
110,029,812 fully paid-up equity shares of ₹ 5 each (March 31, 2020 : 109,971,221)	550	550
<b>Total</b>	<b>550</b>	<b>550</b>

**(A) Reconciliation of the number of shares outstanding:**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Opening balance	10,99,71,221	550	11,04,74,173	552
Add: Issue of shares during the year (refer note below)	58,591	-	50,493	1
Less: Shares bought back and extinguished during the year (refer note (D) below)	-	-	(5,53,445)	(3)
<b>Closing balance</b>	<b>11,00,29,812</b>	<b>550</b>	<b>10,99,71,221</b>	<b>550</b>

**Note:** During the year, the Company allotted 58,591 equity shares of ₹ 5 each valuing ₹ 0.29 (rounded off), consequent to the exercise of the stock options by the associates of the Company under the Associate Stock Option Plan.

**(B) Details of shares held by each shareholder holding more than 5% shares:**

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid up equity shares</b>				
Vineyard Point Software Private Limited	1,40,00,000	12.72%	1,32,56,634	12.05%
Amansa Holdings Private Limited	95,68,296	8.70%	77,68,358	7.06%
Infocad Enterprises Private Limited	70,00,000	6.36%	56,28,317	5.12%

**(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:**

Aggregate number of equity shares bought back during the period of previous five years : 3,123,963 (March 31, 2020: 3,123,963).

**(E) Details of shares allotted under Associate Stock Option Plans:**

- (i) 1,078,568 (March 31, 2020: 1,040,818) 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)
- (ii) 20,841 (March 31, 2020: Nil) equity shares of ₹ 5 each fully paid-up was allotted to associates of the Company pursuant to the Associate Stock Option Plan - 2008 (ASOP - 2015)

**(F) Details of shares reserved for issue:**

- (i) Shares aggregating 121,000 and 204,750 as at March 31, 2021 and March 31, 2020 respectively, reserved for issue under ASOP 2008 scheme.
- (ii) Shares aggregating 855,468 and 701,434 as at March 31, 2021 and March 31, 2020 respectively, reserved for issue under ASOP 2015 scheme.
- (iii) Shares aggregating 186,200 (March 31, 2020: Nil), reserved for issue under RSU scheme 2020.

**(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, 2021		For the year ended March 31, 2020	
	No. of Options	Weighted average exercise price	No. of Options	Weighted average exercise price
Options outstanding at the beginning of the year	2,04,750	522	2,97,746	482
Forfeited	(46,000)	547	(42,503)	466
Exercised	(37,750)	515	(50,493)	335
<b>Options outstanding at the end of year</b>	<b>1,21,000</b>	<b>510</b>	<b>2,04,750</b>	<b>522</b>

Out of the total outstanding options, 47,503 (March 31, 2020: 65,003) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2021, 1,078,568 (March 31, 2020: 1,040,818) 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 121,000 (March 31, 2020: 204,750) are outstanding as at March 31, 2021.

#### 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, 2021		For the year ended March 31, 2020	
	No. of Options	Weighted average exercise price	No. of Options	Weighted average exercise price
Options outstanding at the beginning of the year	7,01,434	551	3,96,320	655
Granted	3,16,240	467	3,75,270	456
Forfeited	(1,41,365)	545	(70,156)	628
Exercised	(20,841)	529	-	-
<b>Options outstanding at the end of year</b>	<b>8,55,468</b>	<b>522</b>	<b>7,01,434</b>	<b>551</b>

Out of the total outstanding options, 365,080 (March 31, 2020: 257,080) options pertain to options granted to the associates of subsidiary companies.

As at March 31, 2021, 20,841 (March 31, 2020: 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 855,468 (March 31, 2020: 701,434) are outstanding as at March 31, 2021.

### 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. The RSUs will vest over a period of three years from the date of grant.

### Movements in stock options during the year

#### ARSU 2020

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	No. of Options	Weighted average exercise price	No. of Options	Weighted average exercise price
Options outstanding at the beginning of the year	-	-	-	-
Granted	1,93,030	5	-	-
Forfeited	(6,830)	5	-	-
<b>Options outstanding at the end of year</b>	<b>1,86,200</b>	<b>5</b>	<b>-</b>	<b>-</b>

Out of the total outstanding options 13,210 (March 31, 2020: Nil) options pertain to options granted to the associates of subsidiary companies.

Options (net of cancellations) for a total number of 186,200 (March 31, 2020: Nil) are outstanding as at March 31, 2021.

#### (ii). Fair value of stock options granted during the year:

The weighted average fair value of the share options during the year is ₹ 61.69 - ₹ 256.08 (2019-20: ₹ 112.34 - ₹ 116.47). 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, 2021	March 31, 2020
<b>a) ASOP 2008</b>		
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

Particulars	Black-Scholes Model As at	
	March 31, 2021	March 31, 2020
<b>b) ASOP 2015</b>		
Exercise price (₹)	222 - 741	583 - 741
Grant date share price (₹)	235 - 734.95	590.2 - 734.95
Dividend yield (%)	1.7 - 2.5	1.7 - 1.9
Expected volatility (%)	29.8 - 38.96	29.82 - 32.2
Risk-free interest (%)	4.49 - 7.9	6.9 - 7.9
Expected term (in years)	3 - 4	3 - 4
<b>c) RSU 2020</b>		
Exercise price (₹)	5	-
Grant date share price (₹)	284.15	-
Dividend yield (%)	2.5	-
Expected volatility (%)	34.7 - 37.1	-
Risk-free interest (%)	4.49 - 4.91	-
Expected term (in years)	3 - 4	-

**(iii). 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)	2020-21	37,750	March 6, 2021	630.45
Associate Stock Option Plan – 2015 (ASOP 2015)	2020-21	20,841	March 6, 2021	630.45
Associate Stock Option Plan – 2008 (ASOP 2008)*	2019-20	50,493	July to Aug	446.5 - 528.2

\* Allotment happened at various dates during that period

### 13. Other equity

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>(a) Capital reserve</b>		
(i) Opening balance	35	35
	35	35
<b>(b) Capital redemption reserve</b>		
(i) Opening balance	16	13
(ii) Appropriation from general reserve upon buyback of equity shares (refer note 12(D))	-	3
	16	16
<b>(c) Securities premium</b>		
(i) Opening balance	2,075	2,380
(ii) Options exercised	6	7
(iii) Premium received on allotment of shares	30	16
(iv) Amount paid upon Buyback (refer note 12(D))	-	(328)
	2,111	2,075
<b>(d) General reserve</b>		
(i) Opening balance	5,139	5,142
(ii) Transfer to capital redemption reserve upon buyback of equity shares	-	(3)
	5,139	5,139
<b>(e) Share based payment reserve</b>		
(i) Opening balance	106	71
(ii) Share based payments expense	57	42
(iii) Options exercised	(5)	(7)
	158	106
<b>(f) Cash flow hedge reserve</b>		
(i) Opening balance	(80)	274
(ii) Effective portion of gain/(loss) on designated portion of hedging instruments (net of tax)	204	(354)
	124	(80)
<b>(g) Foreign currency translation reserve</b>		
(i) Opening balance	1,111	640
(ii) Additions (net)	105	471
	1,216	1,111
<b>(h) Retained earnings</b>		
(i) Opening balance	16,652	16,515
(ii) Profit for the year attributable to the shareholders of the Company	3,638	3,425
(iii) Other comprehensive income arising out of remeasurement of defined benefit obligation (net of taxes)	(78)	8

Particulars	As at	
	March 31, 2021	March 31, 2020
(iv) Transfer of gain to retained earnings on disposal of equity instruments through OCI	-	22
(v) Impact on account of adoption of Ind AS 116, net of tax (refer note 3B)	-	(137)
	20,212	19,833
Less: Appropriations		
(a) Dividend on equity shares (refer note 38)	-	(2,639)
(b) Dividend distribution tax	-	(542)
	20,212	16,652
<b>(i) Equity instruments through other comprehensive income (refer note 6(i)(a))</b>		
(i) Opening balance	5	19
(ii) Increase in fair value of equity instruments (net of tax)	-	8
(iii) Transfer of gain to retained earnings on disposal of equity instruments through OCI	-	(22)
	5	5
<b>(j) Share application money pending allotment</b>		
(i) Opening balance	-	-
(ii) Received during the year	7	-
	7	-
<b>Total</b>	<b>29,023</b>	<b>25,059</b>

#### 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) Share application money pending allotment**

Represents amount received from associates on exercise of stock options, pending allotment.

**14. Non-controlling Interests ('NCI')**

Particulars	As at	
	March 31, 2021	March 31, 2020
Balance at beginning of the year	(32)	(19)
Total comprehensive loss for the year attributable to NCI	-	(13)
<b>Balance at end of the year</b>	<b>(32)</b>	<b>(32)</b>

**Details of subsidiaries with the non-controlling interests:**

Name of the subsidiary	Place of incorporation and principal place of business	Non-controlling interests	
		As at March 31, 2021	As at March 31, 2020
Cyient Solutions and Systems Private Limited ('CSSPL') (refer note 36)	India	49%	49%

## 15. Borrowings

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non -current</b>		
<b>Secured - at amortised cost</b>		
Term loans from banks*	453	859
<b>Total</b>	<b>453</b>	<b>859</b>
<b>Current</b>		
<b>Secured - at amortised cost</b>		
Working capital loans from banks	2,302	2,879
<b>Total</b>	<b>2,302</b>	<b>2,879</b>
<b>Total borrowings</b>	<b>2,755</b>	<b>3,738</b>

\*Current maturities of non-current borrowings amount of ₹ 429 (March 31, 2020: ₹ 411) 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 Foreign currency	Security	Carrying value as at			
				March 31, 2021		March 31, 2020	
				Foreign currency	INR	Foreign currency	INR
<b>Cyient Inc.</b>							
HSBC (USD) (Availed in February 2017 repayable in quarterly installments over a period of 4 years)	LIBOR+1% Payable quarterly	40,00,000	i. Lien on cash, deposits, securities, instruments or other property in the possession of the bank ii. Corporate Guarantee from Cyient Limited	-	-	10,00,000	75
DECD (USD) (refer note below) (Obtained in August 2018)	2.5%	5,00,000	None	3,95,718	29	4,21,138	32
<b>Cyient Defense Services Inc.</b>							
HSBC (USD) (Availed in January 2018 repayable in quarterly installments over a period of 4 years)	LIBOR+1% Payable quarterly	30,00,000	i. Lien on cash, deposits, securities, instruments or other property in the possession of the bank ii. Corporate Guarantee from Cyient Limited	7,50,000	55	15,00,000	113

Particulars	Coupon/Interest Rate	Gross amount in Foreign currency	Security	Carrying value as at			
				March 31, 2021		March 31, 2020	
				Foreign currency	INR	Foreign currency	INR
<b>Cyient DLM Private Limited</b>							
HDFC (INR) (Availed in March 2016 repayable in 54 monthly installments)	9.65%	15,00,00,000	i. First pari-passu charge on all existing and future fixed assets of the Borrower ii. Second pari-passu charge on Current assets and other movable asset of the company iii. Corporate Guarantee from Cyient Limited	-	-	1,60,00,000	16
<b>Cyient Europe Limited</b>							
HSBC (EUR) (Availed in October 2017 repayable in quarterly installments over a period of 4 years)	EURIBOR+0.78% per annum payable quarterly	1,15,00,000	i. First charge on all existing and future freehold and leasehold property and other assets ii. Corporate Guarantee from Cyient Limited	85,00,000	729	1,05,00,000	869
HSBC (USD) (Availed 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	50,00,000		9,37,500	69	21,87,500	165

**Note:**

i) In the earlier years, 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, 2021, Company has filed for an extension of timeline to meet specified terms and conditions of the assistance agreement.

**Working capital loans:**

**Cyient DLM Private Limited- (Interest ranging from 1.0% - 8.2%)**

**(a) HDFC Bank:**

Loan outstanding balance as on March 31, 2021 is ₹ 580 (March 31, 2020: ₹ 713) This loan is secured by a corporate guarantee from Cyient Limited.

**Primary Security:** Paripassu charge on current assets of Cyient DLM Private Limited.

**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, 2021 is ₹ 56 (March 31, 2020 ₹ 513). This loan is secured by a corporate guarantee from Cyient Limited.

**Primary Security:** Paripassu charge on current assets of Cyient DLM Private Limited.

**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 ₹ 390 (March 31, 2020: ₹ 291). This loan is secured by a corporate guarantee from Cyient Limited.

**Primary Security:** Paripassu charge on current assets of Cyient DLM Private Limited.

**Secondary Security:** Paripassu charge on movable fixed assets of Cyient DLM Private Limited.

**Cyient Inc. - (Interest ranging from 1.1%- 1.7%)**

Loan outstanding as at March 31, 2021 was ₹ 441 (USD 6,000,158) (March 31, 2020: ₹ 980 (USD 13,000,158), secured by a stand by letter of credit from HSBC Bank, India.

This loan is secured by a corporate guarantee from Cyient Limited.

**Cyient Europe Limited - (Interest ranging from 0.78%- 2.9%)**

(a) Loan outstanding from HSBC bank as at March 31, 2021 was ₹ 0.3 (EUR 3,357) (March 31, 2020: ₹ 46 (EUR 549,164)) This loan is secured by a corporate guarantee from Cyient Limited.

(b) Loan outstanding from HSBC bank as at March 31, 2021 was ₹ 380 (GBP 3,760,638) (March 31, 2020: ₹ 98 (GBP 1,056,329)).

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.

(c) Loan outstanding from Citibank as at March 31, 2021 was ₹ 162 (GBP 1,600,000) (March 31, 2020: ₹ 149 (GBP 1,600,000)). This loan is secured by a corporate guarantee from Cyient Limited.

**Cyient SRO - (Interest ranging from 4.0%- 5.5%)**

Loan outstanding from HSBC bank as at March 31, 2021 was ₹ 35 (CZK 10,657,686) (March 31, 2020: ₹ 89 (CZK 29,058,391)). This loan is secured by a corporate guarantee from Cyient Limited.

**Cyient Australia Pty Limited-(Interest rate of 1.65%)**

Loan outstanding from HSBC bank as at March 31, 2021 was ₹ 258 (AUD 4,615,553) (March 31, 2020: ₹ Nil).

This loan is secured by a corporate guarantee from Cyient Limited.

## 16. Other financial liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non-current</b>		
<b>(at fair value through profit and loss)</b>		
Liability towards acquisition of business (refer note (i) below)	199	380
<b>(at amortised cost)</b>		
Others	51	-
<b>Total</b>	<b>250</b>	<b>380</b>
<b>Current</b>		
<b>(at amortised cost)</b>		
Current maturities of non-current borrowings	429	411
Capital creditors	55	211
Interest accrued	2	7
Unpaid dividends	24	34
<b>(at fair value through profit and loss)</b>		
Liability towards acquisition of business (refer note (i) below)	156	109
<b>(at FVTOCI)</b>		
Derivative instruments designated in a hedging relationship	46	244
<b>Total</b>	<b>712</b>	<b>1,016</b>
<b>Total other financial liabilities</b>	<b>962</b>	<b>1,396</b>

### Note:

- i) 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, 2021	March 31, 2020
<b>Cyient Europe Limited</b>	Ansem NV		
	Non-current	-	285
	Current	-	62
	(During the year, an amount of ₹ 63 (March 31, 2020: ₹ 131) has been paid as deferred consideration and ₹ 297 (March 31, 2020: ₹ 199) has been written back to other income (refer note 22(i))		
<b>Cyient Inc.</b>	B&F Design Inc.		
	Non-current	-	95
	Current	50	47

Payable by	Acquisition of	As at	
		March 31, 2021	March 31, 2020
	(During the year, an amount of ₹ 36 (March 31, 2020: ₹ 66) has been paid as deferred consideration and ₹ 46 (March 31, 2020: ₹ Nil) has been written back to other income (refer note 22(i)) The remaining consideration is payable through April 30, 2021).		
<b>Cyient Australia Pty Limited</b>	Integrated Global Partners Pty Limited		
	Non-current	199	-
	Current	106	-
	(Deferred consideration is payable through September 30, 2021 until September 30, 2023 (refer note 33))		

## 17. Provisions

Particulars	As at	
	March 31, 2021	March 31, 2020
Gratuity (refer note (i) below)	925	806
Compensated absences (refer note (ii) below)	742	718
Other provisions	5	4
<b>Total</b>	<b>1,672</b>	<b>1,528</b>
<b>Non-current:</b>		
Gratuity	805	710
Compensated absences	483	441
<b>Total non-current provisions</b>	<b>1,288</b>	<b>1,151</b>
<b>Current:</b>		
Gratuity	120	96
Compensated absences	259	277
Other provisions	5	4
<b>Total current provisions</b>	<b>384</b>	<b>377</b>

### Note:

#### 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, 2021	As at March 31, 2020
Discount Rate (%)	5.75% - 6.99%	6.05% - 6.77%
Salary Increase rate (%)	6.00% - 10.00%	6.00% - 10.00%
Attrition (%)	8.00% - 20.00%	8.00% - 20.00%
Mortality Table	IALM (2012-14) Ultimate	IALM (2012-14) 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, 2021	For the year ended March 31, 2020
<b>Amounts recognised in consolidated statement of profit and loss in respect of these defined benefit plans</b>		
<b>Current service cost</b>	124	122
<b>Total service cost (A)</b>	<b>124</b>	<b>122</b>
Interest expense on defined benefit obligation	51	56
Interest income on plan assets	(8)	(10)
<b>Net interest cost (B)</b>	<b>43</b>	<b>46</b>
<b>Defined benefit cost recognised in consolidated statement of profit and loss (A)+(B)</b>	<b>167</b>	<b>168</b>
<b>Remeasurement effects recognised in other comprehensive income</b>		
Actuarial (gain)/loss due to financial assumptions change in defined benefit obligation	62	(22)
Actuarial (gain)/loss due to experience on defined benefit obligation	35	4
Return on plan assets less/(greater) than discount rate	3	4
Components of defined benefit costs recognised in other comprehensive income	100	(14)
<b>Total</b>	<b>267</b>	<b>154</b>

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, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	1,029	913
Fair value of plan assets	(104)	(107)
<b>Net liability arising from defined benefit obligation</b>	<b>925</b>	<b>806</b>

**Movement in the present value of the defined benefit obligation:**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Projected benefit obligation at the beginning of the year	913	862
Current service cost	124	122
Interest cost	51	56
Actuarial loss/(gain)	97	(18)
Payments	(156)	(109)
<b>Defined benefit obligation at the end of the year</b>	<b>1,029</b>	<b>913</b>

**Change in plan assets**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Plan assets at the beginning of the year	107	146
Return on plan assets	8	10
Employer contribution	148	64
Payments	(156)	(109)
Return on plan assets less than discount rate	(3)	(4)
<b>Plan assets at the end of the year</b>	<b>104</b>	<b>107</b>

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, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(54)	42	(41)	45
Future salary growth (1% movement)	41	(54)	43	(40)

**Maturity profile of defined benefit obligation:**

Particulars	As at	
	March 31, 2021	March 31, 2020
Within 1 year	184	162
1-2 year	163	145
2-3 year	150	128
3-4 year	127	115
4-5 year	109	99
5-10 year	347	309

The expected contribution to the plan for the year ended March 31, 2022 is ₹184



### 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, 2021	As at March 31, 2020
Discount Rate (%)	5.75% - 6.99%	6.05% - 6.77%
Salary escalation rate (%)	6.00% - 10.00%	6.00% - 10.00%
Mortality Table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Attrition (%)	8.00% - 20.00%	8.00% - 20.00%
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, 2021	As at March 31, 2020
Discount Rate (%)	0.2% - 1.95%	0.2% - 3.7%
Salary escalation rate (%)	2.00% - 3.00%	2.00% - 3.00%
Mortality Table	IALM (2012-14) Ultimate	IALM (2012-14) 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 subsidiaries. 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, 2021	For the year ended March 31, 2020
Current tax:		
In respect of the current year	1,351	1,076
In respect of earlier years (refer note (i) below)	-	105
	<b>1,351</b>	<b>1,181</b>
Deferred tax (credit)/charge:		
In respect of the current year (refer note (ii) & (iii) below)	(186)	29
In respect of MAT credit	(32)	60
	<b>(218)</b>	<b>89</b>
	<b>1,133</b>	<b>1,270</b>

#### Notes:

- In FY 19-20, 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.
- In FY 19-20, deferred taxes include one-time charge arising out of the estimated impact of the Taxation Laws (Amendment) Ordinance 2019 of ₹ 56.
- In the current year, deferred taxes include one-time charge arising out of assets acquired as part of past business combinations of ₹ 88.

#### B. Income tax expense/(benefit) recognised in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income tax expense/(benefit) recognised directly in equity consists of:</b>		
Tax effect on remeasurements of the net defined benefit liability	22	(6)
Tax effect on equity instrument through other comprehensive income	-	(2)
Tax effect on effective portion of hedging instruments in a cash flow hedge	(109)	190
<b>Total</b>	<b>(87)</b>	<b>182</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to consolidated statement of profit and loss	22	(8)
Items that may be reclassified to consolidated statement of profit and loss	(109)	190
<b>Total</b>	<b>(87)</b>	<b>182</b>

### C. Reconciliation of effective tax rate

The following is the reconciliation of the Group's effective tax rate for the year ended March 31, 2021 and 2020:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit before tax</b>	<b>4,771</b>	<b>4,682</b>
Enacted rate in India	34.94%	34.94%
<b>Computed expected tax expense</b>	<b>1,667</b>	<b>1,636</b>
Effect of income exempt from tax	(624)	(860)
Effect of expenses that are not deductible in determining taxable profit	97	181
Deferred tax asset not recognised on tax losses in certain jurisdictions/Reversal of deferred tax asset recognised in earlier years	75	133
Adjustments in respect of current income tax of previous years	-	105
Effect of different tax rates of subsidiaries operating in other jurisdictions	(78)	4
Others (including MAT credit reversal)	(3)	71
Income tax expense	1,133	1,270
<b>Effective tax rate</b>	<b>23.75%</b>	<b>27.13%</b>

#### 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, 2021	March 31, 2020
Deferred tax assets	319	396
Deferred tax liabilities	(182)	(378)

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

2020-21	Opening Balance	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Exchange difference	Closing balance
<b>Deferred tax (liabilities)/ assets in relation to :</b>					
Property, plant and equipment & Intangible assets	(139)	(67)	-	1	(205)
Provision for doubtful debts	92	15	-	(1)	106
Provisions	343	(18)	22	8	355
Unearned revenue	(524)	214	-	(19)	(329)
Cash flow hedges	43	-	(109)	(1)	(67)
Carry forward of tax losses	85	(12)	-	-	73
MAT credit entitlement	49	31	-	-	80
Gain on bargain purchase on business combinations	(11)	-	-	(2)	(13)
Capital loss	29	27	-	(2)	54
Right of use assets/lease liabilities (refer note 3B)	51	26	-	-	77
Others	-	2	-	4	6
<b>Net deferred tax assets/ (liabilities)</b>	<b>18</b>	<b>218</b>	<b>(87)</b>	<b>(12)</b>	<b>137</b>

2019-20	Opening Balance	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Other adjustments	Exchange difference	Closing balance
<b>Deferred tax (liabilities)/ assets in relation to :</b>						
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
Others	-	-	-	-	-	-
<b>Net deferred tax assets/ (liabilities)</b>	<b>(111)</b>	<b>(89)</b>	<b>182</b>	<b>43</b>	<b>(7)</b>	<b>18</b>

**Gross deferred tax assets and liabilities are as follows:**

As at March 31, 2021	Jurisdictions with Net Assets	Jurisdictions with Net Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to:</b>			
Property, plant and equipment & Intangible assets	(165)	(40)	(205)
Provision for doubtful debts	107	(1)	106
Provisions	318	37	355
Unearned revenue	(139)	(190)	(329)
Cash flow hedges	(67)	-	(67)
Carry forward of tax losses	59	14	73
MAT credit entitlement	80	-	80
Gain on bargain purchase on business combinations	-	(13)	(13)
Right of use assets/lease liabilities (refer note 3B)	69	8	77
Capital loss	54	-	54
Others	3	3	6
<b>Net deferred tax assets/(liabilities)</b>	<b>319</b>	<b>(182)</b>	<b>137</b>

As at March 31, 2020	Jurisdictions with Net Assets	Jurisdictions with Net Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to:</b>			
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
Others	-	-	-
<b>Net deferred tax assets/(liabilities)</b>	<b>396</b>	<b>(378)</b>	<b>18</b>

**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, 2021	March 31, 2020
Income tax assets, net		
Income tax assets (net of provisions ₹ 4,592 (March 31, 2020: ₹ 3,815))	804	878
Income tax liabilities, net		
Income tax payable (net of advance ₹ 4,258 (March 31, 2020: ₹ 4,259))	(296)	(328)

## 19. Other liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>(at amortised cost)</b>		
<b>Non-current</b>		
Unearned revenue	-	24
Statutory remittances	166	-
<b>Total</b>	<b>166</b>	<b>24</b>
<b>Current</b>		
Unearned revenue	310	214
Advance from customers	1,157	1,280
Statutory remittances	715	571
Others	50	69
<b>Total</b>	<b>2,232</b>	<b>2,134</b>

## 20. Trade Payables

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>(at amortised cost)</b>		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 37)	72	36
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises*	4,460	3,693
<b>Total</b>	<b>4,532</b>	<b>3,729</b>

\* 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, 2021	For the year ended March 31, 2020
Revenue from services	34,317	39,036
Revenue from products	7,007	5,238
<b>Total revenue from operations</b>	<b>41,324</b>	<b>44,274</b>

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, 2021	For the year ended March 31, 2020
<b>Revenues by contract type</b>		
Fixed-price	13,971	14,942
Time and material	20,314	24,007
Maintenance	33	86
Product Sale	7,007	5,238
<b>Total</b>	<b>41,324</b>	<b>44,274</b>
<b>Revenues by Geography</b>		
North America	19,927	24,345
Europe	11,137	12,076
APAC (including India)	10,260	7,853
<b>Total</b>	<b>41,324</b>	<b>44,274</b>
<b>Revenues by Timing of recognition</b>		
Goods and services transferred		
- At a point in time	7,201	5,238
- Over time	34,123	39,036
<b>Total</b>	<b>41,324</b>	<b>44,274</b>

#### 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 outputs 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, 2021	As at March 31, 2020
Trade receivables	8,026	7,262
Unbilled revenue	2,259	4,015
Unearned revenue	310	238

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, 2021, ₹ 3,957 of contract assets as at March 31, 2020 has been reclassified to receivables on completion of performance obligation. During the year ended March 31, 2020, ₹ 2,894 of contract assets as at March 31, 2020 has been reclassified to receivables on completion of performance obligation. During the year, contract assets of ₹ 350 (2019-20: ₹ 210) has been impaired.

**Contract liabilities:** During the year ended March 31, 2021 the Company recognized revenue of ₹ 154 arising from contract liabilities as at March 31, 2020. During the year ended March 31, 2020 the Company recognized revenue of ₹ 129 arising from contract liabilities as at March 31, 2019.

**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, 2021, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was ₹ 4,405 of which approximately 94% 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, 2020, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was ₹ 3,205 of which approximately 82% 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, 2021	For the year ended March 31, 2020
<b>Interest income on financial assets carried at amortised cost:</b>		
Deposits with banks and financial institutions	497	439
	<b>497</b>	<b>439</b>
<b>Dividend income</b>		
Dividend from mutual funds	-	29
Dividend from equity instruments	-	1
	<b>-</b>	<b>30</b>
<b>Other non-operating income</b>		
Liabilities no longer required, written back, net (refer note (i) below) (refer note 16)	341	371
Export incentives (refer note (ii) below)	566	67
Miscellaneous income	107	92
	<b>1,014</b>	<b>530</b>
<b>Other gain and loss</b>		
Foreign exchange gain (net)	154	61
Exchange (loss)/ gain on foreign currency forward contracts (net)	(180)	515
(Loss)/gain on fair valuation of financial assets and financial liability	(86)	8
	<b>(112)</b>	<b>584</b>
<b>Total</b>	<b>1,399</b>	<b>1,583</b>

### Notes:

- (i) Liabilities no longer required, written back includes gain of ₹ 343 (2019-20: ₹ 333) on reversal of contingent consideration payable on past acquisitions which are not contractually payable.
- (ii) During the year, the Company has recognised export incentives of ₹ 566 (2019-20: ₹ 67) aggregating under schemes defined by the Government of India, as other income upon satisfying the conditions specified in the applicable scheme and monetized ₹ 566 (2019-20: ₹ 437).

## 23. Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	19,739	22,490
Contribution to provident and other funds (refer note (i) below)	636	582
Social security and other benefits to overseas employees (refer note (ii) below)	208	301
Share based payments expense (refer note 12)	57	42
Staff welfare expenses (refer note (iii) below)	1,021	1,445
Less: Capitalised	(50)	(84)
<b>Total</b>	<b>21,611</b>	<b>24,776</b>

**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 ₹ 433 (2019-20: ₹ 376).

**Gratuity (funded):**

Amount recognised in the consolidated statement of profit and loss in respect of gratuity ₹ 167 (2019-20: ₹ 168) (refer note 17(ii)).

**National Pension Scheme:**

Amount recognised in Statement of Profit and Loss in respect of national pension scheme ₹ 12 (2019-20: ₹ 8).

**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 ₹ 24 (2019-20: ₹ 30).

**(ii) Social security and other benefits to overseas employees****Superannuation fund - Australia:**

The employees at the Australia branch & subsidiaries 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 ₹ 84 (2019-20: ₹ 97).

**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 ₹ 86 (2019-20: ₹ 121). The amount payable towards 401(K) benefit plan as at March 31, 2021 is ₹ Nil (March 31, 2020: ₹ 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 ₹ 663 (2019-20: ₹ 794).

#### 24. Cost of materials consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	1,773	1,503
Add: Purchases	4,583	4,336
Less: Closing stock	(1,191)	(1,773)
<b>Total</b>	<b>5,165</b>	<b>4,066</b>

#### 25. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening stock:</b>		
Finished goods	240	252
Work-in-progress	222	66
	<b>462</b>	<b>318</b>
<b>Closing stock:</b>		
Finished goods	226	240
Work-in-progress	138	222
	<b>364</b>	<b>462</b>
<b>Net decrease/(increase)</b>	<b>98</b>	<b>(144)</b>

#### 26. Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Interest expense</b>		
Interest on borrowings	54	167
Interest on lease liabilities (refer note 3B)	212	182
Other interest expense	155	123
Unwinding of discounting of deferred consideration	13	14
<b>Total</b>	<b>433</b>	<b>486</b>

#### 27. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment	810	645
Depreciation of right of use assets (refer note 3B)	753	786
Amortisation of intangible assets	382	447
<b>Total</b>	<b>1,945</b>	<b>1,878</b>

## 28. Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent including lease rentals (refer note 3B)	170	233
Rates and taxes	76	64
Insurance	156	123
Stores and spares consumed	25	4
Freight outwards	101	65
Travelling and conveyance	416	1,195
Sub-contracting charges	3,286	3,348
Communication	292	267
Printing and stationery	20	40
Power and fuel	165	252
Marketing and advertising expenses	105	193
Repairs and maintenance		
- Buildings	23	26
- Machinery	1,144	1,096
- Others	131	149
Non executive directors' commission	14	13
Legal and professional charges	991	1,230
Expenditure for corporate social responsibility (refer note (i) below)	102	83
Expected credit loss for trade receivables and unbilled revenue (refer note 10 & 21) (refer note (ii) below)	381	422
Auditors' remuneration (refer note (iii) below)	33	27
Recruitment expenses	32	62
Training and development	58	110
Software charges	190	172
Electoral bonds (refer note (iv) below)	-	10
Miscellaneous expenses	515	499
<b>Total</b>	<b>8,426</b>	<b>9,683</b>

### 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). As per Section 135 of the Companies Act, 2013, CSR committee has been formed by the Company. The areas for CSR activities are promoting education, adoption of schools, 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 Consolidated Statement of Profit and Loss under Other expenses ₹ 102 (2019-20: ₹ 83).

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Gross amount required to be spent by the Company</b>	<b>87</b>	<b>82</b>
<b>Actual amount spent</b>	<b>102</b>	<b>83</b>
1. Construction / acquisition of any asset	-	-
2. On purposes other than (1) above	102	83

**(ii) Expected credit loss**

Bad debts/unbilled revenue written off during the year ended March 31, 2021 was ₹ 200 (2019-20: ₹ 387) and reversal of provision for doubtful debts was ₹ 188 (2019-20: ₹ 182). Provision for ECL allowance made for the year ended March 31, 2021 was ₹ 369 (2019-20: ₹ 217).

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to the auditors of the Company		
For audit and related services of Company	8	8
For audit and related services of subsidiaries	19	17
For certification and other services	5	1
Reimbursement of expenses	1	1
<b>Total</b>	<b>33</b>	<b>27</b>

**(iv)** During the previous year, the Company purchased and issued electoral bonds aggregating ₹ 10 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, 2021	For the year ended March 31, 2020
Profit for the year attributable to shareholders of the Company	3,638	3,425
<b>Basic:</b>		
Number of shares outstanding at the year end	11,00,29,812	10,99,71,221
Weighted average number of equity shares	10,99,75,395	10,99,61,348
<b>Earnings per share (₹)</b>	<b>33.08</b>	<b>31.14</b>
<b>Diluted:</b>		
Effect of potential equity shares on ASOPs & RSUs outstanding	59,559	2,319
Weighted average number of equity shares outstanding	11,00,34,954	10,99,63,667
<b>Earnings per share (₹)</b>	<b>33.06</b>	<b>31.14</b>

### 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.

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, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Services	34,249	38,997	4,097	4,174
Design Led Manufacturing	7,091	5,320	584	(163)
Less: Inter segment revenue	16	43	-	-
<b>Total</b>	<b>41,324</b>	<b>44,274</b>	<b>4,681</b>	<b>4,011</b>
Less : Finance costs			433	486
Add: Unallocable income (net of unallocable expenses)			523	1,183
Add : Share of (loss)/profit from joint venture			-	(26)
<b>Profit before tax</b>			<b>4,771</b>	<b>4,682</b>

### C. Capital employed (Segment assets - Segment liabilities)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Segment assets</b>		
Services	18,943	21,813
Design Led Manufacturing	9,354	8,480
<b>Total</b>	<b>28,297</b>	<b>30,293</b>
Unallocable assets	16,631	11,504
<b>Consolidated total assets</b>	<b>44,928</b>	<b>41,797</b>
<b>Segment liabilities</b>		
Services	5,964	5,508
Design Led Manufacturing	3,048	2,607
<b>Total</b>	<b>9,012</b>	<b>8,115</b>
Unallocable liabilities	6,375	8,105
<b>Consolidated total liabilities</b>	<b>15,387</b>	<b>16,220</b>

### Geographic segments

Information regarding geographical revenue is as follows:

Geographic location	Year ended March 31, 2021	Year ended March 31, 2020
<b>Segment Revenue</b>		
North America	19,927	24,345
Europe	11,137	12,076
APAC (including India)	10,260	7,853
<b>Total</b>	<b>41,324</b>	<b>44,274</b>

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, 2021	As at March 31, 2020
<b>Segment non-current assets</b>		
North America	2,278	2,535
Europe	2,391	2,408
APAC (including India)	10,008	9,939
<b>Total</b>	<b>14,677</b>	<b>14,882</b>

### 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, 2021	As at March 31, 2020
<b>Subsidiaries</b>					
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	Cyient Europe Limited	Belgium	100%	100%
6	AnSem B.V.	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. <sup>@1</sup>	Cyient Defense Services Inc.	USA	-	100%
11	New Technology Precision Machining Co., Inc. <sup>@1</sup>	Cyient Defense Services Inc.	USA	-	-
12	Cyient GmbH	Cyient Limited	Germany	100%	100%
13	Cyient AB	Cyient GmbH	Sweden	100%	100%
14	Cyient KK <sup>@5</sup>	Cyient Limited	Japan	100%	100%
15	Cyient Insights Private Limited	Cyient Limited	India	100%	100%
16	Cyient DLM Private Limited	Cyient Limited	India	100%	100%
17	Cyient Australia Pty Limited	Cyient Limited	Australia	100%	100%
18	Integrated Global Partners Pty Limited <sup>@2</sup>	Cyient Australia Pty Limited	Australia	100%	-
19	Integrated Global Partners Pte. Limited <sup>@2</sup>	Integrated Global Partners Pty Limited	Singapore	100%	-
20	Integrated Global Partners Spa <sup>@2</sup>	Integrated Global Partners Pty Limited	Chile	100%	-
21	IG Partners South Africa (Pty) Ltd <sup>@2</sup>	Integrated Global Partners Pty Limited	South Africa	100%	-
22	Cyient Singapore Private Limited	Cyient Limited	Singapore	100%	100%
23	Cyient Israel India Limited	Cyient Limited	Israel	100%	100%
24	Cyient Solutions and Systems Private Limited	Cyient Limited	India	51%	51%
25	Cyient Engineering (Beijing) Limited <sup>@3</sup>	Cyient Limited	China	-	-
26	<b>Joint Venture</b> Infotech HAL Limited	-	India	50%	50%
27	<b>Section 8 Company</b> Cyient Urban Micro Skill Centre Foundation <sup>@4</sup>	-	India	-	-



**Notes:**

1. On July 01, 2019, New Tech Precision Machining Co., Inc. and on April 01, 2020, B&F Design Inc. have been merged with their holding company, Cyient Defense Services Inc.
2. Cyient Australia Pty Limited, Australia, acquired 100% of equity shares of Integrated Global Partners Pty Limited, Australia (and its wholly owned subsidiaries Integrated Global Partners Pte. Limited, Singapore; Integrated Global Partners SpA, Chile and IG Partners South Africa (Pty) Ltd, South Africa) on November 06, 2020.
3. Effective December 21, 2020, Cyient Engineering (Beijing) Limited, China has been deregistered.
4. 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.
5. Cyient Australia Pty Limited holds 86% of shareholding in Cyient KK, Japan and Cyient Limited holds the remaining 14% shareholding.
6. Cyient Limited, its subsidiaries and joint venture ('Group') are engaged in providing global technology services and solutions specialising in geospatial, engineering design, IT solutions and data analytics, electronics manufacturing solutions including machining of components.

**32. Related party transactions**

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Details of transactions between the Group and other related parties are disclosed below.

**Joint Venture:**

Name of the Joint Venture	Country of incorporation	Extent of holding (%) as at	
		March 31, 2021	March 31, 2020
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
Cyient associate stock option scheme 2021 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	Executive Director & Chief Financial Officer
Karthikeyan Natarajan (effective 05 March, 2020)	Executive Director & Chief Operating Officer
Sudheendhra Putty	Company Secretary
Som Mittal	Independent Director
Vinai Kumar Thummalapally	Independent Director
Vikas Sehgal	Independent Director
Vivek Gour (effective 25 April, 2019)	Independent Director
Matangi Gowrishankar (effective 25 April, 2019)	Independent Director
Ramesh Abhishek (effective 12 August, 2020)	Independent Director (additional director)
K. Ramachandran (until 06 June, 2019)	Independent Director
Andrea Bierce (until 06 June, 2019)	Independent Director
John Paul Paterson (until 06 June, 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 ( till 30 June, 2020) & Advisor to Company ( till 31 March, 2021)
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Summary of the transactions and balances with the above related parties are as follows:

### (a) Transactions during the year:

Nature of the transaction	Party name	For the year ended	
		March 31, 2021	March 31, 2020
Share of loss from joint venture	Infotech HAL Limited	-	(26)
Advance given	Infotech HAL Limited	-	2
CSR expenditure	Cyient Foundation	102	83

### Compensation to key management personnel as follows:

Nature of the transaction	Party name	For the year ended	
		March 31, 2021	March 31, 2020
Short-term benefits	Executive Chairman, Managing Director & CEO and Executive officers#1 & 2	267	188
Dividend paid	Executive Chairman and Managing Director & CEO	-	98
Commission and other benefits	Non-executive/independent directors	14	13

#1 Executive officers include Ajay Aggarwal (Executive Director & Chief Financial Officer), Karthikeyan Natarajan (Executive Director & 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	As at
		March 31, 2021	March 31, 2020
Trade payables	Infotech HAL Limited (refer note below)	-	4
Short-term benefits payable	Executive Chairman and Managing Director & CEO	136	102
Commission and other benefits payable	Non-executive/independent directors	14	13

#### Note:

In the previous 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 2020-21:

#### (i) Merger of B&F Design Inc.

B&F Design Inc. a wholly owned subsidiary of Cyient Defense Services Inc. ("CDSI") was merged with CDSI, effective April 01, 2020. 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 B&F Design Inc. was a wholly owned subsidiary of CDSI, no consideration was paid to effect the amalgamation.

**(ii) Integrated Global Partners Pty Limited, Australia (IGP)**

On August 31, 2020, the Company through its wholly owned subsidiary, Cyient Australia Pty Ltd entered into a Share Purchase agreement to acquire 100% of the issued capital of Integrated Global Partners Pty Ltd ('IGP') and its wholly owned subsidiaries Integrated Global Partners Pte. Limited, Singapore, Integrated Global Partners SpA, Chile and IG Partners South Africa (Pty) Ltd, South Africa. IGP is a technology consultancy helping energy and mining companies with digital readiness, transformation and asset optimization. IGP became a subsidiary effective November 6, 2020 upon obtaining approval from Foreign Investment Review Board of Australia and has been consolidated with effect from that date.

The fair value of the purchase consideration of ₹ 886 comprise of an upfront consideration of ₹ 616, contingent consideration of upto ₹ 270 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 16% and probabilities of achievement of financial targets. The fair value of net assets acquired on the acquisition date amounted to ₹ 283. The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill.

<b>Components</b>	<b>Purchase price allocated</b>
Intangible assets	163
Net current assets *	120
<b>Total</b>	<b>283</b>
Goodwill	603
<b>Total purchase price</b>	<b>886</b>

\*includes cash and cash equivalents acquired of ₹ 22.

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 ₹ 172 and is expected to be collectable. The goodwill amounting to ₹ 603 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, IGP has contributed revenues amounting to ₹ 246 and profit amounting to ₹ 54 to the Group's performance for the year ended March 31, 2021.

**B. 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.

## 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	As at
	March 31, 2021	March 31, 2020
Borrowings*	3,184	4,149
Cash and bank balances	(14,650)	(9,518)
<b>Net debt</b>	<b>-</b>	<b>-</b>
Total equity	29,541	25,577
<b>Net debt to equity ratio</b>	<b>-</b>	<b>-</b>

\* 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, 2021	March 31, 2020
<b>Financial assets:</b>		
<b>Amortised cost</b>		
Trade receivables	8,026	7,262
Cash and cash equivalents	14,408	8,995
Other bank balances	242	523
Loans and deposits	266	299
Other financial assets	2,601	4,300
<b>Fair value through other comprehensive income</b>		
Investments in other equity instruments (unquoted)	42	27
Derivative instruments designated in a hedging relationship	237	121
<b>Fair value through profit and loss</b>		
Investment in compulsorily convertible preference shares (CCPS)	12	12
Investment in preferred instruments of other entities	175	155
Investment in debt instruments of other entities	-	114
Investment in Partnership fund	115	106
<b>Total financial assets</b>	<b>26,124</b>	<b>21,914</b>
<b>Financial liabilities:</b>		
<b>Amortised cost</b>		
Borrowings*	3,184	4,149
Trade payables	4,532	3,729
Other financial liabilities	132	252
Lease liabilities (refer note 3B)	2,590	2,965

Particulars	Carrying value as at	
	March 31, 2021	March 31, 2020
<b>Fair value through other comprehensive income</b>		
Derivative instruments designated in a hedging relationship	46	244
<b>Fair value through profit and loss</b>		
Liability towards acquisition of business (refer note 16)	355	489
<b>Total financial liabilities</b>	<b>10,839</b>	<b>11,828</b>

\* 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, 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.

Derivative assets/ (liabilities) are mandatorily measured at fair value.

Liability towards acquisition of business is 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, 2021:

Particulars	Date of valuation	As at March 31, 2021	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
<b>Assets</b>					
Investments in other equity instruments (unquoted) (refer note 6)*	March 31, 2021	42	-	-	42
Investment in preferred instruments of other entities (unquoted) (refer note 6)*	March 31, 2021	175	-	-	175
Investment in compulsorily convertible preference shares (CCPS) (unquoted) (refer note 6)*	March 31, 2021	12	-	-	12

Particulars	Date of valuation	As at March 31, 2021	Fair value measurement at the end of year using		
			Level 1	Level 2	Level 3
Investment in Partnership fund (unquoted) (refer note 6) *	March 31, 2021	115	-	-	115
Derivative instruments designated in a hedging relationship (refer note 7) **	March 31, 2021	237	-	237	-
<b>Liabilities</b>					
Derivative instruments designated in a hedging relationship (refer note 16) **	March 31, 2021	46	-	46	-
Liability towards acquisition of business (refer note 16) *	March 31, 2021	355	-	-	355

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, 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
<b>Assets</b>					
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	-
<b>Liabilities</b>					
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 previous year.

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

\* The fair values of the unquoted equity, debt, CCPS and preferred instruments, 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 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, 2021 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, 2021 and March 31, 2020:

Particulars	Investment in other equity, debt and preferred instruments (unquoted)	Liability towards acquisition of business and contingent consideration
As at March 31, 2019	206	962
Acquisitions	181	-
Gain recognised in other comprehensive income	10	-
Gain recognised in consolidated statement of profit and loss account	10	(319)
Exchange impact on financial assets/liabilities	7	50
Payments during the year	-	(204)
<b>As at March 31, 2020</b>	<b>414</b>	<b>489</b>
Acquisitions	15	270
Loss/(gain) recognised in consolidated statement of profit and loss account	86	(343)
Exchange impact on financial assets / liabilities	1	38
Payments during the year	-	(99)
<b>As at March 31, 2021</b>	<b>344</b>	<b>355</b>

### Valuation inputs and relationships to fair value

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

Particulars	Fair value as at		Significant unobservable inputs	Valuation process	Sensitivity of the inputs to fair value
	March 31, 2021	March 31, 2020			
Investment in unquoted equity, debt, preferred instruments and compulsorily convertible preference shares (CCPS)	344	414	Earnings growth rate	Earnings growth factor for unquoted equity, debt, preferred investments and CCPS 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.
Liability towards acquisition of business	355	489	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, 2021 that were designated as effective hedges of highly probable forecast transactions, gain / (loss) aggregating ₹ 124 (net of tax ₹ 67)) (March 31, 2020 - ₹ (80) (net of tax ₹ (43)) have been recognised under the cash flow hedge reserve.

### Derivative financial instruments:

#### Outstanding forward exchange contracts as on March 31, 2021:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/Sell	Cross currency
AUD	32	26,900,000	1,526	Sell	Rupees
CAD	25	16,900,000	1,003	Sell	Rupees
EUR	33	28,450,000	2,611	Sell	Rupees
GBP	14	6,500,000	666	Sell	Rupees
USD	64	68,000,000	5,245	Sell	Rupees

#### 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

All outstanding forward exchange contracts as at March 31, 2021 and March 31, 2020 have balance 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 ₹ (528)/ 528 (decrease)/increase in the Company's other comprehensive income as at March 31, 2021.
- \* an approximately ₹ (530)/ 530 (decrease)/increase in the Company's other comprehensive income as at March 31, 2020.

### Unhedged foreign currency exposure

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the volatility of the Group's net financial assets (which includes cash and cash equivalents, trade receivables, other financial assets, trade payables, other financial liabilities), which are denominated in various foreign currencies (viz. USD, Euro, UK pound sterling, Aus \$, SGD, CAD, Yen etc.).

### Sensitivity analysis:

For the year ended March 31, 2021 and March 31, 2020, every 5% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact profit before tax by ₹ 173 / (₹ 173) and ₹ 174 / (₹ 174) 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	Fair Value of Interest Rate Swap as at	Coupon/ Interest Rate	Fixed Interest Rate
		March 31, 2021	March 31, 2020		
Term loan from HSBC	55	1	2	Libor + 1% to 1.5%	2.175% - 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. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. 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 expected credit losses and impairment that represents its estimate of incurred 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, 2021	March 31, 2020
Receivable from top customer	12.7	17.2
Receivable from top 5 customers	38.9	33.3

### 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 ₹ 5,927 and ₹ 3,651, as of March 31, 2021 and March 31, 2020 respectively

As of March 31, 2021, the Company had working capital of ₹ 17,428, including cash and bank balances of ₹ 14,650

As of March 31, 2020, the Company had working capital of ₹ 13,515, including cash and bank balances of ₹ 9,518

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding current, non-current borrowings and lease liabilities) as at March 31, 2021:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
Trade payables	4,532	-	-	-
Other current financial liabilities (refer note 16)	283	-	-	-
Other non-current financial liabilities (refer note 16)	-	150	97	-
<b>Total</b>	<b>4,815</b>	<b>150</b>	<b>97</b>	<b>-</b>

The table below provides details regarding the contractual maturities of significant financial liabilities (excluding current, non-current borrowings and lease liabilities) as at March 31, 2020:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
Trade payables	3,729	-	-	-
Other current financial liabilities (refer note 16)	605	-	-	-
Other non-current financial liabilities (refer note 16)	-	380	-	-
<b>Total</b>	<b>4,334</b>	<b>380</b>	<b>-</b>	<b>-</b>

\* The Group's obligation towards payment of borrowings has been included in note 15 and 16.

### 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, 2021	March 31, 2020
<b>(A) Contingent liabilities:</b>		
Claims against the Company not acknowledged as debt (refer note (a) to (g) below)	566	434
	<b>566</b>	<b>434</b>
<b>(B) Commitments:</b>		
Contracts remaining to be executed on capital account and not provided for (net of capital advances)	198	376
<b>Total</b>	<b>764</b>	<b>810</b>

#### Notes:

- (a) The Company disputed various demands raised by income tax authorities for the assessment years 2002-03, 2004-05, 2013-14, 2014-15, 2016-17, 2017-18 and 2018-19 (March 31, 2020: 2002-03, 2003-04, 2013-14, 2014-15, 2016-17 and 2017-18) which are pending at various stages of appeals. The aggregate amount of disputed tax not provided for is ₹ 40 (March 31, 2020 - ₹ 24). The Company is confident that these appeals will be decided in its favour.
- (b) 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, 2020 - 2004-05 to 2009-10 and 2015-16 to 2017-18 (till June 2017)). The Company filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 21 (March 31, 2020 : ₹ 21). 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 ₹ 8 (March 31, 2020 : ₹ 13)
- (c) 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, 2020 - 2013-14 to 2017-18 (till June 2017)). The Company filed appeals, which are pending with the appropriate authorities. The aggregate amount of disputed tax not provided for is ₹ 371 (March 31, 2020 - ₹ 234). The Company is confident that these appeals will be decided in its favour. The above does not include show cause notices received by the Company.
- (d) The Company is contesting certain pending service tax refunds amounting to ₹ 34 (March 31, 2020 : ₹ 35) at various appellate authorities. The Company is confident that these appeals will be decided in its favour.
- (e) Differential amount of Customs Duty (excluding interest) in a subsidiary company in respect of machinery imported under various export promotion schemes is ₹ NIL (March 31, 2020: ₹ 15)
- (f) During the financial year 2015-16, the Government of India notified an amendment to the Payment of Bonus Act, 1961 whereby the applicable slabs as well as coverage limit was enhanced. The said amendment was made effective April 1, 2014. The Company 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, 2020: ₹ 92).
- (g) 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, 2021 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.

### 36. Impairment of non-current assets

- (a) During the year, the Company has recognised one-time charge of ₹ 309 of goodwill relating to semiconductor business ('Services CGU') considering the business forecasts and long term outlook of the business (refer note 4).
- (b) In the earlier years, 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. In the previous 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'. Reversal of impairment of ₹ 35 in the consolidated financial statements for the year ended March 31, 2021 represents recoveries against the aforesaid impairment of non-current assets. (refer note 5).
- (c) In the earlier years, the Group incurred certain expenses towards development of a software towards certification process through simulation which was capitalised as 'intangible assets under development'. In the previous year, based on forecast of the underlying contracts, the Group had impaired the carrying value of the asset of ₹ 73 and recognised under 'impairment of non-current assets'. (refer note 5)
- (d) In the previous year, based on the management estimates and the forecast of the underlying contracts, the Group had 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. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at	
	March 31, 2021	March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	72	36
(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	-	-

The disclosures in respect of the amounts payable to such enterprises as at March 31, 2021 and March 31, 2020 has been made in the financial statements based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier as at the balance sheet date.

### 38. Dividends distribution made and proposed

Particulars	March 31, 2021	March 31, 2020
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on March 31, 2020 : ₹ Nil per share (March 31, 2019 : ₹ 9 per share)	-	990
Dividend distribution tax ("DDT") on final dividend	-	203
Interim dividend for the year ended on March 31, 2021 : ₹ Nil per share (March 31, 2020 : ₹ 15 per share)	-	1,649
DDT on interim dividend	-	339
<b>Total#</b>	<b>-</b>	<b>3,181</b>
<b>Proposed dividend on equity shares:</b>		
Final dividend for the year ended on March 31, 2021 : ₹ 17 per share (March 31, 2020: ₹ Nil)	1,871	-
	<b>1,871</b>	<b>-</b>

# Includes unclaimed dividend amount of ₹ Nil (2019-20: ₹ 12).

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2021.

With effect from April 1, 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

39. 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, 2021

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
<b>Parent Company</b>									
	Cyient Limited	81.17%	23,979	76.44%	2,781	51.95%	120	74.98%	2,901
<b>Subsidiaries</b>									
<b>Indian</b>									
1	Cyient Insights Private Limited	(0.18)%	(52)	0.03%	1	0.87%	2	0.08%	3
2	Cyient DLM Private Limited	1.28%	377	3.25%	118	0.87%	2	3.11%	120
3	Cyient Solutions and Systems Private Limited	(0.98)%	(289)	0.91%	33	-	-	0.86%	33
<b>Foreign</b>									
1	Cyient Inc.	14.29%	4,221	4.92%	179	(12.55)%	(29)	3.88%	150
2	Cyient Europe Limited	2.78%	820	6.29%	229	(17.75)%	(41)	4.85%	188
3	Cyient GmbH	5.48%	1,618	1.04%	38	6.33%	16	1.39%	54
4	Cyient KK	1.14%	338	2.72%	99	-	-	2.55%	99
5	Cyient Australia Pty Limited	1.65%	487	6.64%	242	(1.3)%	(3)	6.17%	239
6	Cyient Singapore Private Limited	(0.02)%	(7)	(1.05)%	(38)	-	-	(0.99)%	(38)
7	Cyient Israel Private Limited	0.14%	41	-	-	-	-	-	-
Adjustments on account of consolidation		(6.63)%	(1,960)	(1.18)%	(43)	71%	164	3.13%	121
<b>Non-controlling interests in:</b>									
1	Cyient Solutions and Systems Private Limited (refer note 14)	(0.11)%	(32)	-	-	-	-	-	-
<b>Joint Venture</b>									
<b>Indian</b>									
	Infotech HAL Limited	-	-	-	-	-	-	-	-
<b>Total</b>		<b>100%</b>	<b>29,541</b>	<b>100%</b>	<b>3,638</b>	<b>100%</b>	<b>231</b>	<b>100%</b>	<b>3,869</b>

39. 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, 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 comprehensive income	Amount
<b>Parent Company</b>									
	Cyient Limited	82.04%	20,983	72.69%	2,480	(246.62)%	(328)	60.71%	2,152
<b>Subsidiaries</b>									
<b>Indian</b>									
1	Cyient Insights Private Limited	(0.22)%	(55)	0.03%	1	2.26%	3	0.11%	4
2	Cyient DLM Private Limited	1.00%	257	(1.96)%	(67)	(8.27)%	(11)	(2.2)%	(78)
3	Cyient Solutions and Systems Private Limited	(1.26)%	(323)	(8.27)%	(282)	-	-	(7.96)%	(282)
<b>Foreign</b>									
1	Cyient Inc.	15.92%	4,071	23.60%	805	226.32%	301	31.2%	1,106
2	Cyient Europe Limited	2.30%	588	2.05%	70	35.34%	47	3.3%	117
3	Cyient GmbH	5.91%	1,511	3.58%	122	(3.01)%	(4)	3.33%	118
4	Cyient KK	1.00%	257	3.72%	127	-	-	3.58%	127
5	Cyient Australia Pty Limited	0.80%	204	(1.17)%	(40)	-	-	(1.13)%	(40)
6	Cyient Singapore Private Limited	0.12%	31	(5.80)%	(198)	-	-	(5.59)%	(198)
7	Cyient Israel Private Limited	0.16%	40	0.03%	1	-	-	0.03%	1
	Adjustments on account of consolidation	(7.57)%	(1,935)	12.65%	432	93.98%	125	15.7%	557
<b>Non-controlling interests in:</b>									
1	Cyient Solutions and Systems Private Limited (refer note 14)	(0.13)%	(32)	(0.38)%	(13)	-	-	(0.37)%	(13)
<b>Joint Venture</b>									
<b>Indian</b>									
	Infotech HAL Limited	(0.06)%	(20)	(0.76)%	(26)	-	-	(0.73)%	(26)
<b>Total</b>		<b>100%</b>	<b>25,577</b>	<b>100%</b>	<b>3,412</b>	<b>100%</b>	<b>133</b>	<b>100%</b>	<b>3,545</b>



40. The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.
41. Previous year figures have been regrouped / reclassified, where necessary, to confirm to current year's 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 : April 22, 2021

**For and on behalf of the Board of Directors**  
**Cyient Limited**

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

**Ajay Aggarwal**  
Executive Director and  
Chief Financial Officer  
(DIN-02565242)

Place : Hyderabad  
Date : April 22, 2021

**Krishna Bodanapu**  
Managing Director and CEO  
(DIN - 00605187)

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

## 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	73.43	100.95	86.10	0.66	55.89	54.51	1	1	1	22.01
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	39,793,206	6,297,592	18,186,155	443,975,742	8,773,329	(5,207,092)	(71,620,730)	362,852,422	(289,622,680)	104,893
Total assets	124,550,574	55,576,393	36,731,679	592,307,879	39,030,011	2,181,500	132,927,556	6,444,471,197	30,091,182	5,796,178
Total Liabilities	63,307,367	47,428,802	17,945,524	83,832,137	30,255,682	2,303,232	184,553,506	6,067,949,484	319,513,863	3,874,185
Investments	2,388,320	1,139,456	-	-	671,550	-	-	3,218,237	-	-
Turnover	228,342,569	60,449,198	23,145,253	1,118,094,032	70,268,643	2,355,167	59,366,919	6,280,284,469	-	911,331
Profit/(Loss) before taxation	3,183,577	2,732,420	657,675	219,658,143	6,611,844	(720,764)	1,011,475	155,950,000	33,121,758	22,231
Provision for taxation	1,801,250	413,350	229,265	78,750,713	2,089,430	(17,286)	-	37,807,484	-	23,556
Profit/(Loss) after taxation	1,382,327	2,319,070	428,410	140,907,430	4,522,414	(703,478)	1,011,475	118,142,516	33,121,758	(1,325)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	51%	100%

**Notes:** 1. All amounts mentioned above are in the respective reporting currency, in accordance with Ind-AS accounting standards.

2. Cyient Engineering (Beijing) Limited, China was incorporated during the year 2015-16. Effective December 21, 2021, Cyient Engineering (Beijing) Limited has been deregistered.

3. 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.

## Part “B”: Associates and Joint Ventures

Name of Associates/Joint Ventures		Infotech HAL Limited , India
1.	Latest audited Balance Sheet Date	March 31, 2021
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 (refer note below)	ii. -
	iii. Extend 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	Nil (refer notes below)
6.	Profit/(Loss) for the year	
	i. Considered in Consolidation	i) -
	ii. Not Considered in Consolidation	ii) -

- Notes:**
- i. Infotech HAL Limited is accounted as a joint venture in the consolidated financial statements of Cyient Limited.
  - ii. During the year, Cyient Limited has recognized provision against its investment in Infotech HAL Limited of Rs. 20 Mn in the standalone financial statements.
  - iii. Rs. Nil share of profit or loss has been recognized on consolidation from Infotech HAL Limited in FY 21.

1. Names of joint ventures which are yet to commence operations – None.

## 10 Year Historical Perspective - Standalone

₹ Mn

Particulars	IND AS									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>For the year</b>										
<b>Total Revenue</b>	<b>9,174</b>	<b>10,889</b>	<b>12,769</b>	<b>13,969</b>	<b>13,591</b>	<b>13,736</b>	<b>14,397</b>	<b>16,149</b>	<b>15,231</b>	<b>13,799</b>
EBITDA	2,646	3,196	3,967	4,053	3,637	3,617	5,671	5,932	4,792	4,742
Finance cost	6	1	4	5	3	6	6	11	148	146
Depreciation, amortisation and impairment**	412	563	649	618	684	540	508	509	1,301	1,076
Provision for income tax	715	699	763	707	615	601	1,285	1,179	743	755
Deferred tax	(72)	71	3	12	(72)	(100)	(43)	(174)	120	(16)
Profit before exceptional item	1,586	1,862	2,549	2,711	2,407	2,570	3,915	4,407	2,480	2,781
Exceptional item	-	18	-	-	72	201	(103)	-	-	-
<b>Profit after tax</b>	<b>1,586</b>	<b>1,843</b>	<b>2,549</b>	<b>2,711</b>	<b>2,335</b>	<b>2,369</b>	<b>4,018</b>	<b>4,407</b>	<b>2,480</b>	<b>2,781</b>
Dividend	279	586	559	899	787	1,307	1,463	1,667	1,649	1,871
<b>As at the end of the year</b>										
Share capital*	557	558	560	562	562	563	563	552	550	550
Reserves and surplus	9,792	11,108	13,298	15,244	16,213	18,259	20,051	21,813	20,433	23,422
Share application money pending allotment	-	4	1	-	1	-	-	-	-	7
<b>Net Worth</b>	<b>10,349</b>	<b>11,670</b>	<b>13,859</b>	<b>15,806</b>	<b>16,776</b>	<b>18,822</b>	<b>20,614</b>	<b>22,365</b>	<b>20,983</b>	<b>23,979</b>
Loan funds	-	-	-	-	-	-	-	-	-	-
Gross block	5,976	6,810	7,226	7,806	8,013	8,251	8,581	9,028	9,735	9,943
Capital investment	626	834	416	580	207	238	330	447	707	208
Right of use assets	-	-	-	-	-	-	-	-	1,667	1,830
Net Current assets	5,438	6,230	8,524	7,589	8,420	10,510	12,282	13,044	10,449	14,170
Debt - equity ratio	-	-	-	-	-	-	-	-	-	-
<b>Per share data</b>										
Basic earnings per share (Rs.) (EPS)	14.24	16.53	22.81	24.17	20.77	21.05	35.69	39.07	22.56	25.29
Dividend Per Share (Rs.) (DPS)	2.5	4.5	5.0	8.0	7.0	10.5	13.0	15	15	17
Dividend (%)	50.0%	90.0%	100.0%	160.0%	140.0%	210.0%	260.0%	300%	300%	340%
Dividend Pay-out (%)	17.6%	27.2%	21.9%	33.2%	33.7%	55.2%	36.4%	37.8%	66.5%	67.3%
Book Value (Rs.)	92.9	104.5	123.8	140.7	149.1	167.2	183.1	202.45	189.94	217.99
Face Value (Rs.)	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 February 01, 2019 to April 11, 2019.

\*\* 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.

## Financial Analysis - Standalone Balance Sheet Summary for Last Five Years

₹ Million and percentage

	INDAS											
	As at March 31, 2021	%	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	%
<b>ASSETS</b>												
<b>Non-current assets</b>												
Property, plant and equipment	2,636	9%	2,852	10.7%	2,460	9.5%	2,252	9.4%	2,313	10.7%	2,475	12.9%
Right of use assets	909	3%	1,221	4.6%	-	-	-	-	-	-	-	-
Capital work-in-progress	36	0%	14	0.1%	287	1.1%	213	0.9%	92	0.4%	6	0.03%
Other Intangible assets	178	1%	282	1.1%	204	0.8%	292	1.2%	243	1.1%	241	1.3%
Intangible assets under development	734	2%	613	2.3%	468	1.8%	251	1.0%	71	0.3%	-	-
Financial assets												
(a) Investments	5,008	16%	5,107	19.1%	5,101	19.8%	4,639	19.3%	4,605	21.3%	4,587	23.9%
(b) Loans	984	3%	1,002	3.7%	688	2.7%	320	1.3%	376	1.7%	291	1.5%
Deferred tax assets (net)	204	1%	274	1.0%	194	0.8%	167	0.7%	26	0.1%	44	0.2%
Income tax assets (net)	771	3%	807	3.0%	320	1.2%	392	1.6%	392	1.8%	457	2.4%
Other non-current assets	125	0.4%	210	0.7%	462	1.8%	507	2.1%	836	3.9%	809	4.2%
<b>Total non-current assets</b>	<b>11,585</b>	<b>38.1%</b>	<b>12,382</b>	<b>46.3%</b>	<b>10,184</b>	<b>39.5%</b>	<b>9,033</b>	<b>37.6%</b>	<b>8,954</b>	<b>41.4%</b>	<b>8,910</b>	<b>46.4%</b>
<b>Current assets</b>												
Financial assets												
(a) Investments	-	-	-	-	278	1.1%	1,130	4.7%	925	4.3%	790	4.1%
(b) Trade receivables	4,297	14.1%	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	11,541	38.0%	5,836	21.8%	6,998	27.1%	7,200	30.0%	6,516	30.1%	4,916	25.6%
(d) Other bank balances	2	0.01%	1	0.0%	129	0.5%	66	0.3%	23	0.1%	40	0.2%
(e) Loans	671	2.2%	436	1.6%	320	1.2%	267	1.1%	153	0.7%	154	0.8%
(f) Other financial assets	1,470	4.8%	1,566	5.9%	1,805	7.0%	1,628	6.8%	1,611	7.4%	1,155	6.0%
Other current assets	823	2.7%	848	3.2%	1,008	3.9%	536	2.2%	501	2.3%	450	2.3%
<b>Total current assets</b>	<b>18,804</b>	<b>61.9%</b>	<b>14,345</b>	<b>53.7%</b>	<b>15,617</b>	<b>60.5%</b>	<b>14,978</b>	<b>62.4%</b>	<b>12,679</b>	<b>58.6%</b>	<b>10,307</b>	<b>53.6%</b>
<b>Total assets</b>	<b>30,389</b>	<b>100.0%</b>	<b>26,727</b>	<b>100%</b>	<b>25,801</b>	<b>100%</b>	<b>24,011</b>	<b>100%</b>	<b>21,633</b>	<b>100%</b>	<b>19,217</b>	<b>100%</b>

IND AS												
	As at March 31, 2021	%	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	%
<b>EQUITY AND LIABILITIES</b>												
<b>Equity</b>												
Equity share capital	550	1.8%	550	2.0%	552	2.1%	563	2.3%	563	2.6%	562	2.9%
Other equity	23,429	77.1%	20,433	76.5%	21,813	84.5%	20,051	83.5%	18,259	84.4%	16,213	84.4%
<b>Total equity</b>	<b>23,979</b>	<b>78.9%</b>	<b>20,983</b>	<b>78.5%</b>	<b>22,365</b>	<b>86.7%</b>	<b>20,614</b>	<b>85.9%</b>	<b>18,822</b>	<b>87.0%</b>	<b>16,775</b>	<b>87.3%</b>
<b>LIABILITIES</b>												
<b>Non-current liabilities</b>												
Provisions	956	3.1%	834	3.1%	863	3.3%	701	2.9%	642	3.0%	555	2.9%
Financial liabilities												
(a) Lease liabilities	769	2.5%	1,014	3.8%	-	-	-	-	-	-	-	-
(b) Other financial liabilities	51	0.2%										
<b>Total non-current liabilities</b>	<b>1,776</b>	<b>5.8%</b>	<b>1,848</b>	<b>6.9%</b>	<b>863</b>	<b>3.3%</b>	<b>701</b>	<b>2.9%</b>	<b>642</b>	<b>3.0%</b>	<b>555</b>	<b>2.9%</b>
<b>Current liabilities</b>												
Financial Liabilities												
(a) Trade payables	2,752	9.1%	2,584	9.7%	1,963	7.6%	1,933	8.1%	1,321	6.1%	1,190	6.2%
(b) Lease liabilities	272	0.9%	347	1.3%	-	-	-	-	-	-	-	-
(c) Other financial liabilities	84	0.3%	331	1.2%	137	0.5%	173	0.7%	67	0.3%	74	0.4%
Income tax liabilities (net)	97	0.3%	134	0.5%	48	0.2%	44	0.2%	45	0.2%	38	0.2%
Provisions	200	0.7%	163	0.6%	97	0.4%	71	0.3%	74	0.3%	69	0.4%
Other current liabilities	1,229	4.0%	337	1.3%	328	1.3%	475	2.0%	662	3.1%	516	2.7%
<b>Total current liabilities</b>	<b>4,634</b>	<b>15.2%</b>	<b>3,896</b>	<b>14.6%</b>	<b>2,573</b>	<b>10.0%</b>	<b>2,696</b>	<b>11.2%</b>	<b>2,169</b>	<b>10.0%</b>	<b>1,887</b>	<b>9.8%</b>
<b>Total liabilities</b>	<b>6,410</b>	<b>21.1%</b>	<b>5,744</b>	<b>21.5%</b>	<b>3,436</b>	<b>13.3%</b>	<b>3,397</b>	<b>14.1%</b>	<b>2,811</b>	<b>13.0%</b>	<b>2,442</b>	<b>13%</b>
<b>Total equity and liabilities</b>	<b>30,389</b>	<b>100.0%</b>	<b>26,727</b>	<b>100.0%</b>	<b>25,801</b>	<b>100.0%</b>	<b>24,011</b>	<b>100%</b>	<b>21,633</b>	<b>100%</b>	<b>19,217</b>	<b>100%</b>

## Financial Analysis - Standalone Statement of Profit and Loss Summary for Last Five Years

₹ Mn and percentage

Particulars	IND AS									
	2020-21	%	2019-20	%	2018-19	%	2017-18	%	2016-17	%
<b>INCOME</b>										
Revenue from operations	13,799	92.0%	15,231	92.3%	16,149	90.9%	14,397	88.2%	12,920	94.1%
Other income	1,198	8.0%	1,267	7.7%	1,621	9.1%	1,923	11.8%	816	5.9%
<b>Total Income</b>	<b>14,997</b>	<b>100.0%</b>	<b>16,498</b>	<b>100.0%</b>	<b>17,770</b>	<b>100.0%</b>	<b>16,320</b>	<b>100.0%</b>	<b>13,736</b>	<b>100.0%</b>
<b>EXPENSES</b>										
Employee benefits expense	7,235	48.2%	7,672	46.5%	7,557	42.5%	6,758	41.4%	6,520	47.5%
Operating, administration and other expense	3,020	20.1%	4,034	24.5%	4,281	24.1%	3,891	23.8%	3,599	26.2%
Finance costs	146	1.0%	148	0.9%	11	0.06%	6	0.04%	6	0.04%
Depreciation, amortisation and impairment	1,076	7.2%	1,301	7.9%	509	2.9%	508	3.1%	540	3.9%
<b>Total expenses</b>	<b>11,477</b>	<b>76.5%</b>	<b>13,155</b>	<b>79.7%</b>	<b>12,358</b>	<b>69.5%</b>	<b>11,163</b>	<b>68.4%</b>	<b>10,665</b>	<b>77.6%</b>
<b>Profit before exceptional items and tax</b>	<b>3,520</b>	<b>23.5%</b>	<b>3,343</b>	<b>20.3%</b>	<b>5,412</b>	<b>30.5%</b>	<b>5,157</b>	<b>31.6%</b>	<b>3,071</b>	<b>22.4%</b>
Exceptional item	-	-	-	-	-	-	(103)	-0.6%	201	1.5%
<b>Profit before tax</b>	<b>3,520</b>	<b>23.5%</b>	<b>3,343</b>	<b>20.3%</b>	<b>5,412</b>	<b>30.5%</b>	<b>5,260</b>	<b>32.2%</b>	<b>2,870</b>	<b>20.9%</b>
Provision for income tax	755	5.0%	743	4.5%	1,179	6.6%	1,285	7.9%	601	4.4%
Deferred tax	-16	-0.1%	120	0.7%	(174)	-1.0%	(43)	-0.3%	(100)	-0.7%
<b>Profit after tax</b>	<b>2,781</b>	<b>18.5%</b>	<b>2,480</b>	<b>15.0%</b>	<b>4,407</b>	<b>24.8%</b>	<b>4,018</b>	<b>24.6%</b>	<b>2,369</b>	<b>17.2%</b>
<b>Total other comprehensive income, net of tax</b>	<b>120</b>	<b>0.8%</b>	<b>-328</b>	<b>-2.0%</b>	<b>257</b>	<b>1.4%</b>	<b>(357)</b>	<b>-2.2%</b>	<b>217</b>	<b>1.6%</b>
<b>Total comprehensive income for the year</b>	<b>2,901</b>	<b>19.3%</b>	<b>2,152</b>	<b>13.0%</b>	<b>4,664</b>	<b>26.2%</b>	<b>3,661</b>	<b>22.4%</b>	<b>2,586</b>	<b>18.8%</b>

## Financial Analysis - Consolidated Balance Sheet Summary for Last Five Years

₹ Mn and percentage

### IND AS

Particulars	As at March 31, 2021	%	As at March 31, 2020	%	As at March 31, 2019	%	As at March 31, 2018	%	As at March 31, 2017	%
<b>ASSETS</b>										
<b>Non-current assets</b>										
Property, plant and equipment	4,870	10.8%	4,205	10.1%	3,530	9.1%	3,220	9.4%	3,017	9.6%
Right of use assets	2,311	5.1%	2,704	6.5%	-	0.0%	-	0.0%	-	0.0%
Capital work-in-progress	113	0.3%	800	1.9%	300	0.8%	213	0.6%	92	0.3%
Goodwill	5,830	13.0%	5,374	12.9%	5,257	13.5%	3,549	10.3%	3,278	10.5%
Other intangible assets	598	1.3%	767	1.8%	993	2.6%	1,206	3.5%	1,215	3.9%
Intangible assets under development	763	1.7%	659	1.6%	740	1.9%	302	0.9%	173	0.6%
<b>Financial assets</b>										
(a) Investments	344	0.8%	414	1.0%	270	0.7%	298	0.9%	1,032	3.3%
(b) Loans	266	0.6%	299	0.7%	308	0.8%	-	-	-	-
(c) Other financial assets	-	0.0%	10	0.0%	8	0.0%	270	0.8%	205	0.7%
Deferred tax assets (net)	319	0.7%	396	0.9%	294	0.8%	321	0.9%	101	0.3%
Income tax assets (net)	804	1.8%	878	2.1%	716	1.8%	755	2.2%	683	2.2%
Other non-current assets	192	0.4%	373	0.9%	626	1.6%	736	2.1%	855	2.7%
<b>Total Non-current assets</b>	<b>16,410</b>	<b>36.5%</b>	<b>16,879</b>	<b>40.4%</b>	<b>13,042</b>	<b>33.5%</b>	<b>10,870</b>	<b>31.6%</b>	<b>10,651</b>	<b>34.1%</b>
<b>Current Assets</b>										
Inventories	1,586	3.5%	2,267	5.4%	1,833	4.7%	1,312	3.8%	935	3.0%
<b>Financial assets</b>										
(a) Investments	-	-	-	-	278	0.7%	1,130	3.3%	925	2.9%
(b) Trade receivables	8,026	17.9%	7,262	17.4%	8,137	20.9%	6,913	20.1%	6,496	20.7%
(c) Cash and cash equivalents	14,408	32.1%	8,995	21.5%	9,096	23.4%	9,603	28.0%	8,570	27.3%
(d) Other bank balances	242	0.5%	523	1.3%	609	1.6%	204	0.6%	211	0.7%
(e) Other financial assets	2,838	6.3%	4,411	10.6%	4,223	10.9%	3,384	9.9%	2,660	8.5%
Other current assets	1,418	3.2%	1,460	3.5%	1,674	4.3%	910	2.6%	916	2.8%
<b>Total current assets</b>	<b>28,518</b>	<b>63.5%</b>	<b>24,918</b>	<b>59.6%</b>	<b>25,850</b>	<b>66.5%</b>	<b>23,456</b>	<b>68.4%</b>	<b>20,713</b>	<b>65.9%</b>
<b>Total assets</b>	<b>44,928</b>	<b>100.0%</b>	<b>41,797</b>	<b>100%</b>	<b>38,892</b>	<b>100%</b>	<b>34,326</b>	<b>100%</b>	<b>31,364</b>	<b>100%</b>



IND AS

Particulars	As at March 31, 2021	%	As at March 31, 2020	%	As at March 31, 2019	%	As at March 31, 2018	%	As at March 31, 2017	%
<b>EQUITY AND LIABILITIES</b>										
<b>Equity</b>										
Equity share capital	550	1.2%	550	1.3%	552	1.4%	563	1.6%	563	1.8%
Other equity	29,023	64.6%	25,059	60.0%	25,089	64.5%	22,876	66.6%	20,610	65.7%
<b>Equity attributable to owners of the Company</b>	<b>29,573</b>	<b>65.8%</b>	<b>25,609</b>	<b>61.3%</b>	<b>25,641</b>	<b>65.9%</b>	<b>23,439</b>	<b>68.3%</b>	<b>21,173</b>	<b>67.5%</b>
Non-controlling interests	(32)	-0.1%	(32)	-0.1%	(19)	-0.05%	3	0.01%	26	0.1%
<b>Total equity</b>	<b>29,541</b>	<b>65.8%</b>	<b>25,577</b>	<b>61.2%</b>	<b>25,622</b>	<b>65.9%</b>	<b>23,442</b>	<b>68.3%</b>	<b>21,199</b>	<b>67.6%</b>
<b>Non-current liabilities</b>										
<b>Financial liabilities</b>										
(a) Borrowings	453	1.0%	859	2.1%	1,116	2.9%	630	1.8%	492	1.6%
(b) Lease liabilities	1,958	4.4%	2,293	5.5%	-	-	-	-	-	-
(c) Other financial liabilities	250	0.6%	380	0.9%	697	1.8%	353	1.0%	232	0.7%
Provisions	1,288	2.9%	1,151	2.7%	1,137	2.9%	878	2.6%	813	2.6%
Deferred tax liabilities (net)	182	0.4%	378	0.9%	405	1.0%	356	1.0%	302	1.0%
Income tax liabilities (net)	-	0.0%	-	0.0%	20	0.1%	20	0.1%	-	0.0%
Other non-current liabilities	166	0.4%	24	0.1%	-	0.00%	26	0.1%	35	0.1%
<b>Total non-current liabilities</b>	<b>4,297</b>	<b>9.6%</b>	<b>5,085</b>	<b>12.2%</b>	<b>3,375</b>	<b>8.7%</b>	<b>2,263</b>	<b>6.6%</b>	<b>1,874</b>	<b>6.0%</b>
<b>Current liabilities</b>										
<b>Financial liabilities</b>										
(a) Borrowings	2,302	5.1%	2,879	6.9%	2,137	5.5%	1,780	5.2%	1,159	3.7%
(b) Trade payables	4,532	10.1%	3,729	8.9%	3,700	9.5%	3,813	11.1%	4,021	12.8%
(c) Lease liabilities	632	1.4%	672	1.6%	-	-	-	-	-	-
(d) Other financial liabilities	712	1.6%	1,016	2.4%	874	2.2%	1,256	3.7%	1,133	3.6%
Income tax liabilities (net)	296	0.7%	328	0.8%	424	1.1%	316	0.9%	424	1.4%
Provisions	384	0.9%	377	0.9%	289	0.7%	229	0.7%	235	0.7%
Other current liabilities	2,232	5.0%	2,134	5.1%	2,471	6.4%	1,227	3.5%	1,319	4.2%
<b>Total current liabilities</b>	<b>11,090</b>	<b>24.7%</b>	<b>11,135</b>	<b>26.6%</b>	<b>9,895</b>	<b>25.4%</b>	<b>8,621</b>	<b>25.1%</b>	<b>8,291</b>	<b>26.4%</b>
<b>Total liabilities</b>	<b>15,387</b>	<b>34.2%</b>	<b>16,220</b>	<b>38.8%</b>	<b>13,270</b>	<b>34.1%</b>	<b>10,884</b>	<b>31.7%</b>	<b>10,165</b>	<b>32.4%</b>
<b>Total equity and liabilities</b>	<b>44,928</b>	<b>100%</b>	<b>41,797</b>	<b>100.0%</b>	<b>38,892</b>	<b>100.0%</b>	<b>34,326</b>	<b>100%</b>	<b>31,364</b>	<b>100%</b>

# Financial Analysis - Consolidated Statement of Profit and Loss Summary for Last Five Years

₹ Mn and percentage

Particulars	IND AS									
	2020-21	%	2019-20	%	2018-19	%	2017-18	%	2016-17	%
<b>INCOME</b>										
Revenue from operations	41,324	96.7%	44,274	96.5%	46,175	97.2%	39,175	96.3%	36,065	97.5%
Other income	1,399	3.3%	1,583	3.5%	1,340	2.8%	1,519	3.7%	932	2.5%
<b>Total Income</b>	<b>42,723</b>	<b>100.0%</b>	<b>45,857</b>	<b>100.0%</b>	<b>47,515</b>	<b>100.0%</b>	<b>40,694</b>	<b>100.0%</b>	<b>36,997</b>	<b>100.0%</b>
<b>EXPENSES</b>										
Employee benefits expense	21,611	50.6%	24,776	54.0%	25,469	53.6%	21,877	53.8%	20,490	55.4%
Cost of materials consumed	5,165	12.1%	4,066	8.9%	3,936	8.3%	3,272	8.0%	2,852	7.7%
Purchases of stock-in-trade	-	-	-	0.0%	108	0.2%	-	-	-	-
Changes in inventories of finished goods, stock-in-trade and work in progress	98	0.2%	(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	8,426	19.7%	9,683	21.1%	10,193	21.5%	8,837	21.7%	7,854	21.2%
Finance costs	433	1.0%	486	1.1%	326	0.7%	204	0.5%	172	0.5%
Depreciation, amortisation and impairment expense	2,219	5.2%	2,282	5.0%	1,114	2.3%	1,052	2.6%	953	2.6%
<b>Total expenses</b>	<b>37,952</b>	<b>88.8%</b>	<b>41,149</b>	<b>89.7%</b>	<b>41,287</b>	<b>86.9%</b>	<b>35,077</b>	<b>86.2%</b>	<b>32,418</b>	<b>87.6%</b>
<b>Profit before exceptional item, share of (loss)/profit from joint venture and associate and tax</b>	<b>4,771</b>	<b>11.2%</b>	<b>4,708</b>	<b>10.3%</b>	<b>6,228</b>	<b>13.1%</b>	<b>5,617</b>	<b>13.8%</b>	<b>4,579</b>	<b>12.4%</b>
Exceptional item	-	-	-	-	35	0.1%	50	0.1%	261	0.7%
<b>Profit before share of (loss)/profit from joint venture and associate and tax</b>	<b>4,771</b>	<b>11.2%</b>	<b>4,708</b>	<b>10.3%</b>	<b>6,193</b>	<b>13.0%</b>	<b>5,567</b>	<b>13.7%</b>	<b>4,318</b>	<b>11.7%</b>
Provision for income tax	1,351	3.2%	1,181	2.6%	1,512	3.2%	1,493	3.7%	927	2.5%
Deferred tax	(218)	-0.5%	89	0.2%	(85)	-0.2%	(113)	-0.3%	118	0.3%
<b>Profit before share of (loss)/profit from associate and joint venture</b>	<b>3,638</b>	<b>8.5%</b>	<b>3,438</b>	<b>7.5%</b>	<b>4,766</b>	<b>10.0%</b>	<b>4,187</b>	<b>10.3%</b>	<b>3,273</b>	<b>8.8%</b>
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%
<b>Profit for the year</b>	<b>3,638</b>	<b>8.5%</b>	<b>3,425</b>	<b>7.5%</b>	<b>4,785</b>	<b>10.1%</b>	<b>4,054</b>	<b>10.0%</b>	<b>3,438</b>	<b>9.3%</b>
<b>Total other comprehensive income, net of tax</b>	<b>231</b>	<b>0.5%</b>	<b>133</b>	<b>0.3%</b>	<b>329</b>	<b>0.7%</b>	<b>82</b>	<b>0.2%</b>	<b>(33)</b>	<b>-0.1%</b>
<b>Total comprehensive income for the year</b>	<b>3,869</b>	<b>9.06%</b>	<b>3,558</b>	<b>7.8%</b>	<b>5,114</b>	<b>10.8%</b>	<b>4,136</b>	<b>10.2%</b>	<b>3,405</b>	<b>9.2%</b>

## Ratio Analysis - Standalone

Ratio analysis for the year ended March 31	Ind AS				I GAAP	
	2021	2020	2019	2018	2017	2016
<b>Ratio - Financial Performance</b>						
Revenue from Operations / Total revenue (%)	92.0%	92.3%	90.9%	88.2%	94.1%	91.6%
Other Income / Total revenue (%)	8.0%	7.7%	9.1%	11.8%	5.9%	8.4%
Employee cost / Total revenue (%)	48.2%	46.5%	42.5%	41.4%	47.5%	46.3%
Administration expenses / Total revenue (%)	20.1%	24.5%	24.1%	23.8%	26.2%	26.9%
Operating expenses / Total revenue (%)	68.4%	71.0%	66.6%	65.3%	73.7%	73.2%
Depreciation / Total revenue (%)	7.2%	7.9%	2.9%	3.1%	3.9%	5.0%
Finance Charges / Total revenue (%)	1.0%	0.9%	0.06%	0.04%	0.04%	0.02%
Tax expense / Total revenue (%)	4.9%	5.2%	5.7%	7.6%	4.4%	4.5%
Tax expense / PBT (%)	21.0%	25.8%	18.6%	23.6%	17.5%	18.9%
EBIDTA / Total revenue (%)	34.4%	31.5%	36.7%	35.4%	24.9%	26.2%
Net Profit (PAT) / Total revenues (%)	18.5%	15.0%	24.8%	24.6%	17.2%	17.2%
Net Profit (PAT) / Average net worth (%)	12.4%	11.4%	20.5%	20.4%	13.3%	14.3%
ROCE (PBIT / Average capital employed) (%)	16.3%	16.1%	25.2%	26.2%	17.3%	17.7%
<b>Ratios - Balance sheet</b>						
Debt-equity ratio	-	-	-	-	-	-
Debtors turnover (Days)	114	136	115	105	83	82
Current ratio	4.06	3.62	6.07	5.56	5.85	5.46
Cash & cash equivalents / Total assets (%)	38.0%	21.8%	27.1%	30.0%	30.1%	25.6%
Cash & cash equivalents / Total revenue (%)	83.6%	38.3%	43.3%	50.0%	50.4%	39.5%
Depreciation / Average gross block (%)	8.3%	9.2%	5.8%	6.5%	6.7%	8.8%
Total Revenue / Average Net Fixed Assets	3.42	3.57	6.20	5.39	5.21	4.78
Total Revenue / Average Total Assets	0.53	0.58	0.65	0.63	0.67	0.72
<b>Ratios - Growth</b>						
Revenue from Operations (%)	-9.4%	-5.7%	12.2%	11.4%	3.7%	-3.7%
Total Income (%)	-9.1%	-7.2%	8.9%	18.8%	1.1%	-2.7%
Operating expenses (%)	-12.4%	-1.1%	11.2%	5.2%	1.7%	0.4%
EBIDTA (%)	-1.0%	-19.2%	4.6%	69.0%	-4.2%	-12.0%
Net Profit (%)	12.1%	-43.7%	9.7%	69.6%	1.5%	-13.9%
<b>Per Share Data</b>						
Basic earnings per share (₹)	25.29	22.56	39.07	35.69	21.05	20.77
Cash Earnings per share (₹)	35.06	34.38	44.50	40.21	25.84	26.84
Book value (₹)	217.93	190.80	202.45	183.12	167.21	149.13
Price / Earning, end of year	25.60	10.18	16.62	19.47	22.21	20.54
Price / Cash Earning, end of year	18.47	6.68	14.59	17.38	18.09	15.90
Price / Book value, end of year	2.97	1.20	3.21	3.82	2.80	2.86
Share price as on March 31 (National Stock Exchange)	647.45	229.65	649.45	698.85	467.50	426.70
No. of Share Outstanding as on March 31, (in Millions)	110.03	109.97	110.47	112.57	112.57	112.48
Dividend Per Share (₹)	17	15	15	13	10.50	7.00
Dividend (%)	340%	300%	300%	260%	210%	140%

1. Capital employed is defined as total equity excluding long term and short term borrowings.
2. Operating expenses included employee cost and administration expenses
3. Total revenue includes other income
4. 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	
	2021	2020	2019	2018	2017	2016
<b>Ratio - Financial Performance</b>						
Other Income / Total Revenue (%)	3.3%	3.5%	2.8%	3.7%	2.5%	3.4%
Employee cost / Total Revenue (%)	50.6%	54.0%	53.6%	53.8%	55.4%	56.5%
Operating & Administration expenses / Total Revenue (%)	19.7%	21.1%	21.5%	21.7%	21.2%	21.1%
Depreciation & Amortization / Total Revenue (%)	5.2%	5.0%	2.3%	2.6%	2.6%	2.8%
Finance Charges / Total Revenue (%)	1.0%	1.1%	0.7%	0.5%	0.5%	0.5%
Tax expense / PBT (%)	23.7%	27.1%	23.0%	25.7%	23.5%	24.0%
EBIDTA / Total Revenue (%)	14.8%	13.5%	14.0%	14.0%	14.7%	16.0%
Net Profit / Total Revenue (%)	8.5%	7.5%	10.1%	10.0%	9.3%	10.1%
Net Profit / Average Net Worth (%)	13.2%	13.4%	19.5%	18.2%	17.4%	17.8%
ROCE (PBIT / Average capital employed) (%)	18.9%	20.3%	26.6%	25.9%	22.7%	23.3%
<b>Ratios- Balance sheet</b>						
Debt-equity ratio	0.11	0.16	0.15	0.13	0.10	0.04
Debtors turnover (Days)	84	95	88	80	74	79
Current ratio	2.57	2.21	2.61	2.72	2.50	2.69
Cash & Cash Equivalents / Total Assets (%)	32.1%	21.5%	23.4%	28.0%	27.3%	25.0%
Cash & Cash Equivalents / Total Revenue (%)	33.7%	19.6%	19.1%	23.6%	23.1%	21.3%
Depreciation & Amortization / Average gross block (%)	11.64%	14.52%	8.75%	6.9%	6.8%	6.7%
Revenue / Average Net Fixed Assets	3.10	3.40	5.20	4.60	4.99	4.27
Revenue / Average Total Assets	0.95	1.10	1.30	1.24	1.23	1.17
<b>Ratios - Growth*</b>						
Operating Revenue (%)	-6.7%	-4.1%	17.9%	8.6%	16.3%	0.9%
Operating Expenses (%)	-8.0%	-3.7%	17.8%	8.1%	16.4%	15.1%
EBIDTA (%)	9.0%	-8.5%	17.3%	13.3%	15.7%	4.4%
Net Profit (%)	6.2%	-28.4%	18.0%	16.1%	5.6%	-18.0%
<b>Per Share Data</b>						
Basic earnings per share (Rs.)	33.08	31.14	42.43	36.00	30.55	28.95
Cash Earnings per share (Rs.)	53.23	51.90	53.40	45.36	39.01	36.83
Book value (Rs.)	268.48	232.58	231.93	208.24	188.09	162.74
Price / Earning, end of year	19.57	7.37	15.31	19.41	15.30	14.74
Price / Cash Earning, end of year	12.16	4.43	12.16	15.41	11.98	11.59
Price / Book value, end of year	2.41	0.99	2.80	3.36	2.49	2.62
Share price as on March 31 (National Stock Exchange)	647.45	229.65	649.45	698.85	467.5	426.7
No. of Share Outstanding as on March 31, (in Millions)	110.03	109.97	110.47	112.57	112.57	112.48
Dividend Per Share (Rs.)	17	15	15	13	10.5	7.00
Dividend (%)	340%	300%	300%	260%	210%	140%

1. Capital employed is defined as total equity excluding long term and short term borrowings.
2. Total revenue includes other income
3. Net fixed assets excludes capital work-in-progress and intangible assets under development.
4. Operating expenses includes employees cost, administration expenses, cost of materials consumed and changes in inventories

## Significant Milestones in the History of the Company

<b>1991</b>	<b>August</b>	Infotech Enterprises was incorporated as a private limited company
<b>1995</b>	<b>August</b>	The company received its first ISO 9002 certification from BVQi London for its conversion services
<b>1997</b>	<b>March</b>	Re-organized as a public limited company; IPO of Equity shares at ₹ 20 per share and listed in all major stock exchanges in India
	<b>April</b>	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
	<b>October</b>	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
	<b>1998</b>	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)
<b>1999</b>	<b>January</b>	Infotech Enterprises enters into an agreement with Navionics Italy the world leader in seamless marine electronic charts for digitization and Conversion services
	<b>June</b>	Infotech and ASI sign a long term contract for ASI to source US\$ 33 million in conversion and software services from Infotech Enterprises
	<b>July</b>	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
	<b>August</b>	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
	<b>September</b>	Infotech Enterprises acquires Cartographic Sciences Pvt. Mumbai- India from Analytical Surveys Inc.
	<b>September</b>	Infotech Enterprises receives an ISO 9001 for its software development services
	<b>September</b>	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
	<b>November</b>	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
	<b>2000</b>	<b>January</b>
<b>April</b>		Merger of Cartographic Sciences with the company
<b>May</b>		Infotech Enterprises enters into a Master Services Agreement with Pratt & Whitney, a division of United Technologies Corporation, a Fortune 100 company
<b>October</b>		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
<b>November</b>		Infotech Enterprises wins a multimillion dollar GIS project from the Dutch multi-national group, FUGRO
<b>2001</b>	<b>April</b>	Infotech Europe acquires European GIS distributor Map Centric - a leading independent GIS distributor in Europe
	<b>May</b>	Infotech Enterprises bags a contract worth US \$ 7 million to provide Photogrammetry service to Triathlon, a leading full fledged geomatics company in Canada
	<b>May</b>	Infotech Enterprises ranks 5th among Top Ten Exporters from Andhra Pradesh for the Year 2000-2001
	<b>June</b>	Infotech Enterprises acquires 10-acres of land to set up a software development campus at Manikonda, Hyderabad.
	<b>July</b>	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
<b>2001</b>	<b>August</b>	Infotech Enterprises attains the coveted SEI CMM LEVEL 4 certification for its software development centre at Infocity, Hyderabad
	<b>November</b>	Infotech Enterprises receives ISO 9001:2000 for Software and Engineering Services lines of business by BVQi London
	<b>December</b>	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
	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

<b>2014</b>	<b>March</b>	Acquired Softential Inc.,
	<b>March</b>	Commenced process for name change and re-branding
	<b>April</b>	Mr. Krishna Bodanapu appointed Managing Director & CEO
	<b>May</b>	Re-branding completed, new logo launched and Company's name changed to Cyient
	<b>August</b>	Acquired 51% stake in Invati Insights Pvt. Ltd., Hyderabad
	<b>October</b>	Set up a subsidiary in Australia
<b>2015</b>	<b>December</b>	Won the 14 <sup>th</sup> ICSI National Award for Excellence in Corporate Governance
	<b>January</b>	Acquired 74% stake in Rangsons Electronics Pvt. Ltd., Mysore
	<b>April</b>	Mr. B.V.R. Mohan Reddy elected Chairman of National Association of Software Services Companies (NASSCOM)
	<b>July</b>	Acquired Pratt & Whitney Global Services Engineering Asia, Singapore
	<b>August</b>	Divested entire stake in Infotech Enterprises Information Technology Services Private Limited, a wholly owned subsidiary Launched National Digital Literacy Mission Centre
	<b>September</b>	R&D Unit recognised by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India
<b>2016</b>	<b>October</b>	Set up step down subsidiary in Czech republic
	<b>February</b>	Established state of the art development centre in Warangal, Telangana
	<b>March</b>	'Lifetime Achievement Award' conferred on Mr. B.V.R. Mohan Reddy by Hyderabad Management Association Set up a subsidiary in China
	<b>May</b>	Awarded 2015 Supplier of the Year by Boeing
	<b>June</b>	Inaugurated Global Design Center in Bengaluru for SMEC
	<b>July</b>	Set up subsidiary in Israel
	<b>August</b>	Marked its 25 <sup>th</sup> Anniversary by enabling large scale inclusive 'Digital Literacy' Mission
	<b>October</b>	Mr. B.V.R. Mohan Reddy appointed as the Honorary Consul of the Federal Republic of Germany
	<b>November</b>	Cyient Europe Limited acquired 100% stake in Blom Aerofilms Limited, UK
	<b>December</b>	Zinnov Zones 2016 Rates Cyient in the Leadership Zone in Four Industry Verticals
<b>2017</b>	<b>January</b>	Secured Prestigious Pratt & Whitney 2016 Supplier Innovation and Productivity Savings Awards
	<b>February</b>	Cyient Inc. acquired 100% stake in Certon Software Inc, a Florida based company
	<b>March</b>	Mr. B.V.R. Mohan Reddy awarded the Padma Shri Award, 2017 for distinguished and exceptional achievement in Trade & Industry New facility set up at Pune, Maharashtra
	<b>April</b>	Incorporated Cyient Solutions and Systems Private Limited
	<b>September</b>	Acquired B&F Design Inc. through US subsidiary
	<b>November</b>	Recognised as one of 'India's most innovative organisations' by CII
	<b>December</b>	Divested company's stake in Infotech Aerospace Services Inc., Puerto Rico
	<b>December</b>	Voluntarily obtained a rating of CGR 2+ from ICRA for corporate governance practices
<b>2018</b>	<b>February</b>	Won Pratt & Whitney awards for supplier innovation and productivity savings
	<b>March</b>	Adopted a new set of Articles of Association
	<b>April</b>	Non-resident shareholding in the company limited to 49% Acquisition of AnSem NV, Belgium through Cyient Europe Limited
	<b>May</b>	Cyient Insights becomes wholly owned subsidiary
	<b>October</b>	Incorporated Cyient Urban Micro Skill Centre Foundation, a section 8 company
<b>2019</b>	<b>January</b>	Cyient DLM becomes wholly owned subsidiary
	<b>February</b>	Company commences first ever buyback of its shares
	<b>March</b>	Dissolved Cyient Insight LLC, USA, a step down subsidiary of the company
	<b>April</b>	Completion of buyback of company shares
	<b>July</b>	New Technology Precision Machining Co., Inc was merged with Cyient Defense Services Inc.
<b>2020</b>	<b>April</b>	Commissioned new factory for DLM business in Hyderabad
	<b>August</b>	Acquired Integrated Global Partners Pty Ltd., Australia
<b>2021</b>	<b>February</b>	Launched "Design for Circularity" Consulting and Engineering Practice

# 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 12,000 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  
4<sup>th</sup> 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	2017			2018			2019		2020		2021
Dividend	Special Interim	1st Interim	Final	1st Interim	2nd Interim	Final	Interim	Final	1st Interim	2nd Interim	Final
%	50	60	100	100	80	80	120	180	120	180	340

**What is the number of shareholders in the company in the last five years?**

Year ended 31 March	2017	2018	2019	2020	2021
No. of Shareholders	20,087	25,385	34,223	44,011	57,316

**What is the market capitalisation of the company for the last five years?**

Year ended 31 March	2017	2018	2019	2020	2021
Market Capitalisation (₹ Million)	52,624.8	78,237.3	71,851.4*	25,216.4	71,238

\* 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.moht@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, 2021, the company had 110,029,812 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](http://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 6<sup>th</sup> 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/SES 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, 6<sup>th</sup> 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.  
Apex, Forbury Road,  
Reading RG1 1AX,  
United Kingdom

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 Walder Wyss AG  
Christoffelgasse, 6  
3011, Bern

### The Netherlands

Cyient BV Minervum 7491  
4817 ZP Breda Oost, Breda  
Tel: +31 76 572 2966

AnSem BV  
Hengelosestraat 565 7521  
AG Enschede  
Netherlands  
Tel: +31 53 203 2500

### Germany

Cyient GmbH  
Industriestrasse 23  
Stuttgart 70565  
Tel: +49 711 414402 0

Cyient GmbH  
Düsseldorfer Landstr. 401  
47259 Duisburg

### 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.  
275 East Hillcrest Dr  
Thousand Oaks  
CA 91360

Cyient Inc.  
800 West Cummings Park  
Suite 6250, Woburn  
MA 01801

Cyient Inc.  
6115 Coca Cola Blvd.  
Columbus, GA 31909

Allen (One Bethany East)  
900 W Bethany Drive  
Suite 245 & 250  
Allen, TX

Cyient Inc.  
Peoria Heights Executive Plaza  
4541 N. Prospect Rd, Suite 200  
Peoria Heights  
IL 61616

Cyient Inc.  
2206 Eastland Drive  
Bloomington, IL 61704  
Tel: +1 309 664 6991

Cyient Inc.  
4949 Harrison Ave Suite 115  
Rockford, IL 61108

Cyient Inc.  
5340 Fryling Rd  
Erie  
PA 16506

Cyient Inc.  
3<sup>rd</sup>, 4<sup>th</sup> & 5<sup>th</sup> Floor  
99 East River Drive  
East Hartford, CT 06108  
Tel: +1 860 528 5430

Cyient Inc.  
175, Addison Road  
Windsor, CT 06095

Cyient Inc.  
3<sup>rd</sup> Floor  
386, Main Street  
Middletown, Middlesex  
CT 06457

Cyient Inc.  
120 Production Ct  
New Britain CT 06051

Cyient Inc.  
1401 Nolan Ryan  
Expressway  
Arlington, TX 76011  
Tel: +1 817 268 9501

Cyient Inc.  
14703 Park of Commerce Blvd  
Jupiter, FL 33478  
Tel: +1 860 310 3758

Cyient Defense Services Inc.  
15300 Park of Commerce Blvd  
Jupiter, FL 33478  
Tel: +1 860 310 3758

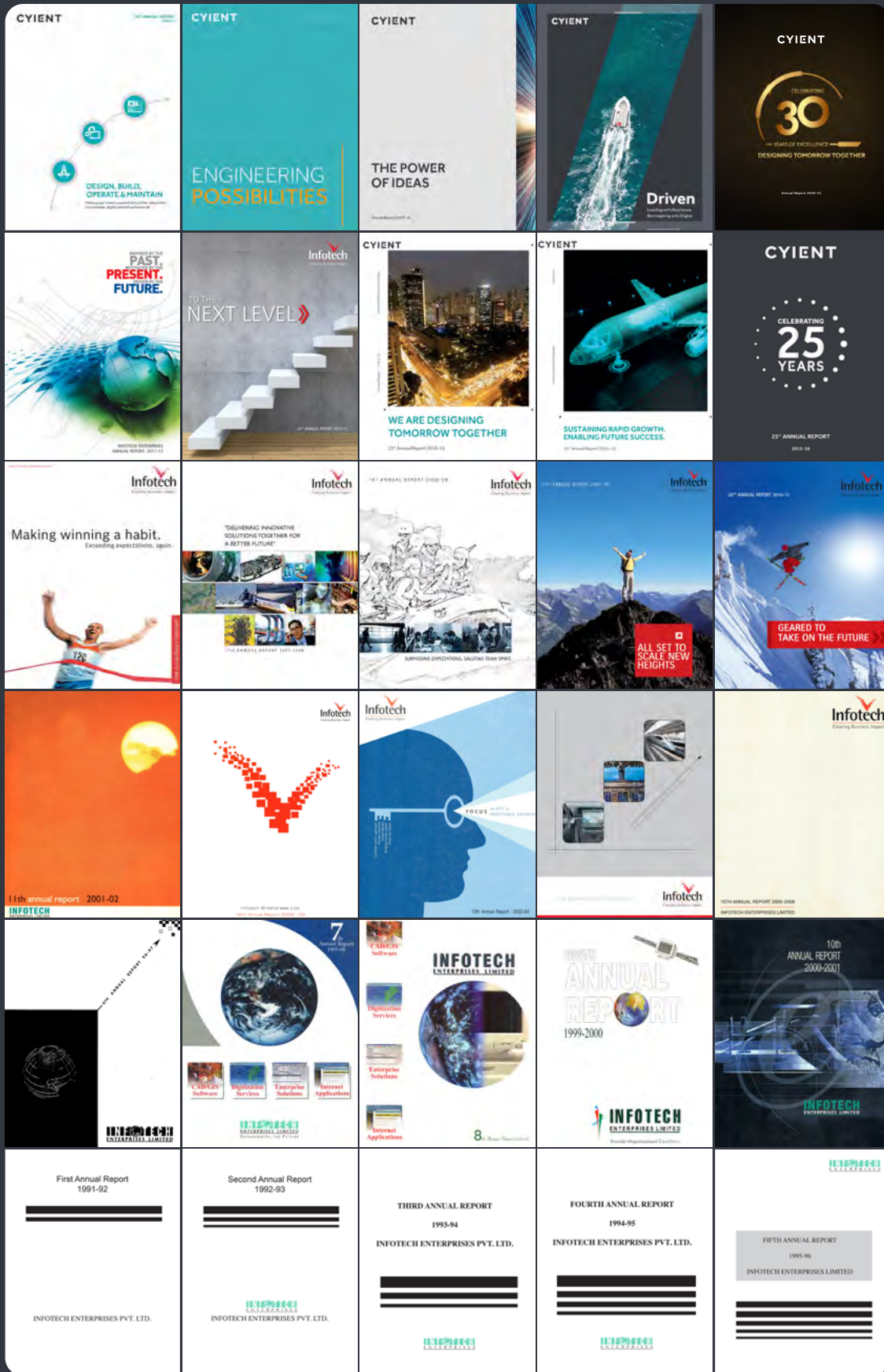
Certon Software Inc.  
Suite D 1396  
South Babcock Street  
Melbourne, FL 32901

Cyient Inc.  
218 South Thomas Street  
Suite 204-209 Spanish Village III  
Tupelo MS 38801

### Canada

Cyient Canada Inc.  
273 Lakeshore  
Suite F  
Montreal, QC

Cyient Canada Inc.  
600 Alden Rd  
Suite 304  
Markham, ON





cyient.com

**Global Headquarters**

Cyient Limited, Plot No. 11, Software Units Layout,  
Infocity, Madhapur, Hyderabad - 500 081, India | T: +91 40 6764 1000