

ENGINEERING POSSIBILITIES





LEVERAGE

Leveraging our rich experience to our strategic advantage

Our strong global presence and domain experience has helped us develop a deep understanding of distinct markets and industries. Our ecosystem of business partners, suppliers, and internal teams backed by our robust financial system, provides us with a solid foundation to continuously innovate and stay competitive.



GROW

Growing by aligning our strategy with evolving market dynamics

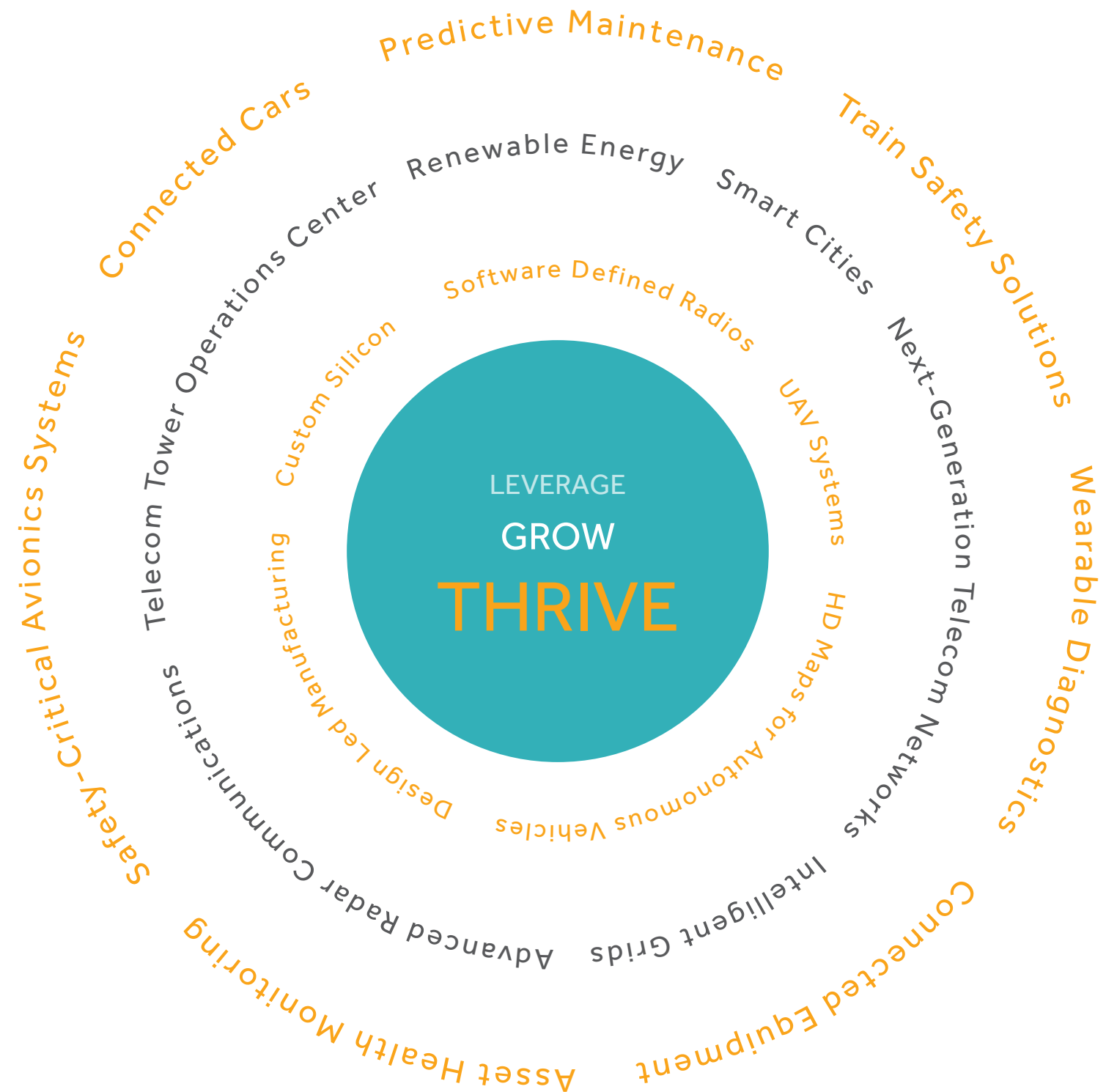
We consciously adjust our service and solution offerings to reflect emerging and disruptive industry trends. Our growth strategy is based on a balanced emphasis on expansion and exploration—leveraging our existing capabilities and continuously scoping newer markets, solutions, and partnerships.



THRIVE

Thriving by being focused on our vision

With a long-term perspective in mind, we apply technology to achieve and even disrupt, existing industry trends. Cyient strives to be a front-runner by innovatively deploying technology, setting new industry standards and benchmarks, and solving problems that matter.



Scan the QR code to see how we apply technology imaginatively to solve problems that matter.

DIFFERENTIATING THROUGH "SHARED VALUE"

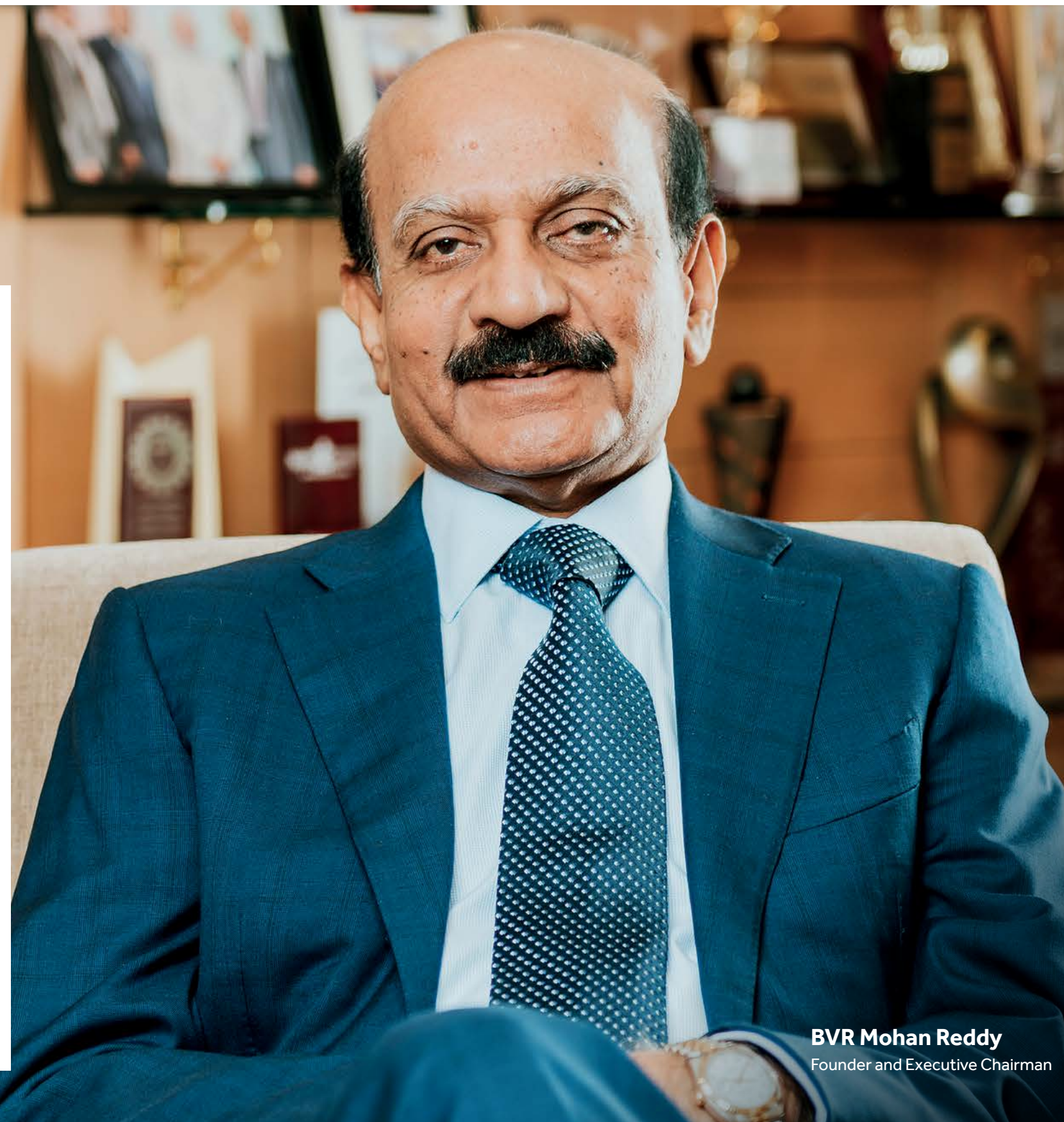
Dear Shareholders,

Today, thanks to technology advances, more people are healthier, are better educated, and have improved living standards. Technology has been a great catalyst and an enabler in bringing about economic growth and equity in society. Having said that, there is a lot of work-in-progress to fulfill unmet societal needs and there lies a challenge, an economic opportunity, and our collective responsibility. Let me elaborate my thoughts.

In the first phase of the digital era, commercial Internet brought about an information revolution, expanding both the richness and the reach of information. The advances in communication technologies enabled the movement and access to information at speeds previously unimagined. The increasing computing powers and the declining costs of computing and storage further scaled the benefits of the Internet. This era marked the beginning of the information economy.

These technological advancements deconstructed several traditional value chains, leading to the emergence of new products, service lines, and business models. Organizations began using information in multiple ways and started seeing a positive influence on manufacturing throughput and service efficiencies. Information proliferation accelerated globalization, making the world one single, competitive marketplace.

The second phase, characterized by Web 2.0, gave rise to interesting applications such as social media, open source movement, and open innovation. Hardware found its replacement in software, accelerating the speed of innovation and consequently shrinking the life cycle of products and services. In parallel, Moore's Law enabled the miniaturization of sensors, giving rise to mobile technology, and ubiquitous sensing. Data started becoming the 'infrastructure' of the world, supporting a variety of activities. In an interconnected world, companies began sharing platforms, sharing data, and evolving collaborative business models. Data and technology began getting democratized in their access, accuracy, simplicity, and affordability.



BVR Mohan Reddy
Founder and Executive Chairman

The economic value of data is in its application, and so data began to be applied through new methods of analytics, machine learning, and artificial intelligence techniques, seeking insights and actionable intelligence in the third and the current phase. The ability to bring sensing, connectivity, and analytics into an intelligent system is fundamentally transforming the way we produce, manage, and govern our resources. This transformation is heralding the most potent phase of digital disruption, opening doors to the knowledge/value economy.

For a business to become a true differentiator in this backdrop, it is imminent to create value with solutions and services that positively impact its customers' triple bottom-line. While the conventional corporate vision of sustainability centers around profitability and of shareholder wealth maximization, businesses of the future will have to redefine their purpose as creating shared value—generating economic value in a way that also produces value for society and preserves our environment.

Cyient—Differentiating through "Shared Value"

Cyient's vision of "applying technology imaginatively to solve problems that matter" greatly reinforces our belief in "shared value." Our vision is built on our awareness of the unmet needs, the competitive advantages that will be available by fulfilling them, and our responsibility to serve the aspirations of the markets and society. Furthermore, our vision is reflected in our strategy to differentiate Cyient as a Design, Build, Operate & Maintain partner for clients in our focus industries, spurring us to invest in innovation, develop talent and leadership, nurture a diverse and inclusive culture, and ensure strong corporate governance. Simultaneously, we strive to

give back to society through our commitment to education and digital literacy.

Strategy

Cyient has always kept an eye on the future. Having built a robust organization over the first two decades, in 2014, we articulated our growth strategy of transforming "from services to systems and solutions" to fulfill the evolving needs of our clients' value chain. To further strengthen our commitment to this vision, Cyient created the AGILE framework (Ambition, Growth, Investment, Leadership, Execution) which defines the actions and outcomes that will purposefully drive the organization towards the goal of being among the top 100 industrial brands by 2030.

Be it greener buildings, quieter aircrafts, high-throughput trains, leading-edge 5G networks, wearable medical diagnostics, software-defined radios, intelligent grids, smart cities, autonomous surveillance, or our support to renewable energy, our aspiration is to help clients deliver performance, reliability, safety, affordability, quality of experience, and sustenance through our solutions.

Technology Innovation

Technology innovation underpins the long-term success of any company. We launched the New Business Accelerator (NBA) initiative in FY18 to nurture internal innovation, something we believe is vital to the organization's future success. The NBA is currently incubating around 15 technology concepts that range from radar technology and wearable medical devices to IoT platforms and grid analytics. Simultaneously, the NBA is cultivating design thinking, incorporating best-in-class processes, creating an optimal work environment, developing a culture of business excellence, and fostering entrepreneurship within the organization.

To provide further momentum to our services to systems and solutions strategy and support long-term revenue and financial goals, Cyient is also making corporate venture investments to gain access to new sources of technology and innovation that are relevant to our future. By proactively engaging with the start-up ecosystem, Cyient is identifying and investing in early-stage start-ups that can become potential partners, suppliers, or even future acquisitions.

Pushing the innovation envelope further through open innovation, Cyient organized India's first UAV hackathon in February 2018 in partnership with DJI, Microsoft, and the Government of Telangana. From over 600 proposals for industrial and commercial applications, the Hackadrone judged seven finalists on the uniqueness, demonstrability, and scalability of their solutions over the five-day competition. An all-women team won the hackathon with an application that promotes women's safety.

Skills & Leadership Development

In our world of technology disruption, where skill requirement is changing rapidly, human capital is the true differentiator for an organization's success. We need to reskill and upskill our current workforce and invest in developing deep domain knowledge to be in sync with fast-changing technologies and client expectations.

Cyient is aggressively investing in our people to make sure that they develop a culture of design thinking, calculated risk-taking, and customer delight. We are skilling and reskilling them with future technologies to create the right value for our clients.

The business environment today is quite complex, unpredictable and volatile. The skills needed for

leadership have also changed, requiring more adaptive thinking abilities. Cyient is developing strong leadership in-house at various levels—execution, functional, and business leadership—through carefully designed programs that balance the needs of individuals and the business.

Diversity & Inclusion

Fairness, and creating equal opportunities for everyone is fundamental to Cyient's core values. Evidence also suggests that a culture of diversity and inclusion in an organization leads to more innovation, improved productivity and a greater competitive edge, which ultimately contributes to the bottom-line. To expand our "diversity dividends," we launched a Diversity & Inclusion (D&I) program in early FY18. Our global D&I initiatives are bringing about parity with respect to gender, age, and physical abilities in recruitment, retention, and talent development. We introduced a paternal leave policy and set up resource groups to readdress employee issues. In order to develop a diverse, high-performing workforce, we are investing in a mentoring program for top women talent. In parallel, an organization-wide awareness and communication program ensures that all stakeholders (clients, associates, investors, partners, and society) are amply informed about D&I policies, practices, and procedures.

FY18 also saw the launch of MagnifiCyient, a rewards and recognition platform to nurture the culture of appreciation and recognition across the organization. Several features under the program, such as peer-to-peer rewarding, geo-rewards, and social features, are creating an atmosphere of inclusion and mutual admiration, building camaraderie, and encouraging learning and development across Cyient.

Corporate Social Responsibility (CSR)

While we create value for our clients and engage with our associates, we have always been conscious of our responsibility to contribute to society. Consistent with the new digital world, our CSR initiatives are also aligned towards digital. Cyient now supports primary to high school education across several schools in four Indian states. For schools, we created digital classrooms, libraries, and laboratories. For adults who are not fortunate enough to experience the digital world, we support the "National Digital Literacy Mission," an adult digital literacy program sponsored by the Government of India.

Our relentless CSR efforts significantly improved girl student metrics in Cyient adopted schools in FY18. A number of these schools have received government awards and accolades from the parent community and local administration. Our CSR interventions are going beyond education to include IT literacy, health, and community development. Under the "Smart Village-Smart Ward Program," we adopted a village and are ensuring provisions of drinking water, sanitation, roads, and water storage facilities to over 3,000 households.

"Engineering the Eye" is Cyient's eye-care initiative that meets at the intersection of business and social innovation. Our partnership with LV Prasad Eye Institute (LVPEI) in Hyderabad has led to the development of low-cost devices for refractive error screening and early-age blindness prevention in low-resource schools and remote areas.

Compliance & Corporate Governance

Integrity is a core Cyient value, and we have always believed that compliance and good governance

play a crucial role in shaping an organization's culture and its engagement with employees, shareholders, clients, and investors. In FY18, Cyient obtained CGR2+ by ICRA for its corporate governance practices, an indication that Cyient has adopted and follows such practices, conventions, and codes that provide financial stakeholders with a high level of assurance on the quality of corporate governance.

Conclusion

In an era where the average life of an organization is declining quickly, Cyient today is a mature 27-year-old, built with resilience, responsiveness, and reflection. With Values FIRST (an acronym for Fairness, Integrity, Respect, Sincerity and Transparency) as our foundation and client-centricity as our philosophy, Cyient has forged a very distinctive and successful path in the engineering and technology services industry, earned enormous credibility and trust from clients, investors and society, and stands tall in the corporate world today.

As we take a moment to reflect with pride on what we have achieved, we also recognize that to succeed in the rapidly changing and disruptive world, we need to execute our systems and solutions focused growth strategy rigorously. We need to differentiate our value to clients through technology and business model innovation, create more wealth for shareholders, make our people our success partners, and unceasingly give back to the societies that nurture us around the world.

Thank you.


BVR Mohan Reddy
Founder and Executive Chairman

CYIENT POSITIONED IN THE 2017 WINNER'S CIRCLE OF HfS BLUEPRINT FOR AEROSPACE ENGINEERING SERVICES



Cyient has earned a place in the 2017 Winner's Circle of the HfS Blueprint for Aerospace Engineering Services. HfS Research, a leading independent analyst firm, recognized Cyient for its end-to-end solutions portfolio, successful acquisition strategy, innovation credentials, and client quality in the aerospace industry.

“ Cyient was built based on its capabilities in the aerospace sector, with a focus on support for the most complex aircraft engines in operation. It is remarkable how the company has diversified and developed the requisite domain depth in other portfolios as well. They are among leaders in innovation and digital solutions in the A&D sector and continue to make investments in developing capabilities centered around high-value, complex solutions. The company's client-centric value proposition is strengthened by the acquisitions it has made in the areas of testing and certification, MRO, and manufacturing over the last few years. Cyient has become a global player in A&D solutions by serving as a trusted partner to the largest OEMs in the sector and providing integrated design, build, and maintain capabilities. ”

– **Pareekh Jain**, Senior Vice President, HfS Research, and Lead Analyst for A&D Engineering Blueprint

TABLE OF CONTENTS

02	KEY PERFORMANCE HIGHLIGHTS
26	MANAGING DIRECTOR & CEO'S MESSAGE
30	BOARD OF DIRECTORS
32	SENIOR LEADERSHIP
34	CORPORATE INFORMATION
36	AWARDS AND ACCOLADES
38	NOTICE OF ANNUAL GENERAL MEETING
46	DIRECTORS' REPORT
54	BUSINESS RESPONSIBILITY REPORT
63	SECRETARIAL AUDIT REPORT
70	MANAGEMENT DISCUSSION AND ANALYSIS
92	REPORT ON CORPORATE GOVERNANCE
114	STANDALONE ABRIDGED FINANCIAL STATEMENTS
134	CONSOLIDATED FINANCIAL STATEMENTS
204	HISTORICAL PERSPECTIVE
205	FINANCIAL ANALYSIS
214	SIGNIFICANT MILESTONES
218	SHAREHOLDERS' HANDBOOK
223	ATTENDANCE SLIP
224	LOCATION MAP
225	PROXY FORM
227	ECS MANDATE
228	GLOBAL PRESENCE

KEY PERFORMANCE HIGHLIGHTS

Maintained strong growth and a positive outlook

Cyient saw continued growth in FY18, registering a 12.9% YoY increase in dollar revenue and a 16.1% increase in net profit. This growth was primarily driven by the Communications, Transportation, and Aerospace & Defense business units. We gained momentum in strategy execution, resulting in the acquisition of B&F Design Inc. in line with our Design, Build, Operate & Maintain strategy. We also signed a joint venture with Israel-based Bluebird Aero Systems Ltd. to expand into unmanned aerial vehicle (UAV) opportunities.

The dividend payout for FY18 increased to 41% delivering maximum value to our shareholders and signaling a growth momentum at Cyient. This thrust will continue through FY19, driven by our focus on progress through organic and inorganic investments, improvement in operating margin, and cash generation. We are well-positioned to achieve higher shareholder return in the coming years.

Revenue Growth

12.9%

At \$607 Mn
(Rupee growth at 8.6% at ₹39,175 Mn)

Dividend Payout

41%

Highest ever at ₹13 per share

Key Acquisitions & Partnerships

- B&F Design
- BlueBird Aero Systems
- EA Technology
- Kii Corporation
- Elpis Squared

Operating Profit Increase

13.3%

At ₹5,492 Mn (\$85 Mn)

Net Profit Increase

16.1%

At ₹4,296 Mn (\$67 Mn)

Cash Balance

\$168 Mn

Highest ever with continued healthy cash generation

Regional Growth

22%

YoY for EMEA

Regional Growth

16%

YoY for APAC

OPERATING FROM 47 LOCATIONS,
WITH 14,000+ ASSOCIATES ACROSS
21 COUNTRIES, CYIENT ENSURES GLOBAL
DELIVERY TO OUR 300+ CLIENTS

In FY18, our headcount increased to 14,762 associates. Our global workforce spans across three major regions: Asia Pacific (84%), North America (12%), and Europe, the Middle East and Africa (4%).

We take pride in hiring talented, experienced, and enthusiastic associates, and providing them with opportunities for personal and professional growth. Our human resources practices and initiatives focus on the continuous development of our workforce, and are critical to the long-term success of the company.

Talent Acquisition

We achieved an 86% on-time fill rate for open positions with a 40% YoY increase in regular hiring. We initiated a "Train and Hire" model for specific entry-level skills that allow early-career hires to undergo basic training while still at a campus.

Employee Engagement

We strive to be the employer of choice by offering an environment in which all of our associates can thrive. This is evident in our FY18 employee engagement score of 60%, which is above the industry average of 58%.

Learning and Development

We provide associates with opportunities for continuous learning to improve skills and leadership development. Toward this effort, our teams clocked more than 26,000 hours of digital learning and over 100,000 hours of instructor-led training in FY18.



GIVING BACK: EMPOWERING THE COMMUNITY

As a responsible corporate citizen, Cyient has been committed to enabling education, digital literacy, community development, and social innovation. We are guided by our belief that sustained development of society is vital to the growth of the businesses that exist within it. To that end, we have invested more than 2% of our net profits toward our CSR initiatives.

The Cyient Foundation has adopted a three-pronged approach focused on health, IT literacy, and community development with education and innovation at the core. We support school education in four of the states in which we have our operations.

Digital Literacy

We currently operate 57 Cyient Digital Centers (CDCs), providing more than 24,300 children and adults with access to IT education. The digital classrooms and libraries provide students with high-quality digital educational resources and content.

Social Innovation

Our latest, social innovation is for the Eye Lens Project, a low-cost vision screening device from the Srujana Center for Innovation at LVPEI. Using our data-driven approach, we have calibrated this device on the most commonly observed refractive error ranges. The product is easy to understand and intuitive to use.

EDUCATION, COMMUNITY DEVELOPMENT, IT LITERACY, AND SOCIAL CHANGE ALIGNED TO BUSINESS INNOVATION



The Cyient Digital Center at a Cyient-adopted school



As part of the Swachh Telangana program, we provide sanitation and hygiene facilities at all Cyient-adopted schools.



25

Schools supported



15,000

Children enrolled



1:30

Teacher-student ratio



57

Cyient Digital Centers across communities



9,000

Students completed L1 & L2 IT literacy programs



70%

Students found IT education useful



Scan the QR code to watch how we are creating a lasting change



We have ensured 54% girl child enrollment across Cyient-adopted schools.



3,800+ enthusiastic Cyient volunteers are contributing to our CSR initiative.