Cigniti
Software Quality | Assured

EMPOWERING BUSINESS RESILIENCE

THROUGH AI-DRIVEN QUALITY ENGINEERING

ANNUAL REPORT 2019 - 2020

Contents

Empowering Business Resilience
Through AI-Driven Quality Engineering

Unprecedented problems demand unprecedented solutions. But at times, the way we are structured, the way we are designed, helps us intrinsically. We are remote, by design.

Digital Transformation is no longer a choice; it has become a necessity. It is an imperative that is enabling businesses to gain resilience and achieve continuity amid the crisis. Powered by Artificial Intelligence & Machine Learning capabilities, digital is what will dominate the wave of the next normal.

At Cigniti, we have established an AI-led testing approach that provides a strongly differentiated value add to our clients by incorporating our extensive experience as well as IP to help enterprises achieve business resilience through digital transformation.

COVID-19 has brought about a massive global disruption across industries such as Oil & Gas, Travel & Hospitality, Retail & eCommerce, Logistics, Education, BFSI, Healthcare, Manufacturing, Sports & Entertainment, and more. The deep impact of COVID on the economy has made it imperative not only to mitigate the immediate impact of Coronavirus, but also to take steps to prepare for the future.

As corporate leaders gear up to face the pandemic that has led to restrictions on social interactions across the globe, they need to identify and execute smarter ways to lead, connect across ecosystems, and build resilience. They need to review & assess business continuity plans (BCP). In case of deficiencies in their BCP - be they related to use of latest technologies, quality, timeliness of action, or lack of infrastructure. - they need to fix them. Working with quality experts can help them create & execute smart, technology-based, exigency plans that will lead to an empowered resilience to build the new normal.

Cigniti is a remote-by-design, strategic quality engineering partner for multiple global industries that leverage our AI-driven quality engineering services to empower their business resilience.

Keeping in mind the vulnerabilities associated with the whole work-from-home dynamics, Cigniti ensures a secure, seamless, and robust IT infrastructure to continue to deliver quality services to its clients. Our quality engineers are working from home utilizing AI-driven automation technologies & infrastructure to develop agile & responsive apps for our clients. This not only accelerates the speed of delivery of products across the globe, but also ensures that the applications have significantly less risk of being hack-prone. Our modernized AI-driven Quality Engineering approaches for continuous Security & Compliance testing, IoT testing, Performance & Functionality testing, and much more cater to the business needs of scalability, reliability, & ensured continuity – thereby leading to empowered business resilience.

The need of Business Resilience in unprecedented times

COVID-19 has brought the entire world to a grinding halt. The pandemic has had far-reaching consequences beyond the spread of the disease itself. Lives have been lost and trillions of dollars wiped off from the economies amid quarantines and lockdowns causing demand to plummet drastically, worldwide. And the worst part was that since no one saw it coming, very few businesses had a backup and continuity plan to tackle this unprecedented exigency. COVID literally rattled the business confidence across industries and across geographies. As the world gears up to wriggle out of the crisis, businesses with resilience built into their business models & DNA are likely to recover quicker.

Resilience is the ability to bounce back. It is the capacity to spring back into shape. It is the ability to accept the new realities, adapt to the new normal and get better. Being resilient makes teams more adaptable to their circumstances, allows them to take the right decisions that will lead to a better future, makes them tougher, and helps develop a scalable growth mindset.

Business resilience is what helps enterprises continue operations and safeguard people, assets, & overall brand equity even during times of major disruption. With the new normal of social distancing, remote working, and everything done online, unarguably, the digital transformation curve has steepened. That digital transformation ceases to be an option. What is being discussed in boardrooms is the pace of adoption of digital transformation within organizations and how can it be accelerated.

A resilient system, powered by AI-driven Quality Engineering, thus holds the key to continued, smooth performance and functioning of systems including applications, architecture, data, cloud, infrastructure, and networks. With COVID, Quality Assurance and Quality Engineering become even more critical for businesses to assure flawless first-time-right and delightful experience to not just their end-customers with secure and robust applications but also to their employees working remotely from their homes with platforms which can allow seamless collaboration.

Business Resilience accelerates adoption of Digital Transformation

COVID-19 has reinforced the importance of digital touchpoints, putting on an accelerated path to adopting digital transformation. As businesses face this unprecedented turn of events, they are embracing digital transformation and next generation technologies to turn around and continue business operations successfully post-COVID.

To be able to run business as usual in these unusual times, enterprises need to establish a secure, scalable, and reliable IT infrastructure, which is powered by teams that are highly skilled in working with the latest technologies and next generation frameworks. Adopting and implementing the latest technologies and business continuity practices is helping them solve problems, innovate, be more creative, become more resilient, and survive. Industries that are digitally-enabled for remote workforce operations, therefore, will have a better advantage over their competitors.

To become resilient and stay competitive in the long run, businesses today are adopting cutting-edge technologies (such as cybersecurity, collaboration tools, predictive Big-data, AI & IoT, etc.), and are putting emphasis on enhancing their digital-first, digital-now process-driven customer experience. Business and IT leaders today are aiming to ensure that their organizations can continue to operate through this unprecedented disruption by quickly addressing the stability of critical business processes and underlying systems, by leveraging software quality engineering.

AI-driven Quality Engineering empowers Business Resilience

At this juncture, enterprises need to accelerate rolling out of new products and product enhancements without impacting quality, so that they save time, are efficient, and are able to establish and bolster credibility and brand image. This defines how resilient they are in these tough times.

Two things are critical in this situation – one, understanding the needs of the customers, their perceptions, their opinions and sentiments, and second, the ability to assure quality of the software products and applications while drastically reducing the application development and release time. This drives home the importance of AI-powered Sentiment Analysis and AI-driven Quality Engineering & intelligent test automation.

Cigniti is a remote-by-design, strategic quality engineering partner for multiple global industries that provides AI-driven quality engineering services, empowering their business resilience. By providing our clients with AI-driven test automation services, our digitally-enabled, remote working teams are continuously helping them release quality engineered products faster.

Leveraging AI, our Sentiment Analyser (CESA) has been able to help our clients derive meaningful insights from unstructured customer sentiments and feed them back into the application enhancement and development process. Our clients leverage CESA to not just identify and discover functional, security, performance, or UX issues in their applications but also to help their own remote working teams to be more productive and efficient.

In the recent lockdowns, we were able to establish business-as-usual conditions in our employees' homes, within 48 hours over a weekend, to assure no business gets impacted for our clients in industries such as Travel & Hospitality, Oil & Gas, Retail & eCommerce, Logistics, Banking, Healthcare, and more. Keeping in mind the vulnerabilities attached with the whole work-from-home dynamics, we are not just ensuring a secure, seamless, and robust IT infrastructure at our end but also are helping our clients with security and performance testing for their applications as well.

As a strategic partner of quality assurance to leading global companies, we provide:

- Uninterrupted, AI-driven test automation, RPA, & IoT testing services
- Test Advisory & Transformation Services for Enterprise Digital Transformation
- Performance Engineering, Cyber-Security, & Compliance testing services
- Big-data, UX, & CX testing
- Complete support for migrating to Cloud

Our proprietary Quality Engineering platform and dashboard with predict capabilities, Verita, analyzes data and provides insights from descriptive, diagnostic, predictive, and prescriptive viewpoints. This helps businesses build resilience by providing a holistic view of release readiness, lead time, and thus use recommendations that in turn accelerate transformation and drive better business outcomes.

Today, we are seeing an increased adoption of AI-based systems across industries and our expertise in leveraging AI to test as well as testing AI-based systems is compounding our opportunities to service these opportunities. Our AI-driven Quality Engineering approaches for continuous Security & Compliance testing, Agile, and DevOps cater to the business needs of performance, scalability, reliability, & ensured continuity – thereby leading to business resilience.

“During pandemics, organizations are focused on employee health and business continuity,” says Richard Addiscott, Senior Director Analyst, Gartner. “Take pre-emptive steps to ensure the resiliency and security of your organization’s operations as attackers seek to exploit human nature and nonstandard operating modes.”

That said, our ingrained capabilities of working from home, spirit of collaboration & secure and agile processes, proprietary IP, and augmented & secure IT infrastructure help us continue to provide QA services to our clients, all the while ensuring the safety of Cignitians.

Chairman's message

Dear Shareholders,

Hope you and your loved ones are all keeping safe in these unprecedented times.

We are dealing with a major global challenge as the COVID-19 situation is continuing to evolve. As we move into FY-21, the entire world is engulfed with the problems created by this crisis. But this situation has also opened up new opportunities for us and it is all about how quickly we adopt to the new normal and move forward.

I am happy to update you that we at Cigniti have collectively adopted to the new normal, thus ensuring business continuity to our clients.

While the COVID outbreak has caused several trends to derail, it also has led many to transform. Organizations that were still doubtful about the necessity of digital transformation, are now speeding up their digitalization journey & looking to scale up their digital capabilities. Digital Transformation is no longer a choice, but a necessity. Being digital enables businesses gain resilience and achieve continuity amid the crisis. Enterprises thus need to digitize everything internal and external. This requires assurance of online and secured transactions and would need the backing of AI and other smart technologies.

Post COVID, industries such as Oil & Gas, Retail Banking, Healthcare, Logistics, Retail, Hospitality & Transportation, Tourism, E-commerce, Entertainment, Telecommunication, and more will all undergo a tremendous change in terms of their strategies for go-to-market, automation, and growth initiatives. They would need to embrace cutting-edge technologies to make their products and processes resilient. One thing that will be common to most of these industries would be the need to adopt digital transformation that can help them create low/zero-touch products & services for ambient wellness, resilient practices, and supply chain continuity.

AI will prove to be the pivot for every business to grow. There is going to be a huge demand for quality assurance and predictive real–time insights and analytics for teams to be able to take better decisions, quickly. BlueSwan, our IP, along with our other result-oriented, comprehensive, AI-driven Quality Engineering services, assures predictive analytics leading to high-quality customer experience @ high-speed.

Let's quickly recap our financial performance for the year 2019-20. Our revenue for the year stood at Rs. 871.97 Cr vs Rs. 816.08 Cr on consolidated basis resulting in the growth of 7%. The EBITDA for FY 20 stood at Rs. 128.7 Cr and the PAT at Rs. 121.6 Cr.

A few of our big wins of the year include the world's largest retailer, the largest oilfields company, a leading entertainment company, a Europe-based automobile company, and more from 70+ new logos. These accounts will yield good returns in the years to come. To further accelerate our growth by winning large deals, we have come up with a new sales & marketing strategy by bringing leading deal advisors who will help us win key strategic accounts. We continued to improve our return on invested capital (ROIC) by identifying and nurturing high margin services and clients and increased the average yield per salesperson. We have entered into strategic partnerships with leading tool vendors that will not only help us in offering better solutions to the clients, but also put us in front of large deals where our partners have exposure.

I am proud to update you with two notable recognitions. We have won the 'Corporate Leader of the Year' award at the 15th Indo-American Corporate Excellence (I-ACE) Awards and have been ranked as 'one of the fastest growing Indian companies in the UK'.

Several leading analysts have continued to recognize us, thus reiterating that we are the leading players in the independent software testing and quality engineering space. NelsonHall positioned Cigniti as a "Leader" in the Mobile Testing Capability market segment in its 2019 NEAT charts and also recognized us as one of the top two largest testing services pureplay globally. Everest Group positioned Cigniti as a 'Major Contender' in the Everest Group PEAK Matrix™ Assessment 2019 for Next Gen QA Service Providers. While Gartner positioned Cigniti in its Magic Quadrant for Application Testing Services for the 5th time in a row, it also positioned Cigniti as a 'Niche Player' for 2019. Zinnov mentioned us as a 'Leader' in the Zinnov Zones 2019 ER&D services for Quality Assurance Engineering Ratings, and ISG recognized Cigniti as a 'Contender' for Security services category in the ISG Provider Lens for Cyber Security Solutions & Services 2019.

Notable investments in terms of time and efforts have gone in our innovations that are helping us in creating a better value for our clients. We have received our 2nd US patent for overall test tool migration pipeline. We have augmented BlueSwan with AI capabilities and the team is continuing to build several automation tools.

Being the leaders in the industry, we are always at the forefront in terms of our thought leadership. We invited senior quality engineering leaders to be part of our initiatives to share their rich experience with the QA community.

On the CSR front, Cigniti associated with GMR Varalakshmi Foundation, a CSR arm of the GMR Group and provided support to school children of several Govt. Schools near Hyderabad by building toilets, classrooms, developing Kids smart center, upgrading computer and science labs, providing scholarships, etc. We are very happy to have contributed Rs. 50 Lakhs to the CM Relief fund to tackle the Corona crisis.

Outlook & concluding remarks

A major portion of Cigniti's revenue comes from Travel & Hospitality sector that is currently reeling under the impact of COVID-19. While this is a matter of concern, Cigniti also has significant exposure in industries such as Banking and Finance, Healthcare, E-commerce, and Communication apart from hi-tech products & public sector industries that are emerging due to the pandemic. Having served enterprise accounts, Cigniti also has rich experience in virtualization, security, RPA, UX, zero-touch technology, and AI – all of which will play a critical role in business resilience and growth post-COVID. Apart from our existing test centers of excellence, we also plan to establish new centers of excellence for Security testing, Cloud Migration, IoT testing, Embedded testing, Intelligent Process Automation, and Application Layer testing. Setting up CoEs in these areas will enable us in helping our clients achieve scalability and faster go-to-market.

Before COVID, it was estimated that the software testing market would touch $48 billion by 2023. I am confident that the market will bounce back after seeing a decline for next 2 quarters.

On behalf of Cigniti's Board of Directors I take this opportunity to thank our clients, technology partners, shareholders, various governmental organizations and statutory bodies for their continued support and guidance.

Yours Truly
C V Subramanyam
Chairman & Managing Director

CEO's message

Dear Shareholders

The year 2019-20 began on a good note for Cigniti as we continued our march towards becoming the world's largest quality engineering services company. The fact that Cigniti Technologies (UK) Ltd. has been ranked as one of the fastest growing Indian Companies in the UK is proof of our focused approach. We continued to invest into R&D and set up new labs and CoEs to stay ahead of the game to provide value to our clients in terms of their quality journey.

And then COVID struck the industry. Companies started looking at every opportunity for cost reduction and became non-committal on making decisions related to new businesses. The upside was that this provided an opportunity for a lot of work to be done remotely and offshore, which reduced the pressure of losses and helped our clients with cost advantages. In the long term, sectors that have not yet adopted digital technologies will be forced to start that journey and that is a huge opportunity for the IT sector. The key for companies like us is to make such investments now and execute them well to be ahead in the race.

Compared to other industries we have had a higher exposure to the travel, transport and hospitality sector. With COVID, some of our accounts have downsized due to which there has been a direct impact and we are partially billing. While the industry will operate inefficiently for some more time, their safety costs will increase. Zero-touch business interactions are rising, and most tasks involving human interaction will be digitized. This, I think, is an opportunity for Cigniti. I believe that our good standing with these clients, fast investments into digital assets and automation, and BlueSwan implementations would help us gain the wallet share of these companies.

As the US economy is opening, industries like event management and non-essential retail in the U.S. are limping on their way back up. Consumer habits are evolving digitally and in the long run, the role of augmented reality, virtual reality, and drone-based retail-services will rise, presenting tremendous opportunity for quality assurance and engineering services.

We as a company are repurposing our bench and upskilling wherever possible. While we also undertook compensation optimization for a temporary period of time, we have been able to retain most of our team despite the COVID crisis. We know that cost control measures are critical and we are being prudent in deploying cash and making a lot of savings on CapEx. Having said all of this, we've also managed to add five new clients in the last quarter. We added one of the largest pharma companies in the world as a client in the medical devices space and are working with one of the largest retailers in the world that have requirements for ramping up in the existing and future quarters. We're expanding our presence in the 5G network space and are also making efforts to win opportunities in the Government focused companies in the US, specifically Baltimore and Virginia.

We believe that IT spends are inclined to go up significantly in the future as companies embark on their technology journey and we are well poised to capitalize on this digital push as we've been already doing some cutting-edge work in this space. While we continue to improve upon our IP BlueSwan, we are also evolving our task-based automation platform, investing into cybersecurity, migration, and data modelling, and identifying new domain-specific technology partners in AI, digital banking, and healthcare.

We intend to be assurance partners for our clients and look forward to offering our services and invest into growth areas. While there is a pessimistic gloom currently, eventually the world will recover and so will the industry. We are already seeing green shoots and clients are starting to get back to work and have started accepting the new normal.

Srikanth Chakkilam
Chief Executive Officer

Key Performance Indicators

All values in Rupees Lakhs

Revenue from Ops

87,197	2020
81,608	2019
69,328	2018
61,926	2017

Total Expenses

74,328	2020
68,331	2019
66,123	2018
67,438	2017

Profit Before Tax

13,084	2020
14,223	2019
3,291	2018
-38,697	2017

Profit After Tax

12,160	2020
14,736	2019
3,217	2018
-39,483	2017

EBITDA

12,869	2020
13,277	2019
5,173	2018
-2,207	2017

EBITDA Margin

14.80%	2020
16.30%	2019
7.50%	2018
-3.60%	2017

Revenue Concentration FY20

5%	Top Client
19%	Top 5
32%	Top 10
47%	Top 20

Revenue by Verticals FY19

27.1%	Travel+
16.3%	BFSI
4.1%	Energy+
10.6%	Others
14.4%	Health+
14.1%	ISV
13.4%	Retail+

Socio-Economic Value Added

90 Lakhs
CSR Outlay FY20

51,896 Lakhs
Employee Benefit Expenses

World of Cigniti

Headquartered at Hyderabad, India, Cigniti Technologies is a global leader in independent quality engineering and software testing services. Our business operations are spread across USA, UK, Canada, India, Australia, UAE, and South Africa. Cigniti is CMMI-SVC Level 5 (v1.3) appraised and is ISO 13485:2016, ISO 9001:2015, & ISO 27001:2013 certified. Cigniti's test offerings include Quality Engineering, Advisory & Transformation, Digital Assurance, Next Generation and Quality Assurance solutions.

300+ Active Clients

2300+ Employees

50+ Fortune 500 Companies

Global Analyst Mentions

Cigniti Technologies is positioned as a "Niche Player" in 2019 Gartner Magic Quadrant for Application Testing Services, worldwide. It is the 5th consecutive year in a row when Gartner has positioned Cigniti in its Magic Quadrant for Application Testing Services. In its report, Gartner has mentioned that Cigniti has created a strong portfolio of Testing Intellectual Property (IP), including its core next generation testing platform BlueSwan.

Cigniti keeps investing in BlueSwan by enhancing current capabilities. Enhancements include automation accelerators (for example, test assets for SAP S/4HANA migration), quality engineering (to increase first-time-right products and releases), prescriptive analytics, migration platforms, and sentiment analyzer tools.

- Gartner

Everest Group has positioned Cigniti as a "Major Contender" in Everest Group PEAK Matrix™ Assessment 2019 for Next Gen QA Service Providers. We have been featured in their reports consecutively for 4 years in a row.

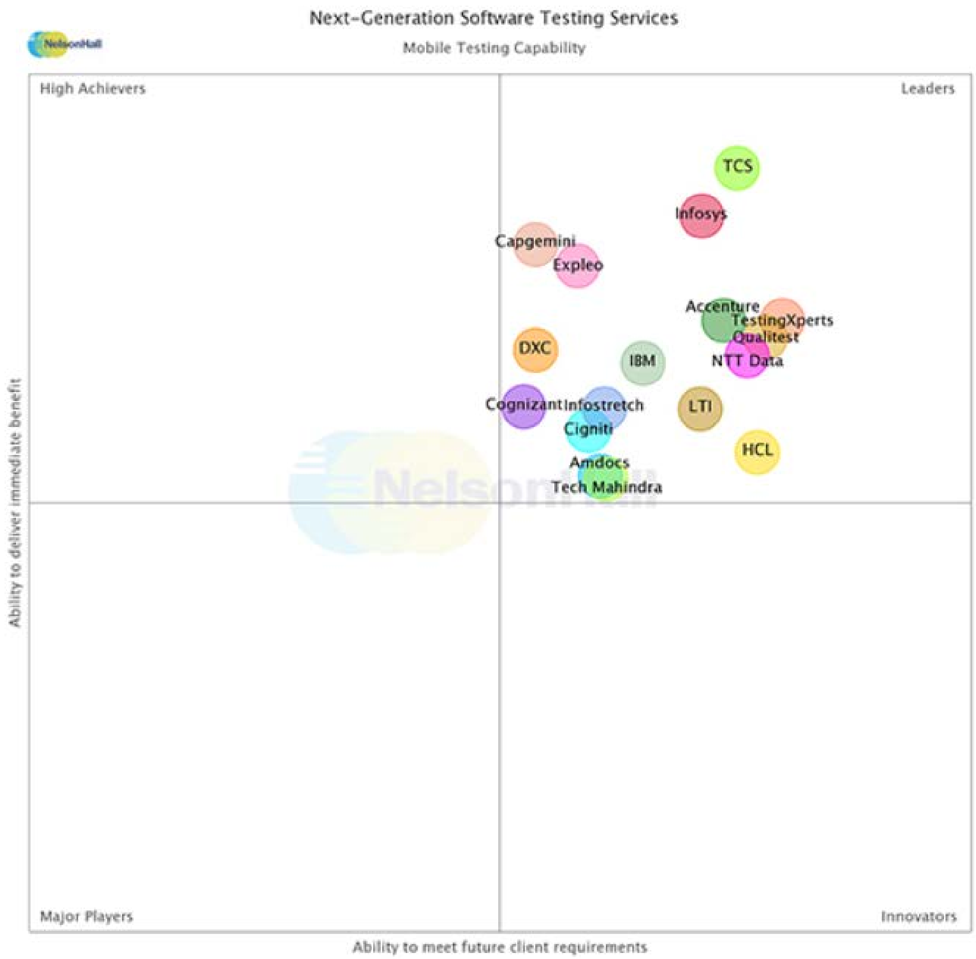
- Everest Group

NelsonHall has positioned Cigniti as a "Leader" in the Mobile Testing Capability market segment in its 2019 NEAT charts. NelsonHall also recognized Cigniti as one of the top two largest testing services pureplay globally. In its report, NelsonHall has also mentioned that Cigniti's Mobile Test Automation Framework, which is part of its BlueSwan family, and the pay per-use model allow it to offer cost-effective services to its clients.

This report mentions that:

- Cigniti is a well-known brand in the software testing services/QA industry, being one of the top largest pure-plays in the industry
- Mobile testing offering is comprehensive
- AI: Cigniti has an advanced offering in AI use cases for automating testing services

- NelsonHall



Key Highlights of FY20

Corporate Leader of the Year

Cigniti Technologies won the 'Corporate Leader of the Year' award at the 15th Indo-American Corporate Excellence (I-ACE) Awards. Mr. Nitin Gadkari, Hon'ble Minister for Road Transport & Highways of India and Ministry of MSME, presented the award to Mr. C V Subramanyam, Chairman & MD, Cigniti Technologies on September 20, 2019, in Mumbai.

Fastest Growing Indian Company in the UK

Cigniti Technologies (UK) Ltd. is ranked as one of the fastest growing companies in the United Kingdom in the report titled "India meets Britain Tracker 2019" released by Grant Thornton in collaboration with Confederation of Indian Industry (CII) on August 8, 2019.

Recognized for Best HR practices

Cigniti Technologies won the Awards for 'Best Culture' & 'Safe Workplace' at KelpHR PoSH Awards, 2020, Mumbai-22nd January. The KelpHR PoSH Awards are India's first-ever Awards to recognize and felicitate organizations for their regulations and practices in promoting the 'Safe Workplace Culture'.

Expansion of Global Delivery Center

Cigniti inaugurated it's fifth Global Delivery Center at the 1st Floor, Mariner Block at Ascendas IT Park, Hyderabad. This facility will increase our overall office space to 200,000+ sq. ft. Our Chairman and MD, Mr. C V Subramanyam inaugurated the new facility in January, 2020. One of our prestigious clients from American retail sector graced the ceremony, along with Cigniti's leadership team.

Key Clients Won in FY20 Across Industries

World's largest retailer

UK-based telecommunications company

Leading Maltese bank

Most popular video on demand channel

Europe-based multinational automotive corporation

Leading oilfield services company in US

World's leading chain of variety stores

Leading energy company in US

Global Events

ISG - Executive Provider Summit 2020

Cigniti participated in ISG – Executive Provider Summit, Jan 7th-9th 2020 in Miami, Florida. Our CEO, Srikanth Chakkilam delivered the keynote at the event that was attended by 120+ analysts from across the globe.

Mr. C V Subramanyam, our Chairman & MD, Pradeep Govindasamy, CTO & President, Kalyana Rao Konda, President, Raghu Krovvidy, EVP & Head-Global Delivery, and Siva Raman, AVP attended the event and networked with the analysts and explained how Cigniti is helping in accelerating the digital transformation journey of global enterprises.

Platinum Sponsor at StarWest 2019

Cigniti Technologies was a Platinum sponsor at StarWest, and had an amazing experience at the event. There were a lot of insightful conversations, takeaways, learnings, and of course awesome interactions with clients, partners, and peers in the industry.

Expercion 2019

Cigniti leadership team including Raghuram Krovvidy, EVP & Head of Global Delivery & Solutioning and Rajesh Sarangapani, AVP, participated in Expericon 2019 in Chennai. Raghu was also invited to be a speaker in the panel discussion on the topic “Insights and Best Practices in Digital Testing”.

NASSCOM Technology & Leadership Forum 2020

Cigniti participated in NASSCOM #NTLF2020 in Mumbai 12th – 14th February 2020. Our Chairman & MD, Mr. C V Subramanyam, and Subhendu Pattnaik, Global Head of Marketing, participated in a roundtable discussion with India's topmost admired leaders and CXOs.

Nanda Padmaraju, SVP, and Raghu Krovvidy, EVP & Head of Global Delivery & Solutioning, were also part of the NTLF2020 and had conversations with several Analysts and other industry leaders.

Proud Sponsor at Aviation Festival MEASA 2019

Cigniti Technologies was a sponsor at Aviation Festival MEASA in Dubai. Our booth at the event had visitors from airlines, airports, and from other aviation organizations.

Cignithon - A Cigniti Testing Hackathon I 09 February 2020| Hyderabad

Cignithon – the Biggest Testing Hackathon in Hyderabad – held on 9th February in T-Hub was received very well and was a grand success. We had 118 passionate testers from 54 different organizations who spotted 1600+ bugs in the 3 hours session.

Cigniti's Thought Leadership

Workshop

Workshop on AI & Continuous Testing to Accelerate Digital Transformation, 13 November 2019 | San Francisco

Cigniti hosted a workshop on "AI & Continuous Testing to Accelerate Digital Transformation" in San Francisco on 13th November. We invited Diego Lo Giudice (VP, Principal Analyst at Forrester) as a speaker. QA & QE leaders across industries had a deep-dive session about AI infused applications (AIIAs), a need to test them, and the AIIA testing framework, hosted by Pradeep kumar Govindasamy, President & CTO, Cigniti Technologies.

Global Meetups

Role of Testing in DevOps, 05 March 2020 | Atlanta

Cigniti organized its first software testing Meetup in Atlanta on 5th March. We invited Scot Raymond Hanley, Head of QA & Director at Synovus, and Dr. David A. Bishop, Founder & CEO at Agile Worx as speakers to share their knowledge on "Role of Testing in DevOps".

Creating & running high performance engineering teams, 20 February 2020|London

Cigniti organized a software testing Meetup in London on 20th February. We invited Edson Ferreira, Head of Engineering (Digital Platform) at Lloyds Banking Group as a speaker to share his knowledge on “Creating and running high performance engineering teams”.

Modernizing your Testing Approach, 05 December 2019 | Philadelphia

Cigniti organized a software testing Meetup in Philadelphia on 5th December, 2019. We invited Melissa Tondi, Quality Engineering Leadership at E*TRADE as a speaker, and the meetup was hosted by Kalyana Rao Konda, President at Cigniti Technologies.

The Pothole of Automating Too Much, 26 September 2019 | Philadelphia

Cigniti hosted a Meetup in the Philadelphia Software Testing Meetup group on 26th September, 2019. We invited Paul Holland, (Sr. Director, Test Engineering at Medidata Solutions) as a speaker. Speaking on the topic "The Pothole of Automating Too Much", Paul provided arguments on why an "automate everything" approach may not be advisable and how organizations can identify specific processes that actually need automation. Here are a few glimpses of the event.

Webinars

Cigniti QATalks Podcast

Project Cignificance: A CSR Initiative

In the year FY20, Cigniti in association with GMR Varalakshmi Foundation, a CSR arm of GMR Group, continued to provide quality education to the underprivileged children and support in building better infrastructure at schools run by local governments. We provided support to several Govt. Schools in constructing classrooms & toilets, and provided computer labs, benches, and study material. Cigniti also supported in setting up a Kidsmart center, upgrading computer and science labs, providing scholarships, etc. at multiple schools in the rural areas surrounding Hyderabad.

Govt. Primary School, Airport Colony, Hyderabad

Kidsmart Learning Centre

Govt. Primary School, Gollapally, Hyderabad

New Class Rooms

Govt. Primary School, Airport Colony, Hyderabad

Cigniti's Contribution to Chief Minister COVID-19 Relief Fund

Cigniti Technologies contributed Rs. 50 Lakh to the Chief Minister Relief Fund on 30th March, 2020 to support the Government of Telangana to tackle the unprecedented situation caused by COVID-19. Cigniti's Chairman and Managing Director, Mr. C V Subramanyam, handed over the cheque to Mr. Kalvakuntla Taraka Rama Rao, Minister of IT, Municipal Administration & Urban Development and Industry & Commerce, Govt. of Telangana.

Serving World's Largest and Most Innovative Companies for the last 5 Years

UK's first digital
only bank

A public sector company
dealing with military installations
worldwide

One of the world's largest
casual dining companies
in USA

An American multinational
financial services corporation

A Fortune 500 company providing mechanical and electrical construction & infrastructure

One of the largest airlines in India

A leading American technology company that designs and builds consumer robots

A Fortune 500 company that manufactures medical devices, pharmaceutical & consumer packaged goods.

Board of Directors

C V Subramanyam
Chairman & MD

Mr. C V Subramanyam is the Chairman & MD of the supervisory board of Cigniti Technologies Limited and focuses on the corporate governance and is regulatory aspects of running a publicly listed company. His primary focus is on creating shareholder value by ensuring that various parts of the organization add value to the various stakeholders such as clients, employees, partners, industry, and society. He is a successful entrepreneur who co-founded one of South India's largest transport and logistics organizations. In 1998, he founded Chakkilam Infotech as an IT services company and in 2004, he successfully took the company public and listed on BSE. In 2008, he was instrumental in putting together a world class executive management team, as was required to successfully reposition the company as an Independent Software Testing services company. Chakkilam Infotech merged with Cigniti Inc. of USA in 2012 and became Cigniti Technologies Ltd. He holds a Bachelor's Degree in Commerce along with Law and Post Graduate Diploma in Business Management.
In the Board Committees of Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, CSR Committee

Srikanth Chakkilam
CEO & Director, Cigniti Technologies Inc.

As CEO and Co-Founder of Cigniti Technologies Inc., Srikanth Chakkilam is helping Cigniti grow strength-to-strength and become a global leader in independent quality engineering & software testing services. Srikanth is responsible for driving Cigniti's global growth strategy, help set organizational goals and direction, and provide insights to build lasting relationships with clients, partners, & investors. Previously, as an Executive Director, Srikanth spearheaded Cigniti's expansion into diverse geographies including U.K., EU, ANZ, SA, Middle East, and APAC regions. Under his leadership, the revenues from these regions grew exponentially over the years. Srikanth works closely with the Global Marketing team at Cigniti to orchestrate great customer experiences for our clients. Srikanth is an alumni of the University of Southern California where he worked closely with Barry Boehm, one of the legends of software engineering and quality. He also holds a Graduate Degree in Electronics and Communication Engineering.
In the Board Committees of Nomination & Remuneration Committee, Stakeholders Relationship Committee, CSR Committee

R K Agarwal
Independent Director

Mr. R. K. Agarwal is a qualified Chartered Accountant and has the rare distinction of being probably the first recipient of Gold Medals for securing 1st Rank on all India basis in both the Intermediate and Final Examinations of the Institute of Chartered Accountants of India. He has been a Partner with S. R. Batliboi & Associates LLP since 1978 and was the Managing Partner of the Firm at the time of his retirement in June, 2013. Mr. Agarwal has over 40 years post qualification experience in various fields like Audit, Taxation, Company Law, Consultancy, etc. He has got a wide exposure of various industries, including Steel, Paper, Cement, Automobiles, Textile, Milk & Dairy Products, etc. both in India and abroad.
In the Board committees of Audit Committee, Stakeholders Relationship Committee and Risk Management Committee

Phaneesh Murthy
Independent Director

Mr. Phaneesh Murthy, global IT industry veteran, who spearheaded the growth story of companies like Infosys and iGate, joined the board of Cigniti Technologies Ltd. as Independent Director in 2017. Phaneesh is a business leader with 25 years of experience in structuring and managing large outsourcing deals for Fortune 500 companies. Phaneesh's previous roles include CEO & President of iGate Corporation and Worldwide Head of Sales and Marketing, Head of Communications, and Product Solutions Group at Infosys Ltd. He also consults for various businesses. Phaneesh is widely recognized as an Industry pioneer in propelling organizations to an all-round, multifold growth, and helping them reach leadership positions.

In the Board Committees of Audit Committee, Nomination & Remuneration Committee, Risk Management Committee (Chairman)

Srinath Batni
Independent Director

Mr. Srinath Batni is a global IT industry veteran. He is a CoFounder of Axilor Ventures. Mr. Batni served as Group CoHead of Worldwide Customer Delivery at Infosys Limited, as Head of Delivery (GCARE), and as Head of Strategic Groups & CoCustomer Delivery at Infosys Limited. From 1996 to 2000, he served as Senior Vice President & Head - Retail and Telecommunications Business Unit of Infosys Limited. He has been an Independent Director at AXISCADES Engineering Technologies Limited since 2014. He serves as Director of Infosys Technologies China (Shanghai) and Infosys Technologies Australia Pty Limited, subsidiaries of Infosys Technologies Ltd. Mr. Batni served as the Whole-Time Director of Infosys Limited from May 2000 to July 31, 2014. He received a B.E. in Mechanical Engineering from Mysore University and an M.E. in Mechanical Engineering from the Indian Institute of Science, Bangalore.

In the Board Committees of Audit Committee, Nomination & Remuneration Committee (Chairman), CSR Committee

Nooraine Fazal
Independent Director

Ms. Nooraine Fazal is the Managing trustee, CEO, and Co-Founder of Inventure Academy. Ms. Nooraine has a Master of Science degree in Management from Boston University. She worked with IBM and Reuters for a period of 10 years in a front-line and managerial capacity. Post a period of introspection about the future, she returned to India in 2003 (after twelve years across the UK, USA, Middle East, Australia, and the Greater China region) in order to be a 'citizen with a say' in the way the country is developing.

In the Board Committees of Nomination & Remuneration Committee, Stakeholders Relationship Committee (Chairperson), CSR Committee (Chairperson)

K. Ch. Subba Rao
Non-Executive Director

Mr. K. Ch. Subba Rao is a post graduate in science and has got varied experience in Real Estates and other related activities. He has 3 decades of rich experience in real estate and logistic business. He is a successful entrepreneur who co-founded one of South India's largest transport and logistics organization which continues to grow stronger since inception.

Our People

Human Resource policies and procedures are an essential part of an organization, and Cigniti HR Department's mission is "to be recognized as a World-class HR organization, delivering value to the business, through ethical, efficient, effective processes."

Launch of Policy & Process Nuggets

HR team has launched an email campaign 'Policy & Process Nuggets', to help us know our policies and processes better. These nuggets have been designed in a simple way to help our employees easily understand important aspects of the policies and processes.

Launch of Engagement Activities

To make each week even more refreshing, to keep the momentum going, Cigniti introduced #You as part of our weekly communications, which consists of initiatives such as #TGIM on Monday, #WednesdayInspiration on Wednesday and #FriYay on Friday.

Prevention of Sexual Harassment | Mandatory e-learning – Launch 2

Cigniti has launched POSH Mandatory e-learning training for fulltime and contractors joined between July 3, 2019 till January 31, 2020. These trainings will not only help our organization to be compliant but also help us to create awareness and provide friendly and secure environment, free from sexual harassment. This will be an ongoing exercise and new hires and old employees will continue to attend these trainings once in a year.

Trust Building Workshop for HR Team

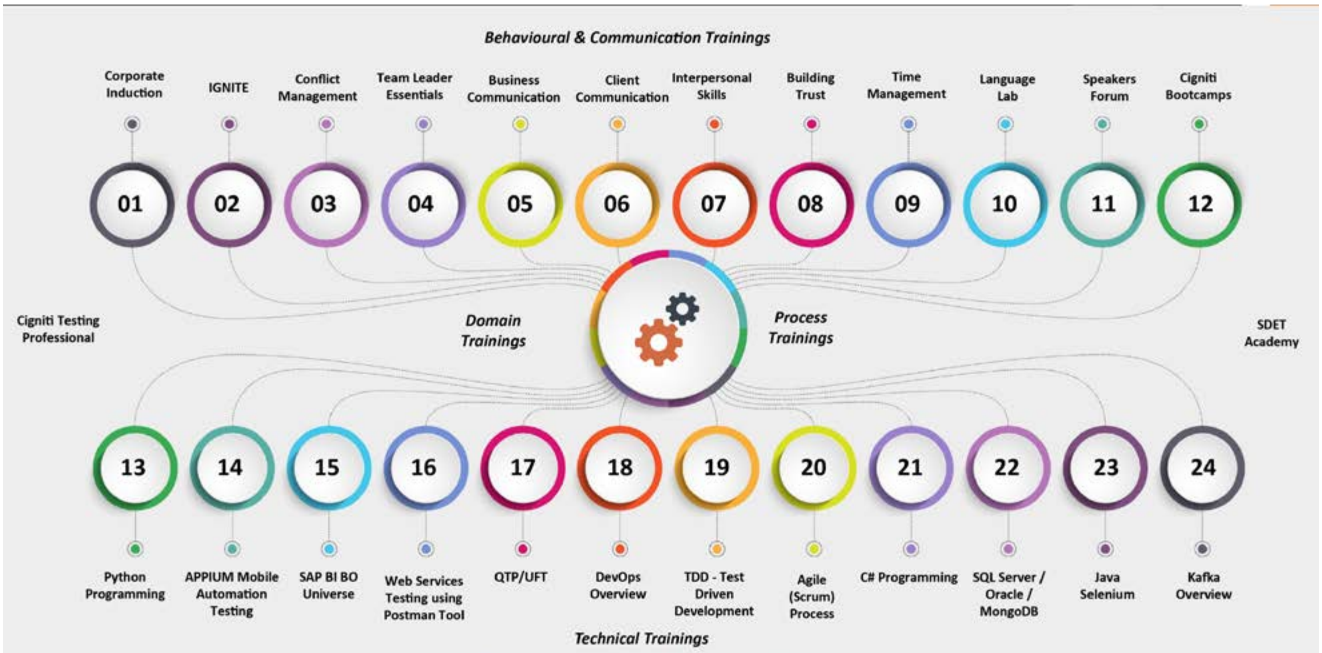
Rewards & Recognition

Cigniti's Leadership team believes that recognition is an important medium to express their trust and reliability on the employees. Recognition helps employees who are making a difference, to truly feel valued and appreciated which might result in better innovations and improved business results. Receiving recognition helps employees know that their work is being recognized and rewarded. This results in energizing and inspiring employees to actively appreciate their colleagues, and become motivated to help the organization achieve its goals.

We conducted various Rewards & Recognition (R&R) events & celebrated service anniversary events in the spirit of Cigniti's R&R Program. It has certainly impacted employees in a positive way in terms of better employee engagement, productivity, & Employee Happiness Index.

Learning at Cigniti

Talent Development Initiatives 2019-20



Training Snapshot

Technical

No. of Sessions - 53
Total Participants - 1272
Learning hours - 10201

Process

No. of Sessions - 82
Total Participants - 1362
Learning hours - 1854

Behavioral

No. of Sessions - 48
Total Participants - 701
Learning hours - 2353

Cigniti Testing Professional Program - Australia

Cigniti organized a Testing Professional Program in Australia for testing enthusiasts to mentor and guide them considering the demand for new-age software testing skills and the evolving requirements of the enterprises. Participants' performance during the program helps them become a part of Cigniti Technologies as a full-time employee.

Celebrations at Cigniti

"Always Connected"
Initiatives During Social Distancing Restrictions

The COVID-19 pandemic is a crisis like no other. Our top concern is ensuring the health and safety of our employees. In line with the advisory issued by the government across various geographical locations, regarding precautionary measures to be followed to prevent the spread of COVID -19, Cigniti management has encouraged employees to work from home, as their safety is our utmost priority. We have also reached out to all Cignitians and asked them to share their "New Home Office" setup to create a positive and collaborative environment.

Corporate Information

BOARD OF DIRECTORS:

Mr. C V Subramanyam
Chairman & Managing Director
(DIN:00071378)

Mr. Ram Krishna Agarwal
Independent Director (DIN: 00416964)

Mr. Phaneesh Murthy
Independent Director (DIN:00388525)

Mr. Srinath Batni
Independent Director (DIN:00041394)

Ms. Nooraine Fazal
Independent Director (DIN: 03110948)

Mr. K. Ch. SubbaRao
Non-Executive Director (DIN: 01685123)

Mr. C Srikanth
Non-ExecutiveDirector(DIN:06441390)

CHIEF FINANCIAL OFFICER:

Mr. Krishnan Venkatachary

COMPANY SECRETARY & COMPLIANCE OFFICER:

Mrs. A. Naga Vasudha

REGISTERED OFFICE:

Suit No.106 & 107, 6-3-456/C, MGR Estates
Dwarakapuri Colony, Panjagutta,
Hyderabad - 500082.
Telangana State
Tel: No (040) 40382255,
Fax: (040) 30702299

GLOBAL DELIVERY CENTER:

6th Floor, ORION Block, "The V"
(Ascendas), Plot No# 17, Software
Units Layout, Madhapur,
Hyderabad – 500 081.
Tel: (040) 30702255,
Fax: (040) 30702299
Website: www.cigniti.com
Email: info@cigniti.com

CORPORATE IDENTITY NUMBER:

L72200TG1998PLC030081

STATUTORY AUDITORS:

S. R. Batliboi & Associates LLP

BANKERS:

Federal Bank Ltd
Secunderabad Branch

Axis Bank Ltd
Madhapur Branch, Hyderabad

HDFC Bank Ltd
Lakidikapool, Branch, Hyderabad

Oriental Bank of Commerce
Secunderabad Branch. S.D Road,
Secunderabad

AUDIT COMMITTEE:

Mr. Ram Krishna Agarwal - Chairman
Mr. Phaneesh Murthy - Member
Mr. Srinath Batni - Member
Mr. C V Subramanyam - Member

NOMINATION & REMUNERATION COMMITTEE:

Mr. Srinath Batni - Chairman
Mr. Phaneesh Murthy - Member
Ms. Nooraine Fazal - Member
Mr. C Srikanth - Member
Mr. C V Subramanyam - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Ms. Nooraine Fazal - Chairperson
Mr. R. K. Agarwal - Member
Mr. C Srikanth - Member

RISK MANAGEMENT COMMITTEE:

Mr. Phaneesh Murthy - Chairman
Mr. R. K. Agarwal - Member
Mr. C V Subramanyam - Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Ms. Nooraine Fazal - Chairman
Mr. Srinath Batni - Member
Mr. C Srikanth - Member
Mr. C V Subramanyam - Member

REGISTRAR & SHARE TRANSFER AGENTS:

M/s. Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda, Hyderabad-29.
Tel: (040) 27642217 / 27638111
Fax: (040) 27632184
Email: info@aarthiconsultants.com

LISTED AT:

BSE Limited
National Stock Exchange Limited

DEMAT ISIN NUMBER IN NSDL & CDSL:

INE675C01017

WEBSITE:

www.cigniti.com

INVESTOR E-MAIL ID:

company.secretary@cigniti.com

Notice

Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of M/s. Cigniti Technologies Limited will be held on Monday, 3rd day of August, 2020 at 10.00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet (including the consolidated financial statements) as at March 31' 2020, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.

2. To appoint a director in place of Mr. C Srikanth (DIN: 06441390) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **RE-APPOINTMENT OF Mr. C V Subramanyam (DIN NO. 00071378) AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY:**

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 197, 198 and 203 read with schedule V and other applicable provisions if any of the Companies Act, 2013 including any statutory modification or re-enactment thereof or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) as may be agreed by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf) and upon the recommendation of the Nomination & Remuneration Committee, consent of the members be and is hereby accorded for re-appointment of Mr. C V Subramanyam as Chairman & Managing Director of the Company for a period of three years with effect from June 30, 2020 and the Board is authorised to fix, alter or vary from time to time the remuneration payable to Mr. C V Subramanyam (DIN No. 00071378) in such manner as it may deem fit including doubling the limits (without the approval of the Central Government) as prescribed under Schedule V of the Companies Act, 2013 including any Statutory modifications(s) in force or that may hereinafter be made thereto by the Central Government and as may be agreed by the Board of Directors and Mr. C V Subramanyam (DIN No. 00071378)."

"RESOLVED FURTHER THAT during the tenure of 3 years of Mr. C V Subramanyam (DIN No. 00071378), as Chairman and Managing Director of the company, if the company makes adequate profits, he shall be entitled to a remuneration including commission not exceeding 5% of net profit in financial year as may be decided by the Board from time to time in terms of the provisions of Section 197 read with 198 of the Companies Act, 2013.

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Shri. C V Subramanyam (DIN No. 00071378) as Chairman & Managing Director, the remuneration, perquisites and other allowances, if any fixed by the Board of Directors shall be governed by the limits prescribed in Schedule V to the Act."

"RESOLVED FURTHER THAT, the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution."

For and on behalf of the Board
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 00071378

Place: Hyderabad
Date: 07.05.2020

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA 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 provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her

behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.cigniti.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business in the Notice is annexed hereto and forms part of this Notice.

8. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection to the Members electronically without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. August 3, 2020. Members seeking to inspect such documents can send an email to info@cigniti.com.

9. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

10. The Register of Members and Share Transfer Books of the Company will remain closed from 30.07.2020 to 03.08.2020 (both days inclusive) for the purpose of AGM.

11. Shareholders holding shares in physical form may write to the company/company's R&T agents for any change in their address and bank mandates; shareholders holding shares in electronic form may inform the same to their depository participants immediately, where applicable.

12. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents (M/s. Aarthi Consultants Pvt. Ltd.)

13. In consonance with the company's sustainability initiatives and Regulation 36 of the SEBI (LODR) Regulations, 2015, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Further The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through

an electronic mode. Shareholders are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to **M/s. Aarthi Consultants Pvt. Ltd.,** Share Transfer Agents of the Company for their doing the needful.

14. As per SEBI Notification No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 the transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form (Demat) with a depository. Hence, the members of the company are requested to dematerialize their shareholding to avail the benefits of dematerialization. Only the requests for transmission and transposition of securities in physical form, will be accepted by the RTA.

15. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.

16. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transmission/transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

17. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

18. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.

19. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

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

A. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL) on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

II. The remote e-voting period commences on Friday, July 31, 2020 (9:00 a.m. IST) and ends on Sunday, August 2, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, July 29, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

V. The details of the process and manner for remote e-voting are explained herein below:

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on Shareholders tab

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/ RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

B. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -

(i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

(ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

(iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/ OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

C. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

(i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

(ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

(iii) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

(iv) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

(v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(vi) Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address ssrfcs@gmail.com and to the Company at the email address viz; company.secretary@cigniti.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

D. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING:

(i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

(ii) For Demat shareholders, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

(iii) The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

E. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

(i) Shareholder will be provided with a facility to attend the EGM/AGM through VC/ OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

(ii) Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.

(iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

(iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

(v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id viz; company.secretary@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

21. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

    All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

22. Mr. S. Sarveswar Reddy, Practicing Company Secretary, bearing C.P. Number 7478 has been appointed as the Scrutinizer to scrutinize the e-voting process. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

23. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cigniti.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the National Stock Exchange of India Limited and BSE Limited.

For and on behalf of the Board
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 00071378

Place: Hyderabad
Date: 07.05.2020

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No. 3:

The special resolution as mentioned under item 3 proposes to re-appoint Shri. Mr. C V Subramanyam (Din no. 00071378) as Chairman & Managing Director of the Company who was earlier appointed as Chairman and Managing Director of the company at the Annual General Meeting of the Company held on June 30, 2017, for a period of 3 years with effect from June 30, 2017 at a remuneration in accordance with Schedule V of the Companies Act, 2013. Since the present term of the Managing Director due to expire on June 29, 2020 the Board in its meeting held on May 7, 2020 upon the recommendation of Nomination & Remuneration committee and subject to the approval of shareholders of the Company by way of special resolution, considered and approved the re-appointment of Mr. C V Subramanyam (DIN No. 00071378) as Chairman & Managing director and to fix the remuneration payable to Mr. C V Subramanyam (DIN No. 00071378) within the limits of managerial remuneration (without the approval of the Central Government) including doubling the limits as prescribed under Section 197 read with Schedule V to the Companies Act, 2013. The Nomination & Remuneration committee had recommended the re-appointment and remuneration payable to Mr. C V Subramanyam (DIN No. 00071378) by passing the necessary resolution in its meeting held on 7th May, 2020 in terms of Schedule V to the Companies Act, 2013.

In accordance with Schedule V to the Companies Act, 2013 re-appointment and payment of remuneration including doubling the limits to the Chairman and Managing Director commends the approval of members by passing special resolution, hence the Board of Directors recommends the same as proposed under item No.3.

Further in case of adequate profits in any financial year during his tenure as Chairman & Managing Director, he shall be entitled to a remuneration including commission not exceeding 5% of net profit in financial year as may be decided by the Board from time to time in terms of the provisions of Section 197 read with 198 of the Companies Act, 2013.

In the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Shri. C V Subramanyam (DIN No. 00071378) as Chairman & Managing Director, the remuneration, perquisites and other allowances, if any fixed by the Board of Directors shall be governed by the limits prescribed in Schedule V to the Act.

Except the Directors, Mr. C V Subramanyam and Mr. C Srikanth, none of the other directors, key managerial personnel and their relatives is concerned or interested in the above said resolution.

For and on behalf of the Board
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 00071378

Place: Hyderabad
Date: 07.05.2020

Board's Report

Dear members,

The Board of Directors hereby submits the report of the business and operations of your Company along with the audited financial statements, for the financial year ended March 31, 2020. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL HIGHLIGHTS:

The performance during the period ended 31st March, 2020 has been as under:

(Rs. In Lakhs)

Particulars	2019-2020		2018-2019	
	Consolidated	Standalone	Consolidated	Standalone
Revenue from Operations	87197.21	30033.44	81607.60	26088.90
Other Income	2162.95	1941.04	2724.50	2902.59
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	15031.74	7859.24	16001.38	7298.49
Less: Depreciation/ Amortisation/ Impairment	1147.81	951.97	314.76	255.90
Profit /loss before Finance Costs, Exceptional items and Tax Expense	13883.93	6907.24	15686.62	7042.59
Less: Finance Costs	799.64	418.36	1463.69	325.33
Profit /loss before Exceptional items and Tax Expense	13084.29	6488.91	14222.93	6717.26
Add/(less): Exceptional items	-	-	-	-
Profit /loss before Tax Expense	13084.29	6488.91	14222.93	6717.26
Less: Tax Expense (Current & Deferred)	924.30	523.44	(512.83)	745.83
Profit /loss for the year (1)	12159.99	5965.47	14735.76	5971.43
Total Comprehensive Income/loss (2)	(219.71)	(161.26)	(900.76)	(21.18)
Total (1+2)	11940.28	5804.21	13835.00	5950.25
Balance of profit /loss for earlier years	(15607.01)	(7730.79)	(30245.79)	(13681.04)
Less: Transfer to Debenture Redemption Reserve	-	-	-	-
Less: Transfer to Reserves	-	-	-	-
Less: Dividend paid on Equity Shares	-	-	-	-
Less: Dividend paid on Preference Shares	-	-	-	-
Less: Dividend Distribution Tax	-	-	-	-
Balance carried forward	(4268.81)	(2576.69)	(15607.01)	(7730.79)

STATE OF AFFAIRS/COMPANY'S PERFORMANCE:

Software has become an integral part of our lives. Your Company's vision is to help companies improve the quality of software being delivered worldwide. More than 40% of the software development efforts are spent in testing. By focusing on a niche like software testing, your Company hopes to make a mark in the IT industry. Your Company aims to be a thought leader in software testing using a combination of onsite consulting, offshore test execution and application of tools and frameworks that will reduce the number of post release defects and do it faster.

The total revenue of the Company for the financial year under review on consolidated basis was Rs. 87197.21 lakhs as against Rs. 81607.60 lakhs for the previous financial year. The company recorded a net profit of Rs. 12159.99 lakhs for the financial year 2019-20 as against the net profit of Rs. 14735.76 lakhs for the previous year.

On Standalone basis, the total revenue of the Company for the financial year 2019-20 was Rs.30033.44 lakhs as against Rs. 26088.90 lakhs for the previous financial year. The net profit for the financial year 2019-20 is Rs. 5965.47 lakhs as against the net profit of Rs. 5971.43 lakhs for the previous year.

During the period under review and the date of Board's Report there was no change in the nature of Business.

FUTURE PROSPECTS & OUTLOOK

COVID has led to a multifold increase in the demand for digital transformation, and the enterprises have no option but to accelerate their transformation journey. Businesses are thus increasingly leveraging digital platforms, so that they can continue running uninterrupted even in times such as these. Consumer habits are evolving digitally and in the long run, the role of augmented reality, virtual reality, and drone-based retail-services will rise, presenting tremendous opportunity for quality assurance and engineering services.

Digital transformation is no longer a choice, it has become an imperative that enables businesses to gain resilience and achieve continuity amidst crisis. Powered by Artificial Intelligence & Machine Learning capabilities, digital is what will dominate the wave of the next normal. AI-driven digital transformation will be pivotal to business growth in a post-COVID world. Businesses will increasingly rely on real-time data and insights to assess the risks and take informed decisions. At Cigniti, we have established an AI-led testing approach that incorporates our extensive experience as well as IP to help enterprises achieve business resilience through digital transformation & provide a strongly differentiated value add to our clients. Our result-oriented, comprehensive, AI-driven Quality Engineering services assure high-quality & customer experience @ high-speed.

Cigniti's practical approach with AI-powered continuous testing platforms provide a strongly differentiated value add to our clients. To maintain our position as leaders in Quality Engineering, we continue to forge newer partnerships while foraying into diverse new industry verticals and sub-verticals in an attempt to increase not just the breadth but also the depth of our presence. Our board of directors armed with multi-decades of industry experience are playing a crucial role in shaping our vision and aligning the organization to stay relevant in the market. We have continued to get 4/4 on Client satisfaction index from a majority of our customers and this strong trust of clients is helping us win new business, mostly in form of client referrals which are culminating into multimillion-dollar accounts.

Even amidst such a global crisis, Cigniti is able to win logos. We are confident that emergence of new technologies will get new business and we will empower business resilience through our AI-driven quality engineering. We are hopeful that the economy will be back in track in a few months. While key industries like Communications, Healthcare, Public Sector and Education are continuing to grow, however there is a dip in Travel & Hospitality where Cigniti has high exposure.

New age enterprises and legacy businesses can bank on our proficiency in digital, IoT, Agile, DevOps, etc. We keep ourselves focused in increasing our deal size by winning new enterprise accounts and mining existing accounts. Our continuous focus is on value-based selling. Cigniti looks forward to adopting state-of-the-art digital practices and assisting companies to actualize their business goals. We are continuously penetrating new geographies, winning new clients across industry and domains, and further strengthening our leadership.

MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this report.

TRANSFER TO RESERVES

Your Company has not transferred any amount to reserves during the year under review and proposes to retain the entire amount in its Statement of Profit and Loss/retained earnings.

DIVIDEND

Though the Company made profits for the current year, there are unabsorbed carry forward losses, hence your Directors regret their inability to recommend dividend for the year under review. However, once reserves are built and your Company achieves the leadership position, a generous Dividend policy may be adopted.

REVISION OF FINANCIAL STATEMENTS

There was no revision of the financial statements for the year under review.

SHARE CAPITAL

During the year, your Company has allotted 1,81,990 equity shares of Rs.10/- each to employees under Cigniti ESOP scheme. Consequently, the paid up share capital of the Company stands increased to Rs. 27,84,62,590/- divided into 2,78,46,259 equity shares of Rs.10/- each.

EMPLOYEE STOCK OPTION SCHEME

During the year, the company had granted options under Cigniti ESOP scheme 2015. Details of the options up to 31st March 2020 are set out in the Annexure -IV to this report, as required under clause 12 of the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014.

TRANSFER OF UN-CLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION:

There is no such amount of Un-paid or Unclaimed Dividend to be transferred to Investor Education and Protection Fund for the financial year ended 31st March 2020 as the Company has not declared any dividend till date.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

None of the directors of the company is disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of Remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in the Annexure -III to this report.

Appointments/Re-appointments

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. C Srikanth, non-independent and non-executive Director, retires by rotation and being eligible, offers himself for re-appointment.

As per the requirements of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Clause 1.2.5 of the Secretarial Standard 2 (Revised) as issued by the Institute of Company Secretaries of India, a statement containing the requisite details of Mr. C Srikanth seeking re-appointment is given below:

Name	Mr. C Srikanth
DIN	06441390
Date of Birth	16/01/1985
Age	35 years
Profile	Under the able stewardship of Srikanth Chakkilam, Cigniti has grown strength-to-strength and become a global leader in independent quality engineering & software testing services. As CEO and Co-founder of Cigniti Technologies Inc., Srikanth is responsible for driving Cigniti's global growth strategy, help set organizational goals and direction, and provide insights to build lasting relationships with clients, partners & investors. Previously, as an Executive Director, Srikanth spearheaded Cigniti's expansion into diverse geographies including U.K., EU, ANZ, SA, Middle East and APAC regions. Under his leadership, the revenues from these regions grew exponentially over the years. Srikanth works closely with Global Marketing team at Cigniti to orchestrate great customer experiences for our clients. Recognised globally as a thought leader, he recently won the "CEO of the Year" award at the Future Leaders Summit & Awards 2018 in Mumbai, India. As much as Srikanth is dedicated to building a reliable and sustainable brand, he is also very passionate about giving back to the community. At Cigniti, Srikanth drives Project Cignificance which has an objective to impact 1 Million+ lives using technology enabled education as an enabler & to improve education standards in under equipped/funded schools in Telangana, India. Srikanth is an alumni of the University of Southern California where he worked closely with Barry Boehm, one of the legends of software engineering and quality. He also holds a Graduate Degree in Electronics and Communication Engineering.
Qualification	MS in computer science, PG in Management Program
Experience & Expertise in specific function area	Sales & Marketing
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid.	Appointed w.e.f. 17th May, 2017 as Non-Executive, Non-Independent Director liable to retire by rotation as per the provisions of the Companies Act, 2013 (as amended)
Remuneration last drawn by such person	Nil
Date of first appointment on the Board	16/09/2013
Membership/ Chairmanship of Committees of the Board of Directors of the Company	Member of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company.
Other Directorships and Membership of other Boards	Gallop Solutions Private Limited Aasaanpay Solutions India Private Limited Tvarita Capital Private Limited

DECLARATION BY INDEPENDENT DIRECTORS AND STATEMENT ON COMPLIANCE OF CODE OF CONDUCT

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations attached as Annexure-XII.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

None of the Independent/Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company are also made to the directors. Direct meetings with the Chairman is further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2019-20 are also disclosed on the Company's website at https://www.cigniti.com/investors/familiarisation programme

BOARD MEETINGS

During the year, four (4) meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. and the details of which are given in the Corporate Governance Report.

COMMITTEES OF THE BOARD

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility (CSR) Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year have been enumerated in Corporate Governance report.

AUDIT COMMITTEE RECOMMENDATIONS

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

In adherence to the provisions of Section 134(3)(e) and 178(1) & (3) of the Companies Act, 2013, the Board of Directors upon recommendation of the Nomination and Remuneration Committee approved a policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a Director and other matters. The said Policy extract is covered in Corporate Governance Report which forms part of this Report and is also uploaded on the Company's website at www.cigniti.com.

BOARD EVALUATION

In line with the Guidelines and/Rules as prescribed by SEBI and the Companies Act, evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The Directors were given evaluation forms for the following with a request to accord rating for each criteria like Fair, Satisfcatory and Very Satisfactory:

(i) Evaluation of Board;

(ii) Evaluation of Committees of the Board;

(iii) Evaluation of Independent Directors;

(iv) Evaluation of Chairperson;

(v) Evaluation of Non-Executive and Non-Independent Directors; and

(vi) Evaluation of Managing Director.

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

PARTICULARS OF EMPLOYEES

A table containing the particulars in accordance with the provisions of section 197(12) of the act, read with rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure -III to this report.

DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of section 134 (5) of the Companies Act, 2013, the Board of Directors hereby 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 and loss of the company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this 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; and

(e) They have laid down internal financial controls to be followed by the company and that 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.

Further, there are no qualifications, reservations or adverse remarks made by the Statutory Auditors/ Secretarial Auditors in their respective reports.

DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the period under review, no material or serious observations have been noticed for inefficiency or inadequacy of such controls.

NO FRAUDS REPORTED BY STATUTORY AUDITORS

During the Financial Year 2019-20, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards Ind AS-10 and Ind AS-28 on consolidated financial statements, your Directors have provided the consolidated financial statements for the financial year ended March 31, 2020 which forms part of the Annual Report.

INFORMATION ABOUT THE FINANCIAL PERFORMANCE/FINANCIAL POSITION OF THE SUBSIDIARIES/BRANCHES/ASSOCIATES/JOINT VENTURES:

Your Company has four wholly owned foreign subsidiary companies (WOS), one Indian wholly owned subsidiary company (WOS) and two foreign Branches.

Cigniti Technologies Inc., USA, (Foreign WOS)

Cigniti Technologies (Canada) Inc., (Foreign WOS)

Cigniti Technologies (UK) Limited, UK (Foreign WOS)

Cigniti Technologies (Australia) Pty. Limited, Australia (Foreign WOS)

Gallop Solutions Private Limited (Indian WOS)

Cigniti Technologies Limited, South Africa (Foreign Branch)

Cigniti Technologies Limited, Dubai (Foreign Branch)

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary companies is prepared in **Form AOC-1** and is attached as Annexure-I and forms part of this report.

In accordance with the provisions of the Companies Act, 2013, the Balance sheet, Statement of Profit and Loss and other documents of the subsidiary companies are being made available on the website of the Company.

PUBLIC DEPOSITS

The Company has not accepted any public deposits during the Financial Year ended March 31, 2020 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2020, there has been no non-compliance with the requirements of the Act.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees or investments made under section 186 of the companies Act, 2013 are given in the note to the financial statements.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2019-20, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

In line with the provisions of Section 177 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, omnibus approval for the estimated value of transactions with the related parties for the financial year is obtained from the Audit Committee. The transactions with the related parties are routine and repetitive in nature.

The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed and approved by the Audit Committee and the Board of Directors on a quarterly basis. The transactions are at an arm's length basis and in the ordinary course of business.

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure- VII to this report.

CORPORATE SOCIAL RESPONSIBILITY POLICY ("CSR")

The Company has constituted a CSR Committee in accordance with Section 135 of the Act. The details of the CSR Policy of the Company, its development and initiatives taken by the Company on CSR during the year in terms of the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as Annexure-X to this Report.

With the mission to discover once again the social responsibility of developing economic, social and environmental capital towards sustainability, Cigniti crafted CSR projects in achieving the mission. Your Company believes and strives hard in sustainable development of society in which the enterprise draws economic and natural resources by enriching its capacity in contributing to the significant positive change in the economy.

The said policy is available on the website of the Company at: https://www.cigniti.com.

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

Your Company has not undertaken any research and development activity for any manufacturing activity nor was any specific technology obtained from any external sources which needs to be absorbed or adapted.

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings: Rs. 28406.59 lakhs

Foreign Exchange Outgo: Rs. 1124.77 lakhs

RISK MANAGEMENT POLICY

The Board of Directors have constituted a Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Company promotes ethical behaviour and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may report their genuine concerns to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

The policy provides for adequate safeguards against the victimisation of the employees who use the vigil mechanism. The details of establishment of such mechanism has been disclosed on the website www.cigniti.com.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators/courts that would impact the going concern status of the Company and its future operations.

STATUTORY AUDIT AND AUDITORS REPORT

The members of the Company at their Annual General Meeting held on 30th June, 2017 have appointed M/s. S R Batiliboi & Associates, LLP, as statutory auditors of the Company to hold office until the conclusion of 24th Annual General meeting of the Company. The Auditors' Report for fiscal 2020 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for both Standalone and Consolidated audited financial results of the Company for the Financial Year ended March 31, 2020 from the statutory auditors of the Company.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

INTERNAL AUDITORS

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company has appointed M/s. BDO India LLP, Chartered Accountants, Hyderabad as Internal Auditors for the Financial Year 2019-20.

Deviations are reviewed periodically and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

SECRETARIAL AUDITOR & AUDIT REPORT

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors have appointed Mr. S. Sarveswar Reddy, Practicing Company Secretary (CP No. 7478) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2020.

The Secretarial Audit was carried out and the Report given by the Secretarial Auditor is annexed herewith as Annexure-VI and forms integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

ANNUAL SECRETARIAL COMPLIANCE REPORT

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, has directed listed entities to get the Annual Secretarial compliance audit done from a Practicing Company Secretary with respect to all applicable SEBI Regulations and circulars/ guidelines issued thereunder. Further, Secretarial Compliance Report dated May 7, 2020, was given by Mr. S. Sarveswar Reddy, Practicing Company Secretary which was submitted to Stock Exchanges within 60 days of the end of the financial year.

The Secretarial Compliance Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL STANDARDS

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is included as Annexure -V and forms part of this Report and is disclosed on website of the Company at https://www.cigniti.com/investors

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Business Responsibility Report for 2019-20 describing various initiatives taken by the Company on social, environmental and governance perspective, is attached at Annexure-VIII which forms part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis report for the year under review as stipulated under Regulation 34 (e) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is annexed herewith as Annexure- VII to this report.

INSURANCE

The properties and assets of your Company are adequately insured. Further the Directors have been adequately covered under D & O policy.

CORPORATE GOVERNANCE

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At Cigniti, we believe, a sound corporate governance is critical to enhance and retain investor trust. The goal of corporate governance is to ensure fairness information about the Company for every stakeholder. Our disclosures seek to attain the best practices in international Corporate Governance. Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Regulations. A separate section on Corporate Governance, forming a part of this Report and the requisite certificate from the practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached as Annexure-IX.

CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and the applicable U.S Securities laws. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website (https://www.cigniti.com/investors/insider-trading-policy.pdf).

CEO/CFO CERTIFICATION

As required Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO certification is attached with the annual report as Annexure-XI.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place a Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- Number of complaints received: Nil
- Number of complaints disposed off: Nil

OTHER DISCLOSURES:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no such transactions during the year under review:

a. Issue of equity shares with differential rights as to dividend, voting or otherwise.

b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.

c. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

ACKNOWLEDGEMENTS

The Board thanks all the customers, vendors, investors and bankers for their continued support during the year. It places on record its appreciation of the contribution made by employees of the company at all levels. The Board thanks the governments of various countries where the company has operations. It also thanks the Government of India, particularly the Ministry of Communication and Information Technology, the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate Affairs, the Customs and Excise Departments, the Income Tax Department, the Reserve Bank of India, the State Governments, and other government agencies for their support, and looks forward to their continued support in the future.

The Board also wishes to place on record its appreciation for business constituents like SEBI, BSE, NSE, NSDL, CDSL etc. for their continued support for the growth of the Company.

For and on behalf of the Board
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 00071378

Place: Hyderabad
Date: 07.05.2020

Annexure-I

AOC 1

Statement containing the salient features of the financial statements of subsidiaries pursuant to section 129(3) of Companies Act, read with Rule 5 of the Companies (Accounts) Rules, 2014.

(Amount in INR)

Name of the Subsidiary	Cigniti Technologies Inc; USA	Cigniti Technologies (UK) Ltd	Cigniti Technologies (Australia) Pty Ltd	Cigniti Technologies (Canada) Ltd	Gallop Solutions Private Limited
Financial period ended	31st March 2020	31st March2020	31st March 2020	31st March 2020	31st March 2020
Exchange Rate	1$=74.74	1pound=92.48	1AD=45.89	1CAD=52.74	1.00
Share Capital	30,124,970	79,070,150	39,695,934	53	100,000
Reserves & Surplus	(66,722,623)	(54,329,304)	(160,198,318)	7,596,505	5,882,077
Total Assets	1,767,908,784	309,021,352	23,617,777	122,191,633	6,002,077
Total Liabilities	1,804,506,437	284,280,506	144,120,161	114,595,075	20,000
Investments	-	-	-	-	-
Turnover	6,946,257,605	866,583,309	145,648,850	463,110,115	13,947
Profit/Loss before Tax	655,864,273	4,253,704	(5,991,190)	5,686,583	(7,222)
Provision for Taxation	38,707,484	-	-	1,378,579	-
Profit/Loss After Tax	617,156,788	4,253,704	(5,991,190)	4,308,004	(7,222)
Proposed Dividend	-	-	-	-	-
% of Shareholding	100%	100%	100%	100%	100%

Annexure-II

AOC-2

Particulars of contracts / arrangements made with related parties

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the 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 arm's length transactions under third proviso thereto.

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

There are no contracts or arrangements or transactions not at arm's length basis.

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

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2020 are as follows:

(i) Contracts with Wholly Owned Subsidiary Companies

<table>
<tr><th>Name of related party</th><th>Nature of relationship</th><th>Duration of Contract</th><th>Salient terms (1)</th><th>Amount (Rs in Lakhs)</th></tr>
<tr><td>Cigniti Technologies Inc; USA</td><td>Wholly Owned Subsidiary</td><td>Running contract</td><td rowspan="4">All type of support services at cost incurred by the holding Company plus applicable mark up:
• Testing Services
• Human resources services
• Financial & Accounting support services
• Legal & Compliance
• Other:
Provision of any other services as may be agreed in writing between the Parties from time to time</td><td>22653.54</td></tr>
<tr><td>Cigniti Technologies (UK) Limited</td><td>Wholly Owned Subsidiary</td><td>Running contract</td><td>2999.14</td></tr>
<tr><td>Cigniti Technologies (Australia) Pty Limited</td><td>Wholly Owned Subsidiary</td><td>Running contract</td><td>301.31</td></tr>
<tr><td>Cigniti Technologies (Canada) Inc</td><td>Wholly Owned Subsidiary</td><td>Running contract</td><td>830.41</td></tr>
</table>

(ii) The wholly owned subsidiary company M/s. Cigniti Technologies Inc, USA has appointed M/s. Primentor Inc as consulting firm for rendering advisory services in which Mr. Phaneesh Murthy is one of the founder promoters. Mr. Phaneesh Murthy is independent Director on the Board of Cigniti Technologies Ltd; India

(iii) Mr. C Srikanth is Director & CEO of wholly owned subsidiary Company M/s. Cigniti Technologies Inc; USA and is also director on the Board of Cigniti Technologies Ltd; India

The aforesaid contracts are approved by the Board in their meeting held on 02.05.2019.

Annexure-III

INFORMATION AS PER RULE 5(1) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No	Disclosure requirement	Disclosure Details	
i.	Ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year:	Executive Directors	Ratio to median remuneration
		Mr. C V Subramanyam	37.71 (Rs.875000 median remuneration)
ii.	Percentage increase in the remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year	Directors, Chief Executive Officer, Company Secretary and Manager	% increase in remuneration in the financial year
		Mr. Mr. C V Subramanyam	27.27
		Mr. C Srikanth*	-
		Mr. Krishnan Venkatachary	12
		Mrs. A.N.Vasudha	19

*Mr. C Srikanth is drawing remuneration from Wholly Owned Subsidiary Company i.e. Cigniti Technologies Inc; USA. Hence comparision can not be made.

iii. Percentage increase/(decrease) in the median remuneration of employees in the financial year 2019-20 – 42.67%

iv. Number of permanent employees on the rolls of the company as on March 31, 2020: 1809

v. 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 in salaries of employees was Rs. 3.58 lakhs. Increase in the managerial remuneration for the year was Rs. 110 lakhs. Based on the contribution made for the last 3 years in turning around the Company and considering the future business plans, also in line with median managerial remuneration currently in the market, your Company has fixed the managerial remuneration.

vi. The key parameters for any variable component of remuneration availed by the Directors:

Not applicable as there is no variable component of remuneration availed by the Directors. However, commission is payable to Managing Director and Independent Directors of the Company depending on the net profit for the financial year not exceeding the overall limit as per section 198 read with schedule V of the Companies Act, 2013.

vii. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company is in compliance with its remuneration policy.

INFORMATION AS PER RULE 5(2) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) Names of top ten employees of the company in terms of remuneration drawn.

S.No	Name of the Employee	Designation	Age & Experience in yrs	Date of Joining	Remuneration per anum (Rs. In lakhs	Previous Employment & Designation
1.	C V Subramanyam	Chairman & MD	Age: 65 Exp:22	01-08- 1998	330.00	NA since founder of Cigniti
2.	Nanda Padmaraju	Senior Vice President, Sales	Age:47 Exp:23	02-05-2014	119.90	App Labs, AVP
3.	Krishnan .V	Chief Financial Officer	Age:55 Exp:35	08-06-2015	106.60	Yashoda Hospitals,CFO
4.	Jaya Raghuram K	Executive VP, Delivery	Age:47 Exp:23	20-08-2014	91.00	Accenture, Senior Manager
5.	Charles Antoine Roche	Senior Manager	Age:38 Exp:17	27-07-2015	87.00	J&J , Senior Manager
6.	R. Jagdish Kumar	Senior Vice President, ICT	Age:55 Exp:25	05-02-2015	72.15	JDA, Vice President
7.	Ramana Vemuri	VP - Process & Operations	Age:54 Exp:24	02-02-2012	70.00	App Labs, AVP
8.	Veera Reddy Patlolla	VP, Human Resources	Age:40 Exp:17	16-12-2019	69.00	VP, Genpact
9.	Sundar Rao B	VP, Finance	Age:56 Exp:23	05-04-2012	67.04	Cheminnova Pharmaceuticals Finance Manager
10.	M. Urmila	VP, Corporate Services	Age:54 Exp:22	01-08-1998	65.26	NA associated with Cigniti since its Inception

(ii) Particulars of employees posted and working in a country outside India, not being Directors or their relatives, drawing more than sixty lakh rupees per year or five lakh rupees per month, as the case may be, as may be decided by the Board, need not be circulated to the members in the Report, but such particulars shall be filed with the Registrar of Companies while filing the financial statement and the Report.

Not Applicable as no employee was posted in a Country outside India for working on behalf of the Company

(iii) Particulars of employees drawing remuneration aggregating to not less than Rs.1.02 crores per anum employed during the year 2019-20 and employees drawing remuneration to Rs.8.5 lakhs per month employed for the part of financial year.

S.No	Name of the Employee	Designation	Remuneration per anum (Rs. in lakhs)
1.	C V Subramanyam	Chairman & MD	330.00
2.	Nanda Padmaraju	Senior Vice President, Sales	119.90
3.	Krishnan Venkatachary	Chief Financial Officer	106.60

Annexure-IV

Employee Stock Option Schemes

Pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and Regulation 14 of SEBI (Share based Employee Benefits) Regulations, 2014 as amended, the details of stock options as on 31st March, 2020 under company's Employee Stock Option Schemes are as under:

Sr. No.	Description	ESOP Scheme 2011	ESOP Scheme 2013	ESOP Scheme 2014(I)	ESOP Scheme 2014(II)	ESOP Scheme 2015
1	No of options outstanding at the beginning of the period	6990	-	38,750	2,50,000	1,60,000
2	Options granted during the year	-	-	Nil	Nil	Nil
3	Pricing formula	Grant Price is the face value of the Equity shares of the Company, i.e., Rs. 10.00				Market price as defined in SEBI (Share Based Employee Benefits) Regulations, 2014
4	Options vested during the year	6990	-	38,750	1,25,000	40,000
5	Options exercised during the year	6990	-	30,000	1,25,000	20,000
6	Total number of shares arising as a result of exercise of options	6990	-	30,000	1,25,000	20,000
7	Options lapsed during the year	Nil	-	Nil	Nil	7,500
8	Variation in terms of options	N.A	-	N.A	N.A.	Nil
9	Money realized by exercise of options during the year	Rs.69,900	-	Rs.3,00,000	Rs.12,50,000	RS.48,40,000
10	Total number of options outstanding at the end of the period	Nil	-	8,750	1,25,000	1,32,500
11	Total no. of options exercisable at the end of the period	Nil	-	8,750	Nil	20,000
12	Employee wise details of options granted during the year :					
(i)	Senior managerial personnel	Nil	-	Nil	Nil	Nil
(ii)	Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year.	Nil	-	Nil	Nil	Nil
(iii)	Identified employees who were granted option, 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	Nil	Nil
13	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 – Earning per share.	Rs.21.44	-	Rs.21.44	Rs.21.44	Rs.21.44
14	Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the fair value of the stock options.				

Sr. No.	Description	ESOP Scheme 2011	ESOP Scheme 2013	ESOP Scheme 2014(I)	ESOP Scheme 2014(II)	ESOP Scheme 2015
15	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	-	Nil	Nil	Nil
	The Impact of this difference on profits and on EPS of the Company	Not Applicable	-	Not Applicable	Not Applicable	Not Applicable
16	Weighted-average exercise prices and weighted-average fair values of options, whose exercise price either equals or exceeds or is less than the market price of the stock	The weighted Average exercise price is Rs. 10/- whereas the weighted average fair value is Rs.317.48.				The market price on the date of grant is Rs.242/- where as the weighted average fair value is Rs.91.88
17	Description of the method and significant assumptions used during the year to estimate the fair values of options.	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.				
18	The main assumptions used in the Black Scholes option-pricing model during the year were as follows:					
	Risk free interest rate (%)	6.28%-6.54%				7.30%-7.91%
	Expected life of options from the date(s) of grant	2-5yrs				2-5 yrs
	Expected volatility (%)	31.78%-35.64%				38.45%-41.36%
	Dividend yield (%)	0%	0%	0%	0%	0%

Annexure-V

MGT 9

Extract of Annual Return as on the Financial Year 31.03.2020

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L72200TG1998PLC030081
ii.	Registration Date	03/09/1998
iii.	Name of the Company	CIGNITI TECHNOLOGIES LIMITED
iv.	Category / Sub-Category of the Company	Company limited by shares/Non-Government Company
v.	Address of the Registered office and contact details	Suit No.106 & 107, 6-3-456/C, MGR Estates Dwarakapuri Colony, Panjagutta, Hyderabad, Telangana -500082
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Aarthi Consultants Pvt. Ltd. 1-2-285, Domalguda, Hyderabad-29. Tel: (040) 27642217 / 27638111 Fax: (040) 27632184 Email: info@aarthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1	Technical Testing & Analysis	71200	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1.	**Gallop Solutions Private Limited**	U72400TG2005PTC045529	Subsidiary (Wholly Owned)	100%	2 (87)
2.	**Cigniti Technologies (Canada) INC.**	---	Subsidiary (Wholly Owned)	100%	2 (87)
3.	**Cigniti Technologies (UK) Limited, UK**	---	Subsidiary (Wholly Owned)	100%	2 (87)
4.	**Cigniti Technologies INC., USA**	---	Subsidiary (Wholly Owned)	100%	2 (87)
5.	**Cigniti Technologies (Australia) Pty. Limited, AUSTRALIA**	---	Subsidiary (Wholly Owned)	100%	2 (87)

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

i) Category-wise Shareholding;

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/HUF	6585788	0	6585788	23.81	6868181	0	6868181	24.67	0.86
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks/FI	0	0	0	0	0	0	0	0	0
Any Other….	0	0	0	0	0	0	0	0	0
Sub-total (A) (1) :-	**6585788**	**0**	**6585788**	**23.81**	**6868181**	**0**	**6868181**	**24.67**	**0.86**
(2) Foreign									
a) NRIs -Individuals	3460019	0	3460019	12.51	3460019	0	3460019	12.42	(0.09)
b) Other -Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other….	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**3460019**	**0**	**3460019**	**12.51**	**3460019**	**0**	**3460019**	**12.42**	**(0.09)**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**10045807**	**0**	**10045807**	**36.31**	**10328200**	**0**	**10328200**	**37.09**	**0.78**
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	54108	0	54108	0.20	0	0	0	0	(0.20)
b) Banks/FI	25207	0	25207	0.09	70354	0	70354	0.25	0.16
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others Foreign Portfolio Investors	8620	0	8620	0.03	8436	0	8436	0.03	0
SubTotal	**87935**	**0**	**87935**	**0.32**	**78790**	**0**	**78790**	**0.28**	**(0.04)**
2. Non Institutions									
a) Bodies Corp.									
i) Indian	1474586	0	1474586	5.33	1274369	0	1274369	4.58	(0.75)

i) Category-wise Shareholding;

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2lakh	4778595	38730	4817325	17.41	4801350	91620	4892970	17.57	0.16
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	10148106	0	10148106	36.68	10714879	65000	10779879	38.71	2.03
c) Others (specify)									
Clearing Members	347803	0	347803	1.26	15589	0	15589	0.06	(1.20)
Non Resident Indians/Foreign Nationals	463459	1250	464709	1.67	470201	1250	471451	1.67	1.51
NBFC	275487	0	275487	1.00	0	0	0	0	(1.00)
Trust	11	0	11	0	11	0	11	0	0
Employees	0	2500	2500	0.01	0	5000	5000	0.02	0.01
Sub-total (B)(2):-	**17488047**	**42480**	**17530527**	**63.37**	**17276399**	**162870**	**17439269**	**62.63**	**(0.74)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**17575982**	**42480**	**17618462**	**63.69**	**17355189**	**162870**	**17518059**	**62.91**	**(0.78)**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**27621789**	**42480**	**27664269**	**100%**	**27683389**	**162870**	**27846259**	**100%**	**0**

(ii) Shareholding of Promoters

Sl. No	**Shareholder's Name**	**No. of Shares held at the beginning of the year**				**No. of Shares held at the end of the year**				**% Change during the year**
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Nil
1.	Pennam Sapna	3458892	0	3458892	12.50	3458892	0	3458892	12.42	(0.08)
2.	Chakkilam Venkata Subramanyam	2958485	0	2958485	10.69	3053833	0	3053833	10.97	0.28
3.	Chakkilam Srikanth	2500000	0	2500000	9.04	2500000	0	2500000	8.98	(0.06)
4.	C Rajeswari	1127303	0	1127303	4.07	1314348	0	1314348	4.72	0.65
5.	Pennam Sudhakar	1127	0	1127	0	1127	0	1127	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
1.	**Pennam Sapna**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	34,58,892	12.50	34,58,892	12.42
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/sweat equity etc):	The difference in % of holding is due to allotment of shares on exercise of ESOPs.			
	At the End of the year	34,58,892	12.50	34,58,892	12.42
2.	**C V Subramanyam**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2958485	10.69	3053833	10.97
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/sweat equity etc):	The difference in % of holding is due to purchase of shares for which adequate disclosures have been made to Stock Exchanges and also due to allotment of shares on exercise of ESOPs.			
	At the End of the year	2958485	10.69	3053833	10.97
3.	**Chakkilam Srikanth**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2500000	9.04	2500000	8.98
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/sweat equity etc):	There is no change in the total shareholding between 01-04-2019 to 31-03-2020. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	At the End of the year	2500000	9.04	2500000	8.98
4.	**C Rajeswari**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1127303	4.07	1314348	4.72
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/sweat equity etc):	The difference in % of holding is due to purchase of shares for which adequate disclosures have been made to Stock Exchanges and also due to allotment of shares on exercise of ESOPs.			
	At the End of the year	1127303	4.07	1314348	4.72
5.	**Pennam Sudhakar**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1127	0	1127	0
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/sweat equity etc):	Not Applicable			
	At the End of the year	1127	0	1127	0

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
	AT THE BEGINNING OF THE YEAR				
1.	Kukunuru Samba Siva Rao	16,41,555	5.93	10,50,000	3.77
2.	Venumanohar Rao Rangineni	8,07,968	2.92	8,87,526	3.19
3.	C Mithun Chand	4,37,495	1.58	7,11,359	2.55
4.	Puttaha Mahesh Kumar	3,96,137	1.43	3,19,037	1.15
5.	Anjana Bangad	3,21,275	1.16	2,41,406	0.87
6.	Kukunuru Kumar Bapuji	3,17,500	1.15	3,13,549	1.13
7.	Northeast Broking Services Ltd	3,14,752	1.14	3,46,395	1.24
8.	Infina Finance Private Ltd	2,75,487	1.00	0	0
9.	Prabhudas Lilladher Financial Services Pvt. Ltd.	2,51,020	0.91	0	0
10.	Shilpa Sriram	2,42,282	0.88	2,08,933	0.75
	AT THE END OF THE YEAR				
1.	Kukunuru Samba Siva Rao	16,41,555	5.93	10,50,000	3.77
2.	Venumanohar Rao Rangineni	8,07,968	2.92	8,87,526	3.19
3.	C Mithun Chand	4,37,495	1.58	7,11,359	2.55
4.	Kukunuru Madhava Lakshmi	0	0.00	5,79,954	2.08
5.	Northeast Broking Services Ltd	3,14,752	1.14	3,46,395	1.24
6.	Puttaha Mahesh Kumar .	3,96,137	1.43	3,19,037	1.15
7.	Kukunuru Kumar Bapuji	3,17,500	1.15	3,13,549	1.13
8.	Chennamaneni Sushmitha	0	0.00	2,46,368	0.88
s9.	Anjana Bangad	3,21,275	1.16	2,41,406	0.87
10.	Shilpa Sriram	2,42,282	0.88	2,08,933	0.75

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	**C V Subramanyam**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	29,58,485	10.69	30,53,833	10.97
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	The difference in % of holding is due to purchase of shares for which adequate disclosures have been made to Stock Exchanges and also due to allotment of shares on exercise of ESOPs.			
	At the End of the year	29,58,485	10.69	30,53,833	10.97
2.	**C Srikanth**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	25,00,000	9.04	25,00,000	8.98
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	There is no change in the total shareholding between 01-04-2019 to 31-03-2020. However due to allotment of shares on exercise of ESOPs there is change in % of holding.			
	At the End of the year	25,00,000	9.04	25,00,000	8.98
3.	**K. Ch. Subba Rao**	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	25,000	0.00	25,000	0
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	Not Applicable			
	At the End of the year	25,000	0	25,000	0
4.	**V.Krishnan**	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	18,750	0	42,750	0.15
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	During the year 2019-20, esops have been vested and exercised.			
	At the End of the year	18,750	0	42,750	0.15

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	10,94,76,871	-	-	10,94,76,871
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition	2,41,60,129	-	-	2,41,60,129
Reduction	-	-	-	-
Net Change	2,41,60,129	-	-	2,41,60,129
Indebtedness at the end of the financial year				
i) Principal Amount	13,36,37,000	-	-	13,36,37,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	13,36,37,000	-	-	13,36,37,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	**Name of MD/WTD/ Manager:** C V Subramanyam **MD**	Total Amount (in Rs)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Rs.18,33,333*12 =2,20,00,000	2,20,00,000
2.	Stock Option	-	
3.	Sweat Equity	-	
4.	Commission - as % of profit - Others, specify…	110,00,000	110,00,000
5.	Others, please specify	-	
6.	Total (A)	3,30,00,000	3,30,00,000
7.	Ceiling as per the Act	3,43,00,000	3,43,00,000

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Director					Total Amount
		Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni	Mr. Phaneesh Murthy	Mr. K.Ch. Subba Rao	
	1. Independent Directors Fee for attending board/ committee meetings Commission Others, please specify	13,00,000 22,00,000	12,00,000 22,00,000	12,00,000 22,00,000	- -	- -	
	Total (1)	35,00,000	34,00,000	34,00,000	-	-	1,03,00,000
	2. Other Non-Executive Directors Fee for attending board / committee meetings commission Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	35,00,000	34,00,000	34,00,000	-	-	1,03,00,000
	Total Managerial Remuneration						3,96,00,000
	Overall Ceiling as per the Act						4,02,48,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (in Rs. Except Stock Option)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (A.NagaVasudha)	CFO (Krishnan V.)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	15,03,000	1,06,60,000	1,21,63,000
2.	Stock Option	-	-	42,750 equity shares	42,750 equity shares
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-
5.	Others, please Specify	-	-	-	-
6.	Total	-	15,03,000	1,06,60,000	1,21,63,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-		-	-	-
Compounding	--		-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure-VI

FORM MR-3

SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

To
The Members of
M/s. Cigniti Technologies Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Cigniti Technologies Limited** (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our 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 by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2019 and ended 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. **Cigniti Technologies Limited** ("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 there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2019-20.

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **including the provisions with regard to disclosures and maintenance of records required under the said Regulations;**

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. www.cigniti.com.**

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable as the company has not issued any shares during the year under review either in the form of Rights or Bonus or Preferential issue etc., except the exercising of ESOP grants allotted in the previous years.**

   d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable as the Company has not issued any debt securities during the year under review.**

   e. 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; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.**

   f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted/proposed to delist its equity shares during the year under review.**

   g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **Not Applicable as the Company has not**

bought back/proposed to buy-back any of its securities during the year under review.

h. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **the ESOPS issued under various schemes were exercised in the following manner:**

Scheme	No. of shares
CIGNITI - ESOP Scheme 2011	6,990
CIGNITI - ESOP Scheme 2014 (I)	30,000
CIGNITI - ESOP Scheme 2014 (II)	1,25,000
CIGNITI - ESOP Scheme 2015	20,000

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

j. The Management has identified and confirmed the following laws as being specifically applicable to the Company:

- Information Technology Act, 2000 and the rules made thereunder.
- Software Technology Parks of India rules and regulations.
- The Payment of Gratuity Act, 1972
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Employees State Insurance Act, 1948
- Income Tax Act, 1961
- Indian Stamp Act, 1899
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Payment of Wages Act, 1936
- Shops and Establishments Act, 1948
- Clearance from Various Local Authorities.

k. We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
- Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

l. I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.

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

m. As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that

i. The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

- External Commercial Borrowings were not attracted to the Company under the financial year under report;
- Foreign Direct Investment (FDI) was compiled by the company under the financial year under report;
- Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

n. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

I further report that:-

i. The company has a Company Secretary namely Mrs. A. N. Vasudha

ii. The Company has appointed M/S. BDO India, Chartered Accountants as Internal Auditors of the Company.

iii. The company has a CFO, namely Mr. Krishnan Venkatachary.

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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that based on the review of the compliance/ certificates of the Company Secretary which were taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For S.S. Reddy & Associates

Sd/-
S. Sarveswara Reddy
Practicing Company Secretary
C.P.No: 7478

Place: Hyderabad
Date: 07.05.2020

Annexure-A to Secretarial Audit Report

To
The Members of
M/s. Cigniti Technologies Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness 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 processes and practices we followed provide a reasonable basis for our opinion.
3. I have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Whereever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S.S. Reddy & Associates

Sd/-
S. Sarveswara Reddy
Practicing Company Secretary
C.P.No: 7478

Place: Hyderabad
Date: 07.05.2020

Annexure-VII

Management Discussion and Analysis

Overview

Cigniti Technologies is a global leader in independent quality engineering and software testing services.

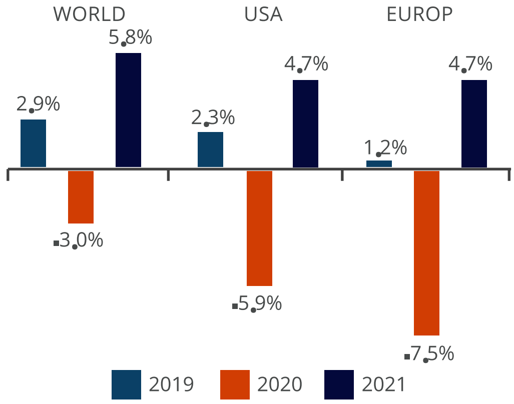
Over the last 20 years Cigniti has helped several enterprises, including multiple Fortune 500 and Global 2000 companies, in their digital transformation journey by offering specialized testing services. We have presence in 21 countries with offices in US, Canada, India, UK, Australia, UAE and South Africa.

Cigniti accelerates the digital transformation of enterprises by leveraging its AI-based IP led quality engineering platform – BlueSwan™.

World Economy

The global economy has been going through a slowdown over the past few years. As per the World Economic Outlook released by IMF in January 2020, the Global growth is projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021—a downward revision of 0.1 percentage point for 2019 and 2020 and 0.2 for 2021. However, the latest reports amidst the pandemic (COVID-19) crisis suggest that the world economy might see a downward trend for 2020 compared to previous years.

Global GDP Growth (%)



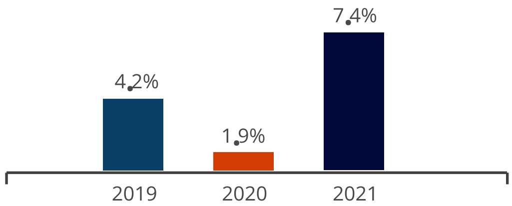
Source: IMF, World Economic Outlook, April 2020

Indian Economy

The UN 'Economic and Social Survey of Asia and the Pacific (ESCAP) 2020: Towards sustainable economies' said that COVID-19 is having far-reaching economic and social consequences for India, with strong cross-border spillover effects through trade, tourism and financial linkages.

According to the latest IMF report, India would see a huge dip in terms of GDP growth for 2020 but will bounce back in 2021. Indian GDP growth is expected to fall to 1.9% in 2020 from 4.2 in 2019.

Indian GDP Growth (%)



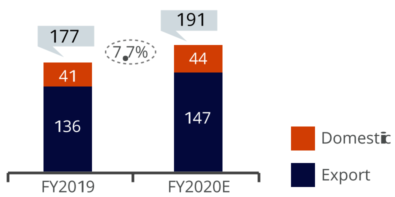
Source: IMF, World Economic Outlook, April 2020

Indian IT-BPM Sector

The National Association of Software and Services Companies (NASSCOM) in its TECHADE 2020 report, mentioned that the IT-BPM sector's revenue grew 7.7% year-on-year to $191 bn in FY2020 compared to $177 bn in FY19. The exports grew by 8.1% to $147 bn. The digital revenue share is between 26-28% for FY20.

Post COVID, several analysts have cautioned that there will be a decrease in the IT spend by enterprises. However, there are few industries such as Healthcare, Education, Communications, and others that are seeing a positive impact, which may continue in the long term as well.

Exports Driving Growth ($bn)



Source: Nasscom

Select IT Services Subsegments Forecast	Forecast Trend in 2020	Forecast Trend 2021-2024	CIO Spend Perspective: Run/Grow/ Transform
Overall IT Services Market	Immediate moderate decline	Moderate growth	N/A
Business Consulting	Immediate severe decline	Moderate growth	Grow
Risk Management	Immediate mild growth	Moderate growth	Grow
Technology Consulting	Immediate severe decline	Moderate growth	Transform
Implementation	Immediate severe decline	Moderate growth	Transform
Application Managed Services	Delayed severe decline	Moderate growth	Run
Hardware Support	Delayed severe decline	Slight decline	Run
Infrastructure as a Service (IaaS)	Immediate strong growth	Strong growth	Run
Infrastructure Managed Services	Delayed severe decline	Moderate growth	Run
Traditional Business Process Outsourcing (BPO)	Delayed severe decline	Mild growth	Run
Business Process as a Service (BPaaS)	Delayed slight decline	Strong growth	Run

Emerging Technologies post COVID

The change in the consumer behaviour combined with elimination of human to human touch will lead to evolution of new technologies.

After this crisis, the need for unprecedented coordination, planning, and execution adeptness from governments, corporates and citizens to manoeuvre technology will emerge as the fundamental bedrock in orienting the outcomes towards greater good at lesser cost.

Retail, banking, finance, education, healthcare, virtual meetings - the world is going to witness more and more online transactions. Enterprises will not be left with choice anymore and have to digitalize everything internal and external. This leads to assurance of online and secured transactions.

Zero-touch technology

Zero-touch technologies such as contactless payments and RFID scanning can prove significant in controlling the 'touch-required' activities across Retail and Supply Chain & Logistics sectors.

Artificial Intelligence (AI)

All this will be powered by AI and backed by new technologies. Post COVID, AI will be the pivot for every business to grow. There is going to be a huge demand to get real–time insights and analytics and AI will prove critical for gathering and analysing this information. However, the teams should be able to act decisively in terms of the changes that need to be made to the projects. Cigniti's result-oriented, comprehensive, AI-driven Quality Engineering services assure high-quality customer experience @ high-speed. Cigniti's practical approach with AI-powered continuous testing platforms provide a strongly differentiated value add to our clients.

Security is critical

Security of systems has become the top priority for organizations as they try to identify and mitigate the vulnerabilities that may crop up with the requirement to work from home.

Focus on User Experience (UX)

User interface is the face of an application, which should be presentable, appealing, aesthetic, and intuitive. Moving everything to digital will result in more UX testing opportunities.

Virtualization

IoT, Artificial Intelligence, Robotics, Smart Devices, and Machine Learning are the major market disruptors today. With so many new and fresh technologies in vogue, the need for software development and testing has increased in leaps and bounds. This implies that there is loads of scope to test devices and applications against varying scenarios and heterogeneous components. At Cigniti, we have rich expertise in Service Virtualization tools as well as proprietary solutions and industry specific jumpstart kits that help us offer effective enterprise-wide Service Virtualization Adoption Strategies.

Digital Transformation is No Longer a Choice

Gartner states, "A global pandemic touches every aspect of personal, commercial, organizational, and economic life. Individuals and organizations can feel powerless to improve their situation. Recovery will not happen overnight; leaders need to pace actions in concert with customer and market developments. Leaders need to keep people focused on the present while preparing for the future." Times like these make us adopt a different perspective on everything. Organizations are now looking at their priorities through a COVID-tinted lens to identify what are the most critical aspects that would ensure business continuity and help them sail through the crisis and sustain after everything settles down.

The COVID outbreak has caused several trends to derail, many to transform, while pushing the accelerator button on a lot of them. Those organizations, which were still dubious about the necessity of digital transformation, are now speeding up their digitalization journey & looking to scale up their digital capabilities. Co-located Agile teams are implementing remote agile transformation to ensure minimum disruption. As global workforces start working remotely, they are creating heavy demand for cloud-based platforms and cloud migration services. With social distancing and limited human-to-human contact becoming the norm, there is a colossal shift happening in the behavior and expectations of the end users. Zero-touch technologies such as contactless payments & RFID scanning will play a significant role in controlling the spread of the contagion by eliminating the touch-required activities from industries such as Supply Chain & Logistics, and Retail.

Digital Transformation is no longer a choice, it has become a necessity. It is an imperative that is enabling businesses to gain resilience and achieve continuity amid the crisis. Powered by Artificial Intelligence & Machine Learning capabilities, digital is what will dominate the wave of the next normal. AI-driven digital transformation will be pivotal to business growth in a post-COVID world. Businesses will increasingly rely on real-time data and insights to assess the risks and take informed decisions. At Cigniti, we have established a 4-pronged AI-led testing approach that incorporates our extensive experience as well as IP to help enterprises achieve business resilience through digital transformation & provide a strongly differentiated value add to our clients. Our result-oriented, comprehensive, AI-driven Quality Engineering services assure high-quality & customer experience @ high-speed.

Industries that see the light

The future is uncertain for every organization of the world. No one knows for sure when everything will get back to normal, and whether this normal will be anything like the normal that we know. Whatever the next normal be, we at Cigniti are working on developing & fortifying our future-forward capabilities to support industries through and after the crisis.

Gartner predicts that all the industries will be materially impacted directly or indirectly due to the impact of COVID-19 in regular operations. Many organizations will face a slowdown, but some industries will have a positive overall impact on technology investments compared to others. Banking & Securities, Insurance, Manufacturing, Retail, & Transportation industries have been the most affected by the Coronavirus outbreak, and uncertainty looms over the long-term impact on all of them. The Communications, Education, Public Sector, and Healthcare industries are seeing a positive impact, which may continue in the long term as well.

TSP Industry Impacts on Technology Investment Due to COVID-19

Industry	Short-Term Impact on Tech Investment	Long-Term Impact on Tech Investment
Banking and Securities	Negative ⬇	Uncertain
Communications	Positive ⬆	Positive ⬆
Education	Positive ⬆	Positive ⬆
Public Sector	Positive ⬆	Positive ⬆
Healthcare	Positive ⬆	Positive ⬆
Insurance	Negative ⬇	Uncertain ⬌
Manufacturing	Negative ⬇	Uncertain ⬌
Retail	Negative ⬇	Uncertain ⬌
Transportation	Negative ⬇	Negative ⬇

Source: Gartner

Travel & Hospitality

Although Travel & Hospitality industry has been among the most severely-impacted sectors, it is likely to assume a faster pace of recovery after the outbreak is controlled. With a rich experience in the industry gained from dealing a range of air, travel, & hospitality clients, Cigniti can offer affordable quality engineering solutions to help them accelerate their revival journey.

Independent software vendors

New working ecosystems, social distancing, new hygiene practices, etc. would become the new norm for the way people function, resulting in the emergence of new technologies. This presents a great opportunity to Cigniti as a partner in implementing these technologies that enhance the remote capabilities of global organizations.

Retail & Ecommerce

With most retail stores operating with limited staff, and many others shut down temporarily, consumers are turning to online shopping resulting in the boom of ecommerce. For physical retail stores, embracing zero-touch technologies will help them gain momentum post the crisis. In order to strategically tap on all the touch-points and offer a true omnichannel experience, retailers need to ensure flawless functioning for seamless and secured tech-driven retail transactions. Our comprehensive service offerings span across the retail and digital commerce ecosystem, supported by our Retail and Digital Test Center of Excellence (TCoE) and Domain Competency Group (DCG).

Healthcare & Life Sciences

Hospitals and telemedicine companies are getting overwhelmed with the growing demand for medical devices, diagnostic equipment, and more while struggling to serve the increased numbers of patients and volumes of calls. Many countries including the developed are struggling with shortage of equipmentand medicine. Post-COVID, several governments and international bodies would re-strategize their preparedness to tackle such crisis in future thus leading to the growth of HCLS and its supply chain. With Healthcare, Pharma, and Medical devices being few of the top industries that we have been working with since last 8 years, we have focused on how we can augment our team's capabilities to serve these industry domains. Using our next-gen healthcare testing capabilities, we are prepared to support the Healthcare & Life Sciences sector in their growth.

Banking, Financial Services, & Insurance

Digital transformation is going to be inevitable post COVID. The demand for online banking and zero touch banking would witness the rush to digitalization of the sector. Having helped large, medium, and small BFSI organizations in accelerating their digital transformation journey, Cigniti is well-experienced in testing industry-standard products, implementing omni-channel banking, and delivering end-to-end testing through our dedicated test centers of excellence.

As many of the processes in the insurance industry are paper-based, it is taking a major hit due to the lockdowns. Cigniti is helping global insurers & financial services providers in their digital transformation journey, thereby helping them deliver improved customer experience and gain competitive advantage.

Education

With the closure of schools & educational institutes worldwide, they are adopting alternative methods for educating students through virtual classrooms, distance online learning tools, & remote collaboration tools. The COVID crisis has accelerated digital transformation for the education sector. Having worked with several educational institutes on their digital journey, Cigniti is ready to facilitate seamless distance learning & educating experience for students & teachers respectively.

Manufacturing

The pandemic has resulted in the shutdown and massive reductions in various production lines. To mitigate the impact, many manufacturing companies may expedite their process of digitization, smart factory, & Industry 4.0 initiatives. Cigniti's IoT testing capabilities & next-gen IP will support the manufacturing industry in building remote monitoring & production capabilities, thus helping eliminate production & supply bottlenecks.

Future of Software Testing

In 2020, we might see a dip in terms of spending (as covered in the above sections) but there are a lot of reports that indicate that the impact would be moderate in terms of the IT spend for short period.

The emergence of new technologies (covered in the above section) will fuel the growth of software testing industry. To meet the demand and to accommodate the rush to move to market has its own challenges like integration, secured transactions, performance, virtualization, etc.

This brings new opportunities for Cigniti focused on result-oriented, comprehensive, AI-driven Quality Engineering services to assure high-quality & customer experience @ high-speed.

NelsonHall expects Traditional Testing Services (TTS) spending growth to be declining over the next five years. TTS spending continues to transfer to Specialized Testing Services (STS), as testing professionals are undertaking more testing activities that were carried on by non-career testers. With testing becoming less manual and more specialized and technical, this transfer is accelerating. Testing spending is driven by STS, growing at 5.6% per annum, while TTS spending is declining.

Service Type	Est.Market Size 2018 ($bn)	Est.Market Size 2023 ($bn)	Est.Market 2018-2023 (%)
TTS Spending	19.6	18.0	-2.0
STS Spending	23.0	30.0	5.6
Total Spending	42.6	48.0	2.4

Digital transformation focused organizations are investing significantly in automation to provide continuous testing for their digital projects and reduce their dependency on manual testing.

Client Segment	Est.Market Size 2018 ($bn)	Est.Market Size 2023 ($bn)	Est.Market 2018-2023 (%)
Efficiency Organizations	13.2	15.3	3.0
Digital transformation -focused organizations	7.8	11.9	8.8
Digital natives	2.0	2.8	8.8
STS	**23.0**	**30.0**	**5.6**

Source: NelsonHall estimates

What does this mean for Cigniti?

Headquartered in India, Cigniti is a leading player in STS. STS delivery remains India-centric. Cigniti sees a huge market potential. Cigniti has helped large enterprises including Fortune 500 companies in accelerating their digital transformation journey.

Opportunities and Threats

Though there may be a slumping business for 2 quarters, but more and more enterprises will focus on accelerating the digital transformation journey, so we see lot of opportunities. The pandemic is not slowing down, and enterprises have tightened their wallets. However, the change in consumer behavior due to COVID has resulted in new channels and technologies. While enterprises will cut down the costs, there will be an equal pressure on their IT teams to deliver the seamless experience to its customers, thus leading to more offshore shift.

Internal controls

The Company has framed satisfactory internal controls and governance within the company as detailed elsewhere in this annual report.

Segment–wise or product-wise performance.

Revenue by Verticals	FY 2019-20
ISV	14.1%
Travel and Transport	27.1%
BFSI	16.3%
Others	10.6%
Healthcare	14.4%
Energy and Utilities	4.1%
Retail & e-Commerce	13.4%

Revenue by Regions	FY 2019-20
NA	80%
UK & Europe	11%
Canada	5%
APAC	3%
Others	1%

Outlook

Even amidst such a global crisis, Cigniti is able to win logos. We are confident that emergence of new technologies will get new business and we will empower business resilience through our AI-driven quality engineering. We are hopeful that the economy will be back on track on a few months. While key industries like Communications, Healthcare, Public Sector and Education are continuing to grow, there is a dip in Travel & Hospitality where Cigniti has high exposure.

New age enterprises and legacy businesses can bank on our proficiency in digital, IoT, Agile, DevOps, etc. Our continuous focus is on value-based selling and on increasing our deal size by winning new enterprise accounts and mining existing accounts. Cigniti looks forward to adopting state-of-the-art digital practices and assisting companies to actualize their business goals. We aim for penetrating into new geographies, winning new clients across industry and domains, and further strengthening our leadership.

Human Resources

HR is critical in ensuring that our most valuable asset, employees, are empowered, enabled, and supported in driving our key business objectives. Our employee strength for FY19-20 is 2236. Our policies, processes, and practices are centered around to attract, engage, empower, and retain the best and the brightest talent. Over the last year, HR has focused on continuous process reengineering, automation and bringing in innovative ways of employee engagement.

Detailed review of HR activities is covered on page no. 34 to 38.

Risks and concerns

While the U.S. contributes to a major of Cigniti's revenue, Cigniti has also been steadily expanding across geographies such as Europe & Asia Pacific, and focusing on strategies to enhance revenues from existing geographies. Besides USA, Cigniti also has offices in UK, UAE, SA & Australia to add new logos and deepen its presence in the existing accounts from these geographies.

Competition Risk

While increasing competition in software testing may affect the market share, Cigniti, through a mixture of organic and inorganic routes, has been developing capabilities to remain competitive. Cigniti is the world's second largest Independent Software Testing Services Company by headcount and has secured a technical positioning of the company brand in the global arena. Through a smart mix of global marketing initiatives, sound industry analyst relations and other brand building initiatives, the Company has been consistently strengthening its brand. Most importantly, Cigniti's consistent endeavor to be a thought leader in independent software testing through its offerings, IP, building labs for the connected world, commitment to test engineering community through world class quality engineering events to engage the best minds in quality engineering landscape, and more has ensured that it comes across as the most respected independent software testing services vendor.

Discussion on financial performance with respect to operational performance.

Revenue

Revenue for the year was Rs. 87,197 Lakhs, reflecting a growth of 7% as compared to the FY 2018-19.

EBITDA

The EBITDA for the year stood at Rs. 12,869 Lakhs as against Rs. 13,277 Lakhs in in the previous year, reflecting a reduction of 3%.

Profit After Tax

The Company has reported Profit After Tax (PAT) of Rs. 12,160 Lakhs in the FY 2019-20 as against Rs. 14,736 Lakhs in the previous year.

Earnings per Share

The EPS (Basic) of the company stood at Rs. 43.87 in FY20 as against Rs. 53.62 in FY19.

Financial Ratios

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

Sl No.	Ratio description	March 31, 2020	March 31, 2019	Change %	Explanation
1	Debtors Turnover (in days)	69	55	25%	Refer Note 36 A(i)
2	Inventory Turnover (in days)	-	-	-	Not relevant for our Company
3	Interest coverage ratio	-	-	-	Company has Zero Debt as at Mar'20
4	Current Ratios	2.12	1.57	35%	Current assets increased on account of higher Trade Receivables
5	Debt Equity ratio	-	-	-	Company has Zero Debt. Refer note 14
6	Operating margin (%)	14.8%	16.3%	-9%	
7	Net profit margin	13.9%	18.1%	-23%	
8	Return on Net Worth (%)	46%	98%	-53%	Refer notes 12 & 13

Annexure-VIII

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:**

   L72200TG1998PLC030081

2. **Name of the Company:** Cigniti Technologies Limited

3. **Registered address:** Suit No.106 & 107, 6-3-456/C, MGR Estates, Dwarakapuri Colony, Panjagutta, Hyderabad, Telangana - 500 082

4. **Website:** www.cigniti.com

5. **E-mail id:** company.secretary@cigniti.com

6. **Financial Year reported:** 1 April, 2019 - 31 March, 2020

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** 71200-Technical Testing and Analysis

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**

   Cigniti is a global leader in independent quality engineering and software testing services.

9. **Total number of locations where business activity is undertaken by the Company**

   Full list forms part of this Annual Report

   a **Number of International Locations (Provide details of major 5):** Dallas - USA; Philadelphia – USA, London -UK; Ontario - Cananda; Melbourne -Australia;

   b **Number of National Locations:** 9 Locations

10. **Markets served by the Company – Local/State/National/International:** National & International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (Rs.):** 27,84,62,590

2. **Total Turnover (Rs.):** 871,97,21,000

3. **Total profit after taxes (Rs.):** 121,59,99,000

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**

   a. **Average net profit of the Company for last three financial years** (Rs.): 35,73,00,000

   b. **Prescribed CSR Expenditure (two per cent of the amount as in Sl. No. 4(a) above)** (Rs.): 71,47,000

   c. **Total amount spent for the Financial Year:** (Rs.): 90,00,000

5. **List of activities in which expenditure in 4 above has been incurred:** The CSR activities are carried out by the Company in multiple ways:

   a. Rs. 40 Lakh contribution to GMR Varalakshmi Foundation school infrastructure developments

   b. Rs. 50 Lakh contribution towards CM Relief fund to tackle COVID-19.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/Companies?**

   Yes. The following are the subsidiary Companies:

   Cigniti Technologies Inc., USA

   Cigniti Technologies (Canada) Inc.,

   Cigniti Technologies (UK) Limited, UK

   Cigniti Technologies (Australia) Pty. Limited, Australia

   Gallop Solutions Private Limited (Indian WOS)

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)-**

   No

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) 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%].**

   No

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**

      1. **DIN Number:** 00071378
      2. **Name:** C V Subramanyam
      3. **Designation:** Chairman & Managing Director

   (b) **Details of the BR head**

No.	Particulars	Details
1	DIN Number (if applicable)	Mr. C V Subramanyam, Chairman & Managing Director of the Company, oversees the BR implementation. However, the Company does not have a BR head
2	Name	
3	Designation	
4	Telephone number	
5	E-mail id	

a. **Details of compliance (Reply in Y/N):**

   Note: The Company has constituted a Business Responsibility Committee (BR Committee) comprising of Directors. Mr. C V Subramanyam is designated as Director responsible for implementation of the Business Responsibility Principles as well as the BR Policy of the Company.

2. **Principle-wise (as per NVGs) BR Policy/policies**

   The National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles (detailed below) as P1-P9 to be followed:

P1.	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability. Company's Policy
P2.	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3.	Businesses should promote the wellbeing of all employees.
P4.	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5.	Businesses should respect and promote human rights.
P6.	Business should respect, protect and make efforts to restore the environment.
P7.	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8.	Businesses should support inclusive growth and equitable development.
P9.	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No.	Questions	Ethics, transparency and accountability P1	Product safety P2	Well-being of employees P3	Stakeholders engagement P4	Human rights P5	Environment Policy P6 (Refer Note)	Public and regulatory policy P7	Inclusive growth P8 (Refer Note)	Value to customers and consumers 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 the relevant stakeholders?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are based on NVG guidelines.								
4	Has the policy been 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?	Policies are available only on the Company's intranet. i.e www.cigniti.com								
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

Note:

P6: The aspects outlined under this Principle are not substantially relevant to the Company given the nature of its business. The Company complies with applicable environmental regulations in respect of its premises and operations. Further, the Company participates in initiatives towards addressing environmental issues. The Company also requires the borrowers of project loans to comply with the applicable environmental standards.

P8: The Company directly and along with the Cigniti Technologies, has been working on several initiatives for promotion of inclusive growth.

* The consultations are conducted as required and where relevant.

All policies and practices are subject to internal audit and / or review from time to time.

b. If answer to question at Serial Number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

No.	Questions	Ethics, transparency and accountability P1	Product safety P2	Well-being of employees P3	Stakeholders engagement P4	Human rights P5	Environment Policy P6	Public and regulatory policy P7	Inclusive growth P8	Value to customers and consumers P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet 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 6 months.

(b) 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 publishes the Business Responsibility Report annually in the Annual Report. Hyperlink: https://www.cigniti.com/annual-reports/

The company is in the process of adopting sustainability reporting guidelines.

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

Cigniti Technologies Limited creates long term value for stakeholders through unwavering adherence to the CAPITAL values, our Code of Conduct, our vigil mechanism, data privacy policies and tools, as well as our grievance mechanism. These are the tools that guide and enable the senior management and every employee of the company to conduct business with utmost integrity, commitment and high ethical and moral standards.

Our Values

Cigniti Technologies Limited is guided by the values Collaborative, Assertive, Passionate, Innovative, Transparent, Accountable & Learning (CAPITAL) across all our relationships with clients, stakeholders and associates. We strongly believe that our vision of 'to help companies improve the quality of software being delivered worldwide' 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

Cigniti Code of Business Conduct and Ethics (CCOBC)

Cigniti Code of Business Conduct and Ethics policy provides a detailed guidance on the business ethics, values, policies and procedures to prevent bribery in all the activities and business dealings of Cigniti Technologies Ltd. It sets forth the policy of zero tolerance of bribery applicable to the organization 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.

Cigniti Technologies Limited also provides a platform for employees, employee's representatives and other stakeholders to submit their suggestions and feedback to the committee 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 Cigniti's commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. Moreover, the policy also provides 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. Cigniti's information security policy strives to protect its own data and client's intellectual property and provide seamless services in the areas of consulting, software product development and software testing.

We accomplish this by addressing the following objectives:

- Maintaining the confidentiality, integrity and availability of sensitive information in the company with minimal to no disruptions
- Proactively initiating business continuity practices to minimize the system failures and interruptions to business

We have multi-level security implemented to sustain the IT compliance.

Grievance Mechanism

Cigniti Technologies 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, no complaints were received.

Modern Slavery

Cigniti Technologies has also published a Modern Slavery Statement on the corporate website, which outlines the steps that the company has taken to ensure that there is no modern slavery in our business and supply chains. In addition to ensuring compliance with the applicable laws, this demonstrates Cigniti's commitment to transparent business practices and commitment to protection of workers' rights.

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

As one of the recognised organizations, Cigniti is aware of its responsibility to care for the environment, and to ensure the sustainability of resources. This Environmental Policy is intended to provide a framework to bring together the different accountabilities involved in different areas of environmental responsibility. Protecting the environment is the responsibility of every employee in the organization.

Cigniti is committed to protecting the environment of the Earth and related resources. To minimize environmental impacts concerning Cigniti's services and activities, we

- Comply with applicable legal requirements and other requirements to which the Company subscribes which relate to its environmental aspects
- Prevent pollution, reduce waste and minimize the consumption of resources
- Educate, train and motivate employees to carry out tasks in an environmentally responsible manner
- Encourage environmental protection among suppliers
- Perform regular performance reviews to ensure that environmental objectives and the requirements of interested parties are met

Principle 3: Businesses should promote well-being of employees

Cigniti Technologies is an employee-centric organization which 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.

Several of our employee engagement initiatives improves efficiency, fosters innovation and collaboration. We promote diversity and inclusion within the organization by building awareness among employees.

Our Learning & Development team organize several technical and personality development trainings for employees to upskill and make them be ready for any challenge they face. We also collaborate with our external partners to train our employees on latest tools and technology.

From safety view point, we have facilitation teams across all locations that drive EHS initiatives in partnership with Human resources.

Total number of employees – 2236

There are no complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. Our anti-discrimination and anti-harassment policies apply to everyone involved in the operations of the company. There are forums to deal with any issues and concerns raised by our employees.

Our training programs cover all our employees irrespective of race, gender, or physical disability. Our Corporate services team offers industry-benchmarked learning programs to ensure talent enablement for the safety and security of the employees, awareness sessions, mock drills, classroom sessions and periodic demonstrations related to safety, security and wellbeing are regularly conducted. We are not talking about the numbers, percentages.

Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?

Yes, the policy is applicable across Cigniti and its subsidiaries and affiliate companies. It is also applicable to suppliers and contractors.

How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There are no stakeholder complaints received in the FY 2019-20.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

The company ensures stakeholder engagement in order to 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.

Various surveys like customer satisfaction surveys, client satisfaction surveys are conducted at regular intervals every year in order to assess and gauge the feedback of the respective stakeholders. Thorough analysis on the information gathered is then assessed carefully to ensure further improvement.

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

Principle 5: Businesses should respect and promote human rights

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

Mechanisms to promote human rights

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

Policy on Sexual harassment

At Cigniti Technologies Limited, Employees and Others are entitled to work in an environment free from sexual harassment and not be part of a hostile or offensive working environment. Conducts violating this principle, may result in disciplinary action including but not limited to dismissal from the services of Cigniti. Cigniti will not tolerate, condone or allow sexual harassment, whether engaged in by fellow employees, supervisors, associates, clients or other non-employees who conduct business with Cigniti. Sexual harassment at the workplace or other than workplace if involving associates is a grave offence and hence, punishable. In compliance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has adopted and implemented a Policy to prevent and prohibit sexual harassment at the workplace. The policy further provides for the redressal of complaints of sexual harassment.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

As a globally respected organization, Cigniti is aware of its responsibility to care for the environment, and to ensure the sustainability of resources. This Environmental Policy is intended to provide a framework to bring together different accountabilities involved in different areas of environmental responsibility. Protecting the environment is the responsibility of every employee in the organization.

Cigniti is committed to protecting the environment of the Earth and related resources. To minimize environmental impacts concerning Cigniti's services and activities, we shall:

a) Comply with applicable legal requirements and other requirements to which the Company subscribes which relate to its environmental aspects

b) Prevent pollution, reduce waste and minimize the consumption of resources

c) Educate, train and motivate employees to carry out tasks in an environmentally responsible manner

d) Encourage environmental protection among suppliers

e) Perform regular performance reviews to ensure that environmental objectives and the requirements of interested parties are met

Cigniti is committed to continual improvement of environmental performance. This Policy will be communicated to all employees, contractors and consultants, and be available for the public whenever requested.

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

The Company is member of National Association of Software and Service Companies and participates in several initiatives of Indo-American Chamber of commerce, National HRD Network, Society of Cyberabad Security Council, HYSEA, All India Management Association.

Cigniti closely works with the above associations and engage in influencing public and policy, wherever necessary.

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

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

As part of our corporate social responsibility (CSR) initiatives, Cigniti has been associated with GMR Varalakshmi Foundation, a CSR arm of GMR Group to provide quality education to the underprivileged children and support in building better infrastructure at schools run by local governments. Details of our CSR initiatives have been mentioned in this annual report under CSR activities section.

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

The company is committed to creating and delivering engineering services and solutions that exceed customer expectations and enhance the level of business profitability. We consistently strive forth to ensure higher customer satisfaction and providing them great value for money via our efforts in product innovation, R&D activities and ensuring enhanced life-cycle of the product. Our efforts in ensuring good cost to benefit ratio along with reduction in time consumption, we use our knowledge and skills to create solutions that are future facing, imaginative and practical for our customers.

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, ISO 27001:2013, AS 9100 D, ISO 13485:2003, ISO 22163: 2017 (IRIS), TL 9000 R 5.5, ISO 14001:2015, BS-OHSAS 18001-2007 and CMMI-DEV Version 1.3 Level 5.

All interactions with our customers are based on a strong foundation of our 'CAPITAL' Values philosophy of Collaborative, Assertive, Passionate, Innovative, Transparent, Accountable, Learning. 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.

Annexure-IX

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Cigniti Technologies Limited
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of corporate governance by Cigniti Technologies Limited ("the company") for the year ended 31st March, 2020 as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with BSE Limited and National Stock Exchange of India Limited.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In my opinion and to the best of my information and according to our examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the period ended March 31, 2020.

We further state that such compliance 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.

For S.S. Reddy & Associates

Sd/-
S. Sarveswara Reddy
Proprietor
C.P.No: 7478

Place: Hyderabad
Date: 07.05.2020

Corporate Governance

Cigniti Technologies Limited (CTL) is committed to best practices in the area of Corporate Governance. Good governance facilitates effective management and control of business, maintaining a high level of business ethics and optimizing the value for all stakeholders.

The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc.

Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance is backed by principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. CTL's Corporate Governance policies ensures, among others, the accountability of the Board of Directors and the importance of its decisions to all its participants viz employees, investors, customers, regulators etc. The Company respects the inalienable rights of the shareholders to information on the performance of the Company. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

Date of Report

The information provided in the Report on Corporate Governance for the purpose of uniformity is as on 31st March, 2020. The Report is updated as on the date of the report wherever applicable.

1. 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:

Promoter, Executive Director	Mr. C V Subramanyam
Promoter, Non-Executive Director	Mr. C Srikanth
Independent Directors	1. Mr. Ram Krishna Agarwal 2. Mr. Phaneesh Murthy 3. Mr. Srinath Batni 4. Ms. Nooraine Fazal
Non-Executive Non-Independent Directors	Mr. K. Ch. Subba Rao

Mr. C Srikanth is the son of Mr. C V Subramanyam. None of the other directors is related to any other director on the Board.

The Company is managed and controlled through a professional body of Board of Directors which comprises of 7 members (including four independent Non-Executive Directors) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he/she is a Director. The Board has been enriched with the advices and skills of the Independent Directors. The composition of the board is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A. During the year, the Board of Directors duly met 4 (Four) times on 02.05.2019, 24.07.2019, 01.11.2019, and 22.01.2020 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

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 details of Directorships across all Companies and Committee membership/chairpersonship held by them are given below:

S.No	Name of the Director	Designation	Attendance of meetings held on				Attendance at last AGM held on 24.07.2019	No of equity shares held
			02.05.2019	24.07.2019	01.11.2019	22.01.2020		
1	Mr. C V Subramanyam	Promoter Chairman & MD	Y	Y	Y	Y	Y	3053833
2	Mr. C Srikanth	Promoter Non-executive Director	Y	Y	Y	Y	Y	2500000
3	Mr. Ram Krishna Agarwal	Independent & Non-executive Director	Y	Y	Y	Y	Y	Nil
4	Mr. Phaneesh Murthy	Independent & Non-executive Director	Y	Y	Y	Y	Y	Nil
5	Ms. Nooraine Fazal	Independent & Non-executive Director	Y	Y	Y	Y	Y	Nil
6	Mr. Srinath Batni	Independent & Non-executive Director	Y	Y	Y	Y	Y	Nil
7	Mr. K. Ch. SubbaRao	Non-Independent & Non-executive Director	Y	Y	Y	N	Y	25000

C. Details of skills / expertise / competence matrix of the Board of Directors:

Skill Description	C V Subramanyam	Ram Krishna Agarwal	Phaneesh Murthy	Srinath Batni	K.Ch.Subba Rao	Nooraine Fazal	C Srikanth
Leadership Innate leadership skills including the ability to represent the organization and set appropriate Board and organization culture. Demonstrated strengths in talent development, succession planning and bringing change and long term future growth.	Y	Y	Y	Y	Y	Y	Y
Strategic Planning and Analysis Ability to critically identify and assess strategic opportunities and threats and develop effective strategies in the context of long-term objectives and the organizations' relevant policies and priorities.	Y	-	Y	Y	-	-	Y
Technology Reasonable knowledge and experience in technology with an ability to foresee technological trends and changes, apply new technology and bring about innovations in business strategies.	Y	-	Y	Y	-	-	Y
Governance Understanding of the various governance and compliance requirements under various applicable laws, supporting a strong Board base and management accountability, transparency, and protection of shareholder interests.	Y	Y	-	-	-	Y	Y

Skill Description	C V Subramanyam	Ram Krishna Agarwal	Phaneesh Murthy	Srinath Batni	K.Ch.Subba Rao	Nooraine Fazal	C Srikanth
Financial Wide ranging knowledge and financial skills, oversight for risk management and internal controls and profi ciency in financial management and financial reporting processes.	Y	Y	Y	Y	Y	Y	Y
Diversity An appropriate mix of varied cultures, ethnicity, geography, gender, age, philosophies, life experiences and other diversity perspectives that expand the Board's understanding of the needs of diverse stakeholders and a better ability to respond to changes.	Y	Y	Y	Y	Y	Y	Y
Mergers & Acquisitions Significant experience in mergers and acquisitions and other business combinations, with strong insight of risks and opportunities, valuations and diligence processes, structural impact on the organization, and ability to leverage integration planning.	Y	Y	Y	Y	-	-	Y
Global Business Understanding of diversified business environments, economic, political, cultural and regulatory framework across the globe, and a broad perspective on global market opportunities.	Y	-	Y	Y	-	-	Y
Marketing and Communications Ability to analyze the market and technological impacts, developing strategies for brand awareness and brand building and enhancing market share.	Y	Y	Y	Y	Y	Y	Y

D. 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
Mr. C V Subramanyam	Nil	Nil	Nil	Nil
Mr. C Srikanth	Nil	Nil	Nil	Nil
Mr. Ram Krishna Agarwal	Nil	5	2	3
Mr. Phaneesh Murthy	Nil	1	Nil	Nil
Ms. Nooraine Fazal	Nil	Nil	Nil	Nil
Mr. Srinath Batni	Nil	2	Nil	2
Mr. K. Ch. Subba Rao	Nil	Nil	Nil	Nil

* Other directorships do not include section 8 companies, private limited companies 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:

Sl.No	Name of the Director	Name of the listed entity	Category
1.	Mr. C V Subramanyam	Nil	Nil
2.	Mr. C Srikanth	Nil	Nil
3.	Mr. Ram Krishna Agarwal	Srei Infrastructure Finance Limited	Independent
		Electro Steel Castings Ltd.	Independent
4.	Mr. Phaneesh Murthy	Nil	Nil
5.	Ms. Nooraine Fazal	Nil	Nil
6.	Mr. Srinath Batni	Nil	Nil
7.	Mr. K. Ch. Subba Rao	Nil	Nil

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

E. Independent Directors

Independent directors play a pivotal role in maintaining a transparent working environment in the company. They provide a valuable outside perspective to the deliberations of the board and contribute significantly to the decision making process. They help the company in improving corporate credibility and governance standards. They bring an element of objectivity to the board processes and deliberations.

(i) Independent Directors' Meeting

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors) read with Regulation 25(3) of SEBI LODR Regulations, 2015, a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 02.05.2019 to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
- Evaluation of the quality, content and timelines 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 of the Company were present at the meeting.

(ii) Familiarization Program for Independent Directors

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. During the financial year 2019-20, there has been no change in the independent directors of the Company.

The Company's Policy of conducting the Familiarization Program and details of such familiarisation program during the year, is placed on its website viz., www.cigniti.com.

(iii) Declaration by Independent Directors

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

(iv) Declaration by Board

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

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

(v) Monitoring Governance of Subsidiary Companies

The Company has one foreign unlisted material subsidiary i.e. Cigniti Technologies Inc; USA., and is required to appoint Independent Director on the Board of its material subsidiary. Pursuant to regulation 16(1)(c) and Regulation 24 of the SEBI(LODR) Regulations, 2015the Company has appointed Mr. Phaneesh Murthy on the Board of Cigniti Technologies Inc; USA.

The financial statements of the subsidiaries are reviewed by the Audit Committee. The minutes of the meetings of the subsidiaries are placed before the Board of Directors of the Company, and the Board has periodically noted and reviewed all significant transactions entered into by the subsidiaries. Investment proposals beyond threshold values are executed by the subsidiary companies only after positive recommendation by the Board/ Investment and Risk Management Committee of the Company.

2. AUDIT COMMITTEE (Constituted in terms of Sec 177 of the Companies Act, 2013 read with Regulation 18 of SEBI LODR Regulations, 2015)

Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

A. Brief Description of Terms of Reference: Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

i. 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;

ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;

iii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.

iv. Approval of payment to statutory auditors for any other services rendered by them.

v. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:

(a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) Changes, if any, in accounting policies and practices and reasons for the same;

(c) Major accounting entries involving estimates based on the exercise of judgment by management;

(d) Significant adjustments made in the financial statements arising out of audit findings;

(e) Compliance with listing and other legal requirements relating to financial statements;

(f) Disclosure of any related party transactions;

(g) Modified opinion(s) in the draft audit report;

vi. Review of the quarterly and half yearly financial results with the management and the statutory auditors;

vii. Examination of the financial statement and the auditors' report thereon;

viii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;

ix. Approval or any subsequent modification of transactions with related parties;

x. Scrutiny of inter-corporate loans and investments;

xi. Review of valuation of undertakings or assets of the company wherever it is necessary;

xii. Evaluation of internal financial controls and risk management systems;

xiii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;

xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xvi. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;

xvii. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;

xviii. Review the functioning of the whistle blower mechanism;

xix. Review and monitor the end use of funds raised through public offers and related matters;

xx. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

xxi. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;

xxii. Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.

Review of the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters/letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- Carrying out any other function as may be referred to the Committee by the Board.
- Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

B. COMPOSITION, MEETINGS & ATTENDANCE

Name of the Member	Category	No. of Meetings Attended	Dates on which Meetings Held
Mr. Ram Krishna Agarwal (Chairman)	Independent Non-Executive	4	02.05.2019 24.07.2019 01.11.2019 22.01.2020
Mr. Phaneesh Murthy (member)	Independent Non-Executive	4	
Mr. C V Subramanyam (member)	Managing Director	4	
Mr. Srinath Batni (member)	Independent Non-Executive	4	

C. Previous Annual General Meeting of the Company was held on 24th July 2019 and Mr. Ram Krishna Agarwal, Chairman of the Audit Committee for that period, attended previous AGM.

D. 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. The audit committee is suitably apprised of the same.

3. NOMINATION AND REMUNERATION COMMITTEE (Constituted in terms of Sec 178 of the Companies Act, 2013 read with Regulation 19 of SEBI LODR Regulations, 2015)

The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter adopted by the Board. The terms of reference of the NRC are:

i. Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.

ii. Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.

iii. Support the Board in matters related to the setup, review and refresh of the Committees.

iv. Devise a policy on Board diversity.

v. Recommend to the Board the appointment or reappointment of Directors.

vi. Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.

vii. Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.

viii. Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.

ix. Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.

x. Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.

xi. On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.

xii. Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.

xiii. Review matters related to voluntary retirement and early separation schemes for the Company.

xiv. Provide guidelines for remuneration of Directors on material subsidiaries.

xv. Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.

xvi. Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.

xvii. Oversee familiarisation programmes for Directors.

xviii. Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.

xix. Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.

xx. Perform other activities related to the charter as requested by the Board from time to time.

B. COMPOSITION OF THE COMMITTEE

Name of the Member	Category	No. of Meetings Attended	Dates on which Meetings Held
Mr. Srinath Batni (Chairman)	Independent & Non-Executive	3	02.05.2019 24.07.2019 01.11.2019 22.01.2020
Mr. Phaneesh Murthy (member)	Independent & Non-Executive	4	
Ms. Nooraine Fazal (member)	Independent & Non-Executive	4	
Mr. C V Subramanyam (Member)	Promoter & Executive	4	
Mr. C Srikanth (Member)	Promoter & Non-Executive	4	

C. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognise their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

2.1 **"Director"** means a director appointed to the Board of a Company.

2.2 **"Nomination and Remuneration Committee** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

2.3 **"Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 **read with Regulation 16 (1) (b) of SEBI LODR Regulations, 2015)**

3. Policy:

Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background;
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not b disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

3.2 Criteria of independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.2.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

3.3 Other directorships/ committee memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance.

Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees:

1. Scope:

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 "Director" means a director appointed to the Board of the company.

2.2 "key managerial personnel" means

(i) The Chief Executive Office or the managing director or the manager;

(ii) The company secretary;

(iii) The whole-time director;

(iv) The Chief Finance Officer; and

(v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and **Regulation 19 of SEBI LODR Regulations, 2015)**.

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

(i) Basic pay

(ii) Perquisites and Allowances

(iii) Stock Options

(iv) Commission (Applicable in case of Executive Directors)

(v) Retrial benefits

(vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 Remuneration to Non-Executive Directors

3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.

3.2.2 Non-Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non-

Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3.3. Remuneration to other employees

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

D. Directors Remuneration

i) Executive Directors

The remuneration paid to the Executive Directors is given below:

(Amount in Rs lakhs)

S. No.	Name of the Director	Salary	Commission	Benefits	Total
1	Mr. C V Subramanyam	220.00	110.00	-	330.00

(ii) None of the directors have been granted stock options during the year.

(iii) The percentage of commission (incentive) is linked to the overall performance of the Executive Director and the company.

(iv) The terms and conditions including remuneration of Managing Director is as per the resolution passed by the shareholders at their meeting held on 30.06.2017

v) 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.

The remuneration paid to the Non-Executive Directors is given below:

(Amount in Rs lakhs)

Name of the Director	Sitting fees	Commission
Mr. Ram Krishna Agarwal	13.00	22.00
Ms. Nooraine Fazal	12.00	22.00
Mr. Srinath Batni	12.00	22.00

* Mr. C Srikanth, Non-Executive Director is drawing a remuneration of $ 6 lakhs from Cigniti Technologies Inc; USA a wholly owned subsidiary Company

E. MECHANISM FOR EVALUATION OF THE BOARD

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee, adopted Board Evaluation Policy to comply with the various provisions of the Act, the Listing Regulations and the SEBI circular dated January 5, 2017 which provides further clarity on the process of Board Evaluation ("SEBI Guidance Note") and SEBI circular dated February 5, 2019.

Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and

Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on January 22, 2020, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole. All IDs were present at the said meeting.

The above evaluation was done keeping in view the following factors:

(i) Board: Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.

(ii) Executive Directors: Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.

(iii) Independent Directors: Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.

(iv) Chairman: Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.

(v) Committees: Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Performance evaluation was done on the scale of 1 to 5, 1 being very poor and 5 being outstanding. The outcome of performance evaluation is given below:

Categories	Rating (out of 5)
Board as a whole	4.89
Individual Directors	
Mr. C. Venkata Subramanyam	4.68
Mr. Phaneesh Murthy	4.78
Mr. Srinath Batni	4.46
Mr. Ram Krishna Agarwal	4.59
Mr. K.China Subba Rao	4.69
Ms. Nooraine Fazal	4.89
Mr. C Srikanth	4.93
Audit Committee	4.56
Stakeholder Relationship Committee	4.25
Nomination & Remuneration Committee	4.65
Corporate Social Responsibility Committe	4.25
Risk Management Committee	4.63

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

Observations of Board evaluation carried out for the year	No observations.
Previous year's observations and actions taken	Since no observations were received, no actions were taken.
Proposed actions based on current year observations	Since no observations were received, no actions were taken.

4. STAKEHOLDER'S RELATIONSHIP COMMITTEE (Constituted in terms of Sec 178 of the Companies Act, 2013 read with Regulation 20 of SEBI LODR Regulations, 2015)

Terms of reference to the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Act, 2013 which inter-alia include:

i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

ii. Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/KMPs, as may be required and identifying actionable points for implementation.

i. Review of measures taken for effective exercise of voting rights by shareholders.

ii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

iii. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

A. Composition and Attendance for Meetings

Name of the Member	Category	No. of Meetings Attended	Dates on which Meetings Held
Ms. Nooraine Fazal (Chairperson)	Independent & Non-Executive	4	02.05.2019 24.07.2019 01.11.2019 22.01.2020
Mr. Ram Krishna Agarwal(member)	Independent & Non-Executive	4	
Mr. C Srikanth (member)	Promoter & Non-Executive	4	

B. Status of Investor Complaints as on 31 March, 2020 and reported under Regulation 13(3) of the Listing Regulations is as under:

Particulars	Number of Complaints
Complaints as on 1 April, 2019	Nil
Received during the year	Nil
Resolved during the year	Nil
Number of pending complaints as on 31 March 2020	Nil

C. 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.

D. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Ms. A. N. Vasudha

Company Secretary & Compliance officer

Telephone No: 040-40382211

E-mail: company.secretary@cigniti.com

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the provisions of the Companies (Corporate Social Responsibility Policy) Rules 2013, the Company constituted a Corporate Social Responsibility Committee. One meeting was held during the year on The Corporate Social Responsibility Committee, formed under Section 135 of the Companies Act, 2013, comprises 4 members with two Independent Director and two executive Directors.

Composition of the committee during the year 2019-20 is as follows:

Name of the Director	Position	Category
Ms. Nooraine Fazal	Chairperson	Independent & Non-Executive
Mr. Srinath Batni	Member	Independent & Non-Executive
Mr. C V Subramanyam	Member	Promoter & Executive
Mr. C Srikanth	Member	Promoter & Non-Executive

A detailed overview of the CSR initiatives of the company is published elsewhere in the Annual Report.

6) RISK MANAGEMENT COMMITTEE

A) COMPOSITION:

The Details of composition of the Committee are given below:

Name of the Director	Position	Category
Mr. Phaneesh Murthy	Chairman	Independent & Non-executive
Mr. Ram Krishna Agarwal	Member	Independent & Non-executive
Mr. C V Subramanyam	Member	Executive

B) ROLE AND RESPONSIBILITIES OF THE COMMITTEE INCLUDES THE FOLLOWING:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimisation
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- Continually obtaining reasonable assurance from management that al known and emerging risks have been identified and mitigated or managed

7. GENERAL BODY MEETINGS

A. Location, date and time of last three AGMs and special resolutions there at as under:

NO. OF AGM AND FY	DATE OF MEETING	VENUE	TIME	SPECIAL RESOLUTION PASSED
21st AGM 2018-19	24.07.2019	Hall 5 & 6, Novotel & HICC Complex, (Near Hitec City), P.O. Bag 1101, Cyberabad Post Office, Hyderabad - 500 081, INDIA	10.00 A.M.	No
20th AGM 2017-18	30.07.2018	Hall 5 & 6, Novotel & HICC Complex, (Near Hitec City), P.O. Bag 1101, Cyberabad Post Office, Hyderabad - 500 081, INDIA	10.00 A.M.	yes
19th AGM 2016-17	30.06.2017	The V (Ascendas) Auditorium", Plot No# 17, Software Units Layout, Madhapur, Hyderabad – 500 081	10.00 A.M.	yes

B. Extraordinary General Meeting

No Extraordinary General Meetings were held during the year 2019-20.

C. Postal Ballot

During the year, the shareholders of the company passed no resolutions through postal ballot.

D. Procedure for postal ballot

Company conducts a postal ballot, where required, in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and applicable regulations. At present, there are no postal ballots proposed to be held.

8. MEANS OF COMMUNICATION

A. Publication of results in newspapers

The quarterly, half-yearly & nine months un-audited financial results and annual audited financial results of the company are generally published in Business Standard or Financial Express, at national level in English language as well as Andhra Prabha at regional level in Telugu language circulating in the state of Telangana.

B. Website and News Release

The financial results of the company are available on the website of the company i.e. www.cigniti.com. Official news releases, detailed presentations made to media, analysts, institutional investors, etc., are sent to BSE Limited and National Stock Exchange of India Limited and also made available on the website of the company i.e. www.cigniti.com . 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.

C. Channels of Communication with the investors

All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre.

Further the management of the Company conducts investor call after approving Quarterly financial results in the Board meeting.

9. General Shareholder Information

The following information would be useful to the shareholders:

A. Annual General Meeting:

Date & Time: 3rd August, 2020

Venue: The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

B. Financial Calendar

Financial Year - 1 April 2019 to 31 March 2020

Tentative calendar for declaration of financial results in financial year 2020--21

Results for the quarter ended	Tentative Dates
30 June 2020	03 August 2020
30 September 2020	01 November 2020
31 December 2020	31 January 2021
31 March 2021	02 May 2021

C. Book Closure dates

The dates for book closure are from 30th July, 2020 to 3rd August, 2020 (both days inclusive)

D. Listing on Stock Exchanges & Stock Code:

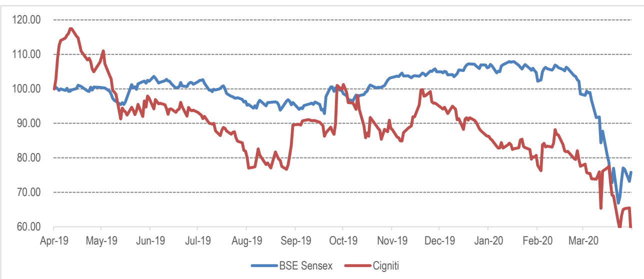
The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Ltd.

EXCHANGE & ADDRESS	STOCK CODE
National Stock Exchange of India Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	CIGNITITEC
BSE Ltd Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.	534758

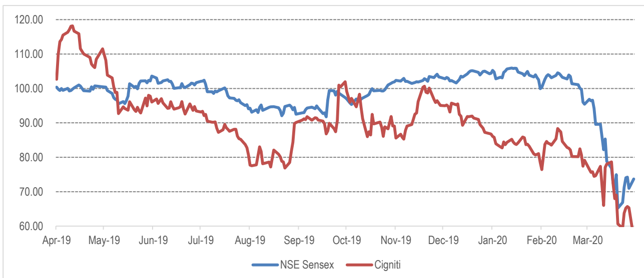
The Company has paid annual listing fees for the financial year 2019-20 to the BSE and NSE within stipulated time.

E. Dividend Payment Date: No Dividend was declared during the Financial Year 2019-20

F. Performance in comparison to broad-based indices such as BSE sensex, NSE nifty 50



Note: Cigniti prices & BSE sensex prices have baselined to 100



Note: Cigniti & NSE nifty 50 prices have baselined to 100

G. Electronic Connectivity

Demat ISIN number: INE675C01017

NATIONAL SECURITIES DEPOSITORY LIMITED
Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
25th Floor, A Wing, Marathon Futurex,
Mafatlal Mills Compound, NM Joshi Marg,
Lower Parel (E), Mumbai - 400 013.

H. Market Price Data

The monthly high/low prices of shares of the Company from April, 2019 to March, 2020 at BSE and NSE:

MONTH	BSE		NSE	
	High(Rs)	Low(Rs)	High(Rs)	Low(Rs)
April 2019	399.95	327.00	399.85	326.00
May 2019	397.00	305.95	380.75	301.65
June 2019	331.00	307.95	334.00	300.00
July 2019	319.00	270.00	319.00	265.50
August 2019	302.95	221.20	302.75	240.00
September 2019	344.95	283.00	343.45	267.95
October 2019	349.65	272.00	348.50	271.25
November 2019	340.75	277.00	341.55	262.00
December 2019	329.00	283.05	328.50	266.50
January 2020	320.00	261.10	295.00	264.40
February 2020	300.00	251.10	303.90	252.05
March 2020	277.60	180.00	277.90	178.80

I. There was no suspension of trading in securities of the Company during the year under review.

J. Registrars and Transfer Agents

Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda, Hyderabad- 500 029.
Tel: (040) 27642217/27638111
Fax: (040) 27632184
Email: info@aarthiconsultants.com

K. Share Transfer System

The Transfer of Shares is affected by the Registrars after necessary approval of the Board/Share Transfer Committee. Transfer generally takes 1-2 weeks. Effective April 1, 2019, SEBI has amended Regulation 40 of the SEBI Listing Regulations, which deals with transfer, transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

L. Shareholding pattern as on 31.03.2020

Category code	Category of Shareholder.	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian	6868181	24.67	0	0
a.	Individuals/Hindu Undivided Family	6868181	24.67	0	0
b.	Central Government/State Government(s)	--	--	--	--
c.	Bodies Corporate	--	--	--	--
d.	Financial Institutions/Banks	--	--	--	--
	Others :-	--	--	--	--
e.	Mutual Funds	--	--	--	--
f.	Trusts	--	--	--	--
	Sub Total (A)(1)	6868181	24.67	0	0
(2)	Foreign	3460019	12.42	0	0
a.	Individuals (Non Resident Individuals/Foreign Individuals)	3460019	12.42	0	0
b.	Bodies Corporate	--	--	--	--
c.	Institutions	--	--	--	--
	Others :-	--	--	--	--
d.	Overseas Corporate Bodies	--	--	--	--
	Sub Total (A)(2)			--	--
	Total Shareholding of Promoter and Promoter Group	3460019	12.42	0	0
	(A)=(A)(1)+(A)(2)	**10328200**	**37.09**	0	0
(B)	Public Shareholding			0	0
(1)	Institutions	**78790**	**0.28**	0	0
a.	Mutual Funds/UTI	0	0	0	0
b.	Financial Institutions/Banks	70354	0.25	0	0
c.	Central Government/State Government(s)	0	0	0	0
d.	Venture Capital Funds	0	0	0	0
e.	Insurance Companies	0	0	0	0
f.	Foreign Institutional Investors/Foreign Portolio Investors	8436	0.03	0	0
g.	Foreign Venture Capital Investors	0	0	0	0
h.	Foreign Companies	0	0	0	0
	Sub Total (B)(1)	**78790**	**0.28**	0	0
(2)	Non-Institutions	17439269	62.63	0	0
a.	Bodies Corporate	1274369	4.58	0	0
b.	Individuals				
	i)Individual shareholders holding nominal share capital up to Rs.2 lakh	4892970	17.57	0	0
	ii)Individual shareholders holding nominal share capital in excess of Rs.2 lakh	10779879	38.71	0	0
c.	Any Others : -				
	i) Non Resident Individuals	446451	1.61	0	0
	ii) Overseas Corporate Bodies	0	0	0	0
	iii) Trusts	11	0	0	0
	iv) Employees	5000	0.02	0	0
	v) Clearing Members	15589	0.06	0	0
	vi) Foreign Nationals	25000	0.09	0	0
	Sub Total (B)(2)	**17439269**	**62.63**	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**17518059**	**62.91**	0	0
	Total (A)+(B)	**27846259**	**100**	0	0
(C)	Shares held by Custodians and against Depository Receipts have been Issued	0	0	0	0
	Grand Total (A)+(B)+(C)	**27846259**	**100**	0	0

M. Distribution of Shareholding as on 31.03.2020

Range (Rs.)	No of Shareholders	% of Total Shareholders	No of Shares	% of Total Shareholding
Upto - 5000	3008	68.15	348186	1.25
5001 - 10000	368	8.34	292816	1.05
10001 - 20000	285	6.46	423878	1.52
20001 - 30000	122	2.76	311155	1.12
30001 - 40000	91	2.06	323256	1.16
40001 - 50000	73	1.65	335981	1.21
50001 - 100000	187	4.24	1348401	4.84
100001 & Above	280	6.34	24462586	87.85
TOTAL	4414	100	27846259	100

N. Dematerialisation & Liquidity of Shares

Trading in Company's shares is permitted only in dematerialised form for all investors. The ISIN allotted to the Company's scrip is INE675C01017. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares of the Company are actively traded in BSE Limited and NSE. Hence have good liquidity. The details of shares are provided below:

Particulars	No. of Shares	% Share Capital
NSDL	11054669	39.70
CDSL	16628720	59.72
PHYSICAL	162870	0.58
Total	**27846259**	**100**

O. 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.

P. Commodity price risk or foreign exchange risk and hedging activities:

The Company has not undertaken any hedging activities for commodity price risk and foreign exchange risk.

Q. Global Delivery Centre

Plot No#17, Software Units Layout,
The 'V" Ascendas Park, Orion Block,
6th Floor, Madhapur, Hyderabd-500081.
Telangana State, India

R. Address for Correspondence

A.N.Vasudha
Company Secretary & Compliance Officer
6th Floor, Orion Block, "The V"(Ascendas),
Plot No#17, Software Units Layout,
Madhapur, Hyderabad-500081

10. DISCLOSURES

A. Materially Significant Related Party Transactions

During the year under review, the Company had not entered in to any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The Audit Committee has issued omnibus approval for the Related party transactions with in the limits. Transactions with the Related Parties as required under Ind-AS are disclosed in Note No.35 of the standalone financial statements forming part of this Annual Report.

B. Compliances

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

C. Whistle Blower Policy (Set up in terms of Sec 177 of the Companies Act, 2013 read with Regulation 22 of SEBI LODR Regulations, 2015)

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and is in the process of implementation of non-mandatory requirements.

E. Policy on Material Subsidiaries

In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015 the Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website: www.cigniti.com

F. Policy on Related Party Transactions

The Policy on dealing with Related Party Transactions is available on the Company's website: www.cigniti.com

G. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) etc.

During the year ended 31st March 2020, there were no proceeds from public issues, rights issues, preferential issues etc.

H. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

I. Recommendations of Committees of the Board

There were no instances during the financial year 2019-20 wherein the Board had not accepted the recommendations made by any Committee of the Board.

J. Fee disclosures as required by Clause 10(k), Part C, Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Total fees for all services paid by Cigniti Technologies Limited and its subsidiaries, on a consolidated basis, to S.R. Batliboi & Associates LLP (statutory auditor of the Company) and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the Company for the year ended March 31, 2020, is as follows:

Particulars	Amount in lakhs
Fees for audit and related services paid to S.R. Batliboi & Associates LLP and Affiliates firms and to entities of the network of which the statutory auditor is a part	83.22
Other fees paid to S.R. Batliboi & Associates LLP and Affiliates firms and to entities of the network of which the statutory auditor is a part	11.86
Total fees	**95.08**

K. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the financial year : 0

b. Number of complaints disposed of during the financial year: 0

c. Number of complaints pending as on end of the financial year: 0

L. Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V:

The company has complied with the requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

M. Adoption of discretionary requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

With regard to discretionary requirements, the Company has adopted clauses relating to the Internal auditor directly reporting to the Audit Committee.

N. The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/ No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Functional Website	Yes

O. Disclosure with respect to Demat suspense account/unclaimed suspense account

There are no instances with respect to Demat suspense account/unclaimed suspense account.

P. Compliance with SEBI (listing obligations and disclosure requirements) regulations, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has framed the following policies which are available on Company's website i.e. www.cigniti.com

- Board Diversity Policy
- Policy on preservation of Documents
- Policy for Materiality

Q. CODE OF CONDUCT

The Board of Directors has laid down a 'Code of Conduct' (code) for all the Board members and the Senior Management of the Company and this code is posted on the website of the company. Annual declaration is obtained from every person covered by the code.

The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of un-published price sensitive information, in order to align the same with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

R. Disclosure of Accounting Treatment

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules.

S. Non-Executive Directors' Compensation and Disclosures

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

T. CEO/ CFO Certification

In terms of regulation 17(8) of the Listing Regulations, the CEO / CFO made a certification to the Board of Directors which has been reviewed by the Audit Committee and taken on record by the Board and enclosed as annexure IX to this Annual Report.

On behalf of the Board

Cigniti Technologies Limited

Sd/-

C V Subramanyam

Place: Hyderabad | Chairman & Managing Director

Date: 07.05.2020 | DIN: 00071378

Declaration on Code of Conduct for the year 2019-20

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2020 as envisaged in Regulation 26(3) of the Listing Regulations.

C V Subramanyam

Place: Hyderabad | Chairman & Managing Director

Date: 07.05.2020 | DIN: 00071378

Annexure to Corporate Governance Report

The Members,

Cigniti Technologies,

Hyderabad.

SUB: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

I, S. Sarveswar Reddy, Practicing Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of CIGNITI TECHNOLOGIES LIMITED (CIN: 72200TG1998PLC030081) having its Registered Office at "Suit No.106 & 107, 6-3-456/C, MGR Estates, first floor, Dwarakapuri Colony, Punjagutta, Hyderabad-500082, Telangana State, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2020.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2020 :

List of Directors of the Company as on 31st March, 2020 :

S.No	DIN No	Name of the Director	Designation
1	00071378	Mr. C V Subramanyam	Chairman & Managing Director
2	00416964	Mr. Ram Krishna Agarwal	Independent Director
3	00388525	Mr. Phaneesh Murthy	Independent Director
4	00041394	Mr. Srinath Batni	Independent Director
5	03110948	Ms. Nooraine Fazal	Independent Director
6	01685123	Mr. K.Ch. Subba Rao	Non-Executive Director
7	06441390	Mr. C Srikanth	Non-Executive Director

For S.S. Reddy & Associates

Sd/-
S. Sarveswara Reddy
Proprietor
C.P.No: 7478

Place: Hyderabad
Date: 07.05.2020

Annexure-X

Report on Corporate Social Responsibility (CSR) Activities

(Pursuant to Section 135 of Companies Act 2013read with rules thereunder)

1. Company's CSR objectives and policy

The Company recognises its responsibility as an important stakeholder in the society and strives to work towards the betterment of the society constantly. With this objective, on the recommendation of the CSR Committee the Board of Directors have approved the CSR Policy which is available at: https://www.cigniti.com/investors/Policies/CSR Policy

2. The CSR activities of the Company mainly focuses on to provide quality education to the under privileged children and support in building better infrastructure at schools run by local governments especially in under developed regions.

3. The Company has constituted a CSR committee which provides oversight of CSR policy and guides the CSR activities of the Company.

The CSR Committee comprises of:

Ms. Nooraine Fazal (Chairperson)

Mr. Srinath Batni (Member)

Mr. C V Subramanyam (Member)

Mr. C Srikanth (Member)

4. The average net profit for the last three financial year ended is Rs 3573 lacs

5. Prescribed CSR spend @ 2% of average net profit for the last three financial years is Rs. 71 lacs.

6. CSR spend during the financial year:

a. Total amount to be spent 71.00 lakhs

b. Amount unspent 0.00

7. The manner of the amount spent during the financial year is as follows:

CSR project/ activity identified	Sector in which the project is covered	Location of projects/ programmes	Amount outlay/ Approved (Rs. In Lakh	Amount spent direct/ overheads (Rs. in Lakh)	Cumulative expenditure up to the reporting period (Rs. in Lakh)	Name/ details of implementing agency
To improve quality of education in govt schools through providing infrastructure and other need-based support	Section 135 – Schedule VII – (ii) Promotion of Education	Villages of Gollapally, Mammidipally, Airport Colony, Rangnayakul Thanda, Shamshabad in Ranga Reddy District, Telangana	71.00	90.00	145.00	GMR Varalakshmi Foundation – a Section 8 not for profit company

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Place: Hyderabad	**Sd/-** C V Subramanyam	**Sd/-** **Nooraine Fazal**
Date: 07.05.2020	Managing Director	Chairperson of CSR Committee

Annexure-XI

Certificate by the CEO and CFO of the COMPANY

To

The Board of Directors

Cigniti Technologies Limited

Dear Sirs,

As required under **Regulation 17(8) of SEBI LODR Regulations, 2015)**, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2020 and to the best of our knowledge and belief;

   a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, **and**

   b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

2. There are, to the best of my 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.

3. We accept responsibility for establishing and maintaining internal controls. I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,

4. That we have informed the auditors and the audit committee of:

   a) Significant changes in the internal control during the year;

   b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

Yours Sincerely,

	Sd/-	Sd/-
	C Srikanth	**Krishnan Venkatachary**
Place: Hyderabad	Director & CEO	Chief Financial Officer
Date: 07.05.2020	Cigniti Tech Inc; USA	

Annexure-XII

Declaration from Independent Directors

To

The Board of Directors

M/s. Cigniti Technologies Limited

Sub: Declaration of independence under SEBI (LODR) Regulations, 2015 and sub-section (6) of section 149 of the Companies Act, 2013.

I, Ram Krishna Agarwal, hereby certify that I am a Non-executive Director of Cigniti Technologies Limited and comply with all the criteria of independent director envisaged under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the Company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship/transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year.
5. Neither me nor my relatives
   - (i) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of
     - (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
     - (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
     - (c) holds together with my relatives 2% or more of the total voting power of the company; or
     - (d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
   - (ii) holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
   - (iii) holds together with my relatives 2% or more of the total voting power of the company; or
   - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
   - (v) is a material supplier, service provider or customer or a lessor or lessee of the company;
6. I am not less than 21 years of age.
7. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

Thanking you,

Yours faithfully,

Director: **Ram Krishna Agarwal**

DIN: 00416964

Date: 07.05.2020

Declaration from Independent Directors

To

The Board of Directors

M/s. Cigniti Technologies Limited

Sub: Declaration of independence under SEBI (LODR) Regulations, 2015 and sub-section (6) of section 149 of the Companies Act, 2013.

I, Phaneesh Murthy, hereby certify that I am a Non-executive Director of Cigniti Technologies Limited and comply with all the criteria of independent director envisaged under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the Company;

2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;

3. Apart from receiving director sitting fees/ remuneration, I have/had no material pecuniary relationship/transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.

4. None of my relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year.

5. Neither me nor my relatives

    (i) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of

        (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

        (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;

        (c) holds together with my relatives 2% or more of the total voting power of the company; or

        (d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

    (ii) holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;

    (iii) holds together with my relatives 2% or more of the total voting power of the company; or

    (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

    (v) is a material supplier, service provider or customer or a lessor or lessee of the company;

        (a) I am not less than 21 years of age.

        (b) I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

Thanking you,
Yours faithfully,
Director: **Phaneesh Murthy**
DIN: 00388525
Date: 07.05.2020

Declaration from Independent Directors

To

The Board of Directors

M/s. Cigniti Technologies Limited

Sub: Declaration of independence under SEBI (LODR) Regulations, 2015 and sub-section (6) of section 149 of the Companies Act, 2013.

I, Nooraine Fazal, hereby certify that I am a Non-executive Director of Cigniti Technologies Limited and comply with all the criteria of independent director envisaged under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the Company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
3. Apart from receiving director sitting fees/ remuneration, I have/had no material pecuniary relationship / transactions , with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year.
5. Neither me nor my relatives
   - (i) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of
     - (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
     - (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
     - (c) holds together with my relatives 2% or more of the total voting power of the company; or
     - (d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
   - (ii) holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
   - (iii) holds together with my relatives 2% or more of the total voting power of the company; or
   - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
   - (v) is a material supplier, service provider or customer or a lessor or lessee of the company;
     - (a) I am not less than 21 years of age.
     - (b) I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

Thanking you,
Yours faithfully,
Director: **Nooraine Fazal**
DIN: 03110948
Date: 07.05.2020

Declaration from Independent Directors

To

The Board of Directors

M/s. Cigniti Technologies Limited

Sub: Declaration of independence under SEBI (LODR) Regulations, 2015 and sub-section (6) of section 149 of the Companies Act, 2013.

I, Srinath Batni, hereby certify that I am a Non-executive Director of Cigniti Technologies Limited and comply with all the criteria of independent director envisaged under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the Company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
3. Apart from receiving director sitting fees/ remuneration, I have/had no material pecuniary relationship/transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year.
5. Neither me nor my relatives
   (i) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of
      (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
      (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
      (c) holds together with my relatives 2% or more of the total voting power of the company; or
      (d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
   (ii) holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
   (iii) holds together with my relatives 2% or more of the total voting power of the company; or
   (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
   (v) is a material supplier, service provider or customer or a lessor or lessee of the company;
      (a) I am not less than 21 years of age.
      (b) I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

Thanking you,
Yours faithfully,
Director: **Srinath Batni**
DIN: 00041394
Date: 07.05.2020

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Cigniti Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Cigniti Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31 2020, the Consolidated Statement of Profit and Loss, including Statement of 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Goodwill Impairment Testing (as described in note 3.1 of the Consolidated Financial Statements)</td></tr>
<tr><td>As at March 31, 2020, the Group has goodwill amounting to Rs. 5,486.00 lakhs on consolidation pertaining to historical acquisitions of Cigniti Inc. and Gallop Solutions Inc. including their subsidiaries.

In accordance with Ind AS, the goodwill is tested annually for impairment using discounted cash-flow models of Cash Generating Unit's (CGU) recoverable value compared to the carrying value of the assets.

The inputs to the impairment testing model include:
• Projected revenue growth, operating margins and operating cash-flows in the years 1-5;
• Stable long-term growth rates beyond five years and in perpetuity; and
• Discount rates that represent the current market assessment of the risks specific to CGU, taking into consideration the time value of money.

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.

The 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 financial statements as a whole.</td><td>Our audit procedures included the following:
• We tested the design, implementation and operative effectiveness of management's key internal controls over goodwill impairment assessment;
• We assessed the Group's methodology and judgements applied in determining the CGU to which goodwill is allocated and impairment analysis. In making this assessment, we also evaluated the competence, professional qualification, objectivity and independence of Company's specialists involved in the process;
• With the assistance of a specialist, we assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used; in consideration of the current and estimated future economic conditions;
• We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used, including the impact of COVID-19;
• We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions like projected revenue growth, EBIDTA, etc. used in the cash flow forecasts were suitable;
• We tested the arithmetical accuracy of the impairment model; and
• We assessed the related disclosures as described in note 3.1 and 34 to the financial statements.</td></tr>
</table>

Allowance for credit losses for trade receivables including unbilled revenue (as described in note 36A of the Consolidated Financial Statements)	
As at March 31, 2020 the Group has outstanding trade receivables and unbilled revenue of Rs. 18,260.38 lakhs. 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 has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.	Our audit procedures included the following: • We tested the design, implementation and operative effectiveness of management's key internal controls over allowance for credit losses; • We assessed the completeness and accuracy of the information used in the estimation of probability of default and tested historical payment records, correspondence with customers and subsequent collection of the customers' balances; • We performed analysis of ageing of receivables, tested the mathematical accuracy and computation of the allowance for credit losses; • We assessed the allowance for expected credit loss made by management including the possible effect from the pandemic relating to COVID-19.

Other Information

The Holding 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 Holding 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 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 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 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 Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 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 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 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. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose financial statements include total assets of Rs 4,608.33 lakhs as at March 31, 2020, and total revenues of Rs 14,736.67 lakhs and net cash outflows of Rs 197.69 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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;

(b) 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 and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who is appointed under Section 139 of the Act, of its subsidiary company, none of the Directors of the Group's companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a Director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its subsidiary company 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 subsidiary company incorporated in India;

(g) In our opinion and based on the consideration of report of other statutory auditor of the subsidiary company incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiary company 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matter' paragraph:

i. The Group does not have any pending litigations which would impact its consolidated financial position;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2020.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 20213271AAAAAW2199

Place: Hyderabad
Date: May 7, 2020

Annexure 1 to the Independent auditor's report of even date on the Consolidated Financial Statements of Cigniti Technologies Limited

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 Cigniti Technologies Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Cigniti Technologies Limited (hereinafter referred to as the "Holding Company") 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 subsidiary company incorporated in India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, has maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at March 31,2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 20213271AAAAAW2199

Place: Hyderabad
Date: May 7, 2020

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	1,719.48	1,361.76
Goodwill	3	5,486.22	5,486.22
Other intangible assets	3	-	-
Right-to-use asset	37(a)	2,989.92	-
Financial assets			
Loans	5	515.54	421.53
Other non-current financial assets	6	350.00	3.41
		11,061.16	**7,272.92**
Current assets			
Financial assets			
Investments	4	4,889.19	-
Loans	5	64.15	104.70
Trade receivables	7	16,441.01	12,369.00
Cash and cash equivalents	8	762.20	6,146.30
Bank balances other than cash and cash equivalents	9	7,950.37	9.91
Other current financial assets	6	4,899.94	3,128.38
Current tax assets, net	10	262.82	448.11
Other current assets	11	1,659.95	1,270.87
		36,929.63	**23,477.27**
Total assets		**47,990.79**	**30,750.19**
Equity and liabilities			
Equity			
Equity share capital	12	2,784.63	2,766.43
Other equity	13	23,939.09	12,307.88
		26,723.72	**15,074.31**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease obligation	16	2,953.48	-
Long term provisions	18	900.90	747.47
		3,854.38	**747.47**
Current liabilities			
Financial liabilities			
Borrowings	14	8,377.26	7,368.73
Trade payables	15	6,014.39	5,618.35
Lease obligation	16	816.75	-
Other current financial liabilities	17	139.58	216.95
Short term provisions	18	285.13	293.61
Current tax liability, net	19	493.85	105.85
Other current liabilities	20	1,285.73	1,324.92
		17,412.69	**14,928.41**
Total equity and liabilities		**47,990.79**	**30,750.19**
Summary of significant accounting policies	2.4		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 7, 2020

For and on behalf of the Board of Directors
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 0071378

C Srikanth
Director
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 7, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	21	87,197.21	81,607.60
Other income	22	1,577.89	2,645.00
Finance income	23	585.06	79.50
Total income		**89,360.16**	**84,332.10**
Expenses			
Employee benefits expense	24	51,896.38	47,535.59
Other expenses	25	22,432.04	20,795.13
Depreciation and amortisation expense	26	1,147.81	314.76
Finance costs	27	799.64	1,463.69
Total expenses		**76,275.87**	**70,109.17**
Profit before tax		**13,084.29**	**14,222.93**
Tax expenses	28		
Current tax		971.38	849.11
Taxes for earlier years		(47.08)	(1,361.94)
Total tax expense/(credit)		**924.30**	**(512.83)**
Net profit for the year		**12,159.99**	**14,735.76**
Other Comprehensive Income (OCI)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		(58.45)	(879.58)
Income tax effect		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(58.45)**	**(879.58)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement (losses)/gains on employee defined benefit plans		(161.26)	(21.18)
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(161.26)**	**(21.18)**
Total other comprehensive income for the year, net of tax		**(219.71)**	**(900.76)**
Total comprehensive income for the year, net of tax		**11,940.28**	**13,835.00**
Earnings per share (Nominal value of equity share is Rs. 10/- each)	29		
Basic, computed on the basis of profit attributable to equity holders		43.87	53.62
Diluted, computed on the basis of profit attributable to equity holders		43.69	53.21
Summary of significant accounting policies	2.4		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 7, 2020

For and on behalf of the Board of Directors
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 0071378

C Srikanth
Director
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 7, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

a. Equity share capital

Equity Shares of Rs.10 each, issued, subscribed and fully paid	No.	Rs.
As at April 1, 2018	**272.48**	**2,724.80**
Add: Issued during the year (refer note 12)	4.16	41.63
As at March 31, 2019	**276.64**	**2,766.43**
Add: Issued during the year (refer note 12)	1.82	18.20
As at March 31, 2020	**278.46**	**2,784.63**

b. Other equity

	Other components of equity					Total
	Reserves and surplus			Other comprehensive income		
	Securities premium	Share based payment reserve	Retained earnings	Foreign currency translation reserve	Actuarial gains / (losses)	
As at April 1, 2018	**26,218.83**	**2,004.09**	**(30,205.38)**	**(13.67)**	**(40.41)**	**(2,036.54)**
Impact of adoption of new accounting standard	-	-	(75.80)	-	-	(75.80)
Profit for the year	-	-	14,735.76	-	-	14,735.76
Exchange differences on translation of foreign operations	-	-	-	(879.58)	-	(879.58)
Re-measurement losses/ (gains) on employee defined benefit plans	-	-	-	-	(21.18)	(21.18)
Issue of equity shares on exercise of options	1,711.66	(1,711.66)	-	-	-	-
Share-based payment expense	-	585.22	-	-	-	585.22
As at March 31, 2019	**27,930.49**	**877.65**	**(15,545.42)**	**(893.25)**	**(61.59)**	**12,307.88**
Impact of adoption of new accounting standard (refer note 2.2)	-	-	(660.62)	-	-	(660.62)
Profit for the year	-	-	12,159.99	-	-	12,159.99
Exchange differences on translation of foreign operations	-	-	-	(58.45)	-	(58.45)
Re-measurement losses/ (gains) on employee defined benefit plans	-	-	-	-	(161.26)	(161.26)
Issue of equity shares on exercise of options	703.27	(657.27)	-	-	-	46.00
Share-based payment expense	-	305.55	-	-	-	305.55
As at March 31, 2020	**28,633.76**	**525.93**	**(4,046.05)**	**(951.70)**	**(222.85)**	**23,939.09**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 7, 2020

For and on behalf of the Board of Directors
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 0071378

C Srikanth
Director
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 7, 2020

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

		Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities			
Profit before tax		13,084.29	14,222.93
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense		1,147.81	314.76
Interest income		(439.47)	(79.50)
Income on fair valuation of mutual funds		(145.59)	-
Interest expense, other borrowing cost and factoring charges		799.64	1,463.69
Unrealised foreign exchange gain (net)		(0.81)	-
Share based payment expense		305.55	585.22
(Recoveries of)/ provision for doubtful trade receivables, net		(260.65)	618.81
Liabilities no longer required written back, net		(254.46)	(45.29)
Bad debts written off		5.19	54.85
Operating profit before working capital changes		**14,241.50**	**17,135.47**
Movements in working capital			
Increase /(decrease) in trade payables		600.20	(41.16)
(Decrease)/ increase in financial liabilities		(69.58)	59.94
Decrease in other liabilities		(39.19)	(729.71)
(Decrease) /increase in provisions		(16.31)	214.51
Increase in trade receivables		(3,815.74)	(1,759.49)
Increase in financial assets		(1,446.95)	(1,868.59)
Increase in other assets		(389.08)	(441.29)
(Increase)/ decrease in loans		(53.46)	1,596.32
Cash generated from operations		**9,011.39**	**14,166.00**
Income taxes paid (net of refunds)		(351.00)	(1,466.88)
Net cash generated from operating activities	(A)	**8,660.39**	**12,699.12**
Cash flows from investing activities			
Purchase of property, plant and equipment		(701.65)	(850.83)
Investments in mutual funds and debentures		(4,743.60)	-
Investment in bank deposits		(10,959.15)	-
Redemption of bank deposits		2,672.10	47.24
Interest received		114.87	92.19
Net cash used in investing activities	(B)	**(13,617.43)**	**(711.40)**
Cash flows from financing activities			
Proceeds from exercise of employee stock options		64.20	41.63
Repayment of long term borrowings		-	(2,037.04)
Payment towards lease obligation		(1,096.37)	-
Interest, other borrowing cost and factoring charges paid		(395.23)	(1,472.04)
Bill discounting with bank, net		169.19	(6,653.95)
Repayment of short term borrowings		-	(3,342.05)
Net cash used in financing activities	(C)	**(1,258.21)**	**(13,463.45)**
Net decrease in cash and cash equivalents	(A+B+C)	**(6,215.25)**	**(1,475.73)**
Exchange differences on translation of foreign operations		(58.45)	107.95
Cash and cash equivalents at the beginning of the year		(1,172.17)	195.61
Cash and cash equivalents at the end of the year		**(7,445.87)**	**(1,172.17)**
Components of cash and cash equivalents			
Balances with banks			
-On current accounts		716.27	3,087.70
-Remittance in transit		45.88	31.81
-Deposits with remaining maturity for less than 3 months		-	3,021.49
Cash on hand		0.05	5.30
Cash credit facility		(8,208.07)	(7,318.47)
Total cash and cash equivalents (refer note 9.1)		**(7,445.87)**	**(1,172.17)**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 7, 2020

For and on behalf of the Board of Directors
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 0071378

C Srikanth
Director
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 7, 2020

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

1. Corporate information

The Consolidated Financial Statements comprise financial statements of Cigniti Technologies Limited ("the Company") and its subsidiaries (hereinafter collectively referred to as "the Group") for the year ended March 31, 2020. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Dwarakapuri Colony, Panjagutta, Hyderabad. The Group is principally engaged in providing software testing services across the world.

The Consolidated Financial Statements were authorised for issue in accordance with a resolution of the directors on May 7, 2020.

The World Health Organization (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Group has taken measures to enable employees to work from home by mobilizing laptops and desktops with access to secure virtual work environment wherever necessary.

The Group has made a detailed assessment of its liquidity position for the next year and the carrying value of all its assets. Based on current indicators of future economic conditions and considering the various measures announced by the government to support businesses, the Group expects to fully recover the carrying amount of these assets. The potential future impact of the COVID-19 may be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any material changes in future economic conditions and assess the impact on its business.

2. Significant Accounting Policies

2.1 Basis of preparation

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.

The Consolidated Financial Statements have been prepared on a historical cost basis 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 lakhs, except when otherwise indicated.

2.2 Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time for the year ended March 31, 2020, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

A. Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application..

Under the modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

On completion of evaluation of the effect of adoption of Ind AS 116, the Group has used 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 have not been retrospectively adjusted.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

As at April 1, 2019:

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

For the year ended March 31, 2020:

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets, net of the decrease in 'Property, plant and equipment'). This resulted in increase in Depreciation and Amortization Expenses of Rs. 805.41 lakhs.
- Rent expense included in 'Other expenses', relating to previous operating leases, decreased by Rs. 1,073.21 lakhs
- 'Finance costs' increased by Rs. 410.66 lakhs
- Cash generated from operating activities increased by Rs. 1,096.37 lakhs and cash flows used in financing activities increased by the same amount, relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities.

B. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Appendix had an impact on its consolidated financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Group's tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

2.3 Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee 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.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset /eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Group Information:

Information about subsidiaries

The consolidated financial statements of the Group include subsidiaries listed in the table below:

Name	Principal activities	Place and Country of operation	% equity interest	
			March 31, 2020	March 31, 2019
Cigniti Technologies Inc	Software testing services	USA	100%	100%
Cigniti Technologies (UK) Limited	Software testing services	UK	100%	100%
Cigniti Technologies (Australia) Pty Ltd	Software testing services	Australia	100%	100%
Cigniti Technologies (Canada) Inc	Software testing services	Canada	100%	100%
Cigniti Technologies (NZ) Limited*	Software testing services	New Zealand	-	100%
Gallop Solutions Private Limited	Software testing services	India	100%	100%

*Cigniti Technologies (NZ) Limited, a wholly owned subsidiary of the Company, has been wound up effective January 30, 2019.

2.4 Summary of significant accounting policies

(a) Use of Estimates

The preparation of Consolidated Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in note 34. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

In assessing the recoverability of assets including trade receivables, unbilled receivables and investments, the Group has considered internal and external information upto the date of approval of these consolidated financial statements including credit reports and economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these standalone financial statements.

(b) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(c) 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.

(d) Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. 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. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit or loss are also recognised in OCI or statement of profit or loss, respectively).

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in statement of profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after

April 1, 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 1, 2016), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

(e) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(f) Revenue from contracts with customer

The Group derives revenue primarily from software testing services. Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks. Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of contract.

Rendering of services

The method for recognizing revenues and costs depends on the nature of services rendered as mentioned below:

- Time and material: Revenue from time and material contracts are recognised 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 recognised as unbilled revenue.

- Fixed price contracts: Revenue from fixed-price contracts is recognised 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.

Contract balances:

- **Contract assets (Unbilled revenue)**

  A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

- **Trade receivables**

  A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

- **Contract liabilities**

  A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Other income

- **Income from Government incentive:**

  Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 is recognised on expected realisable value based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS scrips are classified as 'Other financial assets' as "Export incentive receivable"

- Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.

- Foreign currency gains and losses are reported on net basis.

(g) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The Group recognises deferred tax asset for MAT credit available only to the extent that it 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. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as deferred tax asset. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is probable that it will pay normal tax during the specified period.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(h) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress, and the related advances are shown as loans and advances.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management has made technical assessment of the useful lives of the following classes of assets which coincides with the lives prescribed under Schedule II of the Companies Act, 2013:

Asset	Useful lives estimated by the management (years)
Buildings	60
Electrical equipment	10
Leasehold improvements	Over the period of lease
Furniture and fixtures	10
Office equipments	5
Computer and computer equipments	3
Vehicles	8

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.

(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

A summary of the policies applied to the Group's intangible assets is, as follows:

Intangible assets	Useful lives
Software licenses	Finite (3 years)
Software tools	Finite (3 years)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

ROU	Useful lives
Office Premises	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (k) Impairment of non-financial assets.

ii. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured 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) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iv. **Leases under Ind AS 17**

Upto March 31, 2019, a lease was classified at the inception date as a finance lease or an operating lease. A lease that transferred substantially all the risks and rewards incidental to ownership to the Group was classified as a finance lease.

Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognised in finance costs in the statement of profit and loss, unless they were directly attributable to qualifying assets, in which case they were capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals were recognised as expenses in the periods in which they are incurred.

Leases where the lessor effectively retained substantially all the risks and benefits of ownership of the leased item, were classified as operating leases. Operating lease payments were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(l) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss. After impairment, amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(m) Provisions, Contingent Liabilities and Commitments

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Contingent liability

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when it cannot be measured reliably.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(n) Retirement and other employee benefits

Retirement benefit in the form of Provident Fund and Employee State Insurance are defined contribution schemes. The Group has no obligation, other than the contribution payable to the fund. The Group recognises contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The Group also provides certain additional post employment healthcare benefits to employees in the United States. These healthcare benefits are unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income.

Short term employee benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

However, the Group presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(o) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Share-Based Payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at Fair Value through Profit or Loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (f) Revenue from contracts with customers.

For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at FVTOCI
- Debt instruments, derivatives and equity instruments at FVTPL
- Equity instruments measured at FVTOCI

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in OCI subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a) the rights to receive cash flows from the asset have expired, or

b) the Group has transferred its rights to receive cash flows from the asset, and

   i. the Group has transferred substantially all the risks and rewards of the asset, or

   ii. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- Other financial assets

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts and cash credits.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The group has not designated any financial liability as at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(r) Segment information

The Group has only one reportable business segment, which is rendering of software testing services. Accordingly, the amounts appearing in the financial statements relate to the Group's single business segment.

(s) Corporate Social Responsibility

The Group charges its Corporate Social Responsibility expenditure to the statement of profit and loss.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3. Property, plant and equipment, goodwill and other intangible assets

	Property, plant and equipment								Goodwill	Other intangible assets	
	Buildings	Electrical Equipments	Leasehold improvements	Furniture and Fixtures	Office Equipments	Computer and Computer Equipment	Vehicles	Total property, plant and equipment	Goodwill (refer note 3.1)	Software License	Total other intangible assets
Cost											
As at April 1, 2018	193.53	186.39	102.32	303.00	104.42	236.62	8.77	1,135.05	5,486.22	246.66	246.66
Additions	-	217.97	214.78	224.13	240.97	88.09	-	985.94	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	2.86	0.41	13.60	2.21	19.08	-	-	-
As at March 31, 2019	193.53	404.36	317.10	529.99	345.80	338.31	10.98	2,140.07	5,486.22	246.66	246.66
Additions	-	87.70	-	24.62	10.35	401.62	173.76	698.05	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	17.54	0.51	19.43	2.72	40.20	-	-	-
As at March 31, 2020	193.53	492.06	317.10	572.15	356.66	759.36	187.46	2,878.32	5,486.22	246.66	246.66
Depreciation and amortisation											
As at April 1, 2018	8.11	41.44	102.32	216.12	79.79	3.11	(1.65)	449.24	-	246.66	246.66
Charge for the year	4.25	34.10	11.12	61.52	39.23	159.59	4.96	314.77	-	-	-
Exchange differences	-	-	-	0.50	0.16	12.06	1.58	14.30	-	-	-
As at March 31, 2019	12.36	75.54	113.44	278.14	119.18	174.76	4.89	778.31	-	246.66	246.66
Charge for the year	4.27	48.71	21.54	47.07	55.35	152.04	13.42	342.40	-	-	-
Exchange differences	-	-	-	17.05	0.40	18.14	2.54	38.13	-	-	-
As at March 31, 2020	16.63	124.25	134.98	342.26	174.93	344.94	20.85	1,158.84	-	246.66	246.66
Net book value											
As at March 31, 2019	181.17	328.82	203.66	251.85	226.62	163.55	6.09	1,361.76	5,486.22	-	-
As at March 31, 2020	176.90	367.81	182.12	229.89	181.73	414.42	166.61	1,719.48	5,486.22	-	-

Property, plant and equipment with a carrying amount of Rs. 1,569.59 (March 31, 2019: Rs. Rs. 1,297.14) are subject to charge to secure cash credit facility from bank.

3.1 Impairment testing of goodwill

Goodwill acquired through business combinations of Cigniti Inc, Gallop Solutions Inc, Cigniti Software Services Private Limited and Gallop Solutions Private Limited has been allocated to one Cash Generating Units (CGU's) i.e. Software Testing for impairment testing.

Carrying amount of goodwill	March 31, 2020	March 31, 2019
Software testing CGU	5,486.22	5,486.22

The Group performed its annual impairment test as at March 31, 2020 and March 31, 2019 on April 28, 2020 and April 17, 2019, respectively (hereinafter reference date is generally based on year-end). Based on the approved business plan and valuation assessment, the management of the Group expects that there will be increase in operations and hence sustained profitability. The projections of the business is above the book value of its equity, indicating no signs of impairment of goodwill. Accordingly, these Consolidated Financial Statements do not include any adjustment relating to impairment of goodwill.

The recoverable amount of the software testing CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period. The projected cash flows are based on financial assumptions that are derived from the integrated results of economic outlook, industry outlook, project analysis, historical financial analysis etc. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 17.28% (March 31, 2019: 17.78%) and cash flows beyond the five-year period are extrapolated using a 2.5% growth rate (March 31, 2019: 3.0%) that is the same as the long-term average growth rate for the software testing industry. It was concluded that the value in use is higher than the carrying value. As a result of this analysis, management has not recognised any impairment charge for the year ended March 31, 2020.

Key assumptions used for value in use calculations

The calculation of value in use for the units is most sensitive to the following assumptions:

a. Revenue growth and EBITDA Margins

b. Discount rates

c. Growth rates used to extrapolate cash flows beyond the forecast period

Management has considered the impact of economic uncertainties arising from COVID 19 on the projected cash flows.

a. Revenue growth and EBITDA Margins

Revenue is expected to increase in the range of 13-15% year on year and EBITDA margins are expected to be in the range of 10-14% in the forecast period from year 2.

b. Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. There are long-term debts in the books of Cigniti Technologies Inc as at March 31, 2020 and the cost of debt is taken as 4%. Industry-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

c. Growth rate estimates

Growth rate for the period beyond five years is taken to be 2.5%. After the budgeted period, the business will continue to generate cash. Hence, perpetuity value is also considered to arrive at the business value.

Sensitivity to changes in assumptions

The implications of the key assumptions for the recoverable amount are discussed below:

a. **EBITDA margins**

Decrease in revenue growth projections and EBITDA margin by 2% would not result in any impairment in the Software testing CGU.

b. **Discount rates**

A rise in post-tax discount rate by 2% in the Software testing CGU would not result in impairment.

c. **Growth rate assumption**

The management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate of 2.5% for Software testing CGU. A reduction to 1.5% in the long-term growth rate in Software testing CGU would not result in impairment.

Financial assets

There are no loans or deposits received, covered under section 186(4) of Companies Act, 2013.

4 Current investments

	March 31, 2020	March 31, 2019
Valued at fair value through profit and loss		
Investment in debentures, quoted		
Unsecured, considered good	1,992.28	-
Investment in mutual funds, quoted		
Unsecured, considered good	2,896.91	
	4,889.19	**-**

	March 31, 2020		March 31, 2019	
	Units	Amount	Units	Amount
Mutual Funds and ETF				
HDFC Liquid Fund- Growth	13,237.80	514.11	-	-
DSP Ultra Short Fund- Regular Plan Growth	9,902.40	257.32	-	-
HDFC Ultra Short Term Fund - Regular Plan Growth	23,02,789.10	258.04	-	-
Aditya Birla Sun Life Low Duration Fund - Growth-Direct Plan	1,00,918.64	518.29	-	-
ICICI Prudential Savings Fund- Direct Plan	1,32,407.63	516.88	-	-
Bharat Bond ETF - April 2030 Regular Growth	80,000.00	832.27	-	-
Debentures				
Non-convertible debentures of ECAP Equities Limited	1,775.00	1,992.28	-	-
		4,889.19		**-**

5 Loans

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Unsecured, considered good				
Security deposits	515.54	421.53	64.15	104.70
	515.54	**421.53**	**64.15**	**104.70**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

6 Other financial assets

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Bank balances (having original maturity of more than twelve months)	350.00	3.41	-	-
Unsecured, considered good				
Interest receivable	-	-	335.68	11.07
Export incentive receivable (refer note 22)	-	-	2,744.89	1,617.63
Unbilled receivables	-	-	1,819.37	1,499.68
	350.00	**3.41**	**4,899.94**	**3,128.38**

7 Trade receivables

	March 31, 2020	March 31, 2019
Unsecured, considered good	16,441.01	12,368.99
Unsecured, considered doubtful	241.48	718.16
Less: Allowance for credit losses	(241.48)	(718.16)
	16,441.01	**12,369.00**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally with the credit term of 30 to 90 days.

8 Cash and cash equivalents

	March 31, 2020	March 31, 2019
Balance with banks		
-On current accounts	716.27	3,087.70
-Remittance in transit	45.88	31.81
-Deposits with original maturity for less than 3 months	-	3,021.49
Cash on hand	0.05	5.30
	762.20	**6,146.30**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

9 Bank balances other than cash and cash equivalents

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Other deposit accounts				
Deposits with original maturity for more than 3 months	3.50.00	3.41	7,950.37	9.91
Less: Amount disclosed under other financial assets (refer note 6)	(3.50.00)	(3.41)	-	-
			7,950.37	**9.91**

9.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

	March 31, 2020	March 31, 2019
Cash and cash equivalents (refer note 8)	762.20	6,146.30
Less: Cash credit facility (refer note 14)	(8,208.07)	(7,318.47)
	(7,445.87)	**(1,172.17)**

10 Current tax assets, net

	March 31, 2020	March 31, 2019
Advance income tax (net of provision for tax)	262.82	448.11
	262.82	**448.11**

11 Other current assets

	March 31, 2020	March 31, 2019
Unsecured, considered good unless stated otherwise		
Advances recoverable in cash or kind	2.44	21.17
Staff advances	37.72	84.74
Prepaid expenses	329.87	220.58
Balance with government authorities	1,289.92	944.38
	1,659.95	**1,270.87**

No advances are due from directors or other officers of the Group or any of them either severally or jointly with any other persons or advances due to firms or private companies respectively in which any director is a partner or a director or a member.

12 Equity share capital

	March 31, 2020	March 31, 2019
Authorized share capital		
36,000,000 (March 31, 2019: 36,000,000) equity shares of Rs. 10/- each	3,600.00	3,600.00
Issued, subscribed and fully paid-up shares		
27,846,259 (March 31, 2019: 27,664,269) equity shares of Rs. 10/- each fully paid-up	2,784.63	2,766.43
Total issued, subscribed and fully paid-up share capital	**2,784.63**	**2,766.43**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

Equity shares	March 31, 2020		March 31, 2019	
	No's	Amount	No's	Amount
At the beginning of the year	276.64	2,766.43	272.48	2,724.80
Shares issued during the year against stock options	1.82	18.20	4.16	41.63
Outstanding at the end of the year	**278.46**	**2,784.63**	**276.64**	**2,766.43**

(b) Terms/rights attached to equity shares

The Company has one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

	March 31, 2020		March 31, 2019	
Name of the shareholder	No's	% holding	No's	% holding
P. Sapna	34.59	12.42%	34.59	12.50%
C V Subramanyam	30.54	10.97%	29.58	10.69%
C Srikanth	25.00	8.98%	25.00	9.04%
Kukunuru Samba Siva Rao	-	-	16.42	5.94%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 31.

13 Other equity

	March 31, 2020	March 31, 2019
Securities premium		
Opening balance	27,930.49	26,218.83
Add: Issue of equity shares on exercise of employee stock options	703.27	1,711.66
Closing balance	**28,633.76**	**27,930.49**
Share based payment reserve		
Opening balance	877.65	2,004.09
Less: Issue of equity shares on exercise of employee stock options	(657.27)	(1,711.66)
Add: Share-based payment expense	305.55	585.22
Closing balance	**525.93**	**877.65**
Retained earnings		
Opening balance	(15,607.01)	(30,245.79)
Less: Impact of adoption of new accounting standard	(660.62)	(75.80)
Add: Profit during the year	12,159.99	14,735.76
Items recognised directly in other comprehensive income		

	March 31, 2020	March 31, 2019
Re-measurement (losses)/gains on employee defined benefit plans (net of tax)	(161.26)	(21.18)
	(4,268.90)	**(15,607.01)**
Foreign currency translation reserve		
Opening balance	(893.25)	(13.67)
Add: Arisen during the year	(58.45)	(879.58)
Closing balance	**(951.70)**	**(893.25)**
	23,939.09	**12,307.88**

Nature and purpose of reserves

13.1 Security premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

13.2 Share based payment reserve

The share-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan. Refer to note 31 for further details of these plans.

13.3 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

13.4 Retained earnings

Retained earnings comprises of prior year's undistributed earnings after taxes along with current year profit.

14 Short term borrowings

	March 31, 2020	March 31, 2019
Secured		
Cash credit from banks (refer note (a) and (b) below)	8,208.07	7,318.47
Bills discounting with bank (refer note (c) below)	169.19	-
	8,377.26	**7,318.47**
Unsecured		
Inter corporate loans	-	50.26
	-	**50.26**
	8,377.26	**7,368.73**

(a) Cash credit from banks of Rs. 1,336.37 lakhs (March 31, 2019: Rs 1,094.78 lakhs) is secured by hypothecation of property, plant and equipment, trade receivables of the Company and immovable property of Mr. C V Subramanyam, Managing Director and his relative. The cash credit is secured by personal guarantee of the directors, Mr. C V Subramanyam, Managing Director and Mr. C Srikanth, Director and their relatives. It is repayable on demand and carries floating interest rate of 10.72%p.a. (March 31, 2019: 12.05% p.a.). The Company had available Rs. 163.63 lakhs of undrawn committed borrowing facilities as at March 31, 2020 (March 31, 2019: Rs. 405.22 lakhs).

(b) Cash credit from bank obtained by Cigniti Technologies Inc., USA ("CTI") of USD 91.94 lakh equivalent to Rs. 6,871.70 lakhs (March 31, 2019: USD 89.78 lakhs equivalent to Rs. 6,223.69 lakhs) is secured by hypothecation of trade receivables of the Company. It is repayable on demand and carries floating interest rate of LIBOR+2.5% p.a. (March 31, 2019: LIBOR+2.5% p.a.) on utilised amounts and carrying fixed interest rate of 0.25% p.a (March 31, 2019: 0.25%) on un-utilised amounts. CTI had available USD 58.06 lakhs equivalent to Rs. 4,339.47 lakhs (March 31,2019: USD 60.22 lakhs equivalent to Rs. 4,500.91 lakhs) of undrawn committed borrowing facilities as at March 31, 2020.

(c) The bill discounting with bank is with recourse. The eligible accounts were discounted at 2.5% of the face value of the purchased accounts. The closing balance of bills discounting pertains to Cigniti Technologies UK Limited ("CT UK") amounting to Rs. GBP 1.82 lakhs equivalent to Rs. 169.19 lakhs (March 31, 2019: Nil).

Loan covenants

Cash credit from bank obtained by CTI contains certain debt covenants relating to tangible effective net-worth, senior debt to EBIDTA ratio, interest coverage ratio, limitation on indebtedness, distribution of dividend and purchase of its stock. The limitation on indebtedness covenant gets suspended, if CTI meets certain prescribed criteria. The other loans do not carry any debt covenant.

The Group has not defaulted on any loans payable.

15 Trade payables

	March 31, 2020	March 31, 2019
- Outstanding dues to related parties (refer note 33)	356.22	358.76
- Outstanding dues to other parties	5,658.17	5,259.59
	6,014.39	**5,618.35**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

For explanations on the Company's credit risk management processes, refer to note 36.

16 Finance lease obligation

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Finance lease obligations (refer note 37)	2,953.48	-	816.75	-
	2,953.48	**-**	**816.75**	**-**

17 Other current financial liabilities

	March 31, 2020	March 31, 2019
At amortised cost		
Interest accrued and due on borrowings (refer note below)	-	5.55
Interest accrued but not due on borrowings (refer note below)	23.43	24.14
Capital creditors	32.71	34.24
Advance from customers	29.98	18.27
Contract liability	53.46	134.75
	139.58	**216.95**

Interest payable is normally settled monthly/quarterly throughout the financial year.

Changes in liabilities arising from financing activities

	April 1, 2019	Cashflows	Others	March 31, 2020
Short-term borrowings (excluding cash credit facility)	50.26	169.19	(50.26)	169.19
Non- current borrowings (including current maturities)	-	-	-	-
Total liabilities from financing activities	**50.26**	**169.19**	**(50.26)**	**169.19**

Other includes reclassification of borrowings to trade payables

Changes in liabilities arising from financing activities

	April 1, 2018	Cashflows	Foreign exchange differences	March 31, 2019
Short-term borrowings (excluding cash credit facility)	9,507.83	(9,996.00)	538.43	50.26
Non- current borrowings (including current maturities)	2,037.04	(2,037.04)	-	-
Total liabilities from financing activities	**11,544.87**	**(12,033.04)**	**538.43**	**50.26**

18 Provisions

	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provisions for employee benefits				
Provision for gratuity	900.90	747.47	-	-
Provision for leave benefits	-	-	285.13	293.61
	900.90	**747.47**	**285.13**	**293.61**

19 Current tax liability, net

	March 31, 2020	March 31, 2019
Provision for taxation (net of advance tax)	493.85	105.85
	493.85	**105.85**

20 Other current liabilities

	March 31, 2020	March 31, 2019
Statutory dues	1,285.73	1,324.92
	1,285.73	**1,324.92**

21 Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from software testing services	87,197.21	81,607.60

21.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Year ended March 31, 2020	Year ended March 31, 2019
Geographical region		
US	69,211.49	65,631.52
Rest of the world	17,985.72	15,976.08
Total revenue from contracts with customers	**87,197.21**	**81,607.60**

21.2 Contract balances

	March 31, 2020	March 31, 2019
Contract assets		
Trade receivables	16,441.01	12,369.00
Unbilled revenue	1,819.37	1,499.68
Contract liabilities		
Advance from customers	29.98	18.27
Contract liabilities	53.46	134.75

Unbilled revenue are initially recognised for the revenue earned in excess of amounts billed to clients as at the balance sheet date. Upon completion of acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities represents the obligation of the Group to perform services for which the entity has received consideration from the customer. This majorly pertains to unearned revenue on account of straight-lining of the contract price over the life of the contract.

21.3 Performance obligation

The Group has arrangements with the customer which are "time and material" basis. The performance obligation in case of time and material contracts is satisfied over time. Revenue is recognised as and when the services are performed.

The Group also performs work under "fixed-price" arrangements. Revenue from fixed-price contracts is recognised 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.

The payment is due with in 30-90 days from the time the customer accepts the work performed by the Group.

22 Other income

	Year ended March 31, 2020	Year ended March 31, 2019
Export incentives (refer note below)	1,127.26	2,178.57
Exchange differences (net)	(82.62)	421.14
Recoveries of bad and doubtful receivables	260.65	-
Liabilities no longer required written back	254.46	45.29
Miscellaneous income	18.14	-
	1,577.89	**2,645.00**

Export incentive for the year ended March 31, 2019 includes Rs. 1,269.34 lakhs pertaining to the period from April 2015 to March 2018 recognised based on the duty scrips received.

23 Finance income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on bank deposits	439.47	47.53
Income on fair valuation of investments through profit and loss	145.59	-
Interest income on loan to others	-	31.97
	585.06	**79.50**

24 Employee benefits expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	49,402.73	45,008.32
Contribution to provident and other funds (refer note 30)	448.34	437.04
Share based payment expense	305.55	585.22
Gratuity expense (refer note 30)	392.16	308.03
Staff welfare expenses	1,347.60	1,196.98
	51,896.38	**47,535.59**

25 Other expenses

		Year ended March 31, 2020	Year ended March 31, 2019
Power and fuel		386.61	405.84
Rent		389.49	1,410.37
Rates and taxes		133.75	175.98
Insurance		77.58	155.72
Repairs and maintenance		38.39	45.23
Advertising and sales promotion		1,804.96	1,041.50
Office maintenance		402.69	402.23
Travelling and conveyance		3,589.66	3,112.08
Communication costs		358.70	250.39
Sub-contracting charges		11,713.81	9,679.70
Legal and professional fees		1,697.06	2,168.01
Payment to auditor (refer note below)		83.22	91.24
Bad debts written off	221.22		
Less: Reversal of provision for expected credit loss	(216.03)	5.19	54.85
Provision for expected credit loss		-	618.81
Software licensing cost		1,250.41	916.40
Printing and stationery		57.31	60.80
Relocation Expenses		57.43	45.97
Recruitment Expenses		286.64	117.01
Corporate social responsibility expenditure (refer note below)		90.00	43.00
Miscellaneous expenses		9.14	-
		22,432.04	**20,795.13**

Payment to Auditor

	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
Audit fee	50.00	60.00
Limited review	30.00	30.00
In other capacity		
Reimbursement of expenses	3.22	1.24
	83.22	**91.24**

Details of corporate social responsibility expenditure

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Gross amount required to be spent by the Group during the year	71.47	55.65
(b) Amount spent during the year	**Paid in cash**	**Paid in cash**
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	90.00	43.00

26 Depreciation and amortisation expense

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 3)	342.40	314.76
Amortisation of Right-to-use-Assets (refer note 3)	805.41	-
	1,147.81	**314.76**

27 Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense	308.15	306.48
Interest on lease obligation	410.66	-
Other borrowing cost	7.50	289.99
Factoring and bank charges	73.33	867.22
	799.64	**1,463.69**

28 Taxes

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2020 and for the year ended March 31, 2019 are:

(i) Statement of profit and loss

	Year ended March 31, 2020	Year ended March 31, 2019
Adjustment of current tax relating to earlier years*	(47.08)	(1,361.94)
Current income tax		
Current income tax charge	971.38	849.11
Deferred tax		
Relating to origination and reversal of temporary differences	-	-
Total income tax expense recognised in statement of profit and loss	**971.38**	**849.11**

*Year ended March 31, 2020- Pertains to tax credits of earlier years received by Cigniti Technologies Inc., USA subsidiary of Cigniti Technologies Limited in the current year.

Year ended March 31, 2019- Cigniti Technologies Inc., USA subsidiary of Cigniti Technologies Limited has carried back unabsorbed tax losses for the year ended December 2017 to set off the taxable income for the earlier years. During the year ended March 31, 2019, the subsidiary company has received refund order from the department and accordingly has reversed the tax provision pertaining to such earlier years amounting to Rs 1,361.94 lakhs.

(ii) OCI Section: Deferred tax related to items recognised in OCI during the year

	Year ended March 31, 2020	Year ended March 31, 2019
Net gain on remeasurement of defined benefit plans	-	-
Income tax charged to OCI	**-**	**-**

(b) Reconciliation of effective tax rate:

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax (A)	13,084.29	14,222.93
Enacted tax rate in India (B)	29.12%	34.94%
Expected tax expenses (C = A*B)	3,810.15	4,970.06
Reconciling items:		
On account of difference in tax rates in other subsidiaries	52.89	(480.36)
Tax effect on deductible temporary differences and set off of taxable profits for the year against the carry forward of taxable losses	(3,443.22)	(4,401.53)
Tax on expenses not tax deductible	28.12	15.11
Minimum Alternate Tax (MAT) expense	523.44	745.83
Total (D)	**971.38**	**849.11**
Effective tax rate	7.42%	5.97%

The Group has provided for income tax during the year after utilising the carried forward tax losses. The Company has provided for income tax under Minimum Alternate Tax (MAT) as it had accumulated book losses and unabsorbed depreciation. The deferred tax asset on the tax losses carried forward and deductible temporary differences and MAT credit amounting to Rs. 1,941.01 lakhs (March 31, 2019: Rs. 4,186.66 lakhs) have not been recognised as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Group. Refer note 34 for further details.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company continues to pay income tax under older tax regime and have not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 considering that the Company is paying MAT as it had accumulated tax losses and unabsorbed depreciation.

29 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

	Year ended March 31, 2020	Year ended March 31, 2019
Profit attributable to equity shareholders for basic earnings	12,159.99	14,735.76
Weighted average number of equity shares in computing basic EPS (No. in lakhs)	277.16	274.81
Add: Effect of dilution:		
Employee stock options (No. in lakhs)	1.14	2.10
Weighted Average number of equity shares adjusted for effect of dilution (No. in lakhs)	278.30	276.91
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	43.87	53.62
- Diluted (Rs.)	43.69	53.21

There have been no other transactions involving equity shares or potential equity shares between the reporting date and date of authorisation of these financial statements.

30 Retirement and other employee benefits

I Defined Benefit Plans

The Company has a defined benefit gratuity plan and governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded through a policy with LIC. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

A) Net employee benefit expense (recognised in Employee benefits expenses)

	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	340.10	255.53
Past service cost	-	-
Interest cost	70.24	53.18
Expected return on plan assets	(18.18)	(0.68)
Net employee benefit expenses	**392.16**	**308.03**
Actual return on plan asset	18.18	0.68

B) Amount recognised in the Balance Sheet

	March 31, 2020	March 31, 2019
Defined benefit obligation	1,515.63	1,008.45
Fair value of plan assets	614.73	260.98
	900.90	**747.47**

C) Changes in the present value of the defined benefit obligation

	March 31, 2020	March 31, 2019
Opening defined benefit obligation	1,008.45	729.02
Current service cost	340.10	255.53
Past service cost	-	-
Interest cost	70.24	53.18
Benefits paid	(64.42)	(50.46)
Net Actuarial (gains) / losses on obligation for the year recognised under OCI	161.26	21.18
Closing defined benefit obligation	**1,515.63**	**1,008.45**

D) Change in the fair value of plan assets

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	260.98	9.30
Investment income	18.18	0.68
Employer's contribution	377.00	251.00
Return on plan assets, excluding amount recognised in net interest expense	(41.43)	-
Closing fair value of plan assets	**614.73**	**260.98**

The Company expects to contribute Rs. 350.00 lakhs to the gratuity fund in the next year (March 31, 2019: Rs. 350.00 lakhs).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2020	March 31, 2019
Investments with LIC	100.00%	100.00%

E) Remeasurement adjustments:

	Year ended March 31, 2020	Year ended March 31, 2019
Experience loss/ (gain) on plan liabilities	50.28	1.18
Financial loss/ (gain) on plan liabilities	110.58	20.00
Actuarial loss on plan assets	0.40	-
Remeasurement gains/(losses) recognised in other comprehensive income:	**161.26**	**21.18**

(i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

	March 31, 2020	March 31, 2019
Discount rate	5.65%	6.95%
Expected rate of return on assets	6.97%	7.31%
Salary rise	12.00%	12.00%
Attrition Rate	20.00%	20.00%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

(ii) Disclosure related to indication of effect of the defined benefit plan on the entity's future cashflows:

Year ending	March 31, 2020	March 31, 2019
Expected benefit payments for the year ending:		
1 year	198.25	136.49
2-5 years	770.23	544.80
6-10 years	639.31	472.63
More than 10 years	637.10	470.92

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2019: 6 years).

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

	March 31, 2020	March 31, 2019
(a) Effect of 1% change in assumed discount rate		
- 1% increase	86.50	55.32
- 1% decrease	(96.32)	(61.32)
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	(80.15)	(53.24)
- 1% decrease	76.30	50.27
(c) Effect of change by 50% of attrition rate		
- increase by 50% of the attrition rate	222.05	138.09
- decrease by 50% of the attrition rate	(524.02)	(292.30)

II Defined contribution plan

	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to provident and other funds	448.34	437.04

31 Share based payments

Under the Employee Stock Option Plan, the Group, at its discretion, may grant share options to employees of the Group. The remuneration committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period ranging from 1 to 4 years subject to fulfilment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price equal to the face value. The fair value of share options granted is estimated at the date of grant using a Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. It takes into account historical and expected dividends, and the share price fluctuation covariance of the Company and its competitors to predict the distribution of relative share performance.

The expense recognised for employee services received during the year is shown in the following table:

	Year ended March 31, 2020	Year ended March 31, 2019
Expense arising from equity-settled share-based payment transactions	305.55	585.22

Movements during the year: The following table contains movements in share options during the year:

Particulars	March 31, 2020					March 31, 2019				
	Grant 2011	Grant 2013	Grant 2014-I	Grant 2014-II	Grant 2015	Grant 2011	Grant 2013	Grant 2014-I	Grant 2014-II	Grant 2015
Total No. of options under the grant	15.00	10.00	20.00	5.00	5.00	15.00	10.00	20.00	5.00	5.00
Outstanding at April 1	0.07	-	0.39	2.50	1.60	2.31	-	1.15	3.75	-
Granted during the year	-	-	-	-	-	-	-	-	-	1.60
Forfeited during the year	-	-	-	-	0.07	-	-	0.09	-	-
Exercised during the year	0.07	-	0.30	1.25	0.20	2.24	-	0.67	1.25	-
Outstanding at March 31	-	-	0.09	1.25	1.33	0.07	-	0.39	2.50	1.60
Exercisable at March 31	-	-	0.09	-	0.03	-	-	0.13	-	-

The weighted average share price at the date of exercise of these options was Rs 288.80 (March 31, 2019: Rs 317.48)

The following table lists the weighted average remaining contractual life for the share options as at March 31, 2020 and as at March 31, 2019

Particulars	March 31, 2020	March 31, 2019
Grant 2011	-	4.76
Grant 2014-I	2.38	3.96
Grant 2014-II	4.76	5.26
Grant 2015	2.84	3.64

There were no options granted during the year. The weighted average fair value of options granted during the previous year ended March 31, 2019 was Rs 91.88.

The range of exercise prices for the options outstanding at the beginning, forfeited, exercised, expired and outstanding at the end of the year is Rs 10- Rs 240 (March 31, 2019: Rs 10 - Rs 240).

The following tables list the inputs to the models used for the previous year ended March 31, 2019. There were no grants during the current year.

Particulars	March 31, 2019
	Grant 2015
Dividend yield	0%
Expected volatility	38.45% - 41.36%
Risk-free interest rate	7.30% - 7.91%
Expected life of options granted in years	2 - 5 years
Weighted average share price	91.88
Model used	Black-Scholes model

The expected life of the stock is based on the historical data and current expectations and is not necessarily indicative of exercise pattern that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

32 Segment Reporting

The Group has only one reportable business segment, which is rendering of software testing services. Accordingly, the amounts appearing in the consolidated financial statements relate to the Group's single business segment.

Geographical information

a) Revenue	Year ended March 31, 2020	Year ended March 31, 2019
US	69,211.49	65,631.52
Rest of the world	17,985.72	15,976.08

b) Assets: All the significant non-current assets are located in India.

No single external customer revenue is more than 10% of the Group's revenue.

33 Related party disclosures

Names of related parties and description of relationship

Name of the related party	Relationship
Kairos Technologies Inc. (upto May 16, 2017)	Enterprise over which Key Management Personnel exercise significant influence.
Primentor Inc.	Enterprise over which Key Management Personnel exercise significant influence.
Key Management Personnel	
Mr. C V Subramanyam	Chairman & Managing Director
Mr. Sudhakar Pennam (resigned w.e.f from May 17, 2017)	Director
Mr. C Srikanth	Non-executive Director
Mr. Krishnan Venkatachary	Chief Financial Officer
Ms. Naga Vasudha	Company Secretary
Mr. Phaneesh Murthy	Independent director
Mr. Ram Krishna Agarwal	Independent director
Sri. Srinath Batni	Independent director
Ms. Nooraine Fazal	Independent director
Mr. K CH Subbarao	Independent director

Relatives of key managerial personnel

Ms Sapna Pennam	Wife of Mr. Sudhakar Pennam

Transactions/balances with the above parties

March 31, 2020	Kairos Technologies Inc.	Primentor Inc.	Mr. C V Subramanyam	Mr. C Srikanth	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Mr. Srinath Batni	Ms. Nooraine Fazal	Mr. Sudhakar Pennam	Ms. Sapna Pennam
Transactions during the year											
Professional fees	-	224.23	-	-	-	-	-	-	-	-	-
Remuneration	-		330.00	448.46	106.60	15.03	22.00	22.00	22.00	-	-
Director sitting fees	-	-	-	-	-	-	13.00	12.00	12.00	-	-
Reimbursement of expenses	-	23.54	-	5.97	-	-	-	-	-	-	
Balances receivable/(payable):											
Remuneration payable	-	-	(110.00)	(158.69)	(1.65)	(0.38)	(22.00)	(22.00)	(22.00)	-	-
Trade payables	-	(19.49)	-	-	-	-	-	-	-	-	-

March 31, 2019	Kairos Technologies Inc.	Primentor Inc.	Mr. C V Subramanyam	Mr. C Srikanth	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Mr. Srinath Batni	Ms. Nooraine Fazal	Mr. Sudhakar Pennam	Ms. Sapna Pennam
Transactions during the year											
Professional fees	-	207.97	-	-	-	-	-	-	-	-	-
Remuneration	-	-	240.00	519.92	96.00	12.02	23.00	23.00	23.00	-	-
Director sitting fees	-	-	-	-	-	-	14.00	9.00	12.00	-	-
Interest on loan	-	-	28.65	6.51	-	-	-	-	-	-	-
Repayment of loan	(190.64)	-	(813.75)	(279.00)	-	-	-	-	-	(926.33)	(85.31)
Reimbursement of expenses	-	19.06	-	6.27	-	-	-	-	-	-	
Balances receivable/(payable):											
Remuneration payable	-	-	(120.00)	(159.44)	(1.50)	(0.15)	(23.00)	(23.00)	(23.00)	-	-
Trade payables	-	(8.67)	-	-	-	-	-	-	-	-	-

Key management personnel (Mr. C V Subramanyam and Mr. C Srikanth) have given personal guarantees and personal property as collateral security in favour of bankers in connection with cash credit facility whose closing balance in total is Rs. Rs. 1,336.37 lakhs (March 31, 2019: Rs. 1,094.78 lakhs)

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

34 Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group’s exposure to risks and uncertainties includes:

- Capital management Note 38
- Financial risk management objectives and policies Note 36
- Sensitivity analyses disclosures Notes 30 and 36.

Judgements

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of office premises with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on Group's operations if a replacement asset is not readily available.

Refer to Note 37 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset’s performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 3.1.

(ii) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies (refer note 28).

(iii) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 30.

(iv) Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(v) Allowance for credit losses on receivables and unbilled revenue

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. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered historical pattern of credit loss, the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. Refer Note 2.4(a).

35 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

	Carrying value		Fair value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets				
Investments	4,889.19	-	4,889.19	-
Loans	579.69	526.23	579.69	526.23
Trade receivables	16,441.01	12,369.00	16,441.01	12,369.00
Cash and cash equivalents	762.20	6,146.30	762.20	6,146.30
Bank balances other than cash and cash equivalents	7,950.37	9.91	7,950.37	9.91
Other financial assets	5,249.94	3,131.79	5,249.94	3,131.79
Financial liabilities				
Borrowings	8,377.26	7,368.73	8,377.26	7,368.73
Trade payables	6,014.39	5,618.35	6,014.39	5,618.35
Lease obligation	3,770.23	-	3,770.23	-
Other current financial liabilities	139.58	216.95	139.58	216.95

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value of borrowings approximate their carrying amounts largely since they are carried at floating rate of interest.

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.

36 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group considers a counterparty whose payment is due more than 90 days after the due date as a defaulted party. This is based on considering the market and economic forces in which the entities in the Group are operating. The Group creates provision for the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment beyond a period of 90 days from the due date. In calculating expected credit loss, the Group has also considered historical pattern of credit loss, the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

i. Trade receivables as contract asset:

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. Outstanding customer receivables are regularly monitored. The Group's receivables turnover is quick and historically, there were no significant defaults. Ind AS requires an entity to recognise in profit or loss, 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 in accordance with Ind AS 109. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

At March 31, 2020, the Company had 28 customers (March 31, 2019: 27 customers) that owed the Company more than 1% each of total receivable and accounted for approximately 60% (March 31, 2019: 53%) of all the receivables outstanding. There is one customer (March 31, 2019: Nil) with balance greater than 5% accounting for approximately 6% (March 31, 2019: Nil) of the total amounts receivable.

The Group has adequate provision as at March 31, 2020 amounting to Rs. 241.48 lakhs (As at March 31, 2019: Rs.718.16 lakhs) for receivable where there is no reasonable expectations of recovery. These are however, still subject to enforcement activity.

B Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

March 31, 2020:	On demand	Up to 1 Year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	8,377.26	-	-	-	8,377.26
Trade payables	-	6,014.39	-	-	6,014.39
Finance lease obligation		1,176.25	3,058.70	757.08	4,992.03
Other financial liabilities	-	139.58	-	-	139.58
	8,377.26	**7,330.22**	**3,058.70**	**757.08**	**19,523.26**

March 31, 2019:	On demand	Up to 1 Year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	7,368.73	-	-	-	7,368.73
Trade payables	-	5,618.35	-	-	5,618.35
Other financial liabilities	-	216.95	-	-	216.95
	7,368.73	**5,835.30**	**-**	**-**	**13,204.03**

C Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other market changes. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2020 and March 31, 2019.

C1 . Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's working capital obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on borrowings, as follows:

	Change in basis points		Effect on profit before tax	
	Increase	Decrease	(Decrease)/increase	
March 31, 2020				
Indian Rupees	0.50%	-0.50%	(34.09)	34.09
March 31, 2019				
Indian Rupees	0.50%	-0.50%	(14.37)	14.37

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

C2 . Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities.

a) Details of Unhedged Foreign Currency Exposure:

The year end foreign currency exposures that have not been hedged by a derivative instrument are as under:

		March 31, 2020		March 31, 2019	
	Currency	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.
Cash and cash equivalent	USD	0.03	2.23	0.02	1.50
	ZAR	49.03	204.63	46.98	224.13
	EUR	0.09	7.42	0.39	30.58
	AED	4.83	98.26	1.75	33.02
Trade receivables	USD	2.72	203.32	1.25	86.49
	EUR	3.23	265.20	1.77	137.62
	GBP	-	-	0.18	16.25
	CAD	0.17	8.80	0.20	10.38
	ZAR	38.98	162.68	13.90	66.31
	SGD	1.66	87.14	1.20	61.35
	AED	3.83	77.86	4.59	86.65
	DKK	14.93	164.34	9.20	95.84
Trade payables	ZAR	0.97	4.06	8.86	42.28
	AED	0.14	2.85	0.01	0.19

b) Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, ZAR and AED exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in rate		Effect on profit before tax	
	Increase	Decrease	Increase/(decrease)	
March 31, 2020				
USD	1.00%	1.00%	2.06	(2.06)
EUR	1.00%	1.00%	2.73	(2.73)
ZAR	1.00%	1.00%	3.63	(3.63)
AED	1.00%	1.00%	1.73	(1.73)
March 31, 2019				
USD	1.00%	1.00%	0.88	(0.88)
EUR	1.00%	1.00%	1.68	(1.68)
ZAR	1.00%	1.00%	2.48	(2.48)
AED	1.00%	1.00%	1.19	(1.19)

37 Commitments and Contingencies

a Leases

Group as lessee

The Group has entered into operating leases of office premises with no restrictions and are renewable at the option of either of the parties for a period of 11 months to 5 years. The escalation rates range from 0% to 10% per annum as per the terms of the lease agreement. There are no sub-leases. The Group also has certain leases spaces including guest houses with lease terms of 12 months or less and with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	March 31, 2020
As at April 1, 2019 (recognised on date of transition)	3,653.24
Additions	118.93
Exchange differences	23.16
Amortization	(805.41)
As at March 31, 2020	**2,989.92**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	March 31, 2020
As at April 1, 2019 (recognised on date of transition)	4,313.86
Additions	118.93
Accretion of interest	410.66
Payments	(1,073.22)
As at March 31, 2020	**3,770.23**
Current	816.75
Non-current	2,953.48

The maturity analysis of lease liabilities are disclosed in Note 36.
The effective interest rate for lease liabilities is 4% - 10%, with maturity between 2021-2028

The following are the amounts recognised in profit or loss:

	March 31, 2020
Amortization of Right of use asset	805.41
Interest on lease obligation	410.66
	1,216.07

The Group had total cash outflows for leases of Rs. 1,073.22 lakhs in the current year. The entire amount is in the nature of fixed lease payments. The Group also had non-cash additions to right-of-use assets and lease liabilities of Rs 118.93 lakhs in March 31, 2020 on account of revision of terms of lease with respect to change in the lease payments over the period of the lease.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 34).

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within five years	More than five years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	688.57	757.08	1,445.65
	688.57	**757.08**	**1,445.65**

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is Nil (March 31, 2019: Rs. 9.81 lakhs).

c. Contingent Liabilities

In the earlier years, the Company had made foreign investments aggregating to USD 1,002 equivalent towards equity capital of three foreign subsidiaries without obtaining overseas direct investment (ODI) certificate from RBI. The Company is in the process of obtaining ODI approval from RBI and is in the process of compounding FEMA related non compliances. Based on the nature of these contraventions, the management believes that the matter will not have any material impact on the consolidated financial statements.

38 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. The Group's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

	March 31, 2020	March 31, 2019
Borrowings	8,377.26	7,368.73
Less: Cash and cash equivalents (refer note 8)	(762.20)	(6,146.30)
Bank balances other than cash and cash equivalents (refer note 9)	(7,950.37)	(9.91)
Current investments (refer note 4)	(4,889.19)	-
Net debt	**-**	**1,212.52**
Equity	2,784.63	2,766.43
Other Equity	23,939.09	12,307.88
Total Capital	**26,723.72**	**15,074.31**
Capital and net debt	**26,723.72**	**16,286.83**
Gearing ratio (Net debt/ Capital and net debt)	0%	7%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2020 and March 31, 2019.

39. Statutory group information

	March 31, 2020							
Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount in lakhs	As a % of consolidated profit/(loss)	Amount in lakhs	As a % of consolidated other comprehensive income	Amount in lakhs	As a % of total comprehensive income	Amount in lakhs
Parent – Cigniti Technologies Limited	84.20%	22,500.17	17.03%	2,071.03	73.40%	(161.26)	15.99%	1,909.77
Subsidiaries – Indian				-				
Gallop Solutions Private Limited	0.03%	6.93	0.00%	(0.07)	0.00%	-	0.00%	(0.07)
Subsidiaries – Foreign				-				
Cigniti Technologies Inc., USA	7.36%	1,966.39	77.82%	9,463.11	74.34%	(163.34)	77.89%	9,299.77
Cigniti Technologies (UK) Limited, UK	5.52%	1,474.65	3.93%	478.31	4.31%	(9.46)	3.93%	468.85
Cigniti Technologies (Australia) Pty Ltd, Australia	0.52%	139.23	-0.13%	(16.13)	-50.53%	111.02	0.79%	94.89
Cigniti Technologies (Canada) Inc., Canada	2.37%	636.35	1.35%	163.74	-1.52%	3.33	1.40%	167.07
Net amounts	**100.00%**	**26,723.72**	**100.00%**	**12,159.99**	**100.00%**	**(219.71)**	**100.00%**	**11,940.28**

Name of the entity in the Group	March 31, 2019							
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount in lakhs	As a % of consolidated profit/(loss)	Amount in lakhs	As a % of consolidated other comprehensive income	Amount in lakhs	As a % of total comprehensive income	Amount in lakhs
Parent – Cigniti Technologies Limited	86.64%	13,060.21	17.57%	2,589.26	2.35%	(21.18)	18.56%	2,568.08
Subsidiaries – Indian								
Gallop Solutions Private Limited	0.05%	6.99	-0.02%	(2.34)	0.0%	-	-0.02%	(2.34)
Subsidiaries – Foreign							0.0%	
Cigniti Technologies Inc., USA	1.26%	190.03	71.19%	10,490.13	99.19%	(893.43)	69.37%	9,596.70
Cigniti Technologies (UK) Limited, UK	6.82%	1,027.32	8.91%	1,312.96	0.08%	(0.71)	9.49%	1,312.25
Cigniti Technologies (Australia) Pty Ltd, Australia	1.09%	163.64	0.68%	100.54	-2.47%	22.27	0.89%	122.81
Cigniti Technologies (Canada) Inc., Canada	4.14%	626.12	1.54%	226.56	0.79%	(7.16)	1.58%	219.40
Cigniti Technologies (NZ) Limited	0.00%	-	0.13%	18.65	0.06%	(0.55)	0.13%	18.10
Net amounts	**100.00%**	**15,074.31**	**100.00%**	**14,735.76**	**100.00%**	**(900.76)**	**100.00%**	**13,835.00**

40. Previous period figures have been regrouped/reclassified wherever necessary to conform to the current period classification.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 7, 2020

For and on behalf of the Board of Directors
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 0071378

C Srikanth
Director
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 7, 2020

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Cigniti Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Cigniti Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Impairment assessment of investment in subsidiary (as described in note 4 of the Standalone Financial Statements)</td></tr>
<tr><td>As at March 31, 2020, the Company has investment of Rs. 5,549.49 lakhs in Cigniti Technologies Inc., USA which is tested for impairment annually, using discounted cash-flow models of subsidiary's recoverable value compared to the carrying value. The determination of recoverable amounts of the Company's investments in the subsidiary relies on management's estimates of forecast of future cash flows and their judgment with respect to the forecast of the subsidiary's future performance.

The inputs to the impairment testing model include:

• Projected revenue growth, operating margins and operating cash-flows in the years 1-5;

• Stable long-term growth rates beyond five years and in perpetuity; and

• Discount rates that represent the current market assessment of the risks specific to the subsidiary, taking into consideration the time value of money.

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 and the projected growth rates and the terminal values and subjecting these variables to sensitivity analysis.

The 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 balance to the financial statements as a whole.</td>
<td>Our audit procedures included the following:

• We tested the design, implementation and operative effectiveness of management's key internal controls over investment impairment assessment;

• We assessed the methodology applied by the Company in its impairment analysis. In making this assessment, we also evaluated the competence, professional qualification, objectivity and independence of Company's specialists involved in the process;

• With the assistance of a specialist, we assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used, in consideration of the current and estimated future economic conditions;

• We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used, including the impact of COVID-19;

• We discussed potential changes in key drivers as compared to previous year/ actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable;

• We tested the arithmetical accuracy of the models;

• We assessed the related disclosures as described in note 4 to the financial statements.</td></tr>
</table>

Allowance for credit losses for trade receivables including unbilled revenue (as described in note 36A and of the Standalone Financial Statements)	
As at March 31, 2020 the Company has outstanding trade receivables and unbilled revenue of Rs. 7,576.23 lakhs. 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 has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.	Our audit procedures included the following: • We tested the design, implementation and operative effectiveness of management's key internal controls over allowance for credit losses; • We assessed the completeness and accuracy of the information used in the estimation of probability of default and tested historical payment records, correspondence with customers and subsequent collection of the customers' balances; • We performed analysis of ageing of receivables, tested the mathematical accuracy and computation of the allowance for credit losses; • We assessed the allowance for expected credit loss made by management including the possible effect from the pandemic relating to COVID-19.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included Board's Report 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 Standalone 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 Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 20213271AAAAAV1974

Place: Hyderabad
Date: May 7, 2020

Annexure 1 to the Independent Auditors' Report of even date on the Standalone Financial Statements of Cigniti Technologies Limited

Re: Cigniti Technologies 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) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(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) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made have been complied with by the Company. The Company has not given any loans /guarantees/ provided security to which the provisions of section 185 and 186 of the Act apply.

(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, goods and service tax and other statutory dues applicable to it. The provisions relating to sales tax, duty of custom, 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, 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 information and explanations given to us, there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute.

(viii)In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution 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 way of initial 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 Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 20213271AAAAAV1974

Place: Hyderabad
Date: May 7, 2020

Annexure 2 to the Independent auditor's report of even date on the Standalone Financial Statements of Cigniti Technologies Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Cigniti Technologies Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act. to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Standalone Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

A company's internal financial control over financial reporting with reference to these Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Standalone Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Financial Statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 20213271AAAAAV1974

Place: Hyderabad
Date: May 7, 2020

BALANCE SHEET

AS AT MARCH 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	1,569.59	1,297.14
Intangible assets	3	-	-
Right-to-use Asset	39(a)	2,678.90	-
Financial assets			
Investments	4	6,941.31	6,941.31
Loans	6	515.54	421.53
Other non-current financial assets	7	350.00	-
Other non-current assets	12	-	7.04
		12,055.34	**8,667.02**
Current assets			
Financial assets			
Investments	5	4,889.19	-
Loans	6	0.84	41.58
Trade receivables	8	7,432.00	10,793.97
Cash and cash equivalents	9	365.17	5,208.56
Bank balances other than cash and cash equivalents	10	7,950.37	9.91
Other current financial assets	7	4,316.10	2,879.07
Current tax assets, net	11	258.68	199.82
Other current assets	12	1,471.69	1,100.46
		26,684.04	**20,233.37**
Total Assets		**38,739.38**	**28,900.39**
Equity and liabilities			
Equity			
Equity share capital	13	2,784.63	2,766.43
Other equity	14	26,582.99	21,077.35
		29,367.62	**23,843.78**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease obligation	17	2,771.50	-
Long term provisions	19	900.90	747.47
		3,672.40	**747.47**
Current liabilities			
Financial liabilities			
Borrowings	15	1,336.37	1,094.78
Trade payables	16		
i)total outstanding dues of micro enterprises and small enterprises		-	-
ii)total outstanding dues of creditors other than micro enterprises and small enterprises		1,061.49	967.98
Lease obligation	17	664.81	-
Other current financial liabilities	18	2,220.16	2,044.57
Short term provisions	19	115.63	119.39
Other current liabilities	20	300.90	82.42
		5,699.36	**4,309.14**
Total Equity and Liabilities		**38,739.38**	**28,900.39**
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 7, 2020

For and on behalf of the Board of Directors
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 0071378

C Srikanth
Director
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 7, 2020

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	21	30,033.44	26,088.90
Other income	22	1,356.04	2,759.01
Finance income	23	585.00	143.58
Total income		**31,974.48**	**28,991.49**
Expenses			
Employee benefits expense	24	19,255.22	15,474.37
Other expenses	25	4,860.02	6,218.63
Depreciation and amortisation expense	26	951.97	255.90
Finance costs	27	418.36	325.33
Total expenses		**25,485.57**	**22,274.23**
Profit before tax		**6,488.91**	**6,717.26**
Tax expenses	28		
Current tax		523.44	745.83
Total tax expense		**523.44**	**745.83**
Net profit for the year		**5,965.47**	**5,971.43**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement (losses)/gains on employee defined benefit plans		(161.26)	(21.18)
Total other comprehensive income for the year, net of tax		**(161.26)**	**(21.18)**
Total comprehensive income for the year, net of tax		**5,804.21**	**5,950.25**
Earnings per share (Nominal value of equity share is Rs. 10/- each)	29		
Basic, computed on the basis of profit attributable to equity holders		21.52	21.73
Diluted, computed on the basis of profit attributable to equity holders		21.44	21.56
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 7, 2020

For and on behalf of the Board of Directors
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 0071378

C Srikanth
Director
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 7, 2020

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

a. Equity share capital

Equity Shares of Rs.10 each, issued, subscribed and fully paid	No.	Rs.
As at April 1, 2018	**272.48**	**2,724.80**
Add: Issued during the year (refer note 13)	4.16	41.63
As at March 31, 2019	**276.64**	**2,766.43**
Add: Issued during the year (refer note 13)	1.82	18.20
As at March 31, 2020	**278.46**	**2,784.63**

b. Other equity

	Other components of equity				
	Reserves and surplus			Other comprehensive income	Total
	Securities premium	Share based payment reserve	Retained earnings	Actuarial (losses)/gains	
As at April 1, 2018	**26,218.83**	**2,004.09**	**(13,640.63)**	**(40.41)**	**14,541.88**
Profit for the year	-	-	5,971.43	-	5,971.43
Re-measurement (losses)/gains on employee defined benefit plans	-	-	-	(21.18)	(21.18)
Issue of equity shares on exercise of employee stock options	1,711.66	(1,711.66)	-	-	-
Share-based payment expense	-	585.22	-	-	585.22
As at March 31, 2019	**27,930.49**	**877.65**	**(7,669.20)**	**(61.59)**	**21,077.35**
Impact of adoption of new accounting standard (refer note 2.2)	-	-	(650.12)	-	(650.12)
Profit for the year	-	-	5,965.47	-	5,965.47
Re-measurement losses/ (gains) on employee defined benefit plans	-	-	-	(161.26)	(161.26)
Issue of equity shares on exercise of employee stock options	703.27	(657.27)	-	-	46.00
Share-based payment expense	-	305.55	-	-	305.55
As at March 31, 2020	**28,633.76**	**525.93**	**(2,353.85)**	**(222.85)**	**26,582.99**

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 7, 2020

For and on behalf of the Board of Directors
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 0071378

C Srikanth
Director
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 7, 2020

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities			
Profit before tax		6,488.91	6,717.26
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation on property, plant and equipment		951.97	255.90
Interest income		(439.41)	(143.58)
Income on fair valuation of mutual funds		(145.59)	-
Interest expense and other borrowing cost		413.26	318.26
Unrealised foreign exchange (gain)/ loss, net		(60.44)	356.99
Share based payment expense		303.32	562.56
(Recoveries of)/provision for doubtful trade receivables, net		(108.24)	79.95
Bad debts written off		-	54.85
Liabilities no longer required written back, net		-	(5.37)
Operating profit before working capital changes		**7,403.78**	**8,196.82**
Movements in working capital			
Increase in trade payables		93.52	297.85
Increase/(decrease) in other liabilities		218.46	(675.53)
(Decrease)/ increase in provisions		(11.59)	18.07
Decrease in trade receivables		3,572.04	3,544.10
Increase in other assets		(371.23)	(422.60)
(Increase)/ decrease in loans		(53.27)	1,592.35
Increase in other financial assets		(1,056.40)	(1,132.59)
Increase/ (decrease) in other financial liabilities		81.92	(206.32)
Cash generated from operations		**9,877.23**	**11,212.15**
Income taxes paid (net of refunds)		(582.30)	(1,265.76)
Net cash generated from operating activities	**(A)**	**9,294.93**	**9,946.39**
Cash flows from investing activities			
Purchase of property, plant and equipment		(555.65)	(819.54)
Investments in mutual funds & debentures		(4,743.60)	-
Investment in bank deposits		(10,959.15)	-
Redemption of bank deposits		2,668.69	34.51
Interest received		114.80	270.61
Loan recovered from subsidiary company		-	714.10
Net cash (used in)/ generated from investing activities	**(B)**	**(13,474.91)**	**199.68**
Cash flows from financing activities			
Proceeds from exercise of employee stock options		64.20	41.63
Repayment of long term borrowings		-	(2,037.04)
Interest paid		(17.96)	(345.79)
Payment towards lease obligation		(951.24)	-
Repayment of short term borrowings, net		-	(2,321.10)
Net cash used in financing activities	**(C)**	**(905.00)**	**(4,662.30)**
Net (decrease)/increase in cash and cash equivalents	**(A+B+C)**	(5,084.98)	5,483.77
Cash and cash equivalents at the beginning of the year		4,113.78	(1,369.99)
Cash and cash equivalents at the end of the year		**(971.20)**	**4,113.78**
Components of cash and cash equivalents			
Balances with banks			
-On current accounts		319.24	2,149.97
-Remittance in transit		45.88	31.81
- Deposits with original maturity of less than 3 months		-	3,021.48
Cash on hand		0.05	5.30
Cash credit from banks		(1,336.37)	(1,094.78)
Total cash and cash equivalents (refer note 10.1)		**(971.20)**	**4,113.78**

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 7, 2020

For and on behalf of the Board of Directors
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 0071378

C Srikanth
Director
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 7, 2020

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2020

(All amounts are in Indian Rupees, unless otherwise stated)

1. Corporate information

Cigniti Technologies Limited ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Dwarakapuri Colony, Panjagutta, Hyderabad. The Company is principally engaged in providing software testing services across the world.

The Standalone Financial Statements were authorized for issue in accordance with a resolution of the directors on May 7, 2020.

The World Health Organization (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company has taken measures to enable employees to work from home by mobilizing laptops and desktops with access to secure virtual work environment wherever necessary.

The Company has made a detailed assessment of its liquidity position for the next year and the carrying value of all its assets. Based on current indicators of future economic conditions and considering the various measures announced by the government to support businesses, the Company expects to fully recover the carrying amount of these assets. The potential future impact of the COVID-19 may be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any material changes in future economic conditions and assess the impact on its business.

2. Significant Accounting Policies

2.1 Basis of preparation

The standalone 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), as applicable to the Standalone Financial Statements.

The standalone financial statements have been prepared on a historical cost basis and consistent with previous year subject to changes in accounting policies. The standalone financial statements are presented in INR, and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.2 Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time for the year ended March 31, 2020, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

A. Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application.

Under the modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company has used 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

As at April 1, 2019:

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

For the year ended March 31, 2020:

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets, net of the decrease in 'Property, plant and equipment'). This resulted in increase in Depreciation and Amortization Expenses of Rs. 663.26 lakhs
- Rent expense included in 'Other expenses', relating to previous operating leases, decreased by Rs. 943.76 lakhs
- 'Finance costs' increased by Rs. 387.80 lakhs
- Cash generated from operating activities increased by Rs. 951.24 lakhs and cash flows used in financing activities increased by the same amount, relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities.

B. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its consolidated financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Company.

2.3 Summary of significant accounting policies

(a) Use of Estimates

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in note 35. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

In assessing the recoverability of assets including trade receivables, unbilled receivables and investments, the Company has considered internal and external information upto the date of approval of these standalone financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these standalone financial statements.

(b) 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 realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(c) Foreign currencies

The Company's standalone financial statements are presented in INR, which is the functional currency of the Company.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

(d) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(e) Revenue from contract with customers

The Company derives revenue primarily from software testing services. Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks. Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of contract.

Rendering of services

Revenue from software testing services rendered to its subsidiary companies is recognised on accrual basis for services rendered and billed as per the terms of specific contract, which is on the basis of cost expended plus an agreed profit margin.

The method for recognizing revenues and costs depends on the nature of services rendered to others as mentioned below:

- Time and material: Revenue from time and material contracts are recognised 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 recognised as unbilled revenue.
- Fixed price contracts: Revenue from fixed-price contracts is recognised 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.

Contract balances:

Contract assets (Unbilled revenue)

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Other income

- Income from Government incentive

  Income from Services Exports from India Scheme ('SEIS') incentives under Government's Foreign Trade Policy 2015-20 is recognised on expected realisable value based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to SEIS scrips are classified as 'Other financial assets' as "Export incentive receivable"
- Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.
- Foreign currency gains and losses are reported on net basis.

(f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence 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. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961 issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement under Deferred Tax Asset." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(g) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress, and the related advances are shown as loans and advances.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management has made technical assessment of the useful lives of the following classes of assets which coincides with the lives prescribed under Schedule II of the Companies Act, 2013:

Asset	Useful lives estimated by the management (years)
Buildings	60
Electrical equipment	10
Leasehold improvements	Over the period of lease
Furniture and fixtures	10
Office equipments	5
Computer and computer equipments	3
Vehicles	8

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.

(h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives
Software licenses	Finite (3 years)
Software tools	Finite (3 years)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(i) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

ROU	Useful lives
Office Premises	5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (k) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured 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) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings (see Note 17).

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iv) **Leases under Ind AS 17**

Upto March 31, 2019, a lease was classified at the inception date as a finance lease or an operating lease. A lease that transferred substantially all the risks and rewards incidental to ownership to the Company was classified as a finance lease.

Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognised in finance costs in the statement of profit and loss, unless they were directly attributable to qualifying assets, in which case they were capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals were recognised as expenses in the periods in which they are incurred.

Leases where the lessor effectively retained substantially all the risks and benefits of ownership of the leased item, were classified as operating leases. Operating lease payments were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss. After impairment, amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(l) Provisions, contingent liabilities and commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Contingent liability

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when it cannot be measured reliably.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(m) Retirement and other employee benefits

Retirement benefit in the form of Provident Fund and Employee State Insurance is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Short term employee benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

However, the Company presents the entire provision towards accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(n) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Share-Based Payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at Fair Value Through Profit or Loss (FVPTL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (f) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at Fair Value Through Other Comprehensive Income (FVTOCI)
- Debt instruments, derivatives and equity instruments at FVTPL
- Equity instruments measured at FVTOCI

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) the rights to receive cash flows from the asset have expired, or

b) the Company has transferred its rights to receive cash flows from the asset, and

   i. the Company has transferred substantially all the risks and rewards of the asset, or

   ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- Other financial assets

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts and cash credits.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(q) Segment information

The Company has only one reportable business segment, which is rendering of software testing services. Accordingly, the amounts appearing in the standalone financial statements relate to the Company's single business segment.

(r) Corporate social responsibility

The Company charges its Corporate Social Responsibility expenditure to the statement of profit and loss.

(s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3. Property, plant and equipment and intangible assets

	Property, Plant and Equipment								Intangible assets	
	Buildings	Electrical equipments	Leasehold improvements	Furniture and fixtures	Office equipments	Computer and Computer equipment	Vehicles	Total Property, Plant and Equipment	Software License	Total intangible assets
Cost										
As at April 01, 2018	**193.53**	**186.45**	**102.32**	**84.83**	**96.64**	**440.87**	**2.34**	**1,106.98**	**246.66**	**246.66**
Additions	-	217.97	214.78	223.33	240.97	50.86	-	947.91	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**193.53**	**404.42**	**317.10**	**308.16**	**337.61**	**491.73**	**2.34**	**2,054.89**	**246.66**	**246.66**
Additions	-	87.70	-	23.07	10.35	266.28	173.76	561.16	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**193.53**	**492.12**	**317.10**	**331.23**	**347.96**	**758.01**	**176.10**	**2,616.05**	**246.66**	**246.66**
Depreciation and amortisation										
As at April 01, 2018	**8.11**	**41.49**	**102.32**	**36.40**	**75.40**	**236.92**	**1.21**	**501.85**	**246.66**	**246.66**
Charge for the year	4.25	34.10	11.12	33.05	37.92	134.84	0.62	255.90	-	-
As at March 31, 2019	**12.36**	**75.59**	**113.44**	**69.45**	**113.32**	**371.76**	**1.83**	**757.75**	**246.66**	**246.66**
Charge for the year	4.28	48.71	21.54	39.09	54.02	112.00	9.07	288.71	-	-
As at March 31, 2020	**16.64**	**124.30**	**134.98**	**108.54**	**167.34**	**483.76**	**10.90**	**1,046.46**	**246.66**	**246.66**
Net book value										
As at March 31, 2019	181.17	328.83	203.66	238.71	224.29	119.97	0.51	1,297.14	-	-
As at March 31, 2020	**176.89**	**367.82**	**182.12**	**222.69**	**180.62**	**274.25**	**165.20**	**1,569.59**	**-**	**-**

Pledge on property, plant and equipment:

Property, plant and equipment with a carrying amount of Rs. 1,569.59 (March 31, 2019: Rs. Rs. 1,297.14) are subject to charge to secure cash credit facility from bank.

4 **Investments**

	March 31, 2020	March 31, 2019
A. Trade investments (Valued at cost unless stated otherwise)		
Investment in equity instruments		
Investment in subsidiaries (Unquoted)		
(a) 1,000 (March 31, 2019 : 1,000) equity shares of $ 1 each, fully paid-up in Cigniti Technologies Inc., USA. *	5,549.49	5,549.49
(b) 10,000 (March 31, 2019 : 10,000) equity shares of Rs. 10 each, fully paid-up in Gallop Solutions Private Limited	110.00	110.00
(c) 1 (March 31, 2019 : 1) equity shares of CAD 1 each, fully paid-up in Cigniti Technology Canada Inc., Canada.*	0.00	0.00
(d) 855,001 (March 31, 2019 : 855,001) equity shares of GBP 1 each, fully paid-up in Cigniti Technologies (UK) Limited.	839.57	839.57
(e) 865,001 (March 31, 2019 : 865,001) equity shares of AUD 1 each, fully paid-up in Cigniti Technologies (Australia) Pty Ltd, Australia.	442.25	442.25
(f) 1 (March 31, 2019: 1) equity shares of NZD 1 each, fully paid-up in Cigniti Technologies (NZ) Limited, New Zealand.*	0.00	0.00
Less: Provision for diminution in value of investment in Cigniti Technologies (NZ) Limited, New Zealand	0.00	0.00
Total	**6,941.31**	**6,941.31**
Aggregate amount of unquoted investments	**6,941.31**	**6,941.31**

Notes:

a) Cigniti Technologies (NZ) Limited, New Zealand, wholly owned subsidiary of the Company, was wound up effective January 30, 2019. The Company has made provision for the investment in the subsidiary during the previous year.

b) Investment impairment testing: The carrying amount of the investment is tested annually for impairment using discounted cash-flow models of subsidiary's recoverable value compared to the carrying value. A deficit between the recoverable value and the carrying value of investment would result in impairment. The inputs to the impairment testing model which have the most significant impact on recoverable value include:

- Projected revenue growth, operating margins and operating cash-flows in the years 1-5;

- Stable long-term growth rates beyond five years and in perpetuity; and

- Discount rates that represent the current market assessment of the risks specific to the subsidiary, taking into consideration the time value of money.

Management has considered the impact of economic uncertainties arising from COVID 19 on the projected cash flows.

The impairment test model includes sensitivity testing of key assumptions, including revenue growth, operating margin and discount rate.

Based on the approved business plan and valuation assessment, the management of the Company expects that there will be increase in operations and hence sustained profitability. The projections of the business is above the book value of its investments, indicating no signs of impairment. Accordingly, these financial statements do not include any adjustment relating to impairment of investments.

*c) In the earlier years, the Company had made foreign investments aggregating to USD 1,002 equivalent towards equity capital of three foreign subsidiaries without obtaining overseas direct investment (ODI) certificate from RBI. The Company is in the process of obtaining ODI approval from RBI and is in the process of compounding FEMA related non compliances. Based on the nature of these contraventions, the management believes that the matter will not have any material impact on the standalone financial statements.

Financial assets

There are no loans or deposits received, covered under section 186(4) of Companies Act, 2013.

5 Current investments

	March 31, 2020	March 31, 2019
Valued at fair value through profit and loss		
Investment in debentures, quoted		
Unsecured, considered good	1,992.28	-
Investment in mutual funds, quoted		
Unsecured, considered good	2,896.91	-
	4,889.19	**-**

	March 31, 2020		March 31, 2019	
	Units	Amount	Units	Amount
Mutual Funds and ETF				
HDFC Liquid Fund- Growth	13,237.80	514.11	-	-
DSP Ultra Short Fund- Regular Plan Growth	9,902.40	257.32	-	-
HDFC Ultra Short Term Fund - Regular Plan Growth	23,02,789.10	258.04	-	-
Aditya Birla Sun Life Low Duration Fund - Growth-Direct Plan	1,00,918.64	518.29	-	-
ICICI Prudential Savings Fund- Direct Plan	1,32,407.63	516.88	-	-
Bharat Bond ETF - April 2030 Regular Growth	80,000.00	832.27	-	-
Debentures				
Non-convertible debentures of ECAP Equities Limited	1,775.00	1,992.28	-	-
		4,889.19		

6 Loans

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Unsecured, considered good				
Security deposits	515.54	421.53	0.84	41.58
	515.54	**421.53**	**0.84**	**41.58**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

7 Other financial assets

	Non current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Bank deposits (having original maturity of more than twelve months)	350.00	-	-	-
Unsecured, considered good				
Interest receivable from others	-	-	335.68	11.07
Export incentives receivable (refer note 22)	-	-	2,744.89	1,617.63
Advances/reimbursements receivable from related parties (refer note below)	-	-	1,091.30	1,168.00
Unbilled receivables	-	-	144.23	82.37
	350.00	**-**	**4,316.10**	**2,879.07**

Advances/ reimbursements receivable from related parties (refer note 33)	March 31, 2020	March 31, 2019
Cigniti Technologies Inc.	41.03	20.38
Cigniti Technologies UK Limited	472.60	434.43
Cigniti Technologies Canada Inc.	140.90	247.14
Cigniti Technologies Australia Pty Limited	436.77	466.05
	1,091.30	**1,168.00**

8 Trade receivables

	March 31, 2020	March 31, 2019
Unsecured, considered good		
Receivables from related parties (refer note 33)	6,483.68	10,172.20
Receivables from other parties	948.32	621.77
Unsecured, considered doubtful		
Receivables from related parties (refer note 33)	20.44	20.44
Receivables from other parties	11.54	96.35
Less: Allowance for credit losses	(31.98)	(116.79)
	7,432.00	**10,793.97**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended March 31, 2020, the Company has recorded an allowance for credit loss of Rs. 20.44 lakhs on receivables relating to amounts owed by related party (March 31, 2019: Rs. 20.44 lakhs). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Trade receivables are generally with the credit term of 30 to 90 days and are non interest bearing.

9 Cash and cash equivalents

	March 31, 2020	March 31, 2019
Balance with banks		
- On current accounts	319.24	2,149.97
- Remittance in transit	45.88	31.81
- Deposits with original maturity of less than 3 months	-	3,021.48
Cash on hand	0.05	5.30
	365.17	**5,208.56**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

10 Bank balances other than cash and cash equivalents

	Non current		Current	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Deposits with original maturity for more than 3 months	350.00	-	7,950.37	9.91
Less: Amount disclosed under non-current assets (refer note 7)	(350.00)	-	-	-
	-	**-**	**7,950.37**	**9.91**

10.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

	March 31, 2020	March 31, 2019
Cash and cash equivalents (refer note 9)	365.17	5,208.56
Less: Cash credit facility (refer note 15)	(1,336.37)	(1,094.78)
	(971.20)	**4,113.78**

11 Current tax assets, net

	March 31, 2020	March 31, 2019
Advance income tax (net of provision for tax)	258.68	199.82
	258.68	**199.82**

12 Other assets

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Unsecured, considered good unless stated otherwise				
Capital advances	-	7.04	-	-
Staff advances	-	-	26.13	53.53
Prepaid expenses	-	-	155.64	102.56
Balance with government authorities	-	-	1,289.92	944.37
	-	**7.04**	**1,471.69**	**1,100.46**

No advances are due from directors or other officers of the company or any of them either severally or jointly with any other persons or advances due to firms or private companies respectively in which any director is a partner or a director or a member.

13 Equity share capital

	March 31, 2020	March 31, 2019
Authorized share capital		
36,000,000 (March 31, 2019 : 36,000,000) equity shares of Rs. 10/- each	3,600.00	3,600.00
Issued, subscribed and fully paid-up shares		
27,846,259 (March 31, 2019: 27,664,269) equity shares of Rs. 10/- each fully paid-up	2,784.63	2,766.43
Total issued, subscribed and fully paid-up share capital	**2,784.63**	**2,766.43**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	March 31, 2020		March 31, 2019	
	No's	Amount	No's	Amount
At the beginning of the year	276.64	2,766.43	272.48	2,724.80
Shares issued during the year against stock options	1.82	18.20	4.16	41.63
Outstanding at the end of the year	**278.46**	**2,784.63**	**276.64**	**2,766.43**

(b) Terms/rights attached to equity shares

The Company has one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

	March 31, 2020		March 31, 2019	
Name of the shareholder	No's	% holding	No's	% holding
P. Sapna	34.59	12.42%	34.59	12.42%
C V Subramanyam	30.54	10.97%	29.58	10.62%
C Srikanth	25.00	8.98%	25.00	8.98%
Kukunuru Samba Siva Rao	-	-	16.42	5.90%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 31.

14 Other equity

	March 31, 2020	March 31, 2019
Securities premium		
Opening balance	27,930.49	26,218.83
Add: Issue of equity shares on exercise of employee stock options	703.27	1,711.66
Closing balance	**28,633.76**	**27,930.49**
Share based payment reserve		
Opening balance	877.65	2,004.09
Add: Issue of equity shares on exercise of employee stock options	(657.27)	(1,711.66)
Add: Share-based payment expense	305.55	585.22
Closing balance	**525.93**	**877.65**
Retained earnings		
Opening balance	(7,730.79)	(13,681.04)
Less: Impact of adoption of new accounting standard	(650.12)	-
Add: Profit during the year	5,965.47	5,971.43
Items recognised directly in Other comprehensive income		
Re-measurement loss on employee defined benefit plans (net of tax)	(161.26)	(21.18)
Closing balance	**(2,576.70)**	**(7,730.79)**
	26,582.99	**21,077.35**

Nature and purpose of reserves

14.1 Security premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

14.2 Share based payment reserve

The share-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan. Refer note 32 for further details of these plans.

14.3 Retained earnings

Retained earnings comprises of prior year's undistributed earnings after taxes along with current year profit.

15 Short term borrowings

	March 31, 2020	March 31, 2019
Secured		
Cash credit from banks (refer note below)	1,336.37	1,094.78
	1,336.37	**1,094.78**

Cash credit from banks of Rs. 1,336.37 lakhs (March 31, 2019: Rs 1,094.78 lakhs) is secured by hypothecation of property, plant and equipment, trade receivables of the Company and immovable property of Mr. C V Subramanyam, Managing Director and his relative. The cash credit is secured by personal guarantee of the directors, Mr. C V Subramanyam, Managing Director and Mr. C Srikanth, Director and their relatives. It is repayable on demand and carries floating interest rate of 10.72%p.a. (March 31, 2019: 12.05% p.a.). The Company had available Rs. 163.63 lakhs (March 31, 2019: Rs. 405.22 lakhs) of undrawn committed borrowing facilities as at March 31, 2020.

16 Trade payables

	March 31, 2020	March 31, 2019
Outstanding dues of micro enterprises and small enterprises(refer note 32 for details of dues to micro and small enterprises)	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises	1,061.49	777.33
Outstanding dues to related parties (refer note 33)	-	190.65
	1,061.49	**967.98**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

For explanations on the Company's credit risk management processes, refer to note 36.

17 Lease obligation

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Lease obligation (refer note 39)	2,771.50	-	664.81	-
	2,771.50	**-**	**664.81**	**-**

Interest payable is normally settled monthly throughout the financial year.

18 Other financial liabilities

	March 31, 2020	March 31, 2019
At amortised cost		
Advance from customers	24.04	-
Advances from related parties (refer note 33)	2,163.41	2,010.33
Capital creditors	32.71	34.24
	2,220.16	**2,044.57**

Changes in liabilities arising from financing activities

	April 1, 2019	Cash flows	March 31, 2020
Current borrowings (excluding cash credit facility)	-	-	-
Non- current borrowings	-	-	-
Total liabilities from financing activities	**-**	**-**	**-**

Changes in liabilities arising from financing activities

	April 1, 2018	Cash flows	March 31, 2019
Current borrowings (excluding cash credit facility)	2,321.10	(2,321.10)	-
Non- current borrowings	2,037.04	(2,037.04)	-
Total liabilities from financing activities	**4,358.14**	**(4,358.14)**	**-**

19 Provisions

	Long term		Short term	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provisions for employee benefits				
Provision for gratuity	900.90	747.47	-	-
Provision for leave benefits	-	-	115.63	119.39
	900.90	**747.47**	**115.63**	**119.39**

20 Other current liabilities

	March 31, 2020	March 31, 2019
Statutory dues	300.90	82.42
	300.90	**82.42**

21 Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from software testing services	30,033.44	26,088.90

21.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Year ended March 31, 2020	Year ended March 31, 2019
Related parties	26,784.40	23,278.67
Others	3,249.04	2,810.23
Total revenue from operations	**30,033.44**	**26,088.90**

Notes

a. Income from software testing services rendered to related parties is recognised on accrual basis and billed as per the terms of specific contract, which is on the basis of cost expended plus an agreed profit margin (refer note 2.3.(e) for the revenue recognition policy).

b. Income from software testing services rendered to others mainly comprises of time and material contracts (refer note 2.3.(e) for the revenue recognition policy).

21.2 Contract balances

	March 31, 2020	March 31, 2019
Contract assets		
Trade receivables	7,432.00	10,793.97
Unbilled revenue	144.23	82.37
Contract liabilities		
Advance from customers	24.04	-

Unbilled revenue are initially recognised for the revenue earned in excess of amounts billed to clients as at the balance sheet date. Upon completion of acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities represents the obligation of the Group to perform services for which the entity has received consideration from the customer.

21.3 Performance obligation

The Company has arrangements with the customer which are "time and material" basis. The performance obligation in case of time and material contracts is satisfied over time. Revenue is recognised as and when the services are performed.

The Company also performs work under "fixed-price" arrangements. Revenue from fixed-price contracts is recognised 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.

The payment is due with in 30-90 days from the time the customer accepts the work performed by the Company.

22 Other income

	Year ended March 31, 2020	Year ended March 31, 2019
Export incentive (refer note below)	1,127.26	2,178.57
Exchange differences(net)	115.92	575.07
Recoveries of bad and doubtful receivables	108.24	-
Liabilities no longer required written back	-	5.37
Miscellaneous income	4.62	-
	1,356.04	**2,759.01**

Export incentive for the year ended March 31, 2019 includes Rs. 1,269.34 lakhs pertaining to the period from April 2015 to March 2018 recognised based on the duty scrips received.

23 Finance income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest on bank deposits	439.41	47.16
Income on fair valuation of investments through profit and loss	145.59	-
Interest on loans to related party	-	63.50
Interest on loans to others	-	32.92
	585.00	**143.58**

24 Employee benefits expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	17,881.32	14,050.87
Contribution to provident and other funds (refer note 30)	354.45	332.81
Share-based payment expense	303.32	562.56
Gratuity expense (refer note 30)	392.16	308.03
Staff welfare expenses	323.97	220.10
	19,255.22	**15,474.37**

25 Other expenses

		Year ended March 31, 2020	Year ended March 31, 2019
Power and utility		365.96	383.33
Rent		193.73	1,061.82
Repairs and maintenance		313.83	362.35
Advertising and sales promotion		80.98	120.73
Travelling and conveyance		2,022.53	2,074.42
Communication costs		210.38	125.33
Software licensing cost		698.62	481.90
Sub-contracting charges		292.23	769.20
Legal and professional fees		417.87	494.04
Rates and taxes		39.60	33.13
Insurance		10.08	22.12
Printing and stationery		24.69	21.22
Recruitment expenses		11.30	-
Payment to auditor (refer note below)		83.22	91.24
Bad debts written off			
Less: Reversal of provision for expected credit loss	15.47	-	54.85
Provision for expected credit loss	(15.47)	-	79.95
Corporate social responsibility expenditure (refer note below)		90.00	43.00
Miscellaneous expenses		5.00	-
		4,860.02	**6,218.63**

Payment to Auditor

	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
Audit fee	50.00	60.00
Limited review	30.00	30.00
In other capacity		
Reimbursement of expenses	3.22	1.24
	83.22	**91.24**

Details of Corporate social responsibility expenditure

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Gross amount required to be spent by the Company during the year:	71.47	55.65
(b) Amount spent during the year	**paid in cash**	**paid in cash**
i) Construction/Acquisition of any asset	-	-
ii) On purposes other than (i) above	90.00	43.00

26 Depreciation and amortization expense

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment (refer note 3)	288.71	255.90
Amortization of Right of use asset (refer note 3)	663.26	-
	951.97	**255.90**

27 Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense	25.46	318.26
Interest on lease obligation	387.80	-
Bank charges	5.10	7.07
	418.36	**325.33**

28 Taxes

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2020 and for the year ended March 31, 2019 are:

(i) Statement of profit and loss

	Year ended March 31, 2020	Year ended March 31, 2019
Current income tax		
Current income tax charge	523.44	745.83
Total income tax expense recognised in statement of profit and loss	**523.44**	**745.83**

(ii) OCI Section: Deferred tax related to items recognised in OCI during the year

	Year ended March 31, 2020	Year ended March 31, 2019
Net gain on remeasurement of defined benefit plans	-	-
Income tax charged to OCI	**-**	**-**

(b) Reconciliation of effective tax rate:

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax (A)	6,488.91	6,717.26
Enacted tax rate in India (B)	29.12%	34.94%
Expected tax expenses (C = A*B)	1,889.57	2,347.28
Reconciling items:		
Tax effect on deductible temporary differences and set off of taxable profits for the year against the carry forward of taxable losses	(1,915.78)	(2,362.39)
Tax effect of expenses disallowed under Income Tax Act, 1961	26.21	15.11
Minimum Alternate Tax (MAT) expense	523.44	745.83
Total tax expense	**523.44**	**745.83**
Effective tax rate	8.07%	11.10%

The Company has provided for income tax under Minimum Alternate Tax (MAT) for the year ended March 31, 2020 as it had accumulated tax losses. The deferred tax asset on the tax losses carried forward and deductible temporary differences have not been recognised amounting to Rs. 1,789.55 lakhs (March 31, 2019 Rs. 3,341.32 lakhs) as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Refer note 34 for further details.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company continues to pay income tax under older tax regime and have not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 considering that the Company is paying MAT as it had accumulated tax losses and unabsorbed depreciation.

29 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

	Year ended March 31, 2020	Year ended March 31, 2019
Profit attributable to equity shareholders for basic earnings	5,965.47	5,971.43
Weighted average number of equity shares in computing basic EPS	277.16	274.81
Add: Effect of dilution:		
Employee stock options	1.14	2.10
Weighted Average number of equity shares adjusted for effect of dilution*	278.30	276.92
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	21.52	21.73
- Diluted (Rs.)	21.44	21.56

There have been no other transactions involving equity shares or potential equity shares between the reporting date and date of authorisation of these financial statements.

30 Gratuity and other employee benefits

I Defined Benefit Plans

The Company has a defined benefit gratuity plan governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded through a policy with LIC. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

A) Net employee benefit expense (recognised in Employee benefits expenses)

	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	340.10	255.53
Past service cost	-	-
Interest cost	70.24	53.18
Expected return on plan assets	(18.18)	(0.68)
Net employee benefit expenses	**392.16**	**308.03**
Actual return on plan asset	18.18	0.68

B) Amount recognised in the Balance Sheet

	March 31, 2020	March 31, 2019
Defined benefit obligation	1,515.63	1,008.45
Fair value of plan assets	614.73	260.98
	900.90	**747.47**

C) Changes in the present value of the defined benefit obligation

	March 31, 2020	March 31, 2019
Opening defined benefit obligation	1,008.45	729.02
Current service cost	340.10	255.53
Past service cost	-	-
Interest cost	70.24	53.18
Benefits paid	(64.42)	(50.46)
Net Actuarial losses on obligation for the year recognised under OCI	161.26	21.18
Closing defined benefit obligation	**1,515.63**	**1,008.45**

D) Change in the fair value of plan assets

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	260.98	9.30
Investment income	18.18	0.68
Employer's contribution	377.00	251.00
Return on plan assets, excluding amount recognised in net interest expense	(41.43)	-
Closing fair value of plan assets	**614.73**	**260.98**

The Company expects to contribute Rs. 350.00 lakhs to the gratuity fund in the next year (March 31, 2019: Rs. 350.00 lakhs).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2020	March 31, 2019
Investments with LIC	100.00%	100.00%

E) Remeasurement adjustments:

	Year ended March 31, 2020	Year ended March 31, 2019
Experience loss on plan liabilities	50.28	1.18
Financial loss on plan liabilities	110.58	20.00
Demographic loss on plan liabilities	0.40	-
Remeasurement losses recognised in other comprehensive income:	**161.26**	**21.18**

(i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

	March 31, 2020	March 31, 2019
Discount rate	5.65%	6.95%
Expected rate of return on assets	6.97%	7.31%
Salary rise	12.00%	12.00%
Attrition Rate	20.00%	20.00%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

(ii) Disclosure related to indication of effect of the defined benefit plan on the entity's future cashflows:

Year ending	March 31, 2020	March 31, 2019
Expected benefit payments for the year ending:		
1 year	198.25	136.49
2-5 years	770.23	544.80
6-10 years	639.31	472.63
More than 10 years	637.10	470.92

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2019: 6 years).

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

	March 31, 2020	March 31, 2019
(a) Effect of 1% change in assumed discount rate		
- 1% increase	86.50	55.32
- 1% decrease	(96.32)	(61.32)
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	(80.15)	(53.24)
- 1% decrease	76.30	50.27
(c) Effect of change by 50% of attrition rate		
- increase by 50% of the attrition rate	222.05	138.09
- decrease by 50% of the attrition rate	(524.02)	(292.30)

II Defined contribution plan

	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to provident and other funds	354.45	332.81

31 Share based payments

Under the Employee Stock Option Plan, the Company, at its discretion, may grant share options of employees of the Company. The remuneration committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period ranging from 1 to 4 years subject to fulfilment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price equal to the face value. The fair value of share options granted is estimated at the date of grant using a Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. It takes into account historical and expected dividends, and the share price fluctuation covariance of the Company and its competitors to predict the distribution of relative share performance.

The expense recognised for employee services received during the year is shown in the following table:

	Year ended March 31, 2020	Year ended March 31, 2019
Expense arising from equity-settled share-based payment transactions*	305.55	585.22

*The above expense include expense arising from equity-settled share-based payment transactions of the subsidiaries amounting to Rs. 2.22 lakhs (March 31, 2019: Rs 22.66 lakhs).

Movements during the year: The following table illustrates movements in share options during the year:

	March 31, 2020					March 31, 2019				
	Grant 2011	Grant 2013	Grant 2014-I	Grant 2014-II	Grant 2015	Grant 2011	Grant 2013	Grant 2014-I	Grant 2014-II	Grant 2015
Total No. of options under the scheme	15.00	10.00	20.00	5.00	5.00	15.00	10.00	20.00	5.00	5.00
Outstanding at April 01	0.07	-	0.39	2.50	1.60	2.31	-	1.15	3.75	-
Granted during the year	-	-	-	-	-	-	-	-	-	1.60
Forfeited during the year	-	-	-	-	0.08	-	-	0.09	-	-
Exercised during the year	0.07	-	0.30	1.25	0.20	2.24	-	0.67	1.25	-
Expired during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at March 31	-	-	0.09	1.25	1.33	0.07	-	0.39	2.50	1.60
Exercisable at March 31	-	-	0.09	-	0.20	-	-	0.13	-	-

The weighted average share price at the date of exercise of these options was Rs 288.80 (March 31, 2019: Rs 317.48)

The following table lists the weighted average remaining contractual life for the share options as at March 31, 2020 and as at March 31, 2019

	March 31, 2020	March 31, 2019
Grant 2011	-	4.76
Grant 2014-I	2.38	3.96
Grant 2014-II	4.76	5.26
Grant 2015	2.84	3.64

There were no options granted during the year. The weighted average fair value of options granted during the previous year ended March 31, 2019 was Rs 91.88.

The range of exercise prices for the options outstanding at the beginning, forfeited, exercised, expired and outstanding at the end of the year is Rs 10-Rs 240 (March 31, 2019: Rs 10-Rs 240).

The following tables list the inputs to the models used for the previous year ended March 31, 2019. There are no grants during the current year

	March 31, 2019
	Scheme 2015
Dividend yield	0%
Expected volatility	38.45% - 41.36%
Risk-free interest rate	7.30% - 7.91%
Expected life of options granted in years	2 - 5 years
Weighted average share price	91.88
Model used	Black-Scholes model

The expected life of the stock is based on the historical data and current expectations and is not necessarily indicative of exercise pattern that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

32 The Company has not dealt with any party as defined under the provisions of Micro, Small and Medium Enterprises Development Act, 2006 during the current and previous year.

33 Related party disclosures

Names of related parties and description of relationship	
Name of the related party	**Relationship**
Subsidiaries	
Cigniti Technologies Inc., USA	100% wholly owned subsidiary
Cigniti Technologies (Canada) Inc., Canada	100% wholly owned subsidiary
Cigniti Technologies (UK) Limited, UK	100% wholly owned subsidiary
Cigniti Technologies (Australia) Pty Ltd, Australia	100% wholly owned subsidiary
Cigniti Technologies (NZ) Ltd, New Zealand	100% wholly owned subsidiary
Gallop Solutions Private Limited, India	100% wholly owned subsidiary
Enterprise over which Key Management Personnel exercise significant influence.	
Kairos Technologies Inc. (upto May 16, 2017)	Enterprise over which Key Management Personnel exercise significant influence.
Key Management Personnel	
Mr. C V Subramanyam	Chairman & Managing Director
Mr. Sudhakar Pennam (resigned w.e.f from May 17, 2017)	Director
Mr. C Srikanth	Non-Executive Director
Mr. Krishnan Venkatachary	Chief Financial Officer
Ms. Naga Vasudha	Company Secretary
Mr. Ram Krishna Agarwal	Independent director
Mr. Phaneesh Murthy	Independent director
Ms. Nooraine Fazal	Independent director
Mr. Srinath Batni	Independent director
Mr. K CH Subbarao	Independent director

Relatives of key managerial personnel

Ms Sapna Pennam	Wife of Mr. Sudhakar Pennam

Transactions/ balances with above mentioned related parties

For the year ended March 31, 2020

Subsidiaries

	Cigniti Technologies Inc., USA	Cigniti Technologies (Canada) Inc., Canada	Cigniti Technologies (UK) Limited, UK	Cigniti Technologies (Australia) Pty Ltd, Australia	Cigniti Technologies (NZ) Limited, New Zealand	Gallop Solutions Pvt. Ltd, India	Kairos Technologies Inc.
Transactions							
Rendering of software testing services	22,653.54	830.41	2,999.14	301.31	-	-	-
Reimbursement of expenses	18.33	9.74	35.31	2.18	-	0.01	-
Balances outstanding receivable/ (payable)							
Trade receivable	4,687.20	208.69	1,458.81	128.98	20.44	-	-
Advance receivable	41.03	140.90	472.60	436.77	-	-	-
Advance payable	(2,110.52)	-	-	-	-	(52.89)	-
Investments	5,549.49	0.00	839.57	442.25	0.00	110.00	-

Key Management Personnel

	Mr. C V Subramanyam	Mr. C Srikanth	Mr. Sudhakar Pennam	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni
Transactions								
Remuneration	330.00	-	-	106.60	15.03	22.00	22.00	22.00
Director sitting fees	-	-	-	-	-	13.00	12.00	12.00
Balances outstanding receivable/ (payable)								
Remuneration payable	(110.00)	-	-	(1.65)	(0.38)	(22.00)	(22.00)	(22.00)

For the year ended March 31, 2019

Subsidiaries

	Cigniti Technologies Inc., USA	Cigniti Technologies (Canada) Inc., Canada	Cigniti Technologies (UK) Limited, UK	Cigniti Technologies (Australia) Pty Ltd, Australia	Cigniti Technologies (NZ) Limited, New Zealand	Gallop Solutions Pvt. Ltd, India	Kairos Technologies Inc.
Transactions							
Rendering of software testing services	19,684.31	567.68	2,690.80	335.88	-	-	-
Interest on loan	63.50	-	-	-	-	-	-
Reimbursement of expenses	139.81	10.33	41.94	4.55	(3.51)	(21.96)	3.35
Balances outstanding receivable/ (payable)							
Trade receivable	8,497.05	214.00	1,267.48	193.67	20.44	-	-
Advances to related parties	20.38	247.14	434.43	466.05	-	-	-
Advances from related parties	(1,957.43)	-	-	-	-	(52.90)	-
Investments	5,549.49	0.00	839.57	442.25	-	110.00	-

Key Management Personnel

	Mr. C V Subramanyam	Mr. C Srikanth	Mr. Sudhakar Pennam	Mr. Krishnan Venkatachary	Ms. Naga Vasudha	Mr. Ram Krishna Agarwal	Ms. Nooraine Fazal	Mr. Srinath Batni
Transactions								
Remuneration	240.00	-	-	96.00	12.02	23.00	23.00	23.00
Director sitting fees	-	-	-	-	-	14.00	12.00	9.00
Repayment of loan	(813.75)	(279.00)	(500.00)	-	-	-	-	-
Interest on loan	28.65	6.51	-	-	-	-	-	-
Balances outstanding receivable/ (payable)								
Remuneration payable	(120.00)	-	-	(1.50)	(0.15)	(23.00)	(23.00)	(23.00)

Key management personnel (Mr. C V Subramanyam and Mr. C Srikanth) have given personal guarantees and personal property as collateral security in favour of bankers in connection with cash credit facility whose closing balance in total is Rs. Rs. 1,336.37 lakhs (March 31, 2019: Rs. 1,094.78 lakhs).

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

34 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

• Capital management Note 38

• Financial risk management objectives and policies Note 36

• Sensitivity analyses disclosures Notes 30 and 36.

Judgements

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal period as part of the lease term for leases of office premises with shorter non-cancellable period (i.e., three to five years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on Company's operations if a replacement asset is not readily available.

Refer to Note 39 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies (Refer note 28).

(ii) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 30.

(iii) Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(iv) Allowance for credit losses on receivables and unbilled revenue

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. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Compnay has also considered historical pattern of credit loss, the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. Refer Note 2.3(a)

35 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value		Fair value	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Financial assets				
Investments	4,889.19	-	4,889.19	-
Loans	516.38	463.11	516.38	463.11
Trade receivables	7,432.00	10,793.97	7,432.00	10,793.97
Cash and cash equivalents	365.17	5,208.56	365.17	5,208.56
Bank balances other than cash and cash equivalents	7,950.37	9.91	7,950.37	9.91
Other financial assets	4,666.10	2,879.07	4,666.10	2,879.07
Financial liabilities				
Borrowings	1,336.37	1,094.78	1,336.37	1,094.78
Lease obligation	3,436.31	-	3,436.31	-
Other financial liabilities	2,220.16	2,044.57	2,220.16	2,044.57
Trade payables	1,061.49	967.98	1,061.49	967.98

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value of borrowings approximate their carrying amounts largely since they are carried at floating rate of interest.

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.

36 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

The Company considers a counterparty whose payment is due more than 90 days after the due date as a defaulted party. This is based on considering the market and economic forces in which the entities in the Company are operating. The Company creates provision for the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment beyond a period of 90 days from the due date. In calculating expected credit loss, the Company has also considered historical pattern of credit loss, the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

i. Trade receivables:

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. 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 by customer. Limits and scoring attributed to customers are reviewed on periodic basis. Outstanding customer receivables are regularly monitored. The Company's receivables turnover is quick and historically, there were no significant defaults. Ind AS requires an entity to recognise in profit or loss, 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 in accordance with Ind AS 109. The Company assesses at each date of statements of financial position whether a financial asset or a Company of financial assets is impaired. Expected credit losses are measured at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

At March 31, 2020, the Company had 19 customers (March 31, 2019: 17 customers) that owed the Company more than 1% each of total receivable from parties other than related parties and accounted for approximately 97% (March 31, 2019: 96%) of receivables outstanding pertaining to other parties. There were 7 customers (March 31, 2019: 8 customers) with balances greater than 5% each accounting for approximately 74% (March 31, 2019: 76%) of total amounts receivable from parties other than related parties.

The Group has adequate provision as at March 31, 2020 amounting to Rs. 31.98 lakhs (As at March 31, 2019: Rs. 116.79 lakhs) for receivable where there is no reasonable expectations of recovery. These are however, still subject to enforcement activity.

B Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

March 31, 2020:	On demand	< 1 year	1 to 5 years	> 5 years	Total
Contractual undiscounted payments					
Borrowings	1,336.37	-	-	-	**1,336.37**
Lease obligation	-	1,007.86	2,867.68	757.08	**4,632.62**
Trade payables	-	1,061.49	-	-	**1,061.49**
Other financial liabilities	-	2,220.16	-	-	**2,220.16**
	1,336.37	**4,289.51**	**2,867.68**	**757.08**	**9,250.64**
March 31, 2019:					
Contractual undiscounted payments					
Borrowings	1,094.78	-	-	-	**1,094.78**
Trade payables	-	967.98	-	-	**967.98**
Other financial liabilities	-	2,044.57	-	-	**2,044.57**
	1,094.78	**3,012.55**	**-**	**-**	**4,107.33**

C **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other market changes. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2020 and March 31, 2019.

C1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's working capital obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on borrowings, as follows:

	Change in basis points		Effect on profit before tax	
	Increase	Decrease	Decrease	Increase
31-Mar-20				
Indian Rupees	+0.5%	-0.50%	(0.79)	0.79
31-Mar-19				
Indian Rupees	+0.5%	-0.50%	(10.91)	10.91

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

C2. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

a) Details of Unhedged Foreign Currency Exposure:

The year end foreign currency exposures that have not been hedged by a derivative instrument are as under -

		March 31, 2020		March 31, 2019	
	Currency	**Amount in Foreign Currency**	**Amount in Rs.**	**Amount in Foreign Currency**	**Amount in Rs.**
Cash and cash equivalent	USD	0.01	0.95	0.00	0.32
	AED	4.83	98.26	1.75	33.04
	ZAR	49.03	204.63	46.98	224.12
Trade receivables	USD	65.21	4,873.91	123.72	8,576.50
	GBP	15.77	1,458.81	14.22	1,283.68
	AUD	2.81	128.98	3.94	193.67
	CAD	3.96	208.69	4.12	214.00
	ZAR	38.98	162.68	13.90	66.29
	SGD	1.66	87.14	1.20	61.40
	DKK	14.93	164.34	9.20	95.84
	AED	3.29	66.98	4.59	86.65
	EUR	0.02	1.52	-	-
Advances recoverable in cash or kind	USD	0.55	41.03	0.29	20.38
	GBP	5.11	472.60	4.81	434.43
	AUD	9.52	436.77	9.47	466.05
	CAD	2.67	140.90	4.76	247.14
Advance from related parties	USD	28.24	2,110.52	28.24	1,957.43
Trade payables	ZAR	0.97	4.06	8.86	42.28
	AED	0.14	2.77	0.01	0.09

b) Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP and ZAR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in exchange rate		Effect on profit/(loss) before tax	
	Increase	Decrease	Increase/(Decrease)	
March 31, 2019				
USD	1.00%	1.00%	28.05	(28.05)
GBP	1.00%	1.00%	19.31	(19.31)
ZAR	1.00%	1.00%	3.63	(3.63)
March 31, 2018				
USD	1.00%	1.00%	66.40	(66.40)
GBP	1.00%	1.00%	17.18	(17.18)
ZAR	1.00%	1.00%	2.48	(2.48)

37 Segment reporting

The Company has only one reportable business segment, which is rendering of software testing services. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

Geographical information

a) Revenue	March 31, 2020	March 31, 2019
Revenue from related parties		
US	22,653.54	19,684.31
Others	4,130.86	3,594.36
Revenue from external customers		
India	968.73	1,079.62
Outside India	2,280.31	1,730.61

b) Assets: All the non-current assets are located in India.

No single external customer revenue is more than 10% of the Company's revenue.

38 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The Company's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

	March 31, 2020	March 31, 2019
Borrowings	1,336.37	1,094.78
Less: Cash and cash equivalents (refer note 9)	(365.17)	(5,208.56)
Bank balances other than cash and cash equivalents (refer note 10)	(7,950.37)	(9.91)
Current inveestments (refer note 5)	(4,889.19)	-
Net debt	**-**	**-**
Equity	2,784.63	2,766.43
Other Equity	26,582.99	21,077.35
Total Capital	**29,367.62**	**23,843.78**
Capital and net debt	**29,367.62**	**23,843.78**
Gearing ratio (Net Debt/ Total Equity)	0%	0%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019

39 Commitments and contingencies

a. Leases

Company as lessee

The Company has entered into operating leases of office premises with no restrictions and are renewable at the option of either of the parties for a period of 11 months to 5 years. The escalation rates range from 0% to 10% per annum as per the terms of the lease agreement. There are no sub-leases. The Company also has certain leases spaces including guest houses with lease terms of 12 months or less and with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	March 31, 2020
As at April 1, 2019 (recognised on date of transition)	3,223.23
Additions	118.93
Amortization	(663.26)
As at March 31, 2020	**2,678.90**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year:

	March 31, 2020
As at April 1, 2019 (recognised on date of transition)	3,873.35
Additions	118.93
Accretion of interest	387.80
Payments	(943.77)
As at March 31, 2020	**3,436.31**
Current	664.81
Non-current	2,771.50

The maturity analysis of lease liabilities are disclosed in Note 36.

The effective interest rate for lease liabilities is 10%, with maturity between 2021-2028

The following are the amounts recognised in profit or loss:

	March 31, 2020
Amortization of Right of use asset	663.26
Interest on lease obligation	387.80
	1,051.06

The Company had total cash outflows for leases of Rs. 943.77 lakhs in March 31, 2020. The entire amount is in the nature of fixed lease payments. The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs 118.93 lakhs in March 31, 2020 on account of revision of terms of lease with respect to change in the lease payments over the period of the lease.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 34).

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within five years	More than five years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	688.57	757.08	1,445.65
	688.57	**757.08**	**1,445.65**

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2020 is Rs. Nil (March 31, 2019 : Rs. 9.81 lakhs)

c. Contingent liabilities

The contingent liabilities outstanding as at March 31, 2020 is Rs. Nil (March 31, 2019: Rs. Nil)

40 Previous period figures have been regrouped/reclassified wherever necessary to conform to the current period classification.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No: 101049W/E300004
Chartered Accountants

per Shankar Srinivasan
Partner
Membership No. 213271

Place: Hyderabad
Date: May 7, 2020

For and on behalf of the Board of Directors
Cigniti Technologies Limited

C V Subramanyam
Chairman & Managing Director
DIN: 0071378

C Srikanth
Director
DIN: 06441390

Krishnan Venkatachary
Chief Financial Officer

A. Naga Vasudha
Company Secretary

Place: Hyderabad
Date: May 7, 2020

Software Quality | Assured