

CYIENT

THE POWER OF IDEAS

Annual Report 2018-19



The background is a complex, abstract pattern of thin, curved lines in shades of blue and white, creating a sense of motion and depth. Scattered throughout the image are numerous small, multi-colored squares (red, green, blue, yellow) and various numerical values in different colors and sizes, giving it a data-driven or digital feel.

INNOVATE

...by using the power of digital.

DISRUPT

...markets, processes, and status quo.

LEAD

...stakeholders into the future.

We do this by “applying technology imaginatively to solve problems that matter” and fostering an environment that encourages out-of-the-box thinking. As we expand from a services-led organization to offering intelligent solutions, we are improving our brand’s competitiveness, its value, and the impact on our stakeholders—clients, associates, industries, and the society.

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KEY PERFORMANCE HIGHLIGHTS - FY19

Maintained strong growth and a positive outlook

The strong performance for FY19 was in line with the business outlook for the year with significant progress marked in the Aerospace & Defense, Rail Transportation, Semiconductor, and Communications business units. This year saw an increased momentum in strategy execution resulting in the acquisition of AnSem N.V., a leading fabless, custom analog and mixed-signal application-specific integrated circuits (ASICs) design company, and 100% stake in Cyient Insights, a data science company of which, Cyient had acquired 51% stake in 2014.

This year, we also acquired 100% stake in Cyient DLM enabling us to create a unique and comprehensive ecosystem of engineering capability, emerging technologies, and design-led manufacturing capabilities. These well-rounded capabilities not only enable us to meet global market expectations, but also fulfill our strategic goal of providing complete systems and solutions to clients across industries.

Our outlook for FY 20 remains strong backed by a strong pipeline and order backlog.

Revenue

\$660 Mn

↑ 8.7% YoY

(₹46,175 Mn at a growth rate
of 17.9% YoY)

Dividend Payout

82%

(Including buyback)

Highest ever at ₹15 per share

Operating Profit

\$91.9 Mn

↑ 7.9% YoY

(₹6,443 Mn at a growth rate
of 17.3% YoY)

Normalized Net Profit

\$69.8 Mn

(₹4,898 Mn at a growth rate
of 14.0% YoY)

Cash Balance

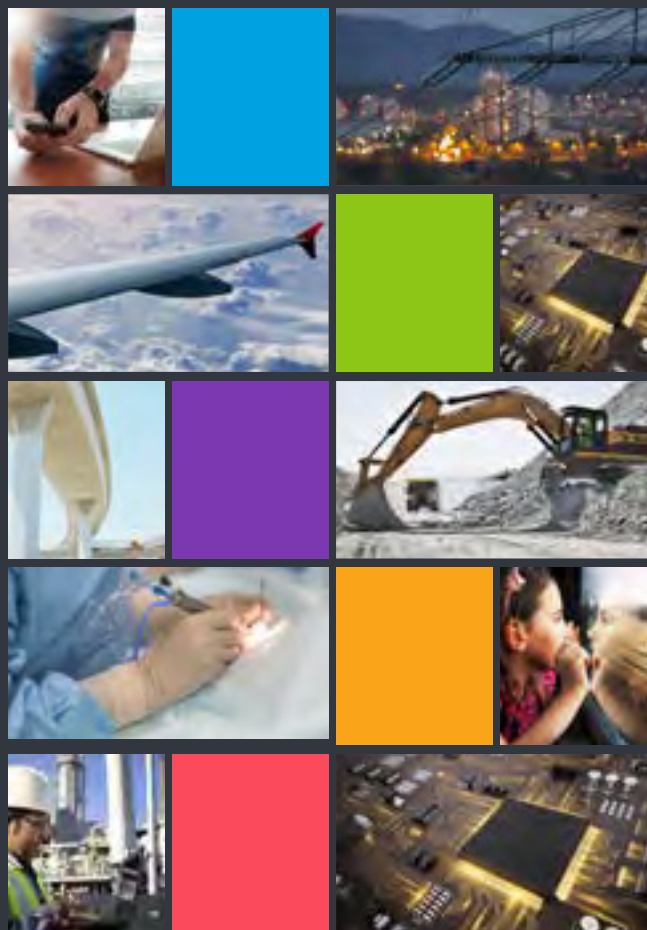
\$144.2 Mn

(₹9,983 Mn on
closing exchange rate)

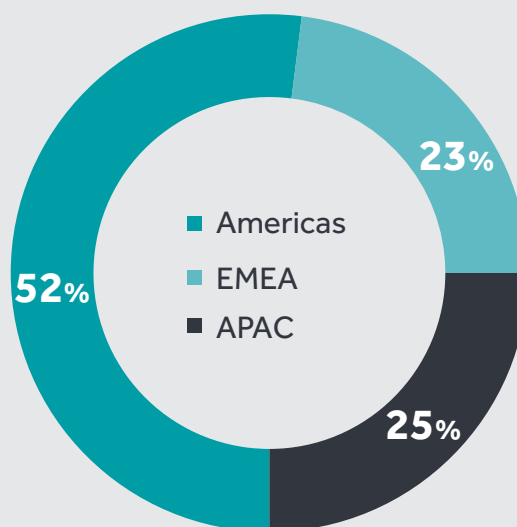
Services Revenue

\$580.2 Mn

↑ 6.3% YoY



Consolidated Revenue Segmentation By Geography



55
LOCATIONS

15,000+
ASSOCIATES

20
COUNTRIES

300+
CLIENTS



At the end of FY19, the total headcount stood at 15,084. Our global workforce spans across three major regions: Asia Pacific (84%), North America (12%), and Europe, the Middle East and Africa (4%).

●

We strengthened our position as an 'Employer of Choice' resulting in an overall increase in headcount as well as an increase in lateral hires. Our focus on developing scalable policies and people practices has resulted in the introduction of new benefits across our regions.





DIFFERENTIATING WITH DIGITAL TRANSFORMATION

Dear Shareholders,

Ones and zeros are defining today's world. Digital is now the byword for creating, storing, communicating, consuming, and analyzing information. From small businesses to large corporations, from government agencies to non-profits, there is intense focus to transform into "digital enterprises."

Digital, however, is not a new phenomenon. While the pre-digital era dominated the decades from 1950 until 1969 when the first high-level programming languages such as BASIC, COBOL, and FORTRAN were developed, the years between 1970 until around 2000 shaped the early digital enterprises. This era saw programming languages such as C, Ethernet technology, development of LAN, WAN, TCP/IP protocol suite, and eventually the World Wide Web. This era introduced email for enterprises to communicate, and websites to exhibit their content and market their products.

In the first decade of the new millennium, we witnessed organizations embracing the fusion of the Internet, cloud, communications technology, mobile, miniaturization, and sensorization of everything. This wave of digital saw the development of cloud and mobile computing, web-centric architectures, software-defined environments, social media, and API economy. These developments created interconnected, integrated, and interdependent industries and enterprises that seamlessly expanded beyond geographical borders and amplified the impact of the value chains.

For the past four to five years and coinciding with the advent of Industry 4.0, we are witnessing a growth in platform-based concepts and businesses as well as strong data-driven economies powered by IoT and AI-led services and products. Organizations are building end-to-end service offerings and developing abilities to define, design, build, operate, and maintain an entire value chain.

The increasing density of interconnection, integration, and interdependency across devices, technologies, people, and locations is helping organizations provide solutions and services in real-time. This is increasing the number of hybrid touchpoints between digital and analog worlds and enabling enterprises to differentiate in terms of business value.